



Australian Government

Australian Accounting Standards Board

2013-14

Annual Report





# **Australian Accounting Standards Board**

Annual Report 2013-14

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ISBN 978-0-9871709-6-5

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## LETTER OF TRANSMITTAL

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2 October 2014

The Honourable Joe Hockey, MP  
Treasurer  
Parliament House  
Canberra ACT 2600

Dear Treasurer

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 2014.

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



Angus Thomson  
Acting Chair, 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
ASAF	Accounting Standards Advisory Forum
ASIC	Australian Securities and Investments Commission
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
AUASB	Auditing and Assurance Standards Board
CDS	Commonwealth Disability Strategy
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
GAAP	Generally accepted accounting principles
GFS	Government finance statistics
GGs	General government sector
GST	Goods and services tax
HoTARAC	Heads of Treasuries Accounting and Reporting Advisory Committee
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFASS	International Forum of Accounting Standard Setters (formerly NSS)
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standards

## **ABBREVIATIONS (CONTINUED)**

IPSASB	International Public Sector Accounting Standards Board
MoU	Memorandum of Understanding
NFP	Not-For-Profit
NSS	National Standard Setters (now named IFASS)
NZASB	New Zealand Accounting Standards Board
RDR	Reduced disclosure requirements
RIS	Regulation Impact Statement
SAC	Standards Advisory Council (of the IASB)
SPFR	Special purpose financial report

## CONTACT DETAILS

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Australian Accounting Standards Board

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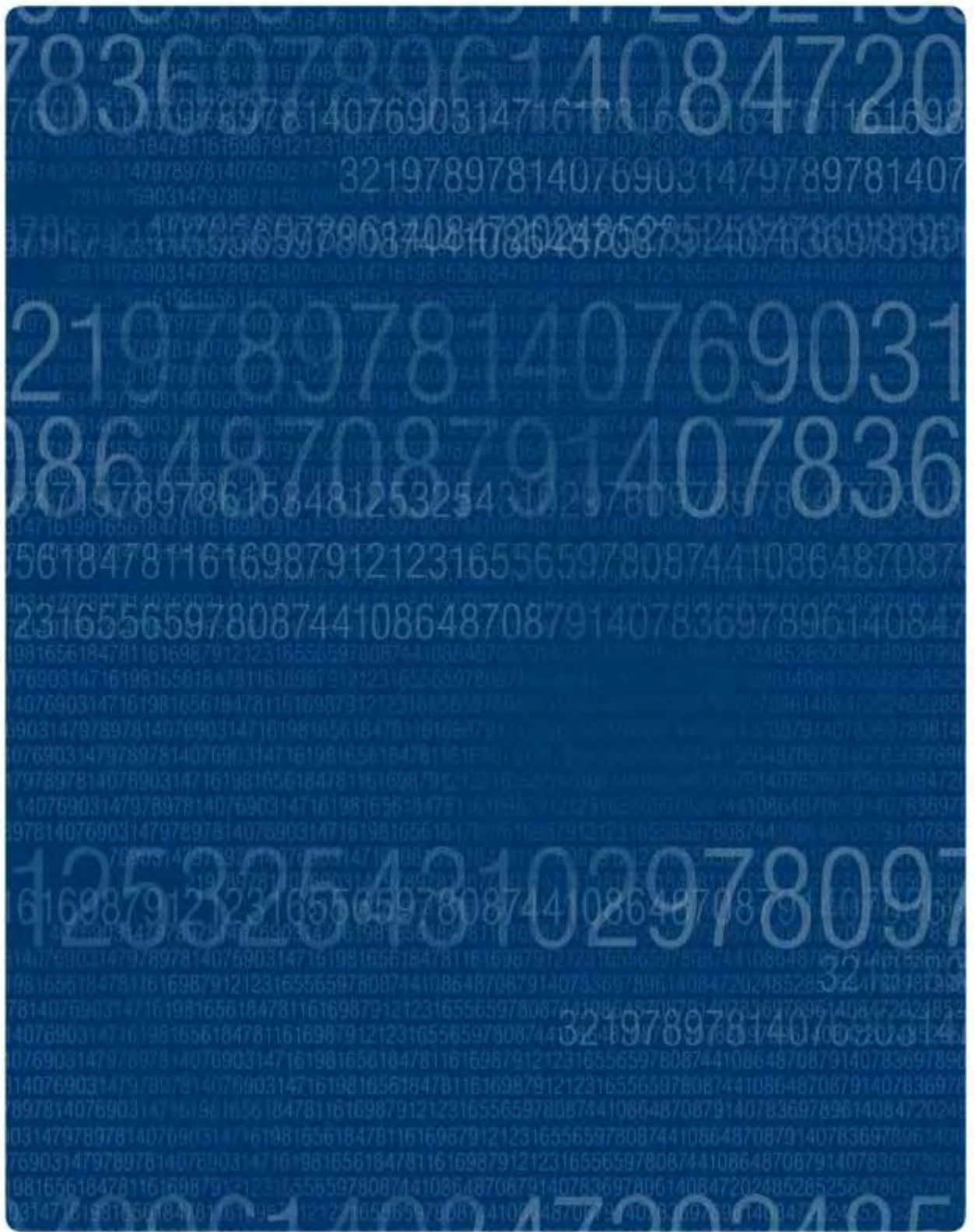
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## Chairman's review







