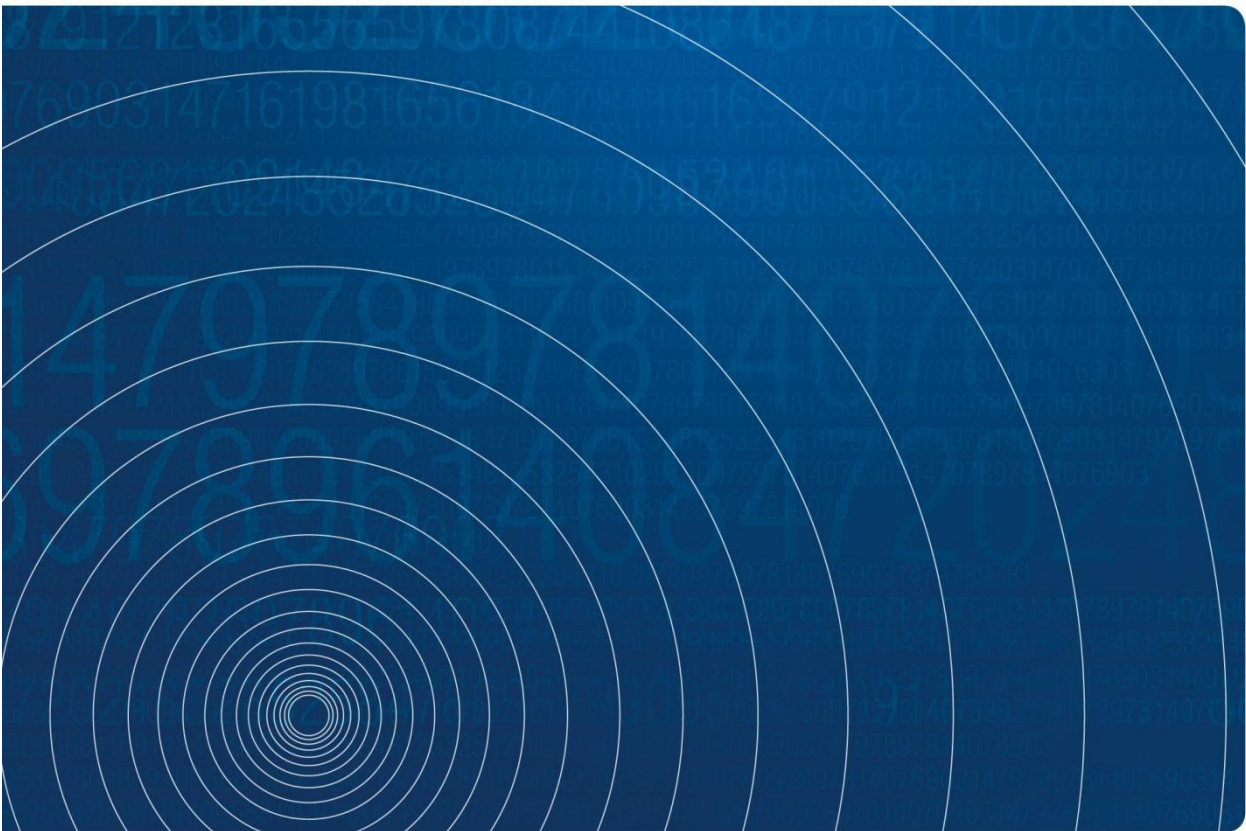




**Australian Government**  
**Australian Accounting Standards Board**

# 2010-11

# Annual Report





# **Australian Accounting Standards Board**

Annual Report 2010-11

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## LETTER OF TRANSMITTAL

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4 October 2011

The Honourable Wayne Swan, MP  
Deputy Prime Minister and Treasurer  
Parliament House  
Canberra ACT 2600

Dear Deputy Prime Minister

I have pleasure in presenting the annual report of the Australian Accounting Standards Board (AASB) and the Office of the Australian Accounting Standards Board for the year ended 30 June 2011.

The report has been prepared in accordance with Part 12 Division 3 of the *Australian Securities and Investments Commission Act 2001* (ASIC Act) and the *Financial Management and Accountability Act 1997* (FMA Act).

Section 235J of the ASIC Act requires me to prepare a report of the operations of the AASB and the Office of the AASB during the year, and on the achievement of the objects of Part 12 of the ASIC Act relating to accounting standards. The report must be tabled in each House of the Parliament as soon as practicable.

Yours sincerely



Kevin Michael Stevenson  
Chairman, Australian Accounting Standards Board  
CEO, Office of the Australian Accounting Standards Board



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## ABBREVIATIONS

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The following abbreviations are used throughout this report:

AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
ANAO	Australian National Audit Office
AOSSG	Asian-Oceanian Standard-Setters Group
APRA	Australian Prudential Regulatory Authority
ASB	Accounting Standards Board – United Kingdom
ASIC	Australian Securities and Investments Commission
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
ASRB	Accounting Standards Review Board – New Zealand
ASX	Australian Securities Exchange
AUASB	Auditing and Assurance Standards Board
CAC Act	<i>Commonwealth Authorities and Companies Act 1997</i>
CDS	Commonwealth Disability Strategy
CLERP	Corporate Law Economic Reform Program
CLERP 9 Act	<i>Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004</i>
EFRAG	European Financial Reporting Advisory Group
FASB	Financial Accounting Standards Board – USA
FMA Act	<i>Financial Management and Accountability Act 1997</i>
FMO	Finance Minister’s Orders
FRC	Financial Reporting Council
FRLI	Federal Register of Legislative Instruments
FRSB	Financial Reporting Standards Board – New Zealand
FSF	Financial Stability Forum
GAAP	Generally accepted accounting principles
GFC	Global financial crisis

## **ABBREVIATIONS (CONTINUED)**

GFS	Government finance statistics
GGS	General government sector
GLASS	Group of Latin-American Accounting Standard Setters
GST	Goods and services tax
HoTARAC	Heads of Treasuries Accounting and Reporting Advisory Committee
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICAA	The Institute of Chartered Accountants in Australia
IFRIC	International Financial Reporting Interpretations Committee, now known as IFRS Interpretations Committee
IFRS	International Financial Reporting Standards
IPA	Institute of Public Accountants
IPSASB	International Public Sector Accounting Standards Board
MoU	Memorandum of Understanding
NFP	Not-for-profit
NSS	National Standard Setters
RDR	Reduced disclosure requirements
RIS	Regulation Impact Statement
SAC	Standards Advisory Council (of the IASB)
SPFR	Special purpose financial report
TTAASAG	Trans-Tasman Accounting and Auditing Standards Advisory Group

## **CONTACT DETAILS**

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Australian Accounting Standards Board

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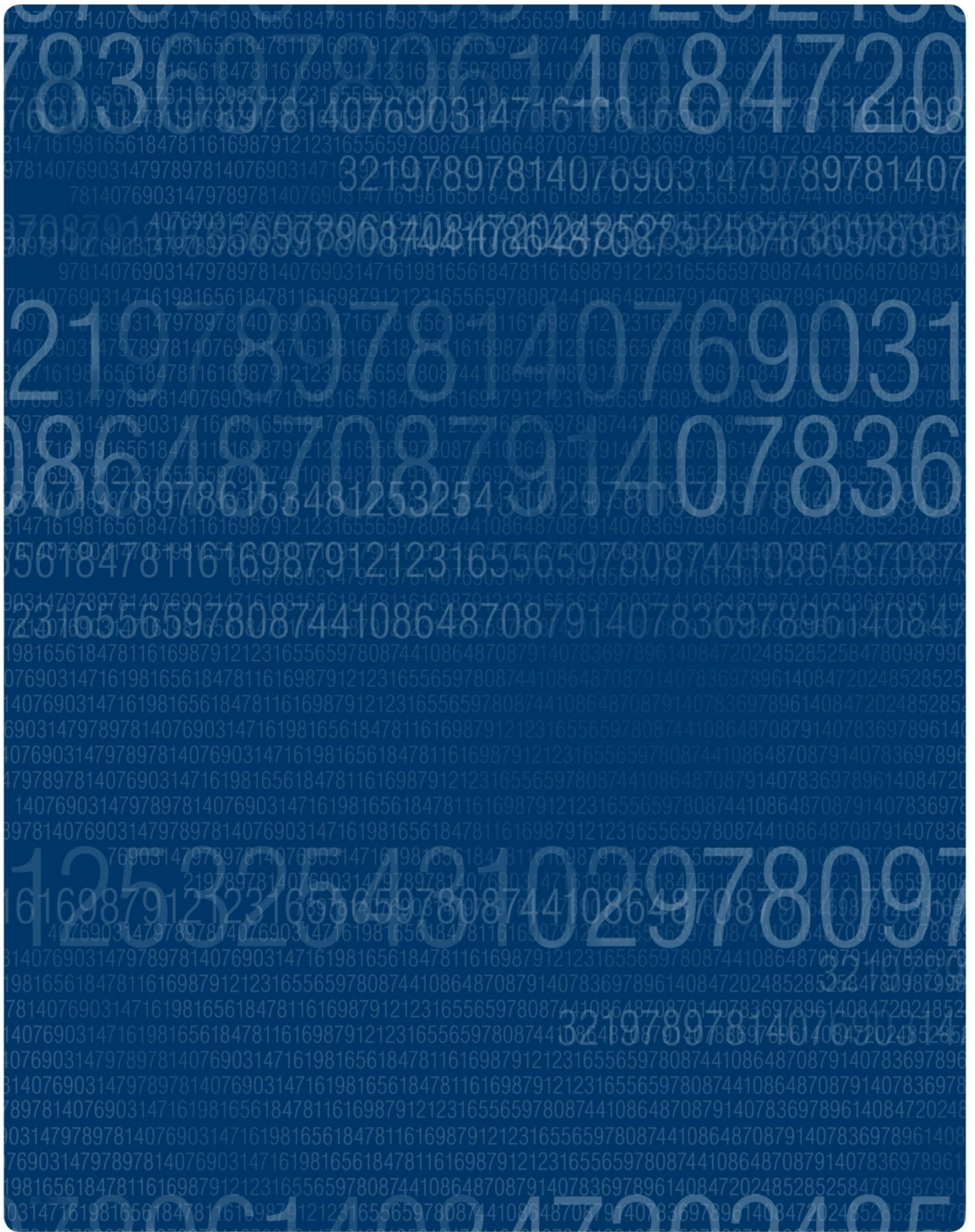
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# Chairman's review





# CHAIRMAN'S REVIEW

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## INTRODUCTION



2010-11 lived up to its promise of being an extremely hectic year as we saw the combined effects of the fallout of the global financial crisis and the G20 reactions thereto, the stepping up of moves towards converging IFRS and US GAAP, heightened activity in public and not-for-profit sectors and the progress towards culmination of some very long running major projects. There have been few periods, if any, in the past when so many cross cutting and important issues have been debated at once. And it is likely this situation will continue for another 12 to 18 months.

Preparers and auditors can take some comfort from the fact that none of the major changes coming will have an early application date. There will be a number of years in which to make transitions.

During the year, the AASB issued 11 new and amending standards, 17 exposure drafts and discussion papers, and made 14 formal submissions to the IASB and IPSASB. Members and staff of the AASB held several public roundtable discussions and presented to outside groups on more than 20 occasions. The AASB has also commented on reviews conducted by the Trustees of the IASB and the Monitoring Board.

The strategies of the AASB reported on in 2010 and remaining as our focus have been:

- keeping pace with the IASB as it has dealt with financial reporting issues highlighted during the global financial crisis and as a result of IFRS/US GAAP convergence projects
- actively building the public sector work program
- extending the Board's work on private sector not-for-profit reporting
- bedding down the reduced disclosure requirements (RDR) for differential reporting, in both the private and public sectors, and commencing detailed research into the use of special purpose financial reporting
- closely monitoring and participating in the development of conceptual frameworks by the IASB, FASB and IPSASB

- completing the harmonisation of Tier 1 for-profit reporting requirements in Australia and New Zealand, as well as setting up the pre-conditions for Tier 2 for-profit harmonisation
- conducting the post-implementation review of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*
- increasing its influence internationally, especially in Asia-Oceania and with the IASB, FASB, IPSASB and other domestic standard-setters
- working with the Financial Reporting Council on its strategic plan and taskforce projects
- ensuring the AASB's resources and processes are both adequate and sustainable and that its processes are open and accessible.

Comments on key developments and highlights are set out below.

## **IASB CORE PROJECTS – FINANCIAL INSTRUMENTS**

As reported last year, the IASB chose to replace IAS 39 on financial instruments in stages, with the major ones being classification and measurement, impairment and hedging. By 30 June 2011, it had issued IFRS 9 on classification and measurement of financial assets, and exposed proposals for impairment of financial assets (twice), hedging and the set-off of financial assets and liabilities.

The AASB matched the IASB due process on each set of proposals and submitted comments, as well as engaging in discussions with advisory panels, constituents, IASB board members and IASB staff. The Chair and Technical Director also met with FASB members and staff on a number of occasions.

By 30 June 2011, the IASB was well progressed with its general hedging proposals and was further refining its approach to impairment. A further exposure draft is due on macro-hedging.

The IASB decided during the year to forego its ambitious target of completing all core projects by 30 June 2011, a decision encouraged and supported by the AASB.

The AASB acts as lead jurisdiction in the work of the Asian-Oceanian Standard-Setters Group (AOSSG) on financial instruments, preparing draft submissions and gathering views from the working group and other members of the 25 member AOSSG.

## **IASB – OTHER CORE PROJECTS**

The AASB was heavily involved through the year on the IASB projects on revenue from contracts with customers, leasing and insurance, making multiple submissions



and engaging with IASB board members and staff on these topics, as well as completing due process with local constituents. Again we also participated in the work of the AOSSG on these topics.

At 30 June 2011, we are expecting re-exposure on at least two of these three topics.

## **BUILDING THE PUBLIC SECTOR WORK PROGRAM**

The AASB indicated last year that it intended to rejuvenate the public sector agenda to respond to the needs expressed by constituents. The Board now has the following projects under way:

- control in the public sector and for NFP entities in the private sector
- reporting by general government sector reporting entities (including GFS aspects)
- service performance reporting (see next section)
- income of NFP entities, formerly income from non-exchange transactions
- related party disclosures
- service concession arrangements – grantor perspective
- development of the conceptual framework.

The AASB assists in briefing the Australian and New Zealand representatives, respectively Tim Youngberry and Ken Warren, for each IPSASB meeting and provides a senior project manager, Clark Anstis, as a technical advisor for those meetings and related working-group meetings. Board members and staff met with the IPSASB Chair and board members on a number of occasions during the year. A workshop involving three representatives of the IPSASB and the AASB Chair and staff was held at the AASB offices.

## **PRIVATE-SECTOR NOT-FOR-PROFIT REPORTING**

Most of the projects undertaken by the Board have implications for the not-for-profit (NFP) private sector, given the Board's policy on transaction neutrality.

From a recognition and measurement perspective, of particular note is the Board's work on income from non-exchange transactions (Income of NFP Entities). The Board is in the process of preparing a further exposure draft, which is being based on the current thinking of the IASB in its project on revenue from contracts with customers, adapted for the non-exchange issue. This ED follows an earlier exposure draft based on an IPSASB standard that did not gain acceptance among commentators and which has been somewhat overtaken by the newer IASB thinking on revenue.

The work on the differential reporting project completed in June 2010 continues to offer particular benefits to the not-for-profit private sector. The AASB expects most entities in this sector to be able to use Tier 2 reduced disclosure reporting.

Additionally, the AASB is undertaking a major project that is focusing on service performance reporting issues. A significant amount of research has been undertaken to-date, and the objective now is to consider whether principles around service performance can be developed and the role the Board should play in specifying such principles.

The Board expects the work on performance reporting to be just as relevant in the public sector and will address this issue in due course. The AASB also continues to monitor and contribute to IPSASB work on this topic.

## **ESTABLISHING REQUIREMENTS FOR DIFFERENTIAL REPORTING, IN BOTH THE PRIVATE AND PUBLIC SECTORS**

On 30 June 2010 the AASB approved AASB 1053 *Application of Tiers of Australian Accounting Standards*, which significantly reduces the disclosure burden and reduces the costs of preparing and auditing financial reports for the great majority of entities that currently apply full IFRSs as adopted in Australia. These entities, now called Tier 2 entities, comprise non-publicly accountable entities, such as large proprietary companies in the for-profit private sector, not-for-profit private sector entities and the majority of public sector entities.

Also approved on 30 June was the complementary Standard to AASB 1053, AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*. The Standard determines the specific disclosures in Australian Accounting Standards from which Tier 2 entities are exempt.

For-profit private sector entities that have public accountability (Tier 1 entities), for example, those listed on the ASX and governments, will not be affected by this change. They will continue to prepare financial reports in accordance with full IFRS as adopted in Australia.

The differential reporting framework will be operative for annual reporting periods beginning on or after 1 July 2013. Early adoption is possible for entities with annual reporting periods beginning on or after 1 July 2009.

As reported last year, the AASB is now conducting detailed research into the nature of non-reporting entities and the accounting policies adopted by them for special purpose financial reports (SPFR) to see whether those reports serve a purpose that justifies their regulation.

As each new standard or amended standard comes before the AASB, its disclosures are reviewed and reduced in accordance with the principles underlying AASB 1053.

Thus all concerned with financial reporting can see the context of their reporting, whether in Tier 1 or Tier 2. No-one has to master a separate book, separated by time or content.

## **CONCEPTUAL FRAMEWORKS**

Work is progressing slowly on the IASB/FASB Conceptual Framework Project, which aims to replace their respective conceptual frameworks with an updated common framework. The AASB has been monitoring that project as well as the IPSASB's high priority project to produce its own conceptual framework tuned to public sector constituents' needs. The potential for two competing frameworks, a private sector framework and a public sector framework, remains as a concern to the AASB and it is encouraging coordination of the two projects. Our strategy is again to have one Framework with sectoral variations only where needed and easily identified.

We have participated in the work of the Conceptual Framework panel of the IPSASB since March 2010. The sub-committee discusses draft consultation papers and exposures drafts.

## **HARMONISING AUSTRALIAN AND NEW ZEALAND REPORTING REQUIREMENTS**

The AASB has now completed its work with New Zealand to harmonise the requirements for Tier 1 for-profit companies. New Zealand is now considering adopting the same model as Australia for Tier 2 for-profit companies. This consideration will fall to the newly formed NZ Accounting Standards Board (NZASB) this year.

## **ACHIEVING INCREASED INFLUENCE INTERNATIONALLY**

The AASB has further strengthened its relationships with the IASB, FASB, and IPSASB and with other domestic standards setters. Internationally, the AASB is well known to be a regular and thoughtful commentator and has demonstrated its capacity to keep pace with rapid developments in IFRS and to ensure that Australian requirements are not lagging. It is seen as one of the foremost standard-setters in the public and NFP private sectors.

The AASB has, for some time, seen regionalisation of standard-setting efforts as being both inevitable and highly desirable, in terms of generating a common approach to preparer, auditor and market governance among our trading partners. Thus the formation in November 2009 of the AOSSG was timely. Twenty-five standard setters are now active members of the AOSSG, which represents nearly four billion people; giving the AOSSG considerable influence. A Latin American group of standard-setters (GLASS) has been recently formed and this has been said to have been encouraged by the success of AOSSG.

Australia and New Zealand are represented on nearly all of the AOSSG working groups and Australia is the lead country on the critical financial instruments matters.

Australia has had the honour of leading the working group preparing the first AOSSG submissions, which were on financial instruments, to the IASB.

In November 2011, Australia takes over as chair of AOSSG. Our term promises to be a critical one as many countries adopt or prepare for the adoption of IFRS and as the IASB and its Trustees work out how to relate to well-organised regional bodies.

## **AASB RESOURCES AND PROCESSES**

The AASB has substantially restructured its staff during the current year, to try to ensure that its current staffing structure is sustainable. It has also tried to ensure that its processes are adapted to provide more direct contact with advisory panels and constituents, on a topical basis, that its research is more evidence-based and that its information is easily accessible, especially via its website and other media. We have embedded the thinking required for regulatory impact statements into our regular processes. The Board has extended its video conferencing facilities and very frequently uses them for AOSSG, NZASB and other purposes. The savings made have already covered the cost of the system.

The AASB has renewed its contacts with the academe and is using the services of four senior academics on research work for AASB projects.

During the year, the AASB discussed with the IASB concerns it had about the changing nature of IASB due processes, in which extended reach out is used by the IASB to supplement formal due process. The AASB has emphasised that it needs to be able to assess that extended reach out when completing its due process and its regulatory impact statements. To do so, it needs to understand when it is being applied, to who it was directed, the nature of the sampling involved and what was found. These pieces of information will enable the AASB to decide whether it needs to mimic the IASB sampling or can rely on that sampling. If this is not achieved, it will be difficult for the AASB to approve final standards issued by the IASB without further domestic due process.

## **TIMES AHEAD ARE STILL CHALLENGING**

The AASB sees the period through to completion of the core IASB projects as being quite challenging, especially as it coincides with intensified work on the not-for-profit sector. We do not expect much let up before the end of 2012. We also expect the situation with US GAAP to come to tipping point in the next 12 months.

## **FAREWELLS**

We saw on 30 June the retirement from the IASB of Sir David Tweedie, Warren McGregor and Tatsumi Yamada. These were the last original members of that board. The AASB expresses its sincere gratitude to all three individuals for their very considerable efforts to bring about global accounting standards, including as IASB board members. We will be forever in their debt.

Just after the year end, Mark Jenkin resigned from the AASB due to changes in his responsibilities within the Department of Defence. Mr Jenkin has provided considerable insight from the perspective of a major public sector preparer and the AASB thanks him for his contribution.

Joanna Perry finished up her time as an AASB member this year. The Board thanked Ms Perry for her considerable contribution to the Board's work. She will continue to assist the Board in her capacity as a member of the IFRS Interpretations Committee.

Bruce Porter, former acting Chair and long-serving AASB member, retired during the year. We are much indebted to him for his work in establishing the AASB as a Financial Management Act agency and for his technical and other contributions over the years.

A number of staff movements took place during the year with graduate interns Emma O'Brien (BHP Billiton) and Maybelle Chia (Deloitte) taking up career positions and senior staff members Dean Ardern and Siva Sivanantham joining Moore Stephens, Jess Lion, seconded from Deloitte, moving to the IASB staff (joining Glenn Brady already there from the AASB), Joanna Spencer being seconded to the UK ASB and Latif Oylan joining EFRAG.

Joining the AASB have been Huy Pham (seconded from ASIC), graduate intern Ting Lin, Shu In Oei (from the Victorian Department of Treasury and Finance), Nikole Gyles (from Deloitte), Lisa Panetta (Moore Stephens) and for a short-term secondment, Kala Kandiah (PwC). Peter Batten (Victorian Department of Treasury and Finance and former AASB member) joined us as Secretary to the Board.

## **ACKNOWLEDGEMENTS**

I would like to express my sincere thanks to the AASB members and to its technical staff (led by Robert Keys in his first period as Technical Director), who have worked hard during this year to achieve all the outputs highlighted in this report. They have contributed substantially in terms of their knowledge and time, demonstrating their commitment to the public interest and the profession. The AASB has been very hard-working, has developed a very good working culture that makes for constructive and rewarding meetings and has been a pleasure for myself and the staff with which to work.

I am also particularly indebted to my deputy and Director of Research, Angus Thomson, for assisting with the AOSSG and so many technical and managerial issues, as well as to my Director of Finance and Administration, Litsa Pillios, and her administrative staff, for enabling the AASB to work effectively and efficiently.

I also wish to thank Stuart Alford and the members of the Audit Committee for their intense efforts over the past two years to ensure we are first rate in risk management, controls and compliance.

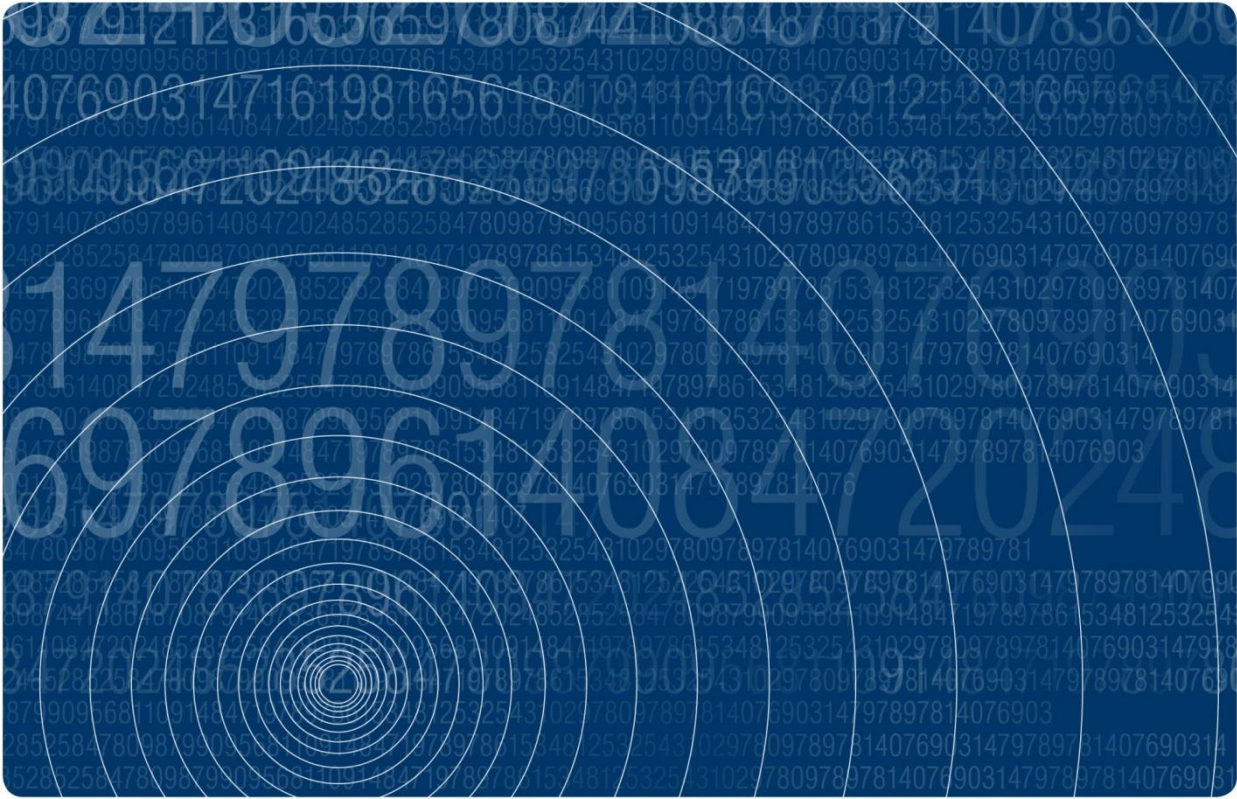
I would like to sincerely thank Ian McPhee and Kris Peach, the AASB Deputy Chairs, for their wise counsel and support during the year. They are much appreciated.

Finally, I would like to thank all of the constituents who have helped during the year; whether directly responding to specific queries from staff, participating in advisory panels, making submissions, taking part in roundtable discussions, assisting in educational presentations or serving as members of the Financial Reporting Council. We have often asked for assistance and have never been refused. My thanks also extend to those who have given us the opportunity to present information about our work at their events throughout the year.

A handwritten signature in black ink that reads "K.M. Stevenson". The signature is written in a cursive, flowing style.

Kevin Michael Stevenson  
Chairman  
4 October 2011

# AASB overview







## AASB OVERVIEW

---

The AASB is an Australian Government Agency under the *Australian Securities and Investments Commission Act 2001* (ASIC Act).

The AASB is required to advance and promote the main objects of Part 12, section 224, of the ASIC Act:

- (a) to facilitate the development of accounting standards that require the provision of financial information that:
  - (i) allows users to make and evaluate decisions about allocating scarce resources; and
  - (ii) assists directors to discharge their obligations in relation to financial reporting; and
  - (iii) is relevant to assessing performance, financial position, financing and investment; and
  - (iv) is relevant and reliable; and
  - (v) facilitates comparability; and
  - (vi) is readily understandable; and
- (b) to facilitate the Australian economy by:
  - (i) reducing the cost of capital; and
  - (ii) enabling Australian entities to compete effectively overseas; and
  - (iii) having accounting standards that are clearly stated and easy to understand; and
- (c) to maintain investor confidence in the Australian economy (including its capital markets).

Part 12, section 227, of the ASIC Act provides that:

- (1) The functions of the AASB are:
  - (a) to develop a conceptual framework, not having the force of an accounting standard, for the purpose of evaluating proposed accounting standards and international standards; and
  - (b) to make accounting standards under section 334 of the *Corporations Act 2001* for the purposes of the corporations legislation (other than excluded provisions); and
  - (c) to formulate accounting standards for other purposes; and
  - (d) to participate in and contribute to the development of a single set of accounting standards for worldwide use; and
  - (e) to advance and promote the main objects of this Part.
- (2) In carrying out its functions the AASB must have regard to the interests of Australian corporations which raise or propose to raise capital in major international financial centres.

## **MISSION OF THE AASB**

The mission of the AASB is to:

- (a) develop and maintain high-quality financial reporting standards for all sectors of the Australian economy; and
- (b) contribute, through leadership and talent, to the development of global financial reporting standards and to be recognised as facilitating the inclusion of the Australian community in global standard setting.

## PORTFOLIO OUTCOME AND OUTPUT STRUCTURE

AASB Chairman: Kevin Stevenson

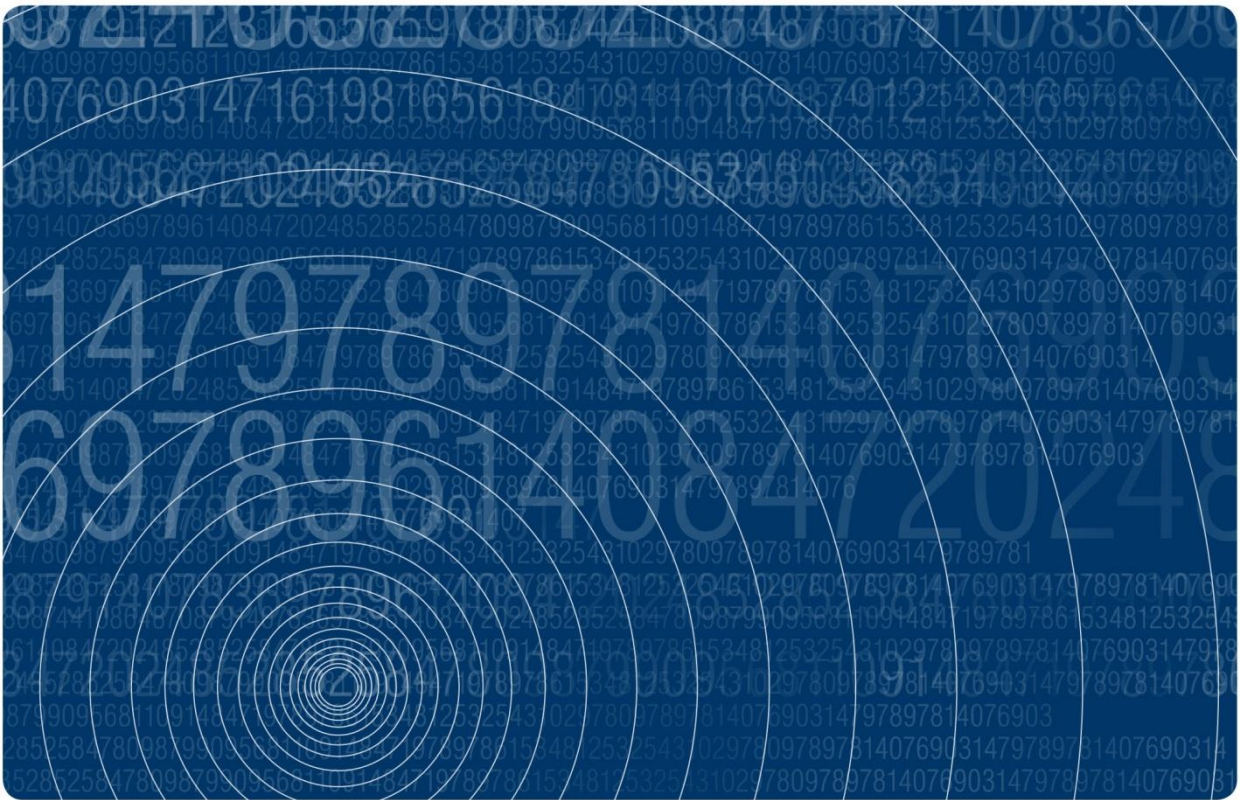
**Outcome 1:** The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions.

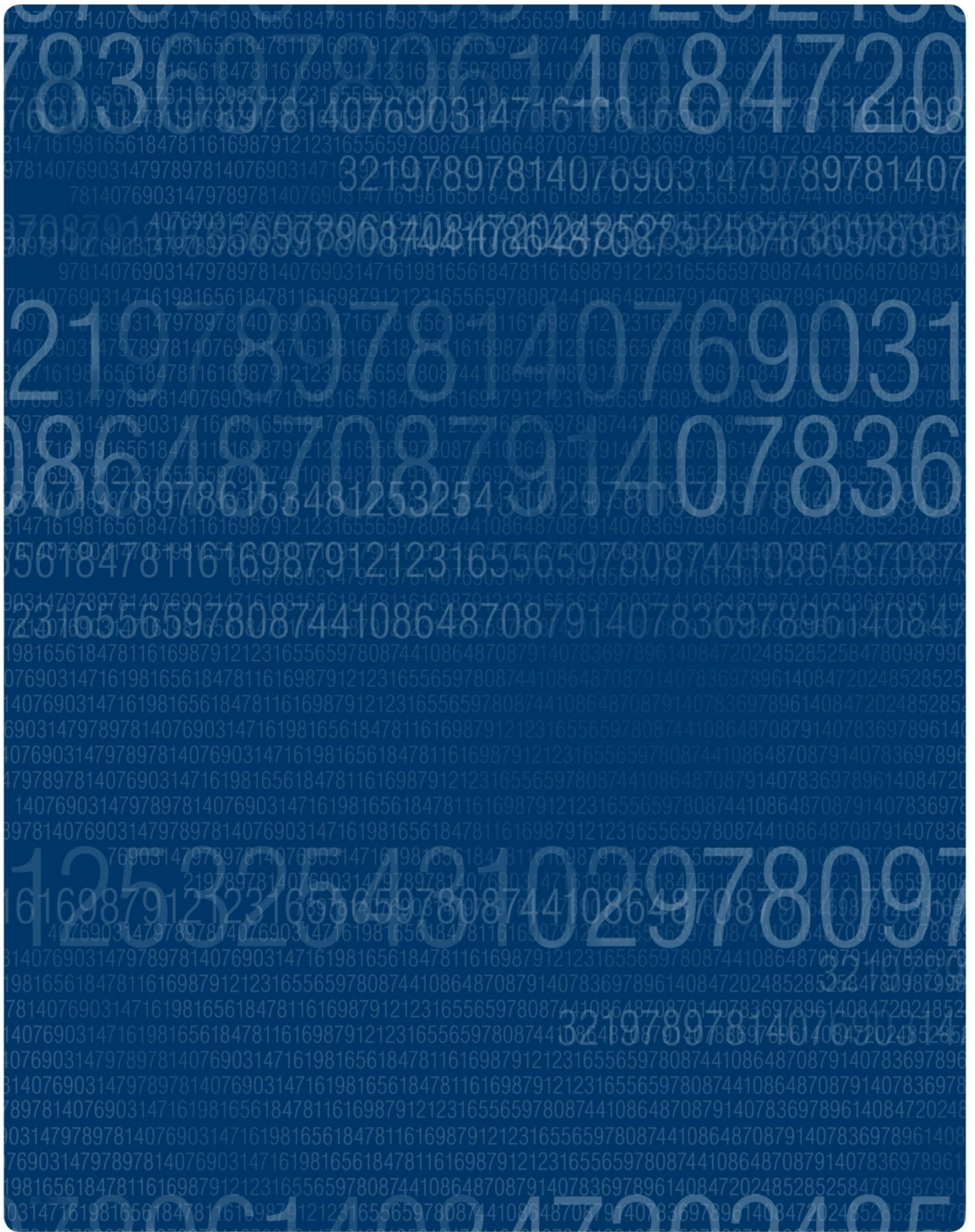
The key strategies to achieve Outcome 1 are:

- to make accounting standards under section 334 of the *Corporations Act 2001* for the purpose of the financial reporting requirements of the Corporations legislation and providing guidance on the interpretation of those standards;
- formulating accounting standards for the purposes of financial reporting by Australian entities that are not subject to the reporting requirements of the Corporations legislation and providing guidance on the interpretation of those standards; and
- to provide Australian participation in, and contribution to, the development of a single set of accounting standards for worldwide use.



# Report on performance





# REPORT ON PERFORMANCE

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## INTRODUCTION

This section lists the outputs of the Board during 2010–11, as well as the progress made on the 2010–11 work program.

In addition to the outputs listed, during the year the Board made available a range of Compiled Standards that incorporate the amendments made by Amending Standards to Principal Standards.

A major milestone was the issue of Standards in conjunction with the New Zealand Financial Reporting Standards Board that facilitate mutual recognition for publicly accountable for-profit Australian and New Zealand entities.

Most of the revised Standards issued were to maintain conformity with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). Many of these can be attributed to the IASB's ongoing response to the global financial crisis. Similarly, most of the AASB Exposure Drafts issued incorporated IASB proposals. During the year, the Board made submissions to proposals of both the IASB and the International Public Sector Accounting Standards Board (IPSASB). The AASB had regard to not-for-profit and public sector issues in the process of developing the new and revised Standards.

Domestically, issues related to financial reporting by not-for-profit entities continued to be addressed. Many domestic outputs related to the need to keep the second tier of general purpose financial reporting requirements (Australian Accounting Standards – Reduced Disclosure Requirements) up to date with IFRSs.

In addition the AASB was a major contributor to the activities of the Asian–Oceanian Standard–Setters Group.

A full list of Accounting Standards, Interpretations and Statements of Accounting Concepts, and their issue dates, can be found in Appendix B.

The Office of the AASB has had no significant changes in financial results from the previous year, or from the budgeted financial statements for the financial year as set out in the Portfolio Budget Statement/Portfolio Additional Estimate Statement, and their implications.

## Agency resource statement

	Actual available appropriations	Payments made	Balance remaining
<b>Ordinary annual services</b>			
Departmental			
Prior year departmental appropriation	4,684,200	208,871	4,475,329
Departmental appropriation	3,148,000	2,813,122	334,878
Section 31 Relevant agency receipts	887,378	887,378	-
<b>Total ordinary annual services</b>	<b>8,719,578</b>	<b>3,909,371</b>	<b>4,810,207</b>
Departmental non-operating			
Equity injection	-	-	-
<b>Total other services</b>	<b>-</b>	<b>-</b>	<b>-</b>
Special Accounts			
Opening balance	-	-	-
Appropriation receipts	666,000	666,000	-
<b>Total special accounts</b>	<b>666,000</b>	<b>666,000</b>	<b>--</b>
<b>Total resourcing and payments</b>	<b>9,385,578</b>	<b>4,575,371</b>	<b>4,810,207</b>

## Agency summary resource table by outcomes

Office of the AASB: Resources for outcomes 2010-11

	Budget	Actual expenses	Variation
Outcome 1:			
The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions			
Output Group 1.1:			
AASB			
<b>Departmental expenses</b>			
Ordinary annual services (Appropriation Bill No. 1)	3,148,000	2,506,795	641,205
Revenues from independent sources (section 31)	851,000	887,378	(36,378)
Special Accounts	666,000	666,000	-
Expenses not requiring appropriation	125,000	142,114	(17,114)
Less revenue to be carried forward	-	-	-
<b>Total for Outcome 1</b>	<b>4,790,000</b>	<b>4,202,287</b>	<b>587,713</b>



## Outputs

During 2010-11, the Board issued or reissued the following standards and other documents:

<b>Standards</b>	
AASB 9	<i>Financial Instruments</i> (revised) (December 2010)
AASB 1054	<i>Australian Additional Disclosures</i> (May 2011)
AASB 2010-5	<i>Amendments to Australian Accounting Standards</i> (October 2010)
AASB 2010-6	<i>Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets</i> (November 2010)
AASB 2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2010)
AASB 2010-8	<i>Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets</i> (December 2010)
AASB 2010-9	<i>Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i> (December 2010)
AASB 2010-10	<i>Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters</i> (December 2010)
AASB 2011-1	<i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project</i> (May 2011)
AASB 2011-2	<i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements</i> (May 2011)
AASB 2011-3	<i>Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments</i> (May 2011)
<b>Interpretations</b>	
<i>No new or revised Interpretations were issued during the 2010-11 financial year</i>	
<b>Exposure drafts</b>	
ED 198	<i>Revenue from Contracts with Customers</i> (July 2010)
ED 199	<i>Measurement Uncertainty Analysis Disclosure for Fair Value Measurements (Limited re-exposure of proposed disclosure)</i> (July 2010)
ED 200A	<i>Proposals to Harmonise Australian and New Zealand Standards in Relation to Entities Applying IFRSs as Adopted in Australia and New Zealand</i> (July 2010)
ED 200B	<i>Proposed Separate Disclosure Standards</i> (July 2010)
ED 201	<i>Insurance Contracts</i> (August 2010)
ED 202	<i>Leases</i> (August 2010)
ED 202R	<i>Leases</i> (August 2010)
ED 203	<i>Removal of Fixed Dates for First-time Adopters (Proposed Amendments to AASB 1)</i> (September 2010)
ED 204	<i>Deferred Tax: Recovery of Underlying Assets (Proposed Amendments to AASB 112)</i> (September 2010)
ED 205	<i>Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation</i> (September 2010)
ED 206	<i>Severe Hyperinflation (Proposed Amendment to AASB 1)</i> (October 2010)
ED 207	<i>Amendments to AASB 7: Tier 2</i> (December 2010)
<b>Exposure drafts (continued)</b>	
ED 208	<i>Hedge Accounting</i> (December 2010)

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ED 209	<i>Offsetting Financial Assets and Financial Liabilities (Proposed Amendments to AASB 7 and AASB 132, and Proposal relating to Tier 2 Disclosure Requirements)</i> (February 2011)
ED 210	<i>Financial Instruments: Impairment</i> (February 2010)
ED 211	<i>Proposed Amendments to AASB 1049</i> (March 2011)
ED 212	<i>Not-for-Profit Entities within the General Government Sector</i> (June 2011)

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**Invitations to comment**

ITC 24	<i>Request for Comment on IASB Request for Views on Effective Dates and Transition Methods</i> (October 2010)
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## PROGRESS MADE ON THE 2010-11 WORK PROGRAM

In this progress report, the Project column contains the project descriptions included in the original 2010-11 work program. The Pronouncement column refers to relevant AASB pronouncements at the beginning of 2010-11. Reference is made in this progress report to outcomes for a project identified as 'inactive' in the 2010-11 work program only when the status of the project has changed or another significant event has occurred in relation to that project.

### Active projects

Project	Pronouncement	Outcomes to 30 June 2011
<u>Domestic not-for-profit and public sector projects</u>		
1. GAAP/GFS harmonisation — entities within the GGS	—	This project is phase two (the final phase) of a project effecting a FRC direction. The AASB issued ED 212 <i>Not-for-Profit Entities within the General Government Sector</i> in June 2011.
2. GAAP/GFS harmonisation — post-implementation review of AASB 1049	AASB 1049	This project is phase one of a project effecting a FRC direction. The AASB considered the issues arising from a post-implementation review of AASB 1049 and issued ED 211 <i>Proposed Amendments to AASB 1049</i> in March 2011, with two comment due dates: 6 April 2011 for the urgent proposals relating to adoption of the ABS GFS Manual and related amendments (proposals part one), and 6 June 2011 for the remaining proposals (proposals part two). Following consideration of the submissions received on part one of the ED 211 proposals, AASB 2011-3 <i>Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments</i> was issued in May 2011. AASB staff compiled a summary of significant issues raised in the submissions received on part two of the ED 211 proposals, for consideration by the Board at its July 2011 meeting.
3. Disclosures by private sector not-for-profit entities – joint with NZ FRSB	Various Standards	Staff continued research into service performance reporting and the development of possible principles.
4. Borrowing costs	AASB 123 & 2009-1	The AASB continued to monitor the IPSASB's project on borrowing costs.
5. Emissions trading scheme (Government perspective)	—	Staff continued research into accounting for an emissions trading scheme from the perspective of the government as an issuer of permits.

**Active projects (continued)**

Project	Pronouncement	Outcomes to 30 June 2011
6. Defining the reporting entity in the public sector (including consideration of the concept of control)	AASB 3, 127, 1050 & 2008-11	Work continued on this issue as part of the 'Control in the NFP public and private sector' project. Staff are currently reviewing the requirements of AASB 10 <i>Consolidated Financial Statements</i> with a view to identifying appropriate Aus paragraphs to apply to not-for-profit entities.
7. Related party disclosures by not-for-profit public sector entities	AASB 124	The AASB issued ED 214 <i>Extending Related Party Disclosures to the Not-for-Profit Public Sector</i> in July 2011.
8. Disaggregated disclosures	AASB 1052	AASB staff monitored the implications for this project of the outcomes from the project on defining the reporting entity in the NFP public sector (see project 6 above).
<u>Other domestic</u>		
9. Superannuation plans	AAS 25	The AASB decided it needs to issue another ED on selected issues (further to ED 179 <i>Superannuation Plans and Approved Deposit Funds</i> ) and an AASB subcommittee commented on a staff draft.
10. Differential reporting/ Reduced disclosure regime – stage 2	AASB 1053 & 2010-2	A process similar to that for Tier 1 documents has been followed in preparing Tier 2 requirements relating to each Tier 1 Standard. After the publication of AASB 1053 and AASB 2010-2, Tier 2 exposure drafts relating to Tier 1 Standards that were in progress as at 30 June 2010 were issued for comment. Also, Tier 2 Supplements to all Tier 1 EDs issued during the year have been issued for comment.  Research on Stage 2 of the differential reporting project began during the year, utilising the services of independent external research contractors. There has been extensive liaison with regulators at the Commonwealth and State and Territory levels in relation to both the public and private sectors to assess the incidence of special purpose financial reports and access data relating to lodging entities for research purposes.
11. Review of SAC 1 and SAC 2	SAC 1 & SAC 2	Review of SAC 1 has been deferred awaiting the results of the research relating to stage two of the differential reporting project (see project 10 above) and the decision on adoption of the IASB's revised conceptual framework. The AASB reviewed the applicability of SAC 2 and decided it should not apply to for-profit entities once the AASB adopts the new IASB Framework chapter on the Objective of Financial Reporting.
12. Compilations	Amending Standards	Due to the ongoing amendment of existing Standards and Interpretations, AASB staff prepared and published compiled versions of Standards and Interpretations in order to facilitate their use and application by constituents. Sixty-eight compilations were published in 2010-11.
13. Review of AASB Policy Statements	PS1-PS4	<i>AASB Policies and Processes</i> replaced the previous Policy Statements in March 2011.

## Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2011
<u>IASB financial crisis related projects</u>		
14. Consolidation – replacement of IAS 27	AASB 127	AASB staff monitored the IASB's progress and prepared AASB 10 <i>Consolidated Financial Statements</i> and AASB 127 <i>Separate Financial Statements</i> for approval by the AASB. These Standards were approved in August 2011, and apply to annual reporting periods beginning on or after 1 January 2013.
15. Consolidation – disclosures about unconsolidated SPEs/structured entities	Interpretation 112	AASB staff monitored the IASB's progress and prepared AASB 10 <i>Consolidated Financial Statements</i> and AASB 12 <i>Disclosure of Interests in Other Entities</i> for approval by the AASB. These Standards were approved in August 2011, and apply to annual reporting periods beginning on or after 1 January 2013.
16. Consolidation – investment companies	AASB 127	AASB staff monitored the IASB's progress. IASB Exposure Draft ED/2011/4 <i>Investment Entities</i> was issued in August 2011 and has been incorporated into AASB ED 220 <i>Investment Entities</i> .
17. Derecognition – disclosures	AASB 7 & 139	The IASB has deferred work on this project.
18. Fair value measurement – guidance	—	AASB staff monitored the IASB's progress and prepared AASB 13 <i>Fair Value Measurement</i> , for approval by the AASB. This Standard was approved in September 2011 and applies to annual reporting periods beginning on or after 1 January 2013.
19. Fair value measurement – measurement uncertainty analysis disclosure for fair value	—	In September 2010, the AASB made a submission to the IASB on its ED on this topic. The IASB considered submissions on that ED in finalising IFRS 13 (see project 18 above).
20. Financial instruments – classification and measurement – financial liabilities	AASB 139 & 9	A second version of AASB 9 <i>Financial Instruments</i> was issued in December 2010, incorporating classification and measurement requirements for financial liabilities. This Standard applies to annual reporting periods beginning on or after 1 January 2013.
21. Financial instruments – impairment	AASB 139	AASB ED 210 <i>Financial Instruments: Impairment</i> was issued in February 2011 (comment period closed in March 2011). All comments received were considered in developing the AASB's April 2011 submission to the IASB. AASB staff continued to monitor the progress of the IASB.
22. Financial instruments – hedge accounting	AASB 139	AASB ED 208 <i>Hedge Accounting</i> was issued in December 2010 (comment period closed in February 2011). All comments received were considered in developing the AASB's March 2011 submission to the IASB. AASB staff continued to monitor the progress of the IASB.
23. Financial instruments – asset and liability offsetting	AASB 132	AASB ED 209 <i>Offsetting Financial Assets and Financial Liabilities</i> was issued in February 2011 (comment period closed in April 2011). All comments received were considered in developing the AASB's April 2011 submission to the IASB. AASB staff continued to monitor the progress of the IASB.

**Active projects (continued)**

Project	Pronouncement	Outcomes to 30 June 2011
<u>IASB memorandum of understanding projects</u>		
24. Financial statement presentation – discontinued operations	AASB 5	AASB staff continued to monitor the IASB's progress.
25. Financial statement presentation – presentation of items of other comprehensive income	AASB 101	AASB staff continued to monitor the IASB's progress and prepared AASB 2011-9 <i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income</i> . This Standard was subsequently approved in September 2011.
26. Financial statement presentation – replacement of IAS 1 and IAS 7	AASB 101 & 107	AASB staff continued to monitor developments concerning the IASB's Financial Statement Presentation project.
27. Financial instruments with characteristics of equity	AASB 132	The AASB decided to make this project inactive until the IASB decides to revisit the project in the medium term.
28. Income taxes	AASB 112	The IASB has deferred work on this project. AASB staff will continue to monitor the IASB's progress once the project is restarted.
29. Joint ventures	AASB 131	AASB staff monitored the IASB's progress and prepared AASB 11 <i>Joint Arrangements</i> for approval by the AASB. The Standard was subsequently approved in August 2011.
30. Leases	AASB 117	AASB staff continued to monitor the IASB's progress. The AASB submitted comment letters on the IASB ED on Leases in December 2010 and on subsequent IASB decisions in May 2011.
31. Post-employment benefits – defined benefit plans	AASB 119	AASB staff continued to monitor the IASB's progress and prepare for amendments. Subsequently, AASB 119 was amended in September 2011.
32. Post-employment benefits – termination benefits	AASB 119	AASB staff continued to monitor the IASB's progress and prepare for amendments. Subsequently, AASB 119 was amended in September 2011.
33. Revenue recognition	AASB 118	AASB staff continued to monitor the IASB's progress. The AASB submitted comment letters on the IASB ED <i>Revenue from Contracts with Customers</i> in November 2010 and on subsequent IASB decisions in May 2011.

## Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2011
<u>IASB other projects</u>		
34. Extractive activities	AASB 6	AASB staff presented to the IASB a collation of comments on the IASB Extractive Activities project team Discussion Paper.
35. Insurance contracts	AASB 4, 1023 & 1038	AASB staff continued to monitor the IASB's progress.
36. Liabilities (IAS 37 amendments)	AASB 119 & 137	The IASB has deferred work on this project.
<u>IASB conceptual framework</u>		
37. Conceptual framework – Phase A: objective and qualitative characteristics	Framework	The AASB considered the new chapters of the IASB Framework (on Objective and Qualitative Characteristics) issued in September 2010 and decided to issue them, for the time being, for application by for-profit entities only. These new chapters of the AASB Framework are expected to be issued during the fourth quarter of 2011.
38. Conceptual framework – Phase B: elements and recognition	Framework	The IASB has deferred work on this project.
39. Conceptual framework – Phase C: measurement	Framework	The IASB has deferred work on this project.
40. Conceptual framework – Phase D: reporting entity	Framework	The IASB has deferred work on this project.
41. Actively monitor IFRS implementation	Various Standards	AASB staff continued to liaise with a wide range of Australian constituents on implementation issues. (Also see project 49 below.)
<u>IPSASB convergence</u>		
42. Conceptual framework – public sector perspectives	Framework	The AASB Chairman and staff participated in meetings of the IPSASB Conceptual Framework Standard Setters Advisory Panel, and commented on drafts of consultation papers on the objectives, qualitative characteristics, reporting entity, elements of financial statements and measurement.
43. Service concession arrangements: grantor	Interpretation 12	AASB staff continued to closely monitor the progress of the IPSASB project and participate in the IPSASB's work as part of the role of advising the Australian member of the IPSASB.

**Active projects (continued)**

Project	Pronouncement	Outcomes to 30 June 2011
<u>Other international</u>		
44. Long-term fiscal sustainability	AASB 137	AASB staff continued to monitor the IPSASB's progress.
45. Income from non-exchange transactions (renamed Income of not-for-profit entities)	AASB 1004, 120 & 118	Following review of comments received from constituents on ED 180 <i>Income from Non-exchange Transactions (Taxes and Transfers)</i> , the AASB decided in 2009-10 to pursue an approach to liability recognition aligned more closely to the IASB's project on <i>Revenue from Contracts with Customers</i> (see project 33 above). During 2010-11 the AASB considered staff papers on a number of occasions, progressing matters to be included in a revised ED expected in the fourth quarter of 2011 (timing subject to the revised IASB ED <i>Revenue from Contracts with Customers</i> ).
46. NZ convergence – for-profit entities	—	Completed in respect of Tier 1 entities, which apply IFRSs as adopted in Australia and New Zealand. AASB 2011–1 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project</i> was approved by the AASB in May 2011 and applies to annual reporting periods beginning on or after 1 July 2011.
47. NFP criteria/NZ convergence – NFP entities	—	Staff monitored developments in New Zealand's policy position on Standards for not-for-profit entities and opportunities for convergence.
48. Conceptual framework – NFP entity perspectives	Framework	AASB staff continued to monitor the IASB's progress (see projects 37–40 above), having regard to not-for-profit entity issues and the work of the IPSASB on corresponding Conceptual Framework topics.
49. Intangible assets	AASB 138 & 3	AASB staff initiated two separate, but related, research questionnaires, from the perspectives of preparers and users of financial statements, on the initial accounting under IFRS 3 and IAS 38 for intangible assets acquired in business combinations. The survey for preparers closed on 15 July 2011 and resulted in 99 responses. The survey for users of financial statements is open until 15 December 2011.
<u>Interpretations</u>		
50. Managed investment schemes (related party disclosures)	AASB 124	The AASB staff presented the issue of whether a member of key management personnel is necessarily a person to the Group of National Standard Setters and, with its endorsement, took the issue to IASB staff for deliberation by the IFRIC or the IASB.



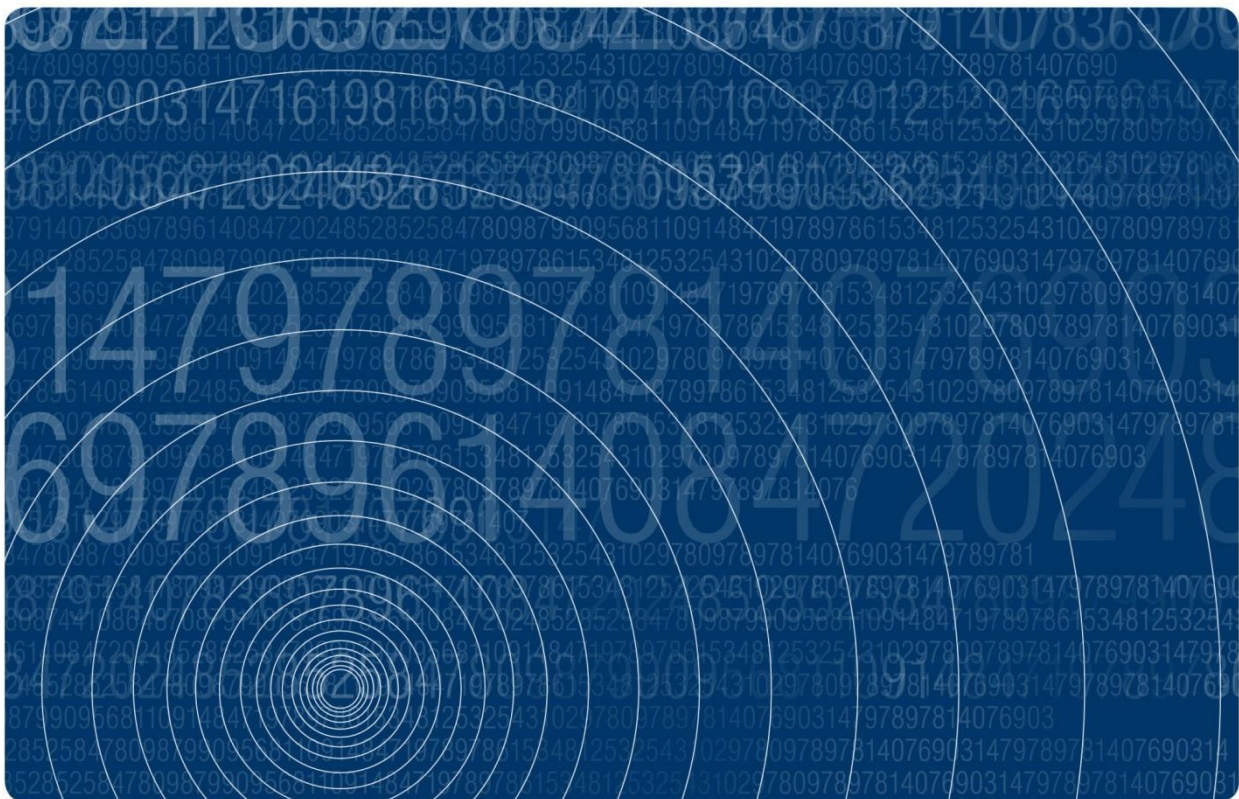
## Inactive projects

Project	Pronouncement	Outcomes to 30 June 2011
<u>Domestic not-for-profit and public sector</u>		
1. Performance indicators [public sector] (including gaps in GAAP issue no. 32 non-financial performance indicators, and consider NZ approach to Statement of Service Performance and IPSASB's future proposals on reporting of service performance information)	—	Staff continued research into service performance reporting and the development of possible principles. (see project 3 above).
2. Budget reporting beyond GGS and WoG (gaps in GAAP issue no. 26)	AASB 1049	
3. Measurement of contributions by owners	—	
4. Review of Interpretation 1038 <i>Contributions by Owners Made to Wholly-Owned Public Sector Entities</i>	Interpretation 1038	
5. Compliance with parliamentary appropriations and other externally imposed requirements	AASB 1004	
6. Summary financial reports and MD&A	—	
7. Currency (notes and coins) on issue	AASB 139	
8. Other gaps in GAAP issues for public sector NFP entities	Various Standards	

**Inactive projects (continued)**

Project	Pronouncement	Outcomes to 30 June 2011
<u>Other domestic</u>		
9. Review of Interpretations	Various Interpretations	
<u>IASB other projects</u>		
10. Emission trading schemes	—	Staff continued to monitor the IASB's work on this project. The next major milestone for the project is the agenda consultation process. The IASB is expected to decide, in the first half of 2012, whether to add the project to its agenda. This decision will follow consideration of feedback received through its agenda consultation process.
11. Annual improvements 2009-2011	Various Standards	AASB staff monitored the IASB's progress and prepared for the AASB to issue in July 2011 ED 213 <i>Improvements to IFRSs</i> , incorporating the IASB's ED/2011/2.
12. Management commentary	AASB 1039 para 24	The AASB published the IASB's IFRS Practice Statement <i>Management Commentary</i> on the AASB website in December 2010.
13. Rate-regulated activities	Framework	
<u>IPSASB convergence</u>		
14. Heritage assets	AASB 116	The IPSASB has deferred work on this project, pending development of its Conceptual Framework.
15. Financial instruments (IPSASB convergence with IFRS 7, IAS 32 & IAS 39)	AASB 7, 132 & 139	The IPSASB issued IPSASs corresponding with IAS 32, IAS 39 and IFRS 7 in January 2010, including minimal specific guidance in the public sector context. The AASB decided not to pursue any differences between accounting standards issued by the IPSASB and the IASB's Standards, all of which are in effect in Australia.
16. Entity combinations	AASB 3	

# Management and accountability





# MANAGEMENT AND ACCOUNTABILITY

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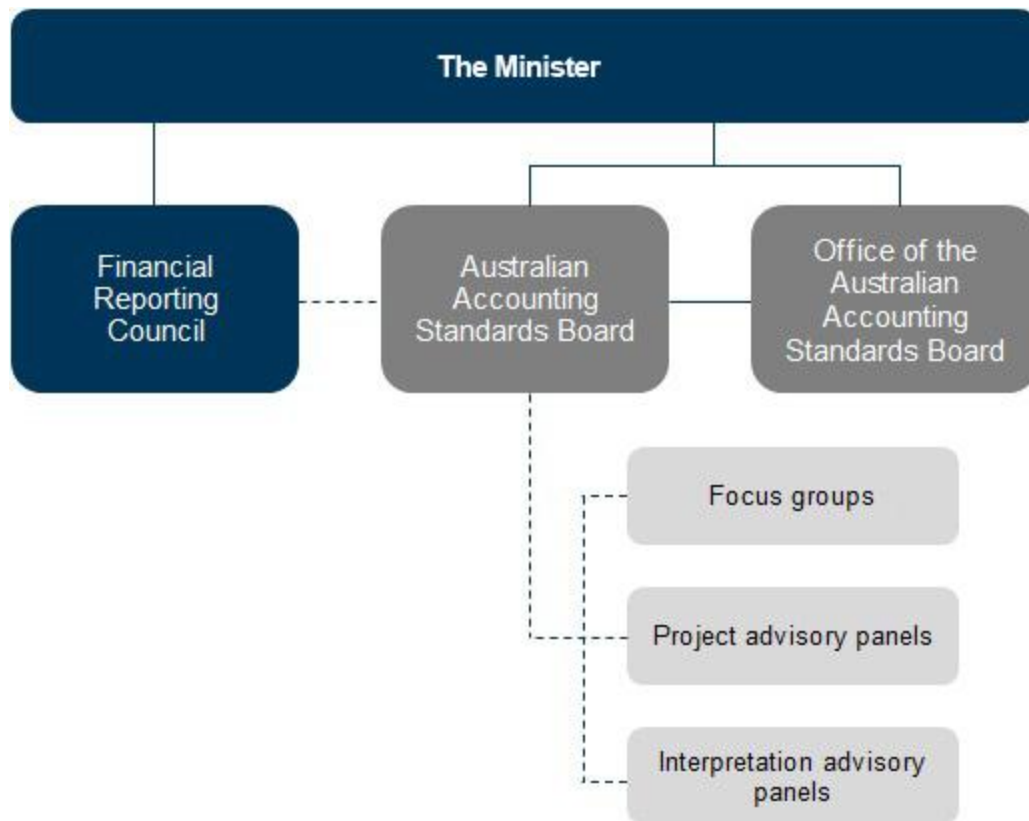
## CORPORATE GOVERNANCE

The corporate governance practices of the AASB and the Office of the AASB comply with statutory and other external requirements, and aim to achieve sound administrative and financial management practice. They are designed to ensure the efficient, effective and ethical use of resources.

As part of its ongoing focus on effective governance arrangements, the Office of the AASB periodically considers a range of issues, including:

- clear accountability mechanisms;
- its leadership, culture and communication;
- appropriate governance and committee structures;
- the effectiveness of its work with its stakeholders;
- comprehensive risk management, compliance and assurance systems; and
- strategic planning, performance monitoring and evaluation.

## ORGANISATIONAL STRUCTURE



The Chairman is appointed by the Minister, while other Board 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 Minister and FRC respectively. Appointments may be made for a period of up to five years and retiring members are eligible for reappointment.

The members of the AASB during 2010-11 are listed below. The Board held 8 meetings for a total of 15 meeting days during the year. Attendance of members at these meetings is set out in Appendix A.

## **The Minister**

The Minister appoints the Chairman of the AASB. The Chairman of the AASB is accountable to the Minister regarding the operations of the AASB and the Office of the AASB.

## **Financial Reporting Council**

Responsible to the Minister, the FRC provides broad strategic direction and advice to the AASB and has oversight of the process for setting accounting standards in Australia. The FRC appoints Board members to the AASB for various terms.

The AASB will continue its practice of providing the Chairman of the FRC with all information reasonably needed by the FRC, including reports in relation to the setting of the Board's priorities and its progress against those priorities. This will be primarily provided to the FRC Secretariat for consideration at FRC meetings.

## **AASB**

The AASB is the independent statutory agency of the Australian Government responsible for making accounting standards under section 334 of the Corporations Act. The AASB participates in, and contributes to, the development of a single set of international accounting standards for worldwide use.

The Chairman of the AASB reports to the Minister regarding the organisation's operations.

## **Office of the AASB**

The Office of the AASB provides technical and administrative services, information and advice to the AASB. Responsible to the Minister for financial management of the Office of the AASB, the Chairman of the AASB is also the Chief Executive Officer of the Office of the AASB.

## Membership



AASB from left to right: Victor Clarke, Peter Batten (Board Secretary), Roger Sexton, Glenn Appleyard, Robert Williams, Brett Rix, Sue Highland, Angus Thomson (Director of Research), Kevin Stevenson, Ian McPhee, Kris Peach, John O'Grady, Michele Embling (Chair of the New Zealand Accounting Standards Board) and Robert Keys (Technical Director). Absent: Jayne Godfrey, Anna Crawford, Joanna Perry and Mark Jenkin.

### Kevin Stevenson, Chairman

Kevin Stevenson was appointed, by the then Minister for Financial Services, Superannuation and Corporate Law, as Chairman of the AASB and CEO of the Office of the AASB for a five-year term from 1 July 2009 to 30 June 2014.

The duties of the Chairman of the AASB are outlined in sections 235D to 235J of the *Australian Securities and Investments Commission Act 2001*.

In view of his chairmanship of the AASB, he has also been appointed to the Financial Reporting Council and to the New Zealand Financial Reporting Standards Board. He is also a member of the Trans-Tasman Accounting and Auditing Standards Advisory Group.

Previously, Mr Stevenson was senior partner of the PricewaterhouseCoopers Global Capital Markets Group from 2005 to 2009. Prior to that he served as the Director of Technical Activities and as Chairman of the IFRIC for the IASB in London from 2002 to 2005.



The members of the AASB holding office at 30 June 2011 were:

**Ian McPhee, Deputy Chair**

Ian McPhee was appointed to the AASB from 1 January 2009 to 31 December 2011. Mr McPhee is the Auditor-General for Australia.

**Kris Peach, Deputy Chair**

Kris Peach was appointed to the Australian Accounting Standards Board (AASB) from 15 February 2007 to 31 December 2012.

Ms Peach, a partner in KPMG's Department of Professional Practice, has extensive experience in interpreting and analysing Australian and International accounting standards for complex transactions.

**Glenn Appleyard**

Glenn Appleyard, Economic Consultant, was initially appointed to the AASB from 18 December 2002 for three years and was re-appointed from 1 January 2006 to 31 December 2008. He is currently appointed to the AASB from 1 January 2009 to 31 December 2011.

Mr Appleyard is a member of the Commonwealth Grants Commission and is the Chairman of the Tasmanian Economic Regulator.

**Victor Clarke**

Victor Clarke was appointed to the AASB from 1 January 2009 to 31 December 2011. Mr Clarke is currently a senior Financial Services Assurance partner at PricewaterhouseCoopers.

**Anna Crawford**

Anna Crawford was appointed to the AASB from 1 January 2011 to 31 December 2013. Ms Crawford is a partner in Deloitte Touche Tohmatsu's Assurance and Advisory division and is national head of the firm's accounting technical consultation group.

**Jayne Godfrey**

Jayne Godfrey was appointed to the AASB from 1 January 2011 to 31 December 2013.

Ms Godfrey is Dean of the College of Business and Economics at the Australian National University. In addition to her AASB membership she is a member of Australia's national Water Accounting Standards Board, setting general purpose water accounting standards.

### **Sue Highland**

Sue Highland was appointed to the AASB from 15 February 2007 to 31 December 2009. She was re-appointed to the AASB from 1 January 2010 to 31 December 2012.

Ms Highland is Director, Financial Management Branch, Queensland Treasury. She is responsible for the development and maintenance of accounting policy, financial management and legislative frameworks governing Queensland public-sector entities.

### **Mark Jenkin**

Mark Jenkin was appointed to the AASB from 1 January 2008 to 31 December 2010 and was re-appointed in January 2011. Mr Jenkin resigned from the AASB at 31 July 2011.

Mr Jenkin was a First Assistant Secretary, Financial Management and Reporting, Department of Defence, responsible for financial management and infrastructure.