# CHAIRMAN'S REVIEW

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## INTRODUCTION



The AASB completed a review of its five-year strategic plan in the first half of 2013-14. That review confirmed the core strategies of the existing plan which were set out in some detail in my Review in the 2012-13 Annual Report. This Review concentrates on the key developments during 2013-14, following the sequence of strategies set out last year.

## THREE KEY STRATEGIC AREAS

The AASB has been pursuing the following areas over the past two years:

- (i) Responding to criticisms emanating from the global financial crisis (GFC) through the completion of core standards on financial instruments, revenue, leasing and insurance;
- (ii) Working through its domestic agendas, to improve reporting in the public sector and not-for-profit private sector, as well as revising the financial reporting requirements for superannuation plans; and
- (iii) Contributing significantly in the revision of the Conceptual Framework for financial reporting.

## MAJOR PROJECTS

In relation to (i) above, 2013-14 has seen completion of the work on general hedge accounting, impairment of financial assets and on classification of financial instruments. It also saw the production of a discussion paper on macro-hedging. The later, whilst significant, was more a consequence of revising the rest of the financial instruments standards than of responding to criticisms from the GFC. Overall, it is fair to say that 2013-14 saw the vexed area of financial instruments largely resolved, even though some publications are still to flow.

2013-14 also saw the completion of the standard on revenue from contracts from customers. This has been very high profile project both for International Financial Reporting Standards (IFRS) and for reporting under US Generally Accepted Accounting Principles (GAAP). The comprehensive revised standard is a major revision and extension of existing requirements and has taken 12 years to complete.

The application of the new standard is expected to require careful monitoring (which also applies to the financial instruments standards).

Progress has been slower on leasing and insurance. Both of these topics have been subject to multiple exposure drafts and intense debate.

Nevertheless, the AASB is growing in confidence that both projects are, at the end of 2013-14, heading in the right direction. The AASB has urged the IASB to return to a more principled approach to both topics rather than approaches involving exceptions and complexity. In the case of insurance, the AASB has actively pursued approaches which would leverage the efforts of Australian entities over many years to achieve better reporting in the industry. At the time of writing, the AASB is hopeful that its arguments will be accepted by the IASB.