### **John O'Grady**

John O'Grady was initially appointed to the AASB from 1 January 2006 to 31 December 2008. He was re-appointed to the AASB from 1 January 2009 to 31 December 2011.

Mr O'Grady is a Partner in Ernst & Young's Assurance and Advisory Business Services division and is national head of the firm's Technical Consulting Group involved in the quality and risk management processes for Ernst & Young's audit practice in Australia.

### **Joanna Perry**

Joanna Perry was initially appointed to the AASB from 1 January 2005 to 31 December 2005. She was re-appointed to the AASB from 1 January to 31 December 2006, again from 1 January 2007 to 31 December 2009 and again until 31 December 2010. Ms Perry was re-appointed to the AASB in January 2011.

Her term as the chairman of New Zealand's FRSB ended on 30 June 2011. Ms Perry is a professional non-executive director and chartered accountant.

### **Brett Rix**

Brett Rix was initially appointed to the AASB from 4 July 2006 to 3 July 2009. He was re-appointed to the AASB from 4 July 2008 to 31 December 2011.

Mr Rix is Manager Group Accounting – Policy and Governance at BHP Billiton. He is responsible for the maintenance of accounting policy applied across BHP Billiton, including policy development, interpretation of accounting standards, examination of significant transactions for application of accounting policies and the provision of internal advice on policy matters.

## **Roger Sexton AM**

Roger Sexton was appointed to the AASB from 1 January 2011 to 31 December 2013.

Mr Sexton is a leading investment banker and company director with extensive professional experience in the Asia Pacific region. Mr Sexton has served as a Chief Executive of a number of large organisations in the finance, funds management and investment banking industries and has served on the Boards of a number of public companies and organizations in Australia and overseas.

## **Robert Williams**

Robert Williams was appointed to the AASB from 7 June 2008 to 31 December 2010, and then re-appointed till 31 December 2013.

Mr Williams is Principal Advisor, NSW Treasury. He is responsible for providing advice to the Secretary of NSW Treasury and to all NSW Government agencies, for developing accounting policies and guidance for all NSW Government agencies, for interpreting and advising on significant accounting transactions and issues and for maintaining the financial management legislation.

## **Observers**

The following had observer status during all or part of the year:

- Warren McGregor, IASB member;
- Tim Youngberry, Australian representative on the IPSASB; and
- Judith Downes, member, IFRS Advisory Council.

## **AUDIT COMMITTEE**

The Chief Executive of the AASB has established an audit committee, with the functions and responsibilities required by the Finance Minister's Orders, in compliance with section 46 of the *Financial Management and Accountability Act 1997*.

During 2010-11, the Audit Committee consisted of Stuart Alford (Chair), Sue Tait and Merran Kelsall (AUASB Chairman).

During the financial year, the Audit Committee, among other matters:

- reviewed the AASB's financial statements and recommended that they be adopted; and

- reviewed a letter from the Australian National Audit Office, which stated that there were no matters arising from the 2010-11 audit that should be brought to the attention of management or the Audit Committee.

## **COORDINATION WITH OTHER BODIES**

The Board, through the Executive, maintains contact with officers of the Commonwealth Treasury, the FRC, ASIC, APRA, ABS and other relevant government and private-sector bodies, both domestically and internationally, including the IASB, IPSASB, the professional accounting bodies in Australia and constituent groups such as Heads of Treasuries and the Heads of Treasuries Accounting and Reporting Advisory Committee.

## **FRAUD**

The Office of the AASB adopted a new Fraud Control Plan in July 2010. The Office of the AASB has adequate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet its needs and comply with the Commonwealth Fraud Control Guidelines (including the reporting aspects of those guidelines).

## **ETHICS**

The Office of the AASB staff are required to adhere to the Australian Public Service values and code of conduct under the *Public Service Act 1999*.

Australian Public Service values include performing functions impartially and professionally, the highest ethical standards, open accountability, providing frank, honest, comprehensive, accurate and timely advice to government and promoting communication, consultation, cooperation and input from employees.

The requirements of the code of conduct include honesty, care and diligence, courtesy, compliance with the law, avoiding conflicts of interest and proper use of Commonwealth resources and information.

## **EXTERNAL SCRUTINY**

The AASB's accounting records are audited each year by the ANAO.

During the financial year, there were no judicial decisions or decisions of administrative tribunals or reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman concerning the performance of the AASB.

## **MANAGEMENT OF HUMAN RESOURCES**

As at 30 June 2011, the Office of the AASB had 15 full-time and 4 part-time technical staff members (11 male and 8 female), based in Melbourne, including:

- 1 Chairman;
- 1 Director of Research;
- 1 Technical Director;
- 4 Senior Project Managers;
- 6 Project Managers;
- 2 Assistant Project Managers;
- 1 Board Secretary;
- 1 Visiting Graduate Fellow;
- 1 Graduate Intern; and
- 1 Compilations Editor.

Also, the Office of the AASB had 7 full-time and 1 part-time administration staff members (2 male and 6 female). All staff are based in Melbourne, including:

- 1 Director, Finance and Administration;
- 1 Assistant Accountant;
- 1 Accounts/Administration Officer;
- 1 Executive Assistant;
- 1 Receptionist/Customer Service Officer;
- 1 Media Liaison;
- 1 Network Administrator; and
- 1 Website Administrator.

Seven of the administration staff are under a shared services agreement with the Office of the AUASB.

The Chairman is employed pursuant to a contract for services with the AASB, with his salary and other entitlements being linked to Treasury SES salary scales and other entitlements. The Chairman does not receive performance pay.

The salaries and other entitlements of the technical and administration employees are linked to relevant industry salary scales and entitlements. No employee received a performance bonus in 2010-11.

The Office of the AASB has the capacity to employ staff under the *Public Service Act 1999* (PSA) as well as under the ASIC Act.

Formal appraisal meetings are held annually and regular informal feedback is encouraged to facilitate productive staff management.

Staff members attend seminars occasionally on matters related to the policy or administrative work of the AASB or Office of the AASB.

## **PURCHASING**

The AASB's general policy is that the purchase of any major capital items follow the Commonwealth Procurement Guidelines.

Information on expenditure on contracts and consultancies is also available on the AusTender website, [www.tenders.gov.au](http://www.tenders.gov.au).

## **CONSULTANTS**

During the 2010-11 financial year, the Office of the AASB did not engage any consultants as defined by the *FMA Act*.

## **AUSTRALIAN NATIONAL AUDIT OFFICE ACCESS CLAUSES**

The Office of the AASB has not entered into any contract of \$100,000 or more during the reporting period that does not provide for the Auditor-General to have access to the contractor's premises.

## **EXEMPT CONTRACTS**

The AASB has a contract with the IFRS Foundation. The contract gives the AASB rights to IFRS copyright material.

This contract has been exempted by the Chief Executive from being published in AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

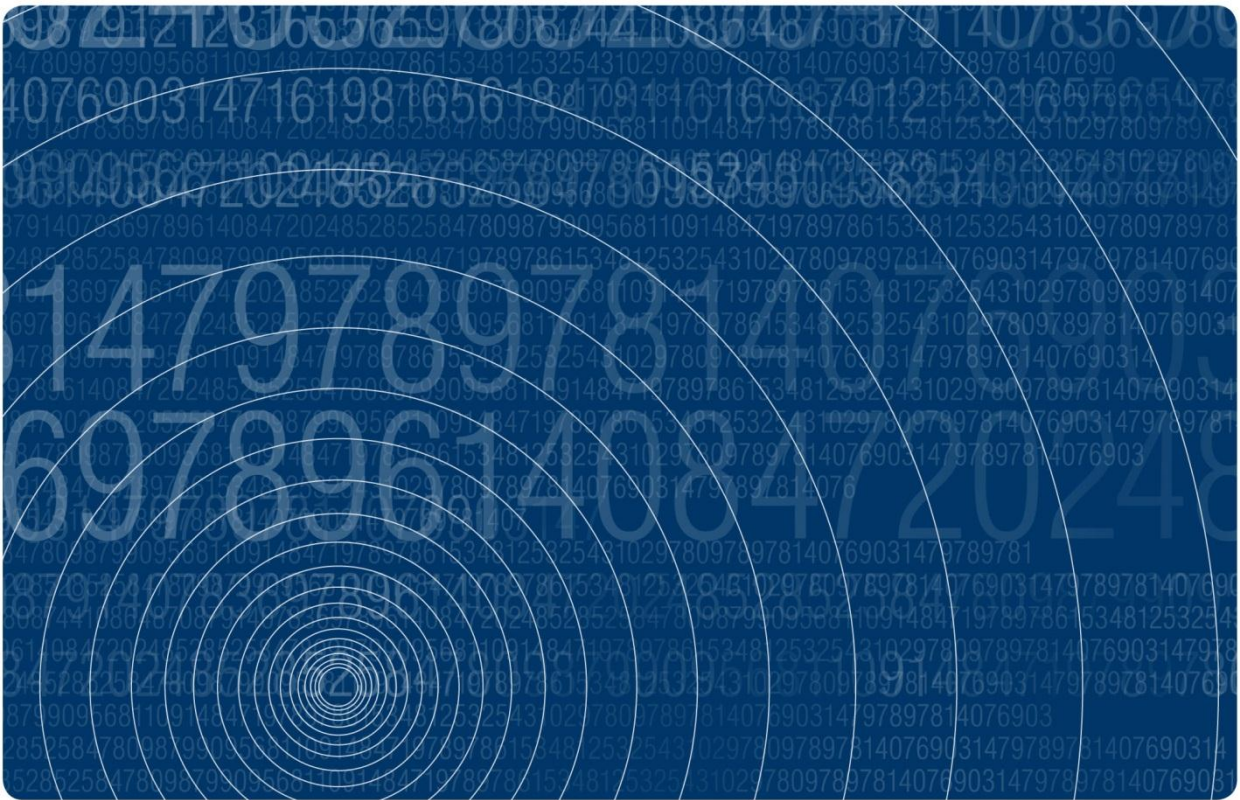
## **DISABILITY REPORTING**

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission’s State of the Service Report and the APS Statistical Bulletin. Those reports are available on the Australian Public Service Commission website ([www.apsc.gov.au](http://www.apsc.gov.au)). From 2010–11, departments and agencies are no longer required to report on those functions.





# Financial report





## FINANCIAL REPORT

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## INDEPENDENT AUDITOR'S REPORT

### To the Deputy Prime Minister and Treasurer

I have audited the accompanying financial statements of the Office of the Australian Accounting Standards Board for the year ended 30 June 2011, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Schedule of Asset Additions; and Notes to and Forming Part of the Financial Statements comprising a Summary of significant accounting policies and other explanatory information.

#### *Chief Executive's Responsibility for the Financial Statements*

The Chief Executive of the Office of the Australian Accounting Standards Board is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the Financial Management and *Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Office of the Australian Accounting Standards Board's preparation of the financial statements that give a true and fair view in order to

design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office of the Australian Accounting Standards Board's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Office of the Australian Accounting Standards Board's Chief Executive, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Independence***


In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

***Opinion***

In my opinion, the financial statements of the Office of the Australian Accounting Standards Board:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Office of the Australian Accounting Standards Board's financial position as at 30 June 2011 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office



John Jones  
Executive Director

Delegate of the Auditor-General

Canberra

6 September 2011

## STATEMENT BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

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In our opinion, the attached financial statements for the year ended 30 June 2011 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



Kevin Michael Stevenson  
Chief Executive Officer  
6 September 2011



Litsa Pillios  
Chief Financial Officer  
6 September 2011

**Statement of Comprehensive Income**  
for the period ended 30 June 2011

	Notes	2011 \$	2010 \$
<b>EXPENSES</b>			
Employee benefits	3A	3,032,589	3,036,148
Supplier expenses	3B	1,013,982	1,048,766
Depreciation and amortisation	3C	148,101	130,784
Finance costs	3D	6,109	5,792
Write-down and impairment of assets	3E	1,506	-
<b>Total expenses</b>		<b>4,202,287</b>	4,221,490
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	227,171	234,306
Rental income	4B	49,418	47,465
Other revenue	4C	1,250,000	1,623,500
<b>Total own-source revenue</b>		<b>1,526,589</b>	1,905,271
<b>GAINS</b>			
Other gains	4D	34,000	21,000
<b>Total gains</b>		<b>34,000</b>	21,000
<b>Total own-source income</b>		<b>1,560,589</b>	1,926,271
<b>Net cost of services</b>		<b>2,641,698</b>	2,295,219
Revenue from Government	4E	3,048,000	3,091,000
<b>Surplus attributable to the Australian Government</b>		<b>406,302</b>	795,781
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation reserves		(7,544)	55,220
Actuarial gains/(losses) on defined benefit plans		(327,000)	219,000
<b>Total other comprehensive income</b>		<b>(334,544)</b>	274,220
<b>Total comprehensive income attributable to the Australian Government</b>		<b>71,758</b>	1,070,001

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



**Balance Sheet**  
as at 30 June 2011

	Notes	2011 \$	2010 \$
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	5A	282,211	232,672
Trade and other receivables	5B	4,583,888	4,511,632
<b>Total financial assets</b>		<b>4,866,099</b>	<b>4,744,304</b>
<b>Non-financial assets</b>			
Infrastructure, plant and equipment	6A,C	537,219	668,503
Intangibles	6B,C	39,473	4,696
Inventories	6D	2,519	2,535
Other non-financial assets	6E	66,637	8,542
<b>Total non-financial assets</b>		<b>645,848</b>	<b>684,276</b>
<b>Total assets</b>		<b>5,511,947</b>	<b>5,428,580</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	64,744	142,014
Other payables	7B	424,245	491,904
<b>Total payables</b>		<b>488,989</b>	<b>633,918</b>
<b>Provisions</b>			
Employee provisions	8A	949,539	899,110
Other provisions	8B	117,952	111,843
<b>Total provisions</b>		<b>1,067,491</b>	<b>1,010,953</b>
<b>Total liabilities</b>		<b>1,556,480</b>	<b>1,644,871</b>
<b>Net assets</b>		<b>3,955,467</b>	<b>3,783,709</b>
<b>EQUITY</b>			
Contributed equity		100,000	-
Asset revaluation reserve		47,676	55,220
Retained surplus		3,807,791	3,728,489
<b>Total equity</b>		<b>3,955,467</b>	<b>3,783,709</b>

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

**Statement of Changes in Equity**  
for the period ended 30 June 2011

	Retained earnings		Asset revaluation reserve		Contributed equity/capital		Total equity	
	2011	2010	2011	2010	2011	2010	2011	2010
<b>Opening balance</b>								
Balance carried forward from previous period	3,728,489	2,713,708	55,220	-	-	-	3,783,709	2,713,708
<b>Comprehensive income</b>								
Other comprehensive income								
Changes in asset revaluation reserves	-	-	(7,544)	55,220	-	-	(7,544)	55,220
Actuarial gains/(losses)	(327,000)	219,000	-	-	-	-	(327,000)	219,000
Surplus for the period	406,302	795,781	-	-	-	-	406,302	795,781
<b>Total comprehensive income</b>	<b>79,302</b>	<b>1,014,781</b>	<b>(7,544)</b>	<b>55,220</b>	<b>-</b>	<b>-</b>	<b>71,758</b>	<b>1,070,001</b>
of which:								
Attributable to the Australian Government	79,302	1,014,781	(7,544)	55,220	-	-	71,758	1,070,001
<b>Transactions with owners</b>								
<b>Contribution by owners</b>								
Departmental capital budget	-	-	-	-	100,000	-	100,000	-
<b>Closing balance as at 30 June</b>	<b>3,807,791</b>	<b>3,728,489</b>	<b>47,676</b>	<b>55,220</b>	<b>100,000</b>	<b>-</b>	<b>3,955,467</b>	<b>3,783,709</b>
<b>Closing balance attributable to the Australian Government</b>	<b>3,807,791</b>	<b>3,728,489</b>	<b>47,676</b>	<b>55,220</b>	<b>100,000</b>	<b>-</b>	<b>3,955,467</b>	<b>3,783,709</b>

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

## Cash Flow Statement

for the period ended 30 June 2011

	Notes	2011 \$	2010 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		3,890,576	3,760,000
Goods and services		249,906	257,736
Net GST received		172,497	143,057
Contributions received		1,266,600	1,640,100
Other cash received		131,433	117,180
<b>Total cash received</b>		<b>5,711,012</b>	<b>5,918,073</b>
<b>Cash used</b>			
Employees		3,309,160	3,499,103
Suppliers		1,392,859	1,255,415
Net GST paid		79,769	76,652
Section 31 receipts transferred to Official Public Account		887,378	1,129,861
<b>Total cash used</b>		<b>5,669,166</b>	<b>5,961,031</b>
<b>Net cash flows from (used by) operating activities</b>	9	<b>41,846</b>	<b>(42,958)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of infrastructure, plant and equipment		60,642	119,919
<b>Total cash used</b>		<b>60,642</b>	<b>119,919</b>
<b>Net cash flows from (used by) investing activities</b>		<b>(60,642)</b>	<b>(119,919)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		68,335	-
<b>Total cash received</b>		<b>68,335</b>	<b>-</b>
<b>Net cash flows from (used by) financing activities</b>		<b>68,335</b>	<b>-</b>
<b>Net increase / (decrease) in cash held</b>		<b>49,539</b>	<b>(162,877)</b>
Cash and cash equivalents at the beginning of the reporting period		232,672	395,549
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<b>282,211</b>	<b>232,672</b>

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

## Schedule of Commitments

as at 30 June 2011

	2011 \$	2010 \$
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Sublease rental income <sup>1</sup>	284,269	333,840
GST recoverable on commitments	248,809	295,556
<b>Total commitments receivable</b>	<b>533,078</b>	<b>629,396</b>
<b>Commitments payable</b>		
Operating leases <sup>2</sup>	(2,736,902)	(3,251,112)
GST payable on commitments	(28,427)	(33,384)
<b>Total commitments payable</b>	<b>(2,765,329)</b>	<b>(3,284,496)</b>
<b>Net commitments by type</b>	<b>(2,232,251)</b>	<b>(2,655,100)</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>Operating lease income</b>		
One year or less	51,553	49,570
From one to five years	232,716	218,918
Over five years	-	65,352
<b>Total operating lease income</b>	<b>284,269</b>	<b>333,840</b>
<b>Other commitments receivable</b>		
One year or less	46,540	45,109
From one to five years	202,269	194,269
Over five years	-	56,178
<b>Total commitments receivable</b>	<b>248,809</b>	<b>295,556</b>
<b>Commitments payable</b>		
<b>Operating lease commitments payable</b>		
One year or less	(511,945)	(496,198)
From one to five years	(2,224,957)	(2,136,964)
Over five years	-	(617,950)
<b>Total operating lease commitments payable</b>	<b>(2,736,902)</b>	<b>(3,251,112)</b>
<b>GST payable on commitments</b>		
One year or less	(5,155)	(4,957)
From one to five years	(23,272)	(21,892)
Over five years	-	(6,535)
<b>Total GST payable on commitments</b>	<b>(28,427)</b>	<b>(33,384)</b>
<b>Net commitments by maturity</b>	<b>(2,232,251)</b>	<b>(2,655,100)</b>

NB: Commitments are GST inclusive where relevant.

(1) Part of the leased area is sub-let and this represents the revenue from the sub-lease.

(2) Operating leases are effectively non-cancellable and comprise:

Nature of lease	General description of leasing arrangement
Lease for office accommodation	Lease payments are subject to increase of 4 percent per annum as per lease agreement.
Lease for photocopier	The lessor provides a photocopier for 60 months at a fixed instalment rate.

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

## Schedule of Contingencies

as at 30 June 2011

There are no known contingencies as at 30 June 2011.

(Nil contingencies as at 30 June 2010.)

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

## Schedule of Asset Additions

for the period ended 30 June 2011

The following non-financial non-current assets were added in 2010-11:

	Infrastructure, plant & equipment	Intangibles	Total
	\$	\$	\$
By purchase – appropriation ordinary annual services			
Departmental capital budget	13,110	47,534	60,644
<b>Total additions</b>	<b>13,110</b>	<b>47,534</b>	<b>60,644</b>

The following non-financial non-current assets were added in 2009-10:

	Infrastructure, plant & equipment	Intangibles	Total
	\$	\$	\$
By purchase – appropriation ordinary annual services			
Ordinary operating costs	119,919	-	119,919
<b>Total additions</b>	<b>119,919</b>	<b>-</b>	<b>119,919</b>

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

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### Note 1: Summary of Significant Accounting Policies

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#### 1.1 Objectives of AASB

The Office of the Australian Accounting Standards Board (Office of the AASB) is an Australian Government agency, which provides technical and administrative support to the Australian Accounting Standards Board (AASB). The Office of the AASB is the financial entity and is governed by the *Financial Management and Accountability Act 1997* (FMA Act), whilst the AASB is a statutory committee under the *ASIC Act*.

The objective of the Office of the AASB is to develop and maintain high-quality financial reporting standards for all sectors of the Australian economy and contribute, through leadership and talent, to the development of global financial reporting standards and be recognised as facilitating the inclusion of the Australian community in the activity of global standard setting.

The Office of the AASB is structured to meet one outcome: the formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions.

The key strategies to achieve this outcome are:

- make accounting standards under section 334 of the *Corporations Act 2001* for the purposes of the financial reporting requirements of the Corporations legislation and providing guidance on the interpretation of those standards;
- formulate accounting standards for purposes of financial reporting by Australian entities that are not subject to the reporting requirements of the Corporations legislation and providing guidance on the interpretation of those standards; and
- Australian participation in and contribution to the development of a single set of accounting standards for worldwide use.

The continued existence of the Office of the AASB in its present form, and with its present programs, is dependent on Government policy and on continuing appropriations by Parliament for the Office of the AASB's administration.

#### 1.2 Basis of Preparation of the Financial Report

The financial report of the Office of the AASB is required by section 49 of the FMA Act and is a general purpose financial report.

The financial report has been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2010; and

- Australian Accounting Standards and Interpretations issued by the AASB that apply for the reporting period.

The financial report has been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets at fair value.

Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is presented in Australian dollars.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when, and only when, it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. Unrecognised liabilities and assets are reported in the schedule of commitments and schedule of contingencies.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, income and expenses are recognised in the Income Statement when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

### **1.3 Significant Accounting Judgements and Estimates**

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

### **1.4 Changes in Australian Accounting Standards**

#### **(a) Adoption of New Australian Accounting Standard Requirements**

No accounting standard has been adopted earlier than the application date as stated in the standard. No new accounting standards, amendments to standards and interpretations issued, that are applicable in the current period, have had a material financial effect on the Office of the AASB.

#### **(b) Future Australian Accounting Standard Requirements**

New standards, amendments to standards, and interpretations that are applicable to future periods have been issued by the AASB. It is estimated that adopting these pronouncements, when effective, will have no material impact on future reporting periods.

### **1.5 Revenue**

#### **(a) Revenue from Government**

Amounts appropriated for departmental output appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Office of the AASB gains control of the appropriation, except for certain amounts that relate to

activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

**(b) Other Types of Revenue**

Revenues from contributions are recognised at nominal amounts when invoiced in accordance with agreed schedules of payment (annually or quarterly).

Revenue from the sale of goods is recognised when: the risks and rewards of ownership have been transferred to the buyer; the Office of the AASB retains no managerial involvement nor effective control over the goods; the revenue and transaction costs incurred can be reliably measured; and it is probable that the economic benefits associated with the transaction will flow to the Office of the AASB.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value as revenue when the asset qualifies for recognition.