## DOMESTIC AGENDA

2013-14 saw the completion of a number of major projects on the domestic agenda (strategic area (ii) above) as well as the commencement of a number of new projects:

The most significant of the completed projects were:

- (a) The completion of a new standard for reporting by superannuation plans. This was a very substantial piece of work for which the AASB will be seeking international support. Typically, it is the standard which the IASB should adopt to replace its standard on reporting by post-employment benefit plans (IAS 26) which is the only standard in IFRS that has largely been ignored by countries adopting IFRS. Australia retained its standard when it transitioned to IFRS in 2005, as did most other countries.
- (b) Completion of guidance for the public sector and not-for-profit sector in relation to applying the concept of control when applying the standards relating consolidation. The revised related standards that form part of IFRS had been previously issued but their application beyond for-profit entities was delayed until this guidance could be constructed. A third major initiative relates to the income of not-for-profit entities. This project is intended to extend the standard on Revenue from Contracts with Customers which was completed near to year end. The AASB reached its conclusions on this topic this year and will expose them for comment during the next year.

In relation to the project on reporting service performance by not-for-profit entities, the AASB decided in the final quarter to re-base the project on work of the IPSASB and further work of the NZASB. It was considered more efficient to leverage those efforts than to pursue a ground-up approach that would take more time and resources.

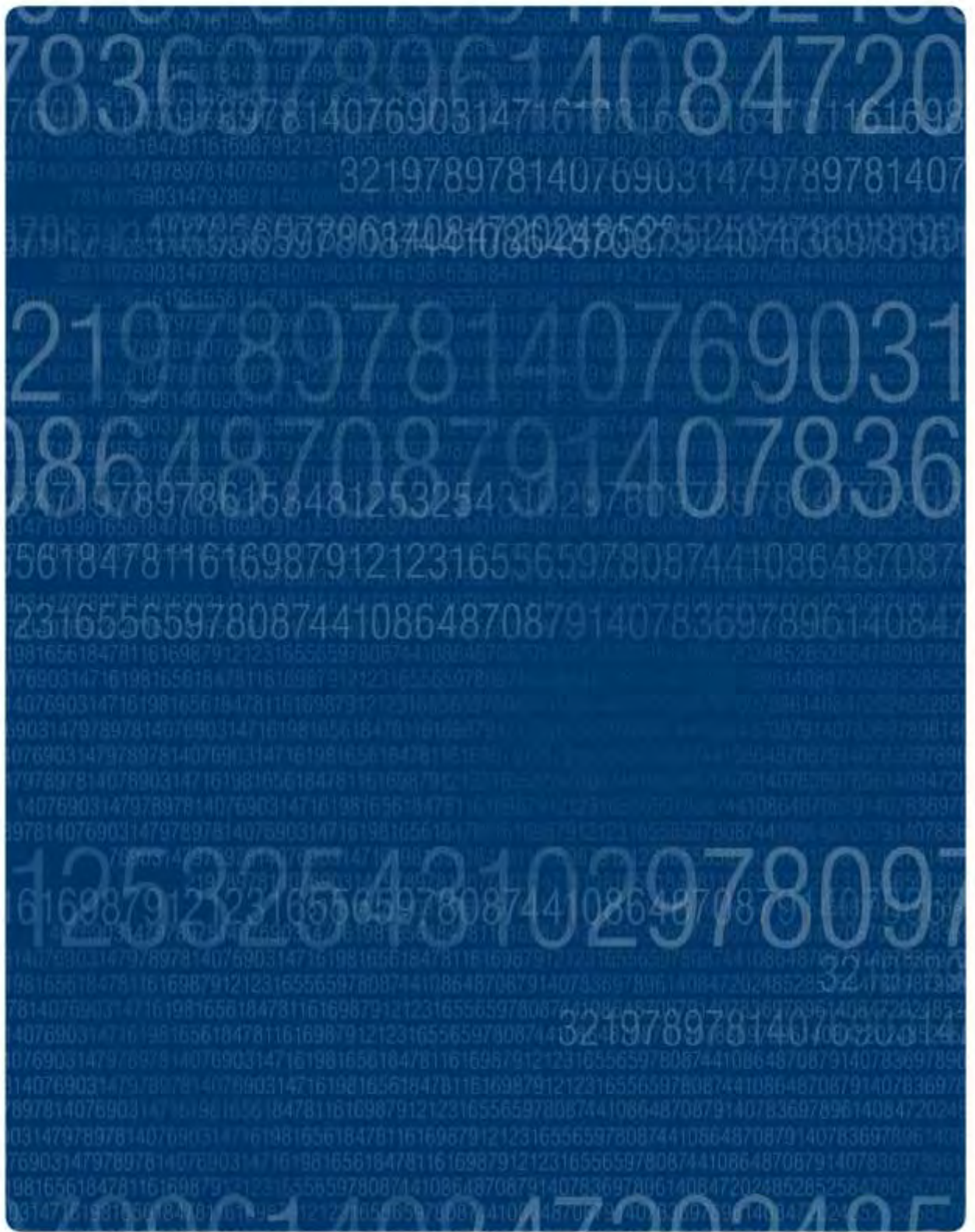


Kevin Michael Stevenson  
Chairman and CEO  
30 June 2014



## AASB overview





## AASB OVERVIEW

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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;
  - (ii) assists directors to discharge their obligations in relation to financial reporting;
  - (iii) is relevant to assessing performance, financial position, financing and investment; and
  - (iv) is relevant and reliable;
  - (v) facilitates comparability;
  - (vi) is readily understandable; and
- (b) to facilitate the Australian economy by:
  - (i) reducing the cost of capital;
  - (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, among other things, 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;
  - (b) to make accounting standards under section 334 of the *Corporations Act 2001* for the purposes of the corporations legislation (other than the excluded provisions);
  - (c) to formulate accounting standards for other purposes;
  - (d) to participate in and contribute to the development of a single set of accounting standards for world-wide use; and
  - (e) to advance and promote the main objects of this Part.
- (2) In carrying out its functions under paragraphs (1) (a) and (d) 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 a high quality conceptual framework for all sectors of the Australian economy;
- (b) develop and maintain high quality accounting (i.e. financial reporting) standards for reporting entities in those sectors; and
- (c) contribute, through thought leadership and participation, in the development of global financial reporting standards and 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 AASB Outcome and Programme Structure is consistent with information in the PB Statement.

The key strategies to achieve Outcome 1 are:

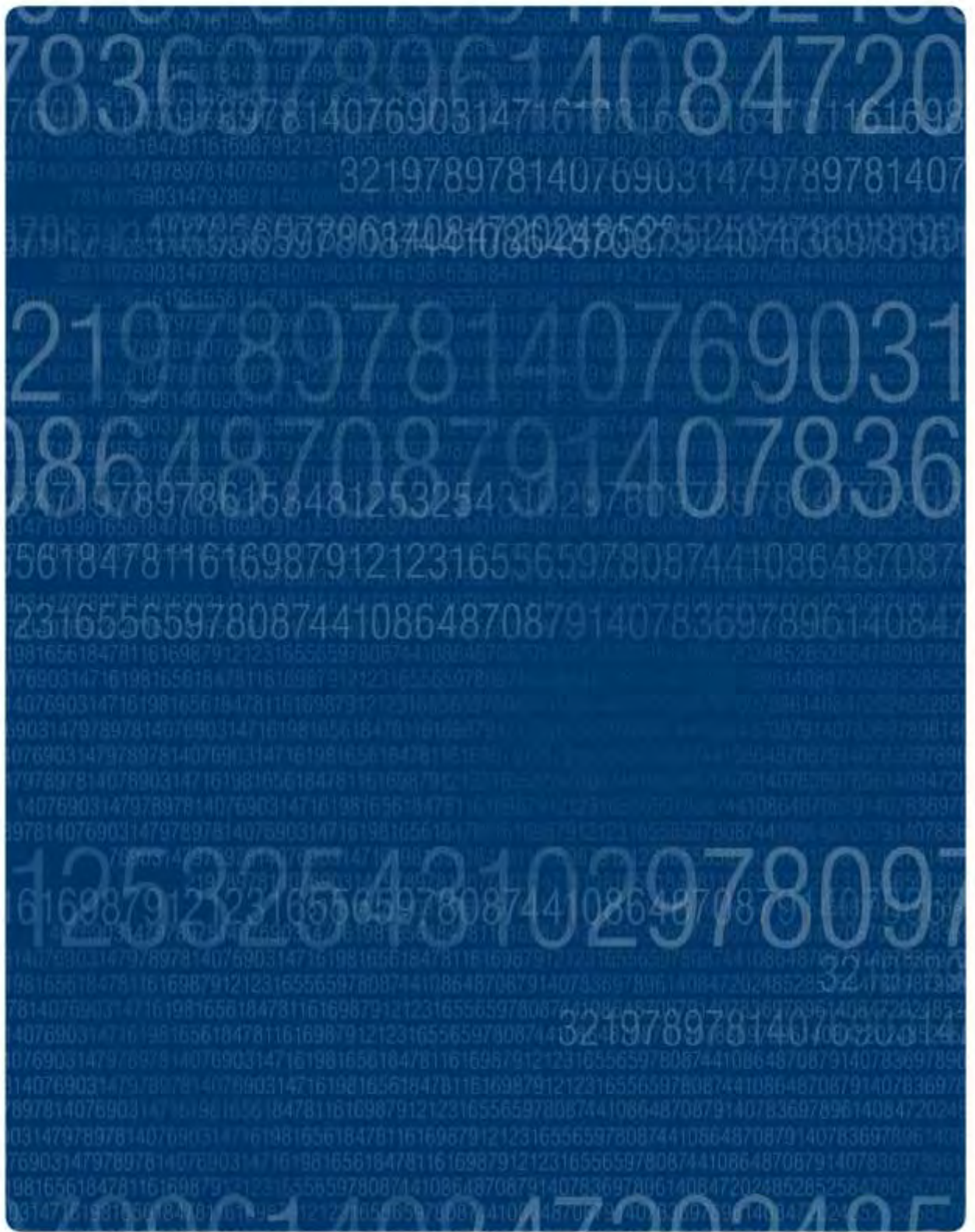
- to make accounting standards under section 334 of the *Corporations Act 2001* for the purpose of the financial reporting requirements of the Corporations legislation and providing guidance on the interpretation of those standards;
- formulating accounting standards for the purposes of financial reporting 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 2013–14, as well as the progress made on the 2013–14 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.

In relation to the outputs, many of the standards issued during the year were to maintain conformity with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), with the remaining standards issued a result of Australian domestic projects or as a result of Australia's second tier of general purpose financial reporting.

A significant achievement was the issuance of a new domestic Standard AASB 1056 *Superannuation Entities*, which will supersede AAS 25 *Financial Reporting by Superannuation Plans* that was issued in 1993.

Most of the AASB Exposure Drafts and Invitations to Comment issued incorporated IASB proposals. During the year, the Board made submissions to proposals from the IASB, the International Public Sector Accounting Standards Board (IPSASB) and the IPSASB Governance Review Group. The AASB had regard to not-for-profit, including public sector, issues in the process of developing the new and revised Standards where those issues could be dealt with in a timely manner. Where that was not possible, the Standards were issued in time to allow for-profit entities to early adopt an IFRS whilst prohibiting early adoption by not-for-profit entities. The Board has since been progressing its thorough consideration of not-for-profit issues pertinent to those Standards.

Consistent with this approach, domestically, issues related to financial reporting by not-for-profit entities continued to be progressed including issuing a Standard that amends AASB 10 *Consolidated Financial Statements* and provides guidance on control in the not-for-profit sector. Work is continuing on developing an Exposure Draft on revenue of not-for-profit entities and the Board's project on Service Performance Reporting has resumed.