**1.6 Gains**

**(a) Resources Received Free of Charge**

Resources received free of charge are recognised as gains 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.

**(b) Sale of Assets**

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

**1.7 Transactions with the Government as Owner**

**(a) Equity Injections**

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets are recognised directly in contributed equity in that year.

**1.8 Employee Benefits**

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within 12 months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.



(a) Leave

The liability for employee benefits includes provision for annual leave and long-service leave. No provision has been made for sick leave because all sick leave is non-vesting.

The leave liabilities are calculated on the basis of employees' remuneration, including the Office of the AASB employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long-service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

(b) Superannuation

The Office of the AASB sponsors the AASB Superannuation Plan.

The defined benefit plan requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in retained earnings.

The defined benefit liability recognised in the balance sheet represents the present value of the defined benefit obligation, net of the fair value of the plan assets.

## 1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

The Office of the AASB has no finance leases.

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

## 1.10 Cash

Cash and cash equivalents include notes and coins held and any deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

## 1.11 Financial Assets

The Office of the AASB's financial assets comprise 'loans and receivables'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon 'trade date'.

(a) **Loans and Receivables**

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. The latter are classified as non-current assets. Loans and receivables are measured at nominal amounts.

(b) **Impairment of Financial Assets**

Financial assets are assessed for impairment at each balance date.

Financial assets held at amortised cost: if there is objective evidence that an impairment loss has been incurred for loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the recoverable amount. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.

### **1.12 Financial Liabilities**

The Office of the AASB's financial liabilities comprise 'supplier and other payables'.

Financial liabilities are recognised and derecognised upon 'trade date'.

(a) **Supplier and Other Payables**

Supplier and other payables are recognised at their amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

### **1.13 Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

### **1.14 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. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

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, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor authority's accounts immediately prior to the restructuring.

### 1.15 Property, Plant and Equipment

#### (a) Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$300, 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).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site. These costs are included in the Office of the AASB's other non-financial assets with a corresponding provision for restoration obligations recognised.

#### (b) Revaluations

Fair values for each class of asset are determined as shown below:

	2011	2010
Leasehold Improvements	<b>Depreciated replacement cost or market selling price</b>	Depreciated replacement cost or market selling price
Plant and Equipment	<b>Depreciated replacement cost or market selling price</b>	Depreciated replacement cost or market selling price

Following initial recognition at cost, property, plant and equipment are carried at fair value less accumulated depreciation. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not materially differ from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis, where material. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the operating result. Revaluation decrements for a class of assets are recognised directly through operating result except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

(c) Depreciation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Office of the AASB using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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

	<b>2011</b>	<b>2010</b>
Leasehold Improvements	<b>Lease term — ten years</b>	Lease term — ten years
Plant and Equipment	<b>Three to ten years</b>	Three to ten years

(d) Impairment

All assets were assessed for impairment at 30 June 2011. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Office of the AASB was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**1.16 Intangibles**

The Office of the AASB's intangible assets comprise purchased software and licences for internal use. These assets are carried at cost, less accumulated amortisation.

Software and licences are amortised on a straight-line basis over their anticipated useful life. The useful life of Office of the AASB's software and licences is three to five years (2009-10: three to five years).

All software assets were assessed for indications of impairment as at 30 June 2011.

**1.17 Inventories**

Inventories held for resale are valued at the lower of cost and net realisable value.

**1.18 Taxation**

The Office of the AASB is exempt from all forms of taxation, except fringe benefits tax and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

### **1.19 Insurance**

The Office of the AASB has taken insurance cover considered appropriate through the Government's insurable risk managed fund, called 'Comcover'. Workers compensation is insured through Comcare Australia.

### **1.20 Comparative Figures**

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

### **Note 2: Events after the Balance Sheet Date**

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The Office of the AASB has no reportable events after the balance sheet date.

**Note 3: Expenses**

	2011 \$	2010 \$
<b>Note 3A: Employee benefits</b>		
Wages and salaries	2,836,152	2,735,236
Superannuation:		
Defined contribution plans	133,222	131,846
Defined benefit plans	121,786	158,021
Leave and other entitlements	(58,571)	11,045
<b>Total employee benefits</b>	<b>3,032,589</b>	<b>3,036,148</b>
<b>Note 3B: Suppliers</b>		
<b>Goods and services</b>		
Board Member Services	104,057	161,758
International Travel	109,332	159,883
Publications/Subscriptions	127,765	103,690
Administration	185,184	173,352
Other	126,643	107,396
<b>Total goods and services expenses</b>	<b>652,981</b>	<b>706,080</b>
Goods and services are made up of:		
Provision of goods — related entities	-	-
Provision of goods — external parties	70,556	79,664
Rendering of services — related entities	125,399	85,615
Rendering of services — external parties	457,026	540,801
<b>Total goods and services expenses</b>	<b>652,981</b>	<b>706,080</b>
<b>Other supplier expenses</b>		
Operating lease rentals – related entities:		
Minimum lease payments	353,788	337,000
Workers compensation premiums	7,213	5,686
<b>Total other supplier expenses</b>	<b>361,001</b>	<b>342,686</b>
<b>Total supplier expenses</b>	<b>1,013,982</b>	<b>1,048,766</b>
<b>Note 3C: Depreciation and amortisation</b>		
Depreciation:		
Infrastructure, plant and equipment	135,344	123,238
<b>Total depreciation</b>	<b>135,344</b>	<b>123,238</b>
Amortisation:		
Intangibles:		
Computer software	12,757	7,546
<b>Total amortisation</b>	<b>12,757</b>	<b>7,546</b>
<b>Total depreciation and amortisation</b>	<b>148,101</b>	<b>130,784</b>
<b>Note 3D: Finance costs</b>		
Unwinding of discount on leasehold restoration obligation (see 8B)	6,109	5,792
<b>Total finance costs</b>	<b>6,109</b>	<b>5,792</b>
<b>Note 3E: Write-down and impairment of assets</b>		
Write-down of infrastructure, plant and equipment	1,506	-
<b>Total write-down and impairment of assets</b>	<b>1,506</b>	<b>-</b>

**Note 4: Income**

	2011	2010
	\$	\$
<b>REVENUE</b>		
<b>Note 4A: Sale of goods and rendering of services</b>		
Provision of goods — related entities	1,200	1,806
Provision of goods — external entities	38,984	51,137
Rendering of services — related entities	174,987	181,363
Rendering of services — external entities	12,000	-
<b>Total sale of goods and rendering of services</b>	<b>227,171</b>	<b>234,306</b>
<b>Note 4B: Rental income</b>		
Operating lease:		
Sub-lease	49,418	47,465
<b>Total rental income</b>	<b>49,418</b>	<b>47,465</b>
<b>Note 4C: Other revenue</b>		
Contributions from States and Territories	500,000	500,000
Contributions from CPA Australia	22,000	22,000
Contributions from The Institute of Chartered Accountants in Australia	22,000	22,000
Contributions from the National Institute of Accountants	22,000	22,000
Contributions from Australian Stock Exchange	100,000	100,000
Contributions from Companies Unclaimed Monies Account	584,000	957,500
<b>Total contributions</b>	<b>1,250,000</b>	<b>1,623,500</b>
<b>Total other revenue</b>	<b>1,250,000</b>	<b>1,623,500</b>
<b>GAINS</b>		
<b>Note 4D: Other gains</b>		
Resources received free of charge in relation to audit services	34,000	21,000
<b>Total other gains</b>	<b>34,000</b>	<b>21,000</b>
<b>REVENUE FROM GOVERNMENT</b>		
<b>Note 4E: Revenue from Government</b>		
Appropriations:		
Departmental appropriation	3,048,000	3,091,000
<b>Total revenue from Government</b>	<b>3,048,000</b>	<b>3,091,000</b>

**Note 5: Financial Assets**

	2011	2010
	\$	\$
<b>Note 5A: Cash and cash equivalents</b>		
Cash on hand or on deposit	282,211	232,672
<b>Total cash and cash equivalents</b>	<b>282,211</b>	<b>232,672</b>
<b>Note 5B: Trade and other receivables</b>		
<b>Goods and services:</b>		
Goods and services – related entities	27,102	20,507
Goods and services – external parties	1,631	898
<b>Total receivables for goods and services</b>	<b>28,733</b>	<b>21,405</b>
<b>Appropriations receivable:</b>		
For existing programs	4,527,996	4,451,529
<b>Total appropriations receivable</b>	<b>4,527,996</b>	<b>4,451,529</b>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	27,159	38,698
<b>Total other receivables</b>	<b>27,159</b>	<b>38,698</b>
<b>Total trade and other receivables (gross)</b>	<b>4,583,888</b>	<b>4,511,632</b>
Receivables are expected to be recovered in:		
No more than 12 months	895,888	823,632
More than 12 months	3,688,000	3,688,000
<b>Total trade and other receivables (gross)</b>	<b>4,583,888</b>	<b>4,511,632</b>
Receivables are aged as follows:		
Not overdue	4,583,888	4,511,632
<b>Total receivables (gross)</b>	<b>4,583,888</b>	<b>4,511,632</b>

**Note 6: Non-Financial Assets**

	2011	2010
	\$	\$
<b>Note 6A: Infrastructure, plant and equipment</b>		
Infrastructure, plant and equipment:		
Gross carrying value (at fair value)	1,057,418	1,111,658
Accumulated depreciation	(520,199)	(433,155)
<b>Total infrastructure, plant and equipment (non-current)</b>	<b>537,219</b>	<b>668,503</b>

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2011, the Australian Valuation Office, an independent valuer, conducted the revaluation.

A revaluation decrement of \$7,544 (2010: increment of \$55,220) for infrastructure, plant and equipment was recognised in the statement of comprehensive income and transferred to the asset revaluation reserve.

No indicators of impairment were found for infrastructure, plant and equipment.



	2011	2010
	\$	\$
<b>Note 6B: Intangibles</b>		
Computer software at cost:		
Purchased	88,704	43,535
Accumulated amortisation	(49,231)	(38,839)
<b>Total computer software</b>	<b>39,473</b>	<b>4,696</b>

No indicators of impairment were found for intangible assets.  
No intangibles are expected to be sold or disposed of within the next 12 months.

### Note 6C: Analysis of infrastructure, plant and equipment and intangibles

Table A — Reconciliation of the opening and closing balances of infrastructure, plant and equipment and intangibles (2010-11)

	Infrastructure, plant and equipment	Computer software purchased
	\$	\$
<b>As at 1 July 2010</b>		
Gross book value	1,111,658	43,535
Accumulated depreciation/amortisation and impairment	(443,155)	(38,839)
<b>Net book value 1 July 2010</b>	<b>668,503</b>	<b>4,696</b>
Additions:		
By purchase	13,110	47,534
Revaluations recognised in other comprehensive income	(7,544)	-
Depreciation/amortisation expense	(135,344)	(12,757)
Disposals:		
Write-down of assets	(1,506)	-
<b>Net book value 30 June 2011</b>	<b>537,219</b>	<b>39,473</b>
<b>Net book value as of 30 June 2011 represented by:</b>		
Gross book value	1,057,418	91,069
Accumulated depreciation/amortisation and impairment	(520,199)	(51,596)
	<b>537,219</b>	<b>39,473</b>

Table B — Reconciliation of the opening and closing balances of infrastructure, plant and equipment and intangibles (2009-10)

	<b>Infrastructure, plant and equipment</b>	<b>Computer software purchased</b>
	<b>\$</b>	<b>\$</b>
<b>As at 1 July 2009</b>		
Gross book value	1,150,525	43,535
Accumulated depreciation/amortisation and impairment	(533,923)	(31,293)
<b>Net book value 1 July 2009</b>	<b>616,602</b>	<b>12,242</b>
Additions:		
By purchase	119,919	-
Revaluations recognised in other comprehensive income	55,220	-
Depreciation/amortisation expense	(123,238)	(7,546)
<b>Net book value 30 June 2010</b>	<b>668,503</b>	<b>4,696</b>
<b>Net book value as of 30 June 2010 represented by:</b>		
Gross book value	1,111,658	43,535
Accumulated depreciation/amortisation and impairment	(443,155)	(38,839)
	<b>668,503</b>	<b>4,696</b>

	2011	2010
	\$	\$
<b>Note 6D: Inventories</b>		
Inventories held for sale		
Finished goods	2,519	2,535
<b>Total inventories</b>	<b>2,519</b>	<b>2,535</b>

All inventory is expected to be sold in the next 12 months

#### **Note 6E: Other non-financial assets**

Prepayments	66,637	8,542
<b>Total other non-financial assets</b>	<b>66,637</b>	<b>8,542</b>
Total other non-financial assets are expected to be recovered in:		
No more than 12 months	66,637	8,542
<b>Total other non-financial assets</b>	<b>66,637</b>	<b>8,542</b>

No indicators of impairment were found for other non-financial assets.

#### **Note 7: Payables**

	2011	2010
	\$	\$
<b>Note 7A: Suppliers</b>		
Trade creditors and accruals	64,744	142,014
<b>Total supplier payables</b>	<b>64,744</b>	<b>142,014</b>
Supplier payables are made up of:		
Related entities	5,052	536
External parties	59,692	141,478
<b>Total supplier payables</b>	<b>64,744</b>	<b>142,014</b>

Settlement is usually made net 30 days

#### **Note 7B: Other payables**

Lease commitments	360,981	431,994
Other	63,264	59,910
<b>Total other payables</b>	<b>424,245</b>	<b>491,904</b>
Other payables are expected to be settled within:		
No more than 12 months	134,281	129,537
More than 12 months	289,964	362,367
<b>Total other payables</b>	<b>424,245</b>	<b>491,904</b>

**Note 8: Provisions**

	2011	2010
	\$	\$
<b>Note 8A: Employee provisions</b>		
Leave	693,539	752,110
Superannuation [Note 8A (i)]	256,000	147,000
<b>Total employee provisions</b>	<b>949,539</b>	<b>899,110</b>
Employee provisions are expected to be settled in:		
No more than 12 months	295,434	308,092
More than 12 months	654,105	591,018
<b>Total employee provisions</b>	<b>949,539</b>	<b>899,110</b>

**Note 8A (i): Superannuation provisions**

The AASB has one defined benefit fund, which requires contributions to be made to the separately administered fund. The defined benefit plan is only open to existing employees who have always been members of the plan, and is not open to new employees.

The following tables summarise the components of net benefit expense recognised in the Statement of Comprehensive Income and the funded status and amounts recognised in the Balance Sheet for the plan:

**Balance sheet and profit and loss impact**

<b>As at 30 June</b>	<b>2011</b>	<b>2010</b>
	\$	\$
Defined Benefit obligation <sup>^</sup>	3,473,000	2,937,000
(-) Fair value of AASB Plan assets	3,217,000	2,790,000
<b>Deficit/(Surplus)</b>	<b>256,000</b>	<b>147,000</b>
(-) Unrecognised past service cost	-	-
(-) Unrecognised net (gains)/losses	-	-
(+) Adjustment for limitation on net asset	-	-
<b>Net superannuation liability/(asset)</b>	<b>256,000</b>	<b>147,000</b>

<sup>^</sup> includes contributions tax provision

<b>Financial year ending</b>	<b>2011</b>	<b>2010</b>
	\$	\$
Service cost	127,000	116,000
Interest cost	140,000	140,000
Expected return on assets	(199,000)	(149,000)
Actuarial gains/(losses)	-	-
Past service cost	-	-
Movement in limitation on net asset	-	-
Effect of curtailments/settlements	-	-
<b>Superannuation expense/(income)</b>	<b>68,000</b>	<b>107,000</b>

## Actuarial (gains)/losses recognised in the statement of comprehensive income

Financial year ending	2011	2010
	\$	\$
Actuarial (gains)/losses	<b>327,000</b>	(219,000)

## Movement in net liability/(asset)

Financial year ending	2011	2010
	\$	\$
<b>Net superannuation liability(asset) at start of year</b>	<b>147,000</b>	840,000
(+) Expense recognised in statement of comprehensive income	<b>68,000</b>	107,000
(+) Amount recognised in retained earnings	<b>327,000</b>	(219,000)
(-) Employer contributions	<b>286,000</b>	581,000
<b>Net superannuation liability/(asset) at end of year</b>	<b>256,000</b>	147,000

## Estimate of expense for 2012

Financial year ending	2012
	\$
Service cost	131,000
Interest cost	160,000
Expected return on assets	(232,000)
Actuarial losses/(gains)	-
Past service cost	-
Movement in limitation on net asset	-
Effect of curtailments/settlements	^
<b>Estimated superannuation expense/(income)</b>	<b>59,000</b>

^ not known until end of year

## Estimate of net liability/(asset) at 30 June 2012

Financial year ending	2012
	\$
<b>Net superannuation liability(asset) at start of year</b>	256,000
(+) Estimated expense recognised in statement of comprehensive income	59,000
(+) Estimated amount recognised in retained earnings	^
(-) Estimated employer contributions	90,000
<b>Estimated net superannuation liability/(asset) at end of year</b>	<b>225,000</b>

^ not known until end of year

Reconciliation of the defined benefit obligation – para 120A(c)

<b>Financial year ending</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Present value of DBO at start of year</b>	<b>2,937,000</b>	2,866,000
(+) Current service cost	<b>127,000</b>	116,000
(+) Interest cost	<b>140,000</b>	140,000
(+) Contributions by AASB Plan members	<b>54,000</b>	51,000
(+) Actuarial (gains)/losses	<b>266,000</b>	(148,000)
(-) Benefits paid	-	-
(-) Taxes, premiums and expenses paid	<b>51,000</b>	88,000
(+) Transfers in	-	-
(-) Contributions to accumulation section	-	-
(+) Past service cost	-	-
(+) Curtailments	-	-
(+) Settlements	-	-
(+) Exchange rate changes	-	-
<b>Present value of DBO at end of year</b>	<b>3,473,000</b>	<b>2,937,000</b>

Reconciliation of the fair value of AASB Plan assets – para 120A(e)

<b>Financial year ending</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Fair value of AASB Plan assets at start of year</b>	<b>2,790,000</b>	2,026,000
(+) Expected return on AASB Plan assets	<b>199,000</b>	149,000
(+) Actuarial (gains)/losses	<b>(61,000)</b>	71,000
(+) Employer Contributions	<b>286,000</b>	581,000
(+) Contributions by AASB Plan members	<b>54,000</b>	51,000
(-) Benefits paid	-	-
(-) Taxes, premiums and expenses paid	<b>51,000</b>	88,000
(+) Transfers in	-	-
(-) Contributions to accumulation section	-	-
(+) Settlements	-	-
(+) Exchange rate changes	-	-
<b>Fair value of AASB Plan assets at end of year</b>	<b>3,217,000</b>	<b>2,790,000</b>

Reconciliation of the assets and liabilities recognised in the balance sheet –  
para 120A(f)

<b>As at 30 June</b>	<b>2011</b>	2010
	<b>\$</b>	\$
Defined Benefit Obligation ^	<b>3,473,000</b>	2,937,000
(-) Fair value of AASB Plan assets	<b>3,217,000</b>	2,790,000
Deficit/(surplus)	<b>256,000</b>	147,000
(-) Unrecognised past service cost	-	-
(-) Unrecognised net (gains)/losses	-	-
(+) Adjustment for limitation on net asset	-	-
<b>Net superannuation liability/(asset)</b>	<b>256,000</b>	147,000

^ includes contributions tax provision

Expense recognised in the statement of comprehensive income – para 120A(g)

<b>Financial year ending</b>	<b>2011</b>	2010
	<b>\$</b>	\$
Service cost	<b>127,000</b>	116,000
Interest cost	<b>140,000</b>	140,000
Expected return on assets	<b>(199,000)</b>	(149,000)
Actuarial losses/(gains)	-	-
Past service cost	-	-
Movement in limitation on net asset	-	-
Effect of curtailments/settlements	-	-
<b>Superannuation expense/(income)</b>	<b>68,000</b>	107,000

Amounts recognised in the statement of comprehensive income – para 120A(h)

<b>Financial year ending</b>	<b>2011</b>	2010
	<b>\$</b>	\$
Actuarial (gains)/losses	<b>327,000</b>	(219,000)

Cumulative amount recognised in the statement of comprehensive income –  
para 120A(i)

<b>Financial year ending</b>	<b>2011</b>	2010
	<b>\$</b>	\$
Cumulative amount of actuarial (gains)/losses	<b>752,000</b>	425,000

**AASB Plan assets – para 120A(j)**

<b>As at 30 June</b>	<b>2011</b>	2010
	%	%
Australian equities	<b>48</b>	45
International equities	<b>24</b>	25
Fixed income	<b>14</b>	15
Property	<b>10</b>	9
Alternatives/other	<b>2</b>	3
Cash	<b>2</b>	3
	<b>100%</b>	100%

**Actual return on AASB Plan assets – para 120A(m)**

<b>Financial year ending</b>	<b>2011</b>	2010
	\$	\$
Actual return on AASB Plan assets	<b>138,000</b>	220,000

**Principal actuarial assumptions at the balance sheet date – para 120A(n)**

<b>Financial year ending</b>	<b>2011</b>	2010
	%	%
Discount rate	<b>4.6</b>	4.8
Expected rate of return on AASB Plan assets	<b>7.0</b>	7.0
Expected salary increase rate	<b>2.5</b>	2.5

**Historical information – para 120A(p)**

<b>Financial year ending 30 June</b>	<b>2011</b>	2010	2009	2008	2007
	\$	\$	\$	\$	\$
Present value of DBO	<b>3,473,000</b>	2,937,000	2,866,000	2,826,000	2,586,000
Fair value of AASB Plan assets	<b>3,217,000</b>	2,790,000	2,026,000	2,326,000	2,692,000
Surplus/deficit in AASB Plan	<b>256,000</b>	147,000	840,000	500,000	(106,000)
<b>Experience adjustments (gains)/losses:</b>					
AASB Plan assets	<b>61,000</b>	(71,000)	606,000	683,000	(244,000)
<b>Experience adjustments (gains)/losses:</b>					
AASB Plan liabilities	<b>214,000</b>	(224,000)	(47,000)	74,000	170,000



## Expected contributions – para 120A(q)

Financial year ending	2012 \$
Expected employer contributions *	90,000

\* based on the current AASB contribution rate of 9% of Salary

## Summary of membership

As at	2011	2010
Number of active defined benefit members	6	6
Number of deferred members	-	-
Total annual salaries (\$000)	1,005	926

## Actuarial assumptions

As at	30 June 2011 %	30 June 2010 %	Comments
Discount rate	4.6	4.8	Based on 10-year Government bond rate, less allowance for investment tax
Salary inflation	2.5	2.5	
Expected return on assets	7.0	7.0	Based on Plan's mix of asset classes
Contributions tax rate	15	15	
Method of recognising actuarial gains and losses	Immediate recognition of actuarial gains and losses through retained earnings		
Vested benefit minimum	None	None	Not required by AASB 119

## Supplemental information

## Service cost

Financial year ending	2011 \$	2010 \$
1. Total service cost at beginning of year	142,000	131,000
2. Interest cost for year	7,000	7,000
3. Expected contributions tax and expenses	33,000	29,000
4. Expected employee contributions	52,000	51,000
5. Expected (increase) in contributions tax provisions	(3,000)	-
6. Current service cost (1+2+3-4+5)	127,000	116,000

### Interest cost

Financial year ending	2011	2010
	\$	\$
1. DBO at start of year ^	2,915,000	2,740,000
2. Expected distributions	-	-
3. Average DBO over year (1 + 50% x 2)	2,915,000	2,740,000
4. Discount rate	4.8%	5.1%
5. Interest cost (3 x 4)	140,000	140,000

^ before contributions tax provision

### Expected return on AASB Plan assets

Financial year ending	2011	2010
	\$	\$
1. Fair value of AASB Plan assets at start of year	2,790,000	2,026,000
2. Expected employer contributions	83,000	190,000
3. Expected employee contributions	52,000	51,000
4. Expected distributions during year	-	-
5. Expected expenses, tax and insurance premiums	20,000	29,000
6. Average expected fair value of assets (1+50% (2+3-4-5))	2,848,000	2,132,000
7. Expected rate of return on AASB Plan assets	7.0%	7.0%
8. Expected return on AASB Plan assets (6x7)	199,000	149,000

### Actuarial (gains)/losses (recognised in retained earnings)

Financial year ending	2011	2010
	\$	\$
1. Actuarial (gain)/loss on assets - experience	61,000	(71,000)
2. Actuarial (gain)/loss on DBO ^ - experience	214,000	(224,000)
3. Actuarial (gain)/loss on DBO ^ - change in assumptions	52,000	76,000
4. Total actuarial (gain)/loss (1+2+3)	327,000	(219,000)

^ includes movement of contributions tax provision

### Calculation of total defined benefit obligation

Financial year ending	2011	2010
	\$	\$
1. Defined benefit obligation ^	3,435,000	2,915,000
2. Fair value of AASB Plan assets	(3,217,000)	(2,790,000)
3. (Deficit)/surplus (1+2)	218,000	125,000
4. Provision for contributions tax (3x15%/85%)	38,000	22,000
5. Total defined benefit obligation (1+4)	3,473,000	2,937,000

^ before contributions tax provision

## Expected change in contributions tax provision

<b>Financial year ending</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
1. Expected defined benefit obligation at end of current year	<b>3,224,000</b>	3,099,000
2. Expected assets at end of current year	<b>(3,116,000)</b>	(2,387,000)
3. Expected provision at end of current year [(1+2)*15%/85%]	<b>19,000</b>	126,000
4. Actual provision at end of prior year	<b>22,000</b>	126,000
5. Expected change in tax provision (3-4)	<b>(3,000)</b>	-

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Note 8B: Other provisions</b>		
Leasehold restoration obligations	<b>117,952</b>	111,843
<b>Total other provisions</b>	<b>117,952</b>	111,843
Other provisions are expected to be settled within:		
More than 12 months	<b>117,952</b>	111,843
<b>Total other provisions</b>	<b>117,952</b>	111,843
	<b>Provision for restoration 2011</b>	Provision for restoration 2010
<b>Carrying amount 1 July</b>	<b>111,843</b>	106,051
Unwinding of discount	<b>6,109</b>	5,792
<b>Closing balance 30 June</b>	<b>117,952</b>	111,843

The Office of the AASB currently has one agreement for the leasing of premises, which has a provision requiring the Office of the AASB to restore the premises to their original condition at the conclusion of the lease. A provision has been made to reflect the present value of this obligation.

**Note 9: Cash Flow Reconciliation**

	2011	2010
	\$	\$
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement</b>		
<b>Cash equivalents as per:</b>		
Cash flow statement	282,211	232,672
Balance sheet	282,211	232,672
Difference	-	-
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net cost of services	(2,641,698)	(2,295,219)
Add revenue from Government	3,048,000	3,091,000
Other movement in retained surplus – superannuation actuarial gain and losses	(327,000)	219,000
<b>Adjustments for non-cash items:</b>		
Depreciation/amortisation	148,101	130,784
Lease incentive – amortisation	(71,013)	(71,013)
Unwinding of discount on provision for required restoration of premises	6,109	5,792
Net write down of non-financial assets	1,506	
<b>Changes in assets/liabilities:</b>		
(Increase)/decrease in net receivables	(40,591)	(468,457)
(Increase)/decrease in inventories	16	61
(Increase)/decrease in prepayments	(58,096)	7,101
Increase/(decrease) in superannuation provision	109,000	(693,000)
Increase/(decrease) in other employee provisions	(58,571)	11,045
Increase/(decrease) in supplier payables	(77,271)	319
Increase/(decrease) in other payables	3,354	19,629
<b>Net cash from/(used by) operating activities</b>	<b>41,846</b>	<b>(42,958)</b>

**Note 10: Executive Remuneration**

	2011	2010
	\$	\$
<b>Note 10A: Senior executive remuneration expense for the reporting period</b>		
<b>Short-term employee benefits:</b>		
Salary	867,303	641,075
Annual leave accrued	72,275	53,423
<b>Total short-term employee benefits</b>	<b>939,578</b>	<b>694,498</b>
<b>Post-employment benefits:</b>		
Superannuation	78,911	100,977
<b>Total post-employment benefits</b>	<b>78,911</b>	<b>100,977</b>
<b>Other long-term benefits:</b>		
Long-service leave	(6,196)	8,129
<b>Total other long-term benefits</b>	<b>(6,196)</b>	<b>8,129</b>
<b>Total</b>	<b>1,012,293</b>	<b>803,604</b>

**Note 10B: Actual remuneration paid to senior executives**

Average annual remuneration packages for substantive senior executives

**Fixed Elements:**

	As at 30 June 2011			As at 30 June 2010		
	No. senior executives	Base salary (inc. annual leave)	Total	No. senior executives	Base salary (inc. annual leave)	Total remuneration package
Less than \$150,000	1	149,056	149,056	1	141,958	141,958
\$210,000 to \$239,999	1	215,597	215,597	1	239,204	239,204
\$240,000 to \$269,999	1	254,403	254,403	-	-	-
\$270,000 to \$299,999	-	-	-	-	-	-
\$300,000 to \$329,999	1	322,222	322,222	1	309,531	309,531
<b>Total</b>	<b>4</b>	<b>941,278</b>	<b>941,278</b>	<b>3</b>	<b>690,693</b>	<b>690,693</b>

**Variable Elements:**

(a) On average senior executives are entitled to the following leave entitlements:

- Annual Leave (AL): entitled to 20 days (2010: 20 days) each full year worked or part-time equivalent
- Personal Leave (PL): entitled to 10 days (2010: 10 days) each full year worked or part-time equivalent
- Long Service Leave (LSL): entitled to 8.67 weeks after 10 years (2010: 8.67 weeks after 10Years) or part-time equivalent or in accordance with Long Service Leave (Commonwealth Employees) Act 1976 for statutory office holder

(b) Senior executives are members of the AASB superannuation plan (Defined Benefit (DB) plan) or are members of a defined contribution fund. Employee contributions are provided at 9% for all executives. A

further contribution of 6% is provided to DB members of the AASB superannuation plan under the conditions of the fund.

**Note 10C: Other highly paid staff**

During the reporting period, there were two employees whose salary was \$150,000 or more. These employees did not have a role as senior executive and are therefore not disclosed as senior executives in Note 10A and Note 10B.

**Note 11: Remuneration of Auditors**

	2011	2010
	\$	\$
The fair value of the services provided:		
Remuneration to the ANAO for auditing the financial statements for the reporting period	<b>34,000</b>	21,000
	<b>34,000</b>	21,000

No other services were provided by the ANAO.

**Note 12: Financial Instruments**

	2011	2010
	\$	\$
<b>Note 12A: Categories of financial instruments</b>		
<b>Financial assets</b>		
Held-to-maturity financial assets		
Cash and cash equivalents	282,211	232,672
Trade receivables	28,733	21,405
<b>Total held-to-maturity financial assets</b>	<b>310,944</b>	254,077
<b>Carrying amount of financial assets</b>	<b>310,944</b>	254,077
<b>Financial liabilities</b>		
At amortised cost		
Trade creditors	64,744	142,014
<b>Carrying amount of financial liabilities</b>	<b>64,744</b>	142,014

**Note 12B: Fair value of financial instruments**

## Financial assets

The net fair values of cash and cash equivalents and trade receivables approximate their carrying amounts.

## Financial liabilities

The net fair value of trade creditors approximates their carrying amounts.

**Note 12C: Credit risk**

The Office of the AASB's maximum exposure to credit risk, at reporting date, in relation to each class of recognised financial asset, is the carrying amount of those assets as indicated in the balance sheet.

The economic entity has no significant exposures to any concentrations of credit risk.

The Office of the AASB has assessed the risk of default on payment and has not identified any impairment.

**The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements**

	2011	2010
	\$	\$
Cash and cash equivalents	282,211	232,672
Trade receivables	28,733	21,405
<b>Total</b>	<b>310,944</b>	254,077
<b>Credit quality of financial instruments not past due or individually determined as impaired</b>		
	<b>Not past due</b>	Not past due nor

	<b>nor impaired</b>	impaired
	<b>2011</b>	2010
	<b>\$</b>	\$
Trade receivables	<b>28,733</b>	21,405
<b>Total</b>	<b>28,733</b>	21,405

**Note 12D: Liquidity risk**

The exposure to liquidity risk is based on the probability that the Office of the AASB will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to government funding and mechanisms available to the Office of the AASB and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

All financial liabilities are expected to be settled within 30 days.

**Note 12E: Market risk**

The Office of the AASB holds basic financial instruments that do not expose it to market risks. The AASB is not exposed to material 'currency risk' or 'other price risk'.



## Note 13: Appropriations

**Table A: Annual Appropriations ('Recoverable GST exclusive')**

	2011 Appropriations				Appropriation applied in 2011 (current and prior years)	Variance <sup>(b)</sup>
	Appropriation Act		FMA Act	Total appropriation		
	Annual Appropriation	Appropriations reduced <sup>(a)</sup>	Section 31			
	\$	\$	\$	\$	\$	
<b>DEPARTMENTAL</b>						
Ordinary annual services	3,148,000	-	887,378	4,035,378	3,958,911	76,467
<b>Total departmental</b>	<b>3,148,000</b>	<b>-</b>	<b>887,378</b>	<b>4,035,378</b>	<b>3,958,911</b>	<b>76,467</b>

	2010 Appropriations				Appropriation applied in 2010 (current and prior years)	Variance <sup>(b)</sup>
	Appropriation Act		FMA Act	Total appropriation		
	Annual Appropriation	Appropriations reduced <sup>(a)</sup>	Section 31			
	\$	\$	\$	\$	\$	
<b>DEPARTMENTAL</b>						
Ordinary annual services	3,115,000	(24,000)	1,979,950	5,070,950	4,467,317	603,633
<b>Total departmental</b>	<b>3,115,000</b>	<b>(24,000)</b>	<b>1,979,950</b>	<b>5,070,950</b>	<b>4,467,317</b>	<b>603,633</b>

(a) Appropriations reduced under Appropriation Acts (No. 1,3) 2009-10: sections 10, 11 and 12 and under Appropriation Acts (No. 2,4) 2009-10: sections 13 and 14. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. The reduction was approved by the Finance Minister on 29 June 2010. The reduction was under Operation Sunlight.

(b) Material variances were due to travel savings and staff movements.

**Table B: Unspent Departmental Annual Appropriations ('Recoverable GST exclusive')**

Authority	2011	2010
	\$	\$
Act 4 - Non Operating - Equity Injection	3,688,000	3,688,000
Appropriation Act 1 2008/09	302,667	302,667
Appropriation Act 1 2009/10	484,662	693,533
Appropriation Act 1 2010/11	303,213	-
Appropriation Act 1 2010/11 - capital budget	31,665	-
<b>Total</b>	<b>4,810,207</b>	<b>4,684,200</b>

**Note 14: Special Accounts**

**Office of the Australian Accounting Standards Board Special Account**

Legal Authority: Minister for Finance and Deregulation. Determination under subsection 20(1) of the FMA Act 1997. Special Account established 2008.  
 Appropriation: FMA Act 1997, section 20  
 Purpose: The purpose of this Special Account is to enable the Office of the AASB to manage moneys received primarily from the professional accounting bodies, the Australian Securities Exchange and Australian State and Territory Governments.

	2011	2010
	\$	\$
Balance carried from previous period	-	-
Appropriation for reporting period (Departmental)	<b>666,000</b>	666,000
<b>Total increase</b>	<b>666,000</b>	666,000
Available for payments	<b>666,000</b>	666,000
Payments made	<b>666,000</b>	666,000
<b>Total decrease</b>	<b>666,000</b>	666,000
<b>Total balance carried to the next period</b>	<b>-</b>	-

**Office of the Australian Accounting Standards Board Services for Other Entities and Trust Moneys Special Account (abolished)**

Legal Authority: Minister for Finance and Deregulation. Determination under subsection 20(1) of the FMA Act 1997. Special Account established 2008.  
 This account has been closed under the Financial Management and Accountability Determination 2010/13 – Abolition of Inactive Special Accounts 2010.  
 Appropriation: FMA Act 1997, section 20  
 Purpose: The purpose of this Special Account was to enable the Office of the AASB to manage moneys held on trust or otherwise for the benefit of a person other than the Commonwealth.  
 No transactions occurred in this account and the account was abolished in October 2010.

**Note 15: Reporting of Outcomes**

The Office of the AASB has one outcome and therefore all items relate to the sole outcome.

**Note 15A: Net Cost of Outcome Delivery**

Outcome 1	2011	2010
	\$	\$
<b>Expenses</b>		
Departmental	4,202,287	4,221,490
<b>Total expenses</b>	<b>4,202,287</b>	<b>4,221,490</b>
<b>Income from non-government sector:</b>		
Departmental	227,171	234,305
<b>Total departmental</b>	<b>227,171</b>	<b>234,305</b>
<b>Other own-source income</b>		
Other revenue	1,299,418	1,670,965
Gains	34,000	21,000
<b>Total other own-source income</b>	<b>1,333,418</b>	<b>1,691,965</b>
<b>Net cost/(contribution) of outcome delivery</b>	<b>2,641,698</b>	<b>2,295,220</b>

**Note 16: Comprehensive Income (Loss) Attributable to the Entity**

	2011	2010
	\$	\$
<b>Total comprehensive income (loss) attributable to the entity</b>		
Total comprehensive income (loss) attributable to the Australian Government <sup>1</sup>	71,758	1,070,001
Plus: non-appropriated expenses		
Depreciation and amortisation expenses	148,101	-
<b>Total comprehensive income (loss) attributable to the entity</b>	<b>219,859</b>	<b>1,070,001</b>

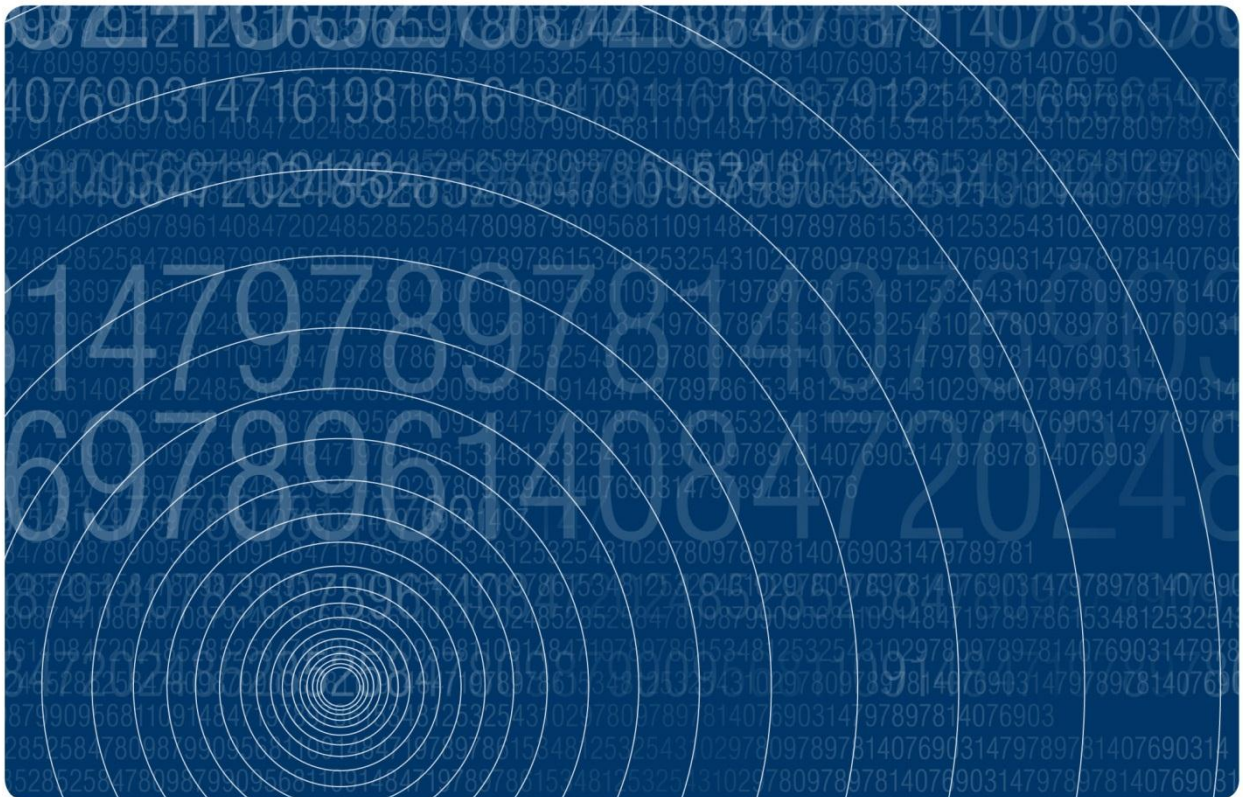
1 As per the Statement of Comprehensive Income

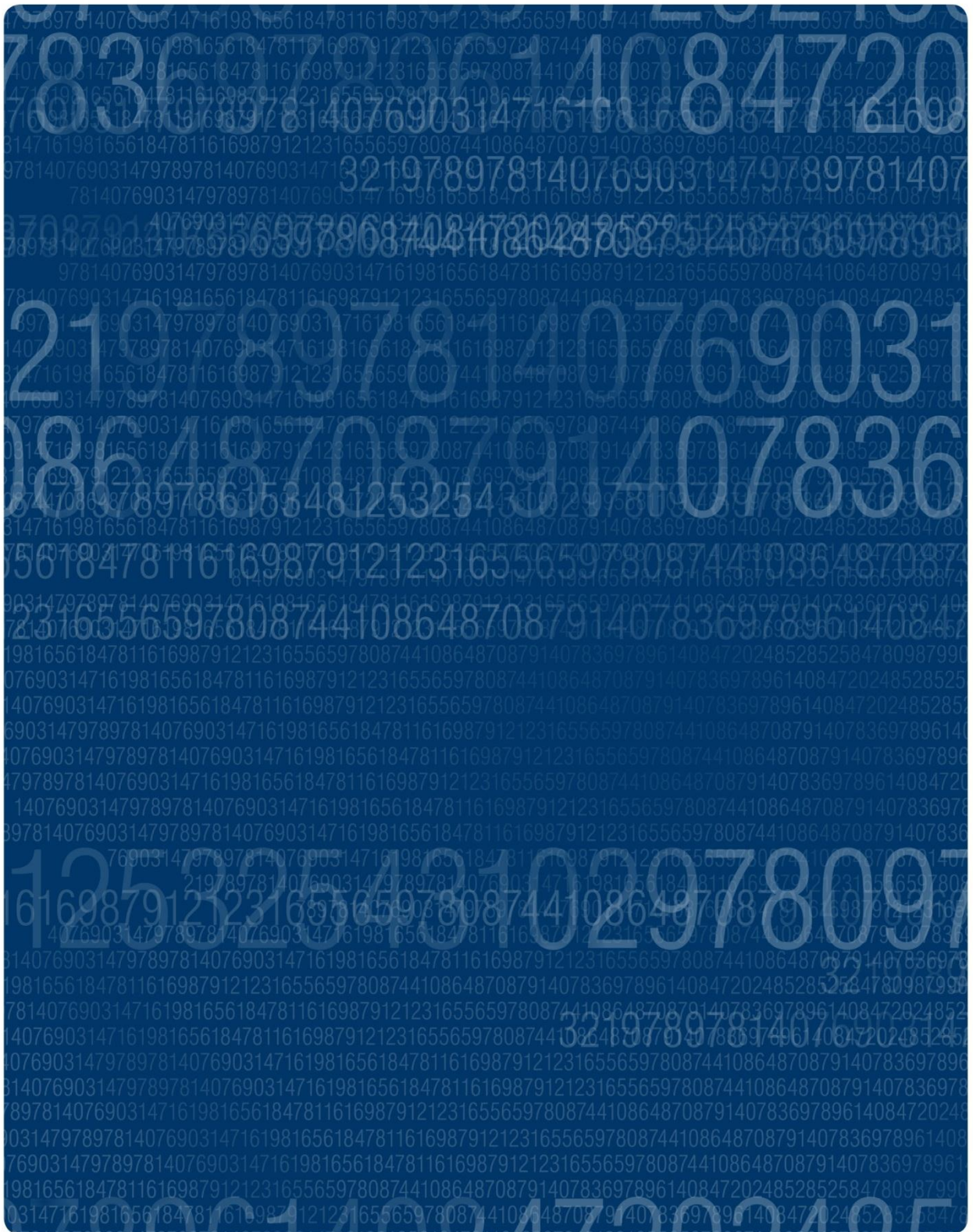
**Note 17: Compensation and Debt Relief**

	2011	2010
	\$	\$
No 'Act of Grace payments' were expended during the reporting period (2010: nil expenses)	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997 (2010: nil waivers)	-	-
No ex-gratia payments were provided for during the reporting period (2010: nil payments)	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the Public Service Act 1999 (PS Act) during the reporting period (2010: nil payments)	-	-



## Other mandatory information





## **OTHER MANDATORY INFORMATION**

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### **OCCUPATIONAL HEALTH AND SAFETY**

The AASB has less than 50 employees and is therefore not required to establish an Occupational Health and Safety Committee under section 34 of the *Occupational Health and Safety Act 2001*.

The function of the OHSC is to provide the mechanism for continuing consultation between management and staff on OHS matters. All employees, and Board members, when attending meetings, are covered under Comcare and Comcover. No accidents or dangerous occurrences, or relevant investigations, took place during the 2010-11 financial year.

### **FREEDOM OF INFORMATION**

*Statement covering the period from 1 July 2010 to 30 April 2011*

The AASB maintains a website, [www.aasb.gov.au](http://www.aasb.gov.au), which describes its organisation and functions, and on which its standards, interpretations, framework documents, proposed agenda decisions, exposure drafts, draft interpretations, invitations to comment, discussion papers, annual reports, all non-confidential submissions and contact details are publicly available.

*Statement covering the period from 1 May 2011 to 30 June 2011*

From 1 May 2011, agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report.

No matter involving freedom of information arose during the 2010-11 financial year. No applications under the *Freedom of Information Act 1982* were received by the AASB in 2010-11.

Requests under the *Freedom of Information Act 1982* for access to other documents in the possession of the AASB can be directed to the AASB Secretary.

### **ADVERTISING AND MARKET RESEARCH**

The AASB does not carry out any advertising or market research.