Many other domestic outputs related to keeping the second tier of general purpose financial reporting requirements (Australian Accounting Standards – Reduced Disclosure Requirements) up to date with IFRSs.

This year saw the establishment of a dedicated research function within the AASB. During 2013-14, the Research Centre was very productive, issuing two Essays, one Occasional Paper, three Staff Papers and one Research Report.

In addition, the AASB was a major contributor to the activities of the Asian-Oceania Standard-Setters Group (AOSSG), including leading two working groups (Financial Instruments and Website) and as a member of nine other working groups. The AASB Chair was also the Chair of AOSSG until that position was handed over in November 2013 to the new Chair who is the President of the Hong Kong Institute for Certified Public Accountants.

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

Office of the AASB: Resource Statement 2013-14

	Actual available appropriations	Payments made	Balance remaining
<b>Ordinary annual services</b>			
Departmental			
Prior year departmental appropriation	4,815,562	1,512,033	3,303,529
Departmental appropriation	3,733,000	2,704,075	1,028,925
Section 31 Relevant agency receipts	922,880	922,880	-
<b>Total ordinary annual services</b>	<b>9,471,442</b>	<b>5,138,988</b>	<b>4,332,453</b>
Departmental non-operating			
Equity injection	134,415	39,371	95,044
<b>Total other services</b>	<b>134,415</b>	<b>39,371</b>	<b>95,044</b>
<b>Total resourcing and payments</b>	<b>9,605,857</b>	<b>5,178,359</b>	<b>4,427,498</b>

### Agency summary resource table by outcomes

Office of the AASB: Resources for outcomes 2013-14

	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)	3,733,000	3,968,750	(235,750)
Revenues from independent sources (section 31)	788,000	922,880	(134,880)
Expenses not requiring appropriation	239,000	203,050	35,950
Less revenue to be carried forward	-	-	-
<b>Total for Outcome 1</b>	<b>4,760,000</b>	<b>5,094,680</b>	<b>(334,680)</b>

## OUTPUTS

During 2013-14, the Board issued or reissued the following standards and other documents:

<b>Framework</b>	
AASB CF 2013-1	<i>Amendments to the Australian Conceptual Framework</i> (December 2013)
<b>Standards</b>	
AASB 14	<i>Regulatory Deferral Accounts</i> (June 2014)
AASB 1031	<i>Materiality</i> (December 2013)
AASB 1048	<i>Interpretation of Standards</i> (December 2013)
AASB 1056	<i>Superannuation Entities</i> (June 2014)
AASB 2013-4	<i>Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting</i> (July 2013)
AASB 2013-5	<i>Amendments to Australian Accounting Standards – Investment Entities</i> (August 2013)
AASB 2013-6	<i>Amendments to AASB 136 arising from Reduced Disclosure Requirements</i> (September 2013)
AASB 2013-7	<i>Amendments to AASB 1038 arising from AASB 10 in relation to Consolidation and Interests of Policyholders</i> (October 2013)
AASB 2013-8	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities</i> (October 2013)
AASB 2013-9	<i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i> (December 2013)
AASB 2014-1	<i>Amendments to Australian Accounting Standards</i> (June 2014)
AASB 2014-2	<i>Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements</i> (June 2014)
<b>Interpretations</b>	
No new Interpretations were issued in 2013-14	
<b>Exposure drafts</b>	
ED 245	<i>Agriculture: Bearer Plants</i> (proposed amendments to AASB 116 and AASB 141) (July 2013)
ED 246	<i>Equity Method in Separate Financial Statements</i> (proposed amendments to AASB 127) (December 2013)
ED 247	<i>Annual Improvements to IFRSs 2012–2014 Cycle</i> (December 2013)
ED 248	<i>Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements</i> (March 2014)
ED 249	<i>Disclosure Initiative</i> (proposed amendments to AASB 101) (March 2014)
ED 250	<i>Investment Entities: Applying the Consolidation Exception</i> (June 2014)

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**Invitations to comment**


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ITC 29	<i>A Review of the IASBs Conceptual Framework for Financial Reporting (July 2013]</i>
ITC 30	<i>Request for Comment on IASB Request for Information on Post Implementation Review: IFRS 3 Business Combinations (February 2014)</i>
ITC 31	<i>Accounting for Dynamic Risk Management: A Portfolio Revaluation Approach to Macro Hedging (May 2014)</i>

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**AASB Essays**


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Essay 2013-1	<i>Rethinking the Path from an Objective of Economic Decision Making to a Disclosure and Presentation Framework (August 2013)</i>
Essay 2014-1	<i>The Critical Role of the Reporting Entity Concept in Australian Financial Reporting (April 2014)</i>

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**Occasional Papers**


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OP-1	<i>Liabilities – the neglected element: a conceptual analysis of the financial reporting of liabilities (October 2013)</i>
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**Staff Papers**


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RCSP 07-13	<i>Possible Financial Reporting Implications of the Fixed Price Phase of the Carbon Pricing Mechanism for Emitter Entities (July 2013)</i>
RCSP 02-14	<i>To Disclose or Not to Disclose: Materiality is the Question (February 2014)</i>
RCSP 03-14	<i>Transitioning to and between Tiers of General Purpose Financial Reporting (March 2014)</i>

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**Research Reports**


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RCPR 2014-1	<i>The Application of the Reporting Entity Concept and Lodgement of Special Purpose Financial Statements (June 2014)</i>
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## PROGRESS MADE ON THE 2013-14 WORK PROGRAM

In this progress report, the Project column includes the project descriptions contained in the original 2013-14 work program. Projects initiated since the original work program are footnoted. The Pronouncement column refers to relevant AASB pronouncements when the 2013-14 program was published. Reference is made in this progress report to outcomes for a project identified as 'inactive' in the 2013-14 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 2014
<u>Domestic not-for-profit and public sector projects</u>		
1. Related party disclosures by NFP public sector entities	AASB 124 ED 214	The AASB broadly reconfirmed its previous tentative decisions on extending the scope of AASB 124 to not-for-profit public sector entities, including that guidance to clarify how the proposals apply to not-for-profit public sector entities be developed. The AASB is expecting to issue a Standard in Q4 2014.
2. Control in the NFP public and private sector (including gaps in GAAP issue no. 10; and amendments to AASB 3 for restructures of local governments)	AASB 10 AASB 3 & 2008-11 AASB 1050	The project was completed and the AASB issued AASB 2013-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities</i> in October 2013 to add implementation guidance to AASB 10 <i>Consolidated Financial Statements</i> and AASB 12 <i>Disclosure of Interests in Other Entities</i> for application by not-for-profit entities in the private sector and in the public sector. The guidance applies to periods beginning on or after 1 January 2014.  Work on restructures of local governments has been deferred pending developments in the IPSASB's project on public sector combinations (see item 61 in the Active projects list).
3. Income from transactions of NFP entities (see also item 18 below)	AASB 1004, 120 & 118	The AASB is continuing to pursue an approach aligned closely to the IASB's project on <i>Revenue from Contracts with Customers</i> . In May 2014, the IASB issued IFRS 15 <i>Revenue from Contracts with Customers</i> and the AASB reaffirmed that it will base its ED for this topic on the text of IFRS 15 (modifying it for NFP entity specific issues). The AASB is expecting to issue an ED in Q4 2014.