### **ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE REPORTING**

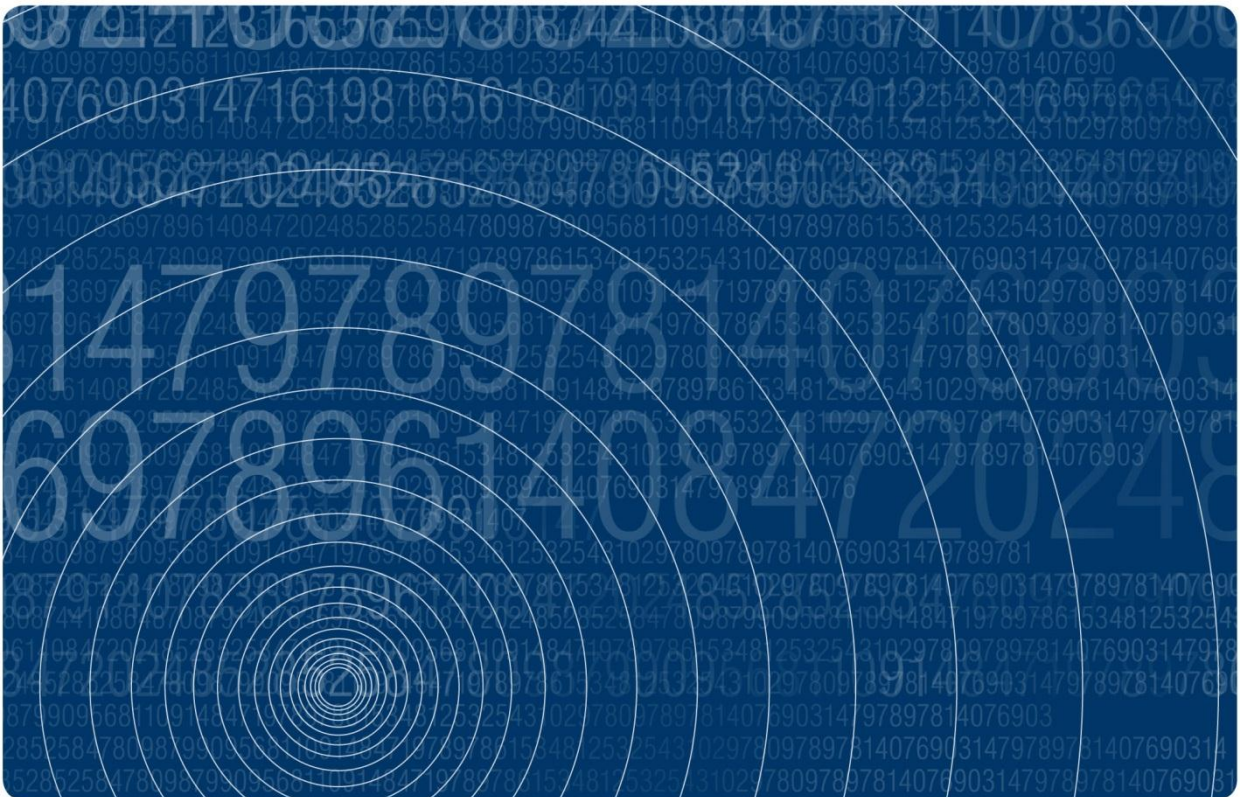
The AASB seeks to use the minimum resources necessary to perform its functions.

## **DISCRETIONARY GRANTS**

The AASB does not administer any discretionary grant programs.



# Appendices





## APPENDIX A

### ATTENDANCE AT AASB MEETINGS

The AASB met 8 times during 2010-11 for a total of 15 meeting days. In addition to preparation for these meetings, which requires consideration of detailed technical papers, members considered and voted upon accounting standards and other pronouncements out of session and also attended or made presentations at seminars and other meetings related to their role as a Board member. Consequently the time committed by members is substantially more than the meeting days attended.

Member attendance is shown in the table below:

<b>Members</b>	<b>Number of days eligible to attend</b>	<b>Number of days attended</b>	<b>Apologies (days)</b>
K Stevenson (Chairman)	15	15	-
B Porter (Deputy Chair)	8	8	-
I McPhee (Deputy Chair)	15	12	3
K Peach (Deputy Chair)	15	15	-
G Appleyard	15	12	3
V Clarke	15	13	2
A Crawford	7	7	-
J Godfrey	7	4	3
S Highland	15	13	2
M Jenkin	15	10	5
J O'Grady	15	13	2
F Palmer	8	6	2
J Perry	15	14	1
B Rix	15	14	1
R Sexton AM	7	6	1
R Williams	15	15	-

For details of terms of appointments, please refer to the Organisational Structure section of this Report commencing on page 34.



## APPENDIX B

### PRONOUNCEMENTS (30 June 2011)

#### Conceptual framework documents

Statement	Title	Issue date
SAC 1	<i>Definition of the Reporting Entity</i>	8/90
SAC 2	<i>Objective of General Purpose Financial Reporting</i>	8/90
Framework	<i>Framework for the Preparation and Presentation of Financial Statements</i>	7/04

#### Accounting standards

##### AASB series

Standard	Title	Application date (annual reporting periods)	Issue date
AASB 1	<i>First-time Adoption of Australian Equivalents to International Financial Reporting Standards</i>	(beginning) 1 January 2005	7/04
AASB 1	<i>First-time Adoption of Australian Accounting Standards (revised)</i>	(beginning) 1 July 2009	5/09
AASB 2	<i>Share-based Payment</i>	(beginning) 1 January 2005	7/04
AASB 3	<i>Business Combinations</i>	(beginning) 1 January 2005	7/04
AASB 3	<i>Business Combinations (revised)</i>	(beginning) 1 July 2009	3/08
AASB 4	<i>Insurance Contracts</i>	(beginning) 1 January 2005	7/04
AASB 5	<i>Non-current Assets held for Sale and Discontinued Operations</i>	(beginning) 1 January 2005	7/04
AASB 6	<i>Exploration for and Evaluation of Mineral Resources</i>	(beginning) 1 January 2005	12/04
AASB 7	<i>Financial Instruments: Disclosures</i>	(beginning) 1 January 2007	8/05
AASB 8	<i>Operating Segments</i>	(beginning) 1 January 2009	2/07
AASB 9	<i>Financial Instruments (revised)</i>	(beginning) 1 January 2013	12/09
AASB 9	<i>Financial Instruments</i>	(beginning) 1 January 2013	12/10
AASB 101	<i>Presentation of Financial Statements</i>	(beginning) 1 January 2005	7/04
AASB 101	<i>Presentation of Financial Statements (revised)</i>	(beginning) 1 January 2007	10/06
AASB 101	<i>Presentation of Financial Statements (revised)</i>	(beginning) 1 January 2009	9/07
AASB 102	<i>Inventories</i>	(beginning) 1 January 2005	7/04

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Standard	Title	Application date (annual reporting periods)	Issue date
AASB 107	<i>Cash Flow Statements</i> (now titled <i>Statement of Cash Flows</i> )	(beginning) 1 January 2005	7/04
AASB 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	(beginning) 1 January 2005	7/04
AASB 110	<i>Events after the Balance Sheet Date</i> (now titled <i>Events after the Reporting Period</i> )	(beginning) 1 January 2005	7/04
AASB 111	<i>Construction Contracts</i>	(beginning) 1 January 2005	7/04
AASB 112	<i>Income Taxes</i>	(beginning) 1 January 2005	7/04
AASB 114	<i>Segment Reporting</i> (superseded by AASB 8)	(beginning) 1 January 2005	7/04
AASB 116	<i>Property, Plant and Equipment</i>	(beginning) 1 January 2005	7/04
AASB 117	<i>Leases</i>	(beginning) 1 January 2005	7/04
AASB 118	<i>Revenue</i>	(beginning) 1 January 2005	7/04
AASB 119	<i>Employee Benefits</i>	(beginning) 1 January 2005	7/04
AASB 119	<i>Employee Benefits</i> (revised)	(beginning) 1 January 2006	12/04
AASB 120	<i>Accounting for Government Grants and Disclosure of Government Assistance</i>	(beginning) 1 January 2005	7/04
AASB 121	<i>The Effects of Changes in Foreign Exchange Rates</i>	(beginning) 1 January 2005	7/04
AASB 123	<i>Borrowing Costs</i>	(beginning) 1 January 2005	7/04
AASB 123	<i>Borrowing Costs</i> (revised)	(beginning) 1 January 2009	6/07
AASB 124	<i>Related Party Disclosures</i>	(beginning) 1 January 2005	7/04
AASB 124	<i>Related Party Disclosures</i> (revised)	(ending) 31 December 2005	12/05
AASB 124	<i>Related Party Disclosures</i> (revised)	(beginning) 1 January 2011	12/09
AASB 127	<i>Consolidated and Separate Financial Statements</i>	(beginning) 1 January 2005	7/04
AASB 127	<i>Consolidated and Separate Financial Statements</i> (revised)	(beginning) 1 July 2009	3/08
AASB 128	<i>Investments in Associates</i>	(beginning) 1 January 2005	7/04
AASB 129	<i>Financial Reporting in Hyperinflationary Economies</i>	(beginning) 1 January 2005	7/04
AASB 130	<i>Disclosures in the Financial Statements of Banks and Similar Financial Institutions</i> (superseded by AASB 7)	(beginning) 1 January 2005	7/04
AASB 131	<i>Interests in Joint Ventures</i>	(beginning) 1 January 2005	7/04

## Appendix B: Pronouncements

Standard	Title	Application date (annual reporting periods)	Issue date
AASB 132	<i>Financial Instruments: Disclosure and Presentation</i> (now titled <i>Financial Instruments: Presentation</i> )	(beginning) 1 January 2005	7/04
AASB 133	<i>Earnings per Share</i>	(beginning) 1 January 2005	7/04
AASB 134	<i>Interim Financial Reporting</i>	(beginning) 1 January 2005	7/04
AASB 136	<i>Impairment of Assets</i>	(beginning) 1 January 2005	7/04
AASB 137	<i>Provisions, Contingent Liabilities and Contingent Assets</i>	(beginning) 1 January 2005	7/04
AASB 138	<i>Intangible Assets</i>	(beginning) 1 January 2005	7/04
AASB 139	<i>Financial Instruments: Recognition and Measurement</i>	(beginning) 1 January 2005	7/04
AASB 140	<i>Investment Property</i>	(beginning) 1 January 2005	7/04
AASB 141	<i>Agriculture</i>	(beginning) 1 January 2005	7/04
AASB 1004	<i>Contributions</i>	(beginning) 1 January 2005	7/04
AASB 1004	<i>Contributions</i> (revised)	(beginning) 1 July 2008	12/07
AASB 1023	<i>General Insurance Contracts</i>	(beginning) 1 January 2005	7/04
AASB 1031	<i>Materiality</i>	(beginning) 1 January 2005	7/04
AASB 1038	<i>Life Insurance Contracts</i>	(beginning) 1 January 2005	7/04
AASB 1039	<i>Concise Financial Reports</i>	(ending) 31 December 2005	4/05
AASB 1039	<i>Concise Financial Reports</i> (revised)	(beginning) 1 January 2009	8/08
AASB 1048	<i>Interpretation and Application of Standards</i>	(beginning) 1 January 2005	7/04
AASB 1048	<i>Interpretation and Application of Standards</i> (revised)	(ending) 30 September 2008	9/08
AASB 1048	<i>Interpretation and Application of Standards</i> (revised)	(ending) 31 March 2009	3/09
AASB 1048	<i>Interpretation of Standards</i> (revised)	(ending) 30 June 2010	6/10
AASB 1049	<i>Financial Reporting of General Government Sectors by Government</i>	(beginning) 1 July 2008	9/06
AASB 1049	<i>Whole of Government and General Government Sector Financial Reporting</i> (revised)	(beginning) 1 July 2008	10/07
AASB 1050	<i>Administered Items</i>	(beginning) 1 July 2008	12/07
AASB 1051	<i>Land Under Roads</i>	(beginning) 1 July 2008	12/07

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<b>Standard</b>	<b>Title</b>	<b>Application date (annual reporting periods)</b>	<b>Issue date</b>
AASB 1052	<i>Disaggregated Disclosures</i>	(beginning) 1 July 2008	12/07
AASB 1053	<i>Application of Tiers of Australian Accounting Standards</i>	(beginning) 1 July 2013	6/10
AASB 1054	<i>Australian Additional Disclosures</i>	(beginning) 1 July 2011	5/11
AASB 2004-1	<i>Amendments to Australian Accounting Standards</i> [AASB 1, AASB 116, AASB 138]	(beginning) 1 January 2005	12/04
AASB 2004-2	<i>Amendments to Australian Accounting Standards</i> [AASB 1, AASB 121, AASB 131, AASB 134, AASB 139, AASB 141]	(beginning) 1 January 2005	12/04
AASB 2004-3	<i>Amendments to Australian Accounting Standards</i> [AASB 1, AASB 101, AASB 124]	(beginning) 1 January 2006	12/04
AASB 2005-1	<i>Amendments to Australian Accounting Standard</i> [AASB 139]	(beginning) 1 January 2006	5/05
AASB 2005-2	<i>Amendments to Australian Accounting Standard</i> [AASB 1023]	(beginning) 1 January 2005	6/05
AASB 2005-3	<i>Amendments to Australian Accounting Standards</i> [AASB 119]	(ending) 31 December 2005	6/05
AASB 2005-4	<i>Amendments to Australian Accounting Standards</i> [AASB 1, AASB 132, AASB 139, AASB 1023, AASB 1038]	(beginning) 1 January 2006	6/05
AASB 2005-5	<i>Amendments to Australian Accounting Standards</i> [AASB 1, AASB 139]	(beginning) 1 January 2006	6/05
AASB 2005-6	<i>Amendments to Australian Accounting Standards</i> [AASB 3]	(beginning) 1 January 2006	6/05
AASB 2005-7	<i>Amendments to Australian Accounting Standards</i> [AASB 134]	(ending) 30 June 2005	6/05
AASB 2005-8	<i>Amendments to Australian Accounting Standards</i> [AASB 1]	(beginning) 1 January 2006	6/05
AASB 2005-9	<i>Amendments to Australian Accounting Standards</i> [AASB 4, AASB 1023, AASB 132, AASB 139]	(beginning) 1 January 2006	9/05
AASB 2005-10	<i>Amendments to Australian Accounting Standards</i> [AASB 1, AASB 4, AASB 1023, AASB 1038, AASB 101, AASB 114, AASB 117, AASB 132, AASB 133, AASB 139]	(beginning) 1 January 2007	9/05
AASB 2005-11	<i>Amendments to Australian Accounting Standards</i> [AASB 101, AASB 112, AASB 132, AASB 133, AASB 139, AASB 141]	(ending) 31 December 2005	9/05
AASB 2005-12	<i>Amendments to Australian Accounting Standards</i> [AASB 1023, AASB 1038]	(ending) 31 December 2005	12/05
AASB 2005-13	<i>Amendments to Australian Accounting Standards</i> [AAS 25]	(ending) 31 December 2005	12/05
AASB 2006-1	<i>Amendments to Australian Accounting Standards</i> [AASB 121]	(ending) 31 December 2006	1/06
AASB 2006-2	<i>Amendments to Australian Accounting Standards</i> [AASB 1]	(ending) 30 June 2006	3/06
AASB 2006-3	<i>Amendments to Australian Accounting Standards</i> [AASB 1045]	(ending) 31 December 2005	10/06
AASB 2006-4	<i>Amendments to Australian Accounting Standards</i> [AASB 134]	(ending) 31 December 2006	12/06



## Appendix B: Pronouncements

Standard	Title	Application date (annual reporting periods)	Issue date
AASB 2007-1	<i>Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]</i>	(beginning) 1 March 2007	2/07
AASB 2007-2	<i>Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131, AASB 139]</i>	(beginning) 1 January 2008	2/07
AASB 2007-3	<i>Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023, AASB 1038]</i>	(beginning) 1 January 2009	2/07
AASB 2007-4	<i>Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments [AASB 1, AASB 2, AASB 3, AASB 4, AASB 5, AASB 6, AASB 7, AASB 102, AASB 107, AASB 108, AASB 110, AASB 112, AASB 114, AASB 116, AASB 117, AASB 118, AASB 119, AASB 120, AASB 121, AASB 127, AASB 128, AASB 129, AASB 130, AASB 131, AASB 132, AASB 133, AASB 134, AASB 136, AASB 137, AASB 138, AASB 139, AASB 141, AASB 1023, AASB 1038]</i>	(beginning) 1 July 2007	4/07
AASB 2007-5	<i>Amendments to Australian Accounting Standards — Inventories Held for Distribution by Not-for-Profit Entities [AASB 102]</i>	(beginning) 1 July 2007	5/07
AASB 2007-6	<i>Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116, AASB 138, Interpretations 1, 12]</i>	(beginning) 1 January 2009	6/07
AASB 2007-7	<i>Amendments to Australian Accounting Standards [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107, AASB 128]</i>	(beginning) 1 July 2007	6/07
AASB 2007-8	<i>Amendments to Australian Accounting Standards arising from AASB 101</i>	(beginning) 1 January 2009	9/07
AASB 2007-9	<i>Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AAS 127, AASB 137]</i>	(beginning) 1 July 2008	12/07
AASB 2007-10	<i>Further Amendments to Australian Accounting Standards arising from AASB 101</i>	(beginning) 1 January 2009	12/07
AASB 2008-1	<i>Amendments to Australian Accounting Standard — Share-based Payments: Vesting Conditions and Cancellations [AASB 2]</i>	(beginning) 1 January 2009	2/08
AASB 2008-2	<i>Amendments to Australian Accounting Standards — Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139, Interpretation 2]</i>	(beginning) 1 January 2009	3/08
AASB 2008-3	<i>Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASB 1, AASB 2, AASB 4, AASB 5, AASB 7, AASB 101, AASB 107, AASB 112, AASB 114, AASB 116, AASB 121, AASB 128, AASB 131, AASB 132, AASB 133, AASB 134, AASB 136, AASB 137, AASB 138, AASB 139, Interpretation 9, Interpretation 107]</i>	(beginning) 1 July 2009	3/08

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Standard	Title	Application date (annual reporting periods)	Issue date
AASB 2008-4	<i>Amendments to Australian Accounting Standard — Key Management Personnel Disclosures by Disclosing Entities</i> [AASB 124]	(beginning) 1 January 2009	6/08
AASB 2008-5	<i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> [AASB 5, AASB 7, AASB 101, AASB 102, AASB 107, AASB 108, AASB 110, AASB 116, AASB118, AASB119, AASB 120, AASB 123, AASB 127, AASB 128, AASB 129, AASB 131, AASB 132, AASB 134, AASB136, AASB 138, AASB 139, AASB 140, AASB 141, AASB 1023, AASB 1038]	(beginning) 1 January 2009	7/08
AASB 2008-6	<i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> [AASB 1, AASB 5]	(beginning) 1 July 2009	7/08
AASB 2008-7	<i>Amendments to Australian Accounting Standards — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i> [AASB 1, AASB 118, AASB 121, AASB 127, AASB 136]	(beginning) 1 January 2009	7/08
AASB 2008-8	<i>Amendments to Australian Accounting Standards — Eligible Hedged Items</i> [AASB 139]	(beginning) 1 July 2009	8/08
AASB 2008-9	<i>Amendments to AASB 1049 for Consistency with AASB 101</i>	(beginning) 1 January 2009	9/08
AASB 2008-10	<i>Amendments to Australian Accounting Standards — Reclassification of Financial Assets</i> [AASB 7, AASB 139]	(ending) 1 July 2008	10/08
AASB 2008-11	<i>Amendments to Australian Accounting Standards — Business Combinations Among Not-for-Profit Entities</i> [AASB 3]	(beginning) 1 July 2009	11/08
AASB 2008-12	<i>Amendments to Australian Accounting Standards — Reclassification of Financial Assets — Effective Date and Transition</i> [AASB 7, AASB 139, AASB 2008 10]	(ending) 1 July 2008	12/08
AASB 2008-13	<i>Amendments to Australian Accounting Standards arising from AASB Interpretation 17 — Distributions of Non-cash Assets to Owners</i> [AASB 5, AASB 110]	(beginning) 1 July 2009	12/08
AASB 2009-1	<i>Amendments to Australian Accounting Standards — Borrowing Costs of Not-for-Profit Public Sector Entities</i> [AASB 1, AASB 111, AASB 123]	(beginning) 1 January 2009	4/09
AASB 2009-2	<i>Amendments to Australian Accounting Standards — Improving Disclosures about Financial Instruments</i> [AASB 4, AASB 7, AASB 1023, AASB 1038]	(beginning) 1 January 2009	4/09
AASB 2009-3	<i>Amendments to Australian Accounting Standards — Embedded Derivatives</i> [AASB 139, Interpretation 9]	(ending) 30 June 2009	4/09
AASB 2009-4	<i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> [AASB 2, AASB 138, Interpretation 9, Interpretation 16]	(beginning) 1 July 2009	5/09

## Appendix B: Pronouncements

Standard	Title	Application date (annual reporting periods)	Issue date
AASB 2009-5	<i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> [ AASB 5, AASB 8, AASB 101, AASB 107, AASB 117, AASB 118, AASB 136, AASB 139]	(beginning) 1 January 2010	5/09
AASB 2009-6	<i>Amendments to Australian Accounting Standards</i>	(beginning) 1 January 2009	6/09
AASB 2009-7	<i>Amendments to Australian Accounting Standards</i> [AASB 5, AASB 7, AASB 107, AASB 112, AASB 136, AASB 139, Interpretation 17]	(beginning) 1 July 2009	6/09
AASB 2009-8	<i>Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions</i> [AASB 2]	(beginning) 1 January 2010	7/09
AASB 2009-9	<i>Amendments to Australian Accounting Standards — Additional exemptions for First-time Adopters</i> [AASB 1]	(beginning) 1 January 2010	9/09
AASB 2009-10	<i>Amendments to Australian Accounting Standards — Classification of Rights Issues</i> [AASB 132]	(beginning) 1 February 2010	10/09
AASB 2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9</i> [AASB 1, AASB 3, AASB 4, AASB 5, AASB 7, AASB 101, AASB 102, AASB 108, AASB 112, AASB 118, AASB 121, AASB 127, AASB 128, AASB 131, AASB 132, AASB 136, AASB 139, AASB 1023, AASB 1038, Interpretation 10, Interpretation 12]	(beginning) 1 January 2010	12/09
AASB 2009-12	<i>Amendments to Australian Accounting Standards</i> [AASB 5, AASB 8, AASB 108, AASB 110, AASB 112, AASB 119, AASB 133, AASB 137, AASB 1023, AASB 1031, Interpretation 2, Interpretation 4, Interpretation 16, Interpretation 1039, Interpretation 1052]	(beginning) 1 January 2011	12/09
AASB 2009-13	<i>Amendments to Australian Accounting Standards arising from Interpretation 19</i> [AASB 1]	(beginning) 1 July 2010	12/09
AASB 2009-14	<i>Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement</i> [Interpretation 14]	(beginning) 1 January 2011	12/09
AASB 2010-1	<i>Amendments to Australian Accounting Standards — Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters</i> [AASB 1, AASB 7]	(beginning) 1 July 2010	2/10
AASB 2010-2	<i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	(beginning) 1 July 2013	6/10
AASB 2010-3	<i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132, AASB 139]	(beginning) 1 July 2010	6/10
AASB 2010-4	<i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> [AASB 1, AASB 7, AASB 101, AASB 134, Interpretation 13]	(beginning) 1 January 2011	6/10
AASB 2010-5	<i>Amendments to Australian Accounting Standards</i> [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	(beginning) 1 January 2011	10/10

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<b>Standard</b>	<b>Title</b>	<b>Application date (annual reporting periods)</b>	<b>Issue date</b>
AASB 2010-6	<i>Amendments to Australian Accounting Standards — Disclosures on Transfers of Financial Assets</i> [AASB 1 & AASB 7]	(beginning) 1 July 2011	11/10
AASB 2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i> [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	(beginning) 1 January 2013	12/10
AASB 2010-8	<i>Amendments to Australian Accounting Standards — Deferred Tax: Recovery of Underlying Assets</i> [AASB 112]	(beginning) 1 January 2012	12/10
AASB 2010-9	<i>Amendments to Australian Accounting Standards — Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i> [AASB 1]	(beginning) 1 July 2011	12/10
AASB 2010-10	<i>Further Amendments to Australian Accounting Standards — Removal of Fixed Dates for First-time Adopters</i> [AASB 2009-11 & AASB 2010-7]	(beginning) 1 January 2013	12/10
AASB 2011-1	<i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project</i> [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]	(beginning) 1 July 2011	5/11
AASB 2011-2	<i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project — Reduced Disclosure Requirements</i> [AASB 101 & AASB 1054]	(beginning) 1 July 2013	5/11
AASB 2011-3	<i>Amendments to Australian Accounting Standards — Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments</i> [AASB 1049]	(beginning) 1 July 2012	5/11

**AAS series**

<b>Standard</b>	<b>Title</b>	<b>Application date (annual reporting periods)</b>	<b>Issue date</b>
AAS 25	<i>Financial Reporting by Superannuation Plans</i>	(ending) 30 June 1993	3/93

## Interpretations

### Australian Interpretations corresponding to IFRS Interpretations Committee Interpretations

Interpretation	Title	Application date (annual reporting periods)	Issue date
1	<i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i>	(beginning) 1 January 2005	7/04
2	<i>Members' Shares in Co-operative Entities and Similar Instruments</i>	(ending) 31 December 2005	3/05
4	<i>Determining whether an Arrangement contains a Lease</i>	(beginning) 1 January 2006	6/05
4	<i>Determining whether an Arrangement contains a Lease (revised)</i>	(beginning) 1 January 2008	2/07
5	<i>Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds</i>	(beginning) 1 January 2006	6/05
6	<i>Liabilities arising from Participating in a Specific Market — Waste Electrical and Electronic Equipment</i>	(beginning) 1 December 2005	10/05
7	<i>Applying the Restatement Approach under AASB 129 Financial Reporting in Hyper-inflationary Economies</i>	(beginning) 1 March 2006	2/06
8	<i>Scope of AASB 2 (superseded by AASB 2)</i>	(beginning) 1 May 2006	3/06
9	<i>Reassessment of Embedded Derivatives</i>	(beginning) 1 June 2006	4/06
10	<i>Interim Financial Reporting and Impairment</i>	(beginning) 1 November 2006	9/06
11	<i>AASB 2 — Group and Treasury Share Transactions (superseded by AASB 2)</i>	(beginning) 1 March 2007	2/07
12	<i>Service Concession Arrangements</i>	(beginning) 1 January 2008	2/07
13	<i>Customer Loyalty Programmes</i>	(beginning) 1 July 2008	8/07
14	<i>AASB 119 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>	(beginning) 1 January 2008	8/07
15	<i>Agreements for the Construction of Real Estate</i>	(beginning) 1 January 2009	8/08
16	<i>Hedges of a Net Investment in a Foreign Operation</i>	(beginning) 1 October 2008	8/08
17	<i>Distributions of Non-cash Assets to Owners</i>	(beginning) 1 July 2009	12/08
18	<i>Transfers of Assets from Customers</i>	(ending) 1 July 2009	3/09
19	<i>Extinguishing Financial Liabilities with Equity Instruments</i>	(beginning) 1 July 2010	12/09
107	<i>Introduction of the Euro</i>	(beginning) 1 January 2005	7/04

Interpretation	Title	Application date (annual reporting periods)	Issue date
110	<i>Government Assistance — No Specific Relation to Operating Activities</i>	(beginning) 1 January 2005	7/04
112	<i>Consolidation — Special Purpose Entities</i>	(beginning) 1 January 2005	12/04
113	<i>Jointly Controlled Entities — Non-Monetary Contributions by Venturers</i>	(beginning) 1 January 2005	7/04
115	<i>Operating Leases — Incentives</i>	(beginning) 1 January 2005	7/04
121	<i>Income Taxes — Recovery of Revalued Non-Depreciable Assets</i>	(beginning) 1 January 2005	7/04
125	<i>Income Taxes — Changes in the Tax Status of an Entity or its Shareholders</i>	(beginning) 1 January 2005	7/04
132	<i>Intangible Assets — Web Site Costs</i>	(beginning) 1 January 2005	7/04
127	<i>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i>	(beginning) 1 January 2005	7/04
129	<i>Disclosure — Service Concession Arrangements</i>	(beginning) 1 January 2005	7/04
129	<i>Service Concession Arrangements: Disclosures (revised)</i>	(beginning) 1 January 2008	2/07
131	<i>Revenue — Barter Transactions Involving Advertising Services</i>	(beginning) 1 January 2005	7/04

## Other Australian Interpretations

Interpretation	Title	Application date (annual reporting periods)	Issue date
1001	<i>Consolidated Financial Reports in relation to Pre-Date-of-Transition Dual Listed Company Arrangements</i> (superseded by AASB 3)	(ending) 31 December 2005	7/05
1002	<i>Post-Date-of-Transition Stapling Arrangements</i> (superseded by AASB 3)	(ending) 31 December 2005	12/05
1003	<i>Australian Petroleum Resource Rent Tax</i>	(ending) 30 June 2008	11/07
1013	<i>Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements</i> (superseded by AASB 3)	(ending) 31 December 2005	4/05
1017	<i>Developer and Customer Contributions for Connection to a Price-Regulated Network</i> (superseded by Interpretation 18)	(beginning) 1 January 2005	11/04
1019	<i>The Superannuation Contributions Surcharge</i>	(beginning) 1 January 2005	9/04
1030	<i>Depreciation of Long-Lived Physical Assets: Condition-Based Depreciation and Related Methods</i>	(beginning) 1 January 2005	9/04
1031	<i>Accounting for the Goods and Services Tax (GST)</i>	(beginning) 1 January 2005	7/04
1038	<i>Contributions by Owners Made to Wholly-Owned Public Sector Entities</i>	(beginning) 1 January 2005	9/04
1038	<i>Contributions by Owners Made to Wholly-Owned Public Sector Entities</i> (revised)	(beginning) 1 July 2008	12/07
1039	<i>Substantive Enactment of Major Tax Bills in Australia</i>	(beginning) 1 January 2005	7/04
1042	<i>Subscriber Acquisition Costs in the Telecommunications Industry</i>	(beginning) 1 January 2005	12/04
1047	<i>Professional Indemnity Claims Liabilities in Medical Defence Organisations</i>	(beginning) 1 January 2005	11/04
1052	<i>Tax Consolidation Accounting</i>	(ending) 31 December 2005	6/05
1055	<i>Accounting for Road Earthworks</i>	(beginning) 1 January 2005	9/04





## APPENDIX C

### 2011-12 AASB WORK PROGRAM

This Work Program prepared by AASB staff categorises the projects into four groups:

**Table 1:** Active projects;

**Table 2:** Non-active projects (subject to resources);

**Table 3:** Agenda decisions to be made; and


**Table 4:** Other technical staff activities.

The documents and actions noted in the tables are not a complete reflection of the matters the AASB will consider regarding each project. The timing and outcomes are estimates that are subject to change.

The AASB is involved with all IASB and IPSASB projects in various capacities – only those of particular relevance to the AASB are included in Table 1, Active projects.

Projects may move from having substantive AASB involvement to having non-substantive involvement and vice versa depending on developments within those projects. Although not specifically addressed in this work program, the AASB will also undertake the work necessary to maintain the Reduced Disclosure requirements for Tier 2 entities.

#### Project priorities

H	high
	highlights high priority topics for which resources are not available
M	medium
L	low

## Glossary of abbreviations

AOSSG	Asian–Oceanian Standard-Setters Group
CP	consultation paper
DP	discussion paper
ED	exposure draft
ED(r)	revised exposure draft
FASB	Financial Accounting Standards Board (USA)
FRC	Financial Reporting Council (Australia)
IASB	International Accounting Standards Board
IFRIC	IFRS Interpretations Committee
IFRSAC	IFRS Advisory Council
IP	issues paper
IPSASB	International Public Sector Accounting Standards Board
ITC	invitation to comment
NA	not available (for example, because completion date is not disclosed by IASB or IPSASB)
NFP	not-for-profit
NSS	National Standard Setters
NZASB	New Zealand Accounting Standards Board
PS	policy statement
RT	round table
RV	request for views
Std	standard
Std(r)	revised standard
Subc	subcommittee
tbd	to be determined
WG	working group
WSS	World Standard Setters
#	Best estimate of the completion date of a standard or a revised standard, unless otherwise indicated

**Table 1: Active projects**

Project	Priority	Status	Aug 2011	Sept 2011	Q4 2011	2012 plus	Estimated completion date	
<b><u>Domestic NFP and public sector</u></b>								
1		GAAP/GFS harmonisation – post-implementation review of AASB 1049	H	AASB 1049 ED 211 – closed June 2011 AASB 2011-3 regarding part 1 of ED 211			Std(r) part 2	
2		GAAP/GFS harmonisation – entities within the GGS	H	All relevant AASB standards ED 212 – for comment until 31 Oct 2011			Roundtables	tbd
3		Related party disclosures by NFP public sector entities	H	ED 215 - for comment until 31 Jan 2012			Roundtables	Std(r) Q2 2012
4		Control in the NFP public and private sector (incl gaps in GAAP issue no. 10; and amendments to AASB 3 for restructures of local governments) (Refer also item 12 below)	H	AASB 127 AASBs 3 & 2008-11 AASB 1050 Working draft of Phase 1 paper – <i>issues in the application of control</i> Revised project plan approved March 2011			ED	Std Q3 2012
5		Income of NFP Entities (see also item 25 below)	H	AASBs 1004 & 118 ED 180 - closed Collation of comments Revised approach based on principles in IASB project: Revenue from Contracts with Customers	IPs		ED(r)	Std H2 2012
6		Borrowing costs of NFP public sector entities	M	AASB 123 & 2009-1				ED H1 2012 H2 2012
7		Disclosures by NFP private sector entities (focus on identifying new financial and non-financial disclosures including service performance reporting)	H	NZ TPA-9 Issues papers			IP	tbd - CP on service performance reporting – Dec 2012

**Table 1: Active projects (continued)**

Project	Priority	Status	Aug 2011	Sept 2011	Q4 2011	2012 plus	Estimated completion date
8 Carbon tax/emissions trading scheme (Government perspective)	H	Monitor IASB Presentation from constituents			Continue liaison with constituents		Pending outcome of consultation
<b><u>Other domestic</u></b>							
9 Superannuation entities	H	AAS 25 ED 179 closed Collation of comments			ED(r) – on selected issues	Std	Q2 2012
10 Differential reporting/Reduced Disclosure Requirements – Stage 2 (incl Reporting Entity [SAC 1] & GPFR/SPFR)	H	AASB 1053 AASB 2010-2 Preliminary research report in June 2011			Research and consultation		tbd
11 Compilations	H	Amending Stds					Ongoing
<b><u>IASB – substantive AASB involvement</u></b>							
<b><i>IASB financial crisis related projects</i></b>							
12 Consolidation – replacement of IAS 27 (see also item 4 above)	H	AASB 127 IFRS 10	AASB 10				August 2011
13 Consolidation – disclosure of interests in other entities	H	Interpretation 12 IFRS 12	AASB 12				August 2011
14 Fair value measurement	H	IFRS 13	AASB 13				August 2011
15 Financial instruments (IAS 39 replacement) – asset and liability offsetting	H	AASB 132 ED 209 (IASB ED) - closed AASB comments on IASB ED			Std(r)		Target IFRS Q4 2011
16 Financial instruments (IAS 39 replacement) – general hedge accounting	H	AASB 139 ED 208 (IASB ED) - closed AASB comments on IASB ED			Std(r)		Target IFRS Q4 2011
17 Deferral of mandatory effective date of IFRS 9 until 1 January 2015	H	ED 215 (IFRS ED/2011/3) - for comment until 7 Oct 2011			Comment on IASB ED		

**Table 1: Active projects (continued)**

Project	Priority	Status	Aug 2011	Sept 2011	Q4 2011	2012 plus	Estimated completion date
18 Consolidation – investment entities	H	AASB 127		ED	Comment on IASB ED		
19 Financial instruments (IAS 39 replacement) – impairment	H	AASB 139 ED 189 (IASB ED) - closed ED 210 (2nd IASB ED(r)) - closed AASB comments on IASB EDs (ED 189 and ED 210) AOSSG comments on IASB EDs (ED 189 and ED 210)		ED(r)		Std(r)	3rd IASB ED(r) expected by end of Q3 2011
20 Financial instruments (IAS 39 replacement) – macro hedge accounting	H	AASB 139			ED		IFRS ED Q4 2011 or 2012
<b><i>IASB Memorandum of understanding projects</i></b>							
21 Consolidation - Joint ventures (IFRS 11)	H	AASB 131 IFRS 11	AASB 11				August 2011
22 Financial statement presentation – presentation of other comprehensive income (IAS 1 revised)	H	AASB 101 ED 197 (IASB ED) - closed AASB comments on IASB ED		AASB 101(r)			Sept 2011
23 Post-employment benefits (IAS 19 revised)	H	AASB 119 ED 195 (IASB ED) - closed AASB comments on IASB ED		AASB 119(r)			Sept 2011
24 Leases	H	AASB 117 ED 202R (IASB ED) - closed Workshop (IASB at AASB) AASB comments on IASB ED Supplementary AASB letter to IASB			ED(r)	Std	Target IFRS H2 2012

**Table 1: Active projects (continued)**

Project	Priority	Status	Aug 2011	Sept 2011	Q4 2011	2012 plus	Estimated completion date
25 Revenue recognition (see also item 5 above)	H	AASB 118 & 111 ED 198 (IASB ED) - closed AASB comments on IASB ED Supplementary AASB letter to IASB		ED(r)		Std	Target for IFRS is H2 2012. Mandatory application date likely to be 1 Jan 2015.
<i>IASB other projects</i>							
26 Annual improvements 2009-2011	M	ED 213 (IASB ED) - for comment until 6 Sept 2011		Comment on IASB ED		Std(r)	H1 2012
27 Insurance contracts	H	AASB 4, 1023(r) & 1038(r) ED 201 (IASB ED) – closed AASB comments on IASB ED RT (AASB)			ED(r)		IFRS re-exposure or review draft targeted Q4 2011 or 2012 Std H2 2012
28 IASB three-yearly public agenda consultation	M	AASB ITC 25 - for comment until 10 Nov 2011			Submit comments		Comments due to IASB 30 Nov 2011
<i>IASB ongoing</i>							
29 Actively monitor IFRS implementation	H	Relevant standards					Ongoing
<i>IASB conceptual framework</i>							
30 Conceptual framework – Phase A: objective and qualitative characteristics	M	Framework IASB Chapters		Ballot draft of revised Framework	Consider NFP guidance on revised Framework	Issue NFP guidance	Q1 2012

**Table 1: Active projects (continued)**

Project	Priority	Status	Aug 2011	Sept 2011	Q4 2011	2012 plus	Estimated completion date
31 Conceptual framework – Phase B: elements and recognition	M	Framework				IASB DP	
32 Conceptual framework – Phase C: measurement	M	Framework				IASB DP	
33 Conceptual framework – Phase D: reporting entity	M	Framework ED 193 (IASB ED) – closed AASB comments on IASB ED				Chapter	
<b><u>IPSASB convergence</u></b>							
34 Conceptual framework – public sector perspectives	H	Part of IPSASB Advisory Panel Member of NSS-4 monitoring group re IASB CF IPSASB ED (Phase 1) - closed IPSASB CP on Elements (Phase 2) - closed IPSASB CP on Measurement (Phase 3) – closed AASB’s comments on IPSASB ED (Phase 1), and CPs (Phases 2 and 3)	Board comments on IPSASB ED on key characteristics of the public sector Staff comment on draft IPSASB CP on Presentation (Phase 4)		Board considers IPSASB CP (Phase 4)	Continue to monitor IPSASB work	NA
35 Service concession arrangements: grantor	H	Interpretation 12 ED 194 (including IPSASB ED) - closed AASB response to IPSASB ED		Monitor IPSASB			NA
36 Long-term fiscal sustainability	H	AASB 137 ITC 22 (including IPSASB CP) - closed AASB response to IPSASB CP		Monitor IPSASB			NA

**Table 1: Active projects (continued)**

Project	Priority	Status	Aug 2011	Sept 2011	Q4 2011	2012 plus	Estimated completion date
<b><u>Other international</u></b>							
37 NZ convergence – Tier 2 entities	M	Both jurisdictions converging with IASB. AASB 1053					Monitoring NZASB plans to promulgate a differential approach for Tier 2 entities – ready to liaise when necessary
38 NFP criteria/NZ convergence – NFP entities	M	<i>Process for Modifying IFRSs for NFP/PBE</i>					Awaiting clarification of the direction of the NZASB on NFP standard setting. Process to be amended on an ongoing basis as required. Monitor convergence opportunities
39 Conceptual framework – NFP entity perspectives (shadowing IASB/FASB/IPSASB projects – see items 30 – 33 & 34 above)	M	Part of NSS-4/ IPSASB WG IP issued					NA
40 Intangible assets (DP 'initial accounting for internally generated intangible assets' for review by NSS)	L	AASBs 138 & 3 AASB staff DP AASB comment to NSS on DP Project plan for post-implementation review of initial accounting for intangible assets under IFRS 3 Preparer survey closed User survey open until 15 Dec 2011			Close User survey	Analyse survey responses	NA – seeking responses from users by 15 Dec 2011



**Table 1: Active projects (continued)**

Project	Priority	Status	Aug 2011	Sept 2011	Q4 2011	2012 plus	Estimated completion date
<b><u>Interpretations</u></b>							
41 Managed investment schemes (related party disclosures – are members of key management personnel (KMP) necessarily people?)	H	AASB 124 Referred to IFRIC Report to Australian Treasury Presentation of KMP issue to NSS meeting Referred to IASB jointly with FRSB and with NSS support				Awaiting reply from IASB. Also considering seeking a view from IASB on a related matter, subject to feedback from Treasury	NA
42 Stripping costs in the production phase of a surface mine	H	AASB 6 IFRIC DI/2010/1 Commented to IASB in 2010		Interpretation			

**Table 2: Inactive projects (subject to resources)**

Project	Priority	Status	Q3 2011	Q4 2011	2012 plus
<b><u>Domestic NFP and public sector</u></b>					
1	Performance indicators [public sector] (incl gaps in GAAP issue no.32 non-financial performance indicators, and consider NZ approach to Statement of Service Performance and IPSASB's future proposals on reporting of service performance information)	H	Related to Disclosures by private sector NFP entities (see also item 7 in Table 1)		IP
2	Disaggregated disclosures	H	AASB 1052		IP
3	Budget reporting beyond GGS and WoG (gaps in GAAP issue no.26)	M	AASB 1049		IP and ED
4	Measurement of contributions by owners as owners	L			IP
5	Review of Interpretation 1038 <i>Contributions by Owners Made to Wholly-Owned Public Sector Entities</i>	L	Interpretation 1038	Consider IP in Income of NFPs project (see item 5, Table 1 above)	ED(r) Std
6	Compliance with parliamentary appropriations and other externally-imposed requirements (see also item 5 in Table One above)	L	AASB 1004		ED(r) Std
7	Summary financial reports and MD&A	L	NZ FRS-39 <i>Summary Financial Reports</i> IFRS Practice Statement <i>Management Commentary</i>		IP
8	Currency (notes and coins) on issue	L	AASB 139 IPSAS 28,29 & 30, but this and other PS specific issues in IPSASB EDs 37-39 deferred IP		Liaise with constituents

**Table 2: Inactive projects (subject to resources) (continued)**

Project	Priority	Status	Q3 2011	Q4 2011	2012 plus
9 Other gaps in GAAP for NFP public sector entities	L	Various Stds IP Correspondence (Q4 2009) from Australian Council of Auditor-Generals (ACAG) and Heads of Treasuries Accounting & Reporting Advisory Committee (HoTARAC) Further correspondence from HoTARAC 28 July 2011			Board deliberation Consult key constituents IPs on selected topics
<b><u>Other domestic</u></b>					
10 Review of Interpretations	L	Various Interpretations			IP
<b><u>IFRS Foundation</u></b>					
11 The annual improvements process	L	ITC 24 – Commented to IFRS Foundation			
<b><u>IPSASB convergence</u></b>					
12 Entity combinations	M	AASB 3 No IPSAS resulted from IPSASB ED 41	Monitor IPSASB		
13 Heritage assets	L	AASB 116 IPSASB CP – further work deferred			Monitor IPSASB

**Table 3: Agenda decisions to be made**

Project	Priority	Status	Q3 2011	Q4 2011	2012 plus	Estimated completion date
<b><u>Domestic NFP and public sector</u></b>						
1		Consolidation of for-profit entities into NFP groups				Staff article (Dec 2008)
2		Identifying cash generating units				AASB 136
3		Intangible assets established by governments (eg spectrum rights)				AASB 138 IPSAS 31
4		Current cost accounting for infrastructure assets				AASB 116
5		Complexity of financial instruments disclosures				AASB 139
6		GAAP/GFS interim reporting				AASB 134
<b><u>Other domestic</u></b>						
7		Prospective information (ex post & ex ante reporting, including prospectuses under Corp Act)				
8		Disclosures framework				Monitoring FASB/IASB /IPSASB work AASB staff paper presented to NSS

**Table 4: Other technical staff activities**

Project	Priority	Status	Q3 2011	Q4 2011	2012 plus	Estimated completion date
1 Monitor IASB projects	H	Ongoing				Ongoing
2 Monitor IFRS Interpretations Committee and support Australian representative (including briefings)	H	Ongoing				Ongoing
3 Monitor IPSASB and support Australian representative (including briefings)	H	Ongoing	IPSASB meeting	IPSASB meeting	IPSASB meeting	Ongoing
4 Participation in/support of other international activities (eg NSS, WSS, IFRS Advisory Council, AOSSG)	H	Ongoing	NSS meeting IFRSAC meeting	AOSSG meeting	NSS meeting AOSSG meeting IFRSAC meeting	Ongoing
5 Presentations/liaison with constituents	H	As required				Ongoing
6 Monitor Government Finance Statistics (GFS) developments	L	ABS GFS Manual				Ongoing
7 Respond to technical queries, write articles	M	As required				Ongoing
8 Board administration	H	As required				Ongoing
9 FRLI/website	H	As required				Ongoing
10 Standard Business Reporting, including eXtensible Business Reporting Language (XBRL) issues (assisting with Standard Business Reporting (SBR) certification)	H	As required				Ongoing
11 AOSSG Website Working Group	H	Maintaining and enhancing website				Ongoing