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**Active projects (continued)**

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<b>Project</b>	<b>Pronouncement</b>	<b>Outcomes to 30 June 2014</b>
4. Borrowing costs of NFP public sector entities	AASB 123 & AASB 2009-1	Limited progress was made due to resources being committed to other higher priority AASB projects.
5. Disclosures by NFP private sector entities (focus on identifying new financial and non-financial disclosures including service performance reporting)	Various Standards	The AASB decided to reorient its work on its Service Performance Reporting project to focus on leveraging off the work of the IPSASB and New Zealand Accounting Standards Board (NZASB). Accordingly, IPSASB ED 54, combined with the results of the AASB staff's research to date and NZASB work, will be used as the basis for developing an ED of a proposed Standard on service performance reporting applicable to not-for-profit (including public sector) entities.
6. Carbon tax/emissions trading scheme (Government perspective)	AASB 1004, 107, 137 & 139	An AASB staff paper setting out the possible financial reporting implications of the fixed price phase of the carbon pricing mechanism for emitters was updated for the effect of changes in accounting requirements and a revised version of the paper was published on the AASB's website in July 2013. The AASB staff have been monitoring Government's new policies on emissions as reflected in green and white papers and draft legislation regarding the introduction of an Emission Reduction Fund in place of the Carbon Tax. With the repeal of the Carbon Tax, AASB staff plan to continue monitoring new legislative and regulatory requirements on emissions and consider their possible financial reporting implications from emitters' and Government's perspectives in 2014-2015.

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**Active projects (continued)**

Project	Pronouncement	Outcomes to 30 June 2014
<u>Other domestic</u>		
7. Superannuation entities	AAS 25 ED 223 AASB 1056	The AASB finalised its deliberations on the comments received from constituents on ED 223 <i>Superannuation Entities</i> . The AASB released a fatal flaw draft of a replacement standard for AAS 25 <i>Financial Reporting by Superannuation Plans</i> in December 2013 and received support for proceeding to a final standard. The AASB issued AASB 1056 <i>Superannuation Entities</i> in June 2014. AASB 1056 supersedes AAS 25 for periods beginning on or after 1 July 2016.
8. Differential reporting/reduced disclosure requirements – stage 2 (including reporting entity [SAC 1 and 2] and GPFS/SPFS)	AASB 1053 & 2010-2	A process similar to that for Tier 1 documents has continued to be followed in preparing Tier 2 requirements relating to each Tier 1 Standard. During 2013-14, Tier 2 supplements to all Tier 1 EDs were issued for comment, and relevant amending standards were issued.  Research on Stage 2 of the differential reporting project continued during the year, utilising the services of external research contractors. In April 2014, The AASB's Research Centre published AASB Essay 2014-1 <i>The Critical Role of the Reporting Entity Concept in Australian Financial Reporting</i> as a prelude to publication of the Research Report later that year. The current stage of the research work was finalised in the first half of 2014 and in June 2014 the AASB's Research Centre published Research Report No. 1 <i>Application of the Reporting Entity Concept and Lodgment of Special Purpose Financial Statements</i> . AASB staff have also liaised with the Commonwealth regulator and other relevant parties to help achieve coordinated approaches on the public policy aspect of the research results during the year and such liaison is expected to continue during the 2014-15 financial year.
9. Tier 2 transition requirements (amendments to AASB 1053) <sup>1</sup>	AASB 1053	ED 248 <i>Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements</i> was issued in March 2014 to incorporate proposed revised transitional requirements in regard to Tier 2. The AASB issued AASB 2014-2 <i>Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements</i> in June 2014. The amendments apply from 1 July 2014.

<sup>1</sup> This project was not explicitly identified in the original 2013-14 work program



## Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2014
10. Compilations	Amending Standards	Due to the IASB's 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. 140 compilations based on application dates were published on the AASB website in 2013-14, with another 149 compilations, based on registration dates of Amending Standards, were lodged with the Federal Register of Legislative Instruments.
11. Withdrawal of AASB 1031 <i>Materiality</i>	AASB 1031	The AASB discussed comments received on ED 243 <i>Withdrawal of AASB 1031 Materiality</i> and decided to proceed with the withdrawal of AASB 1031. As an interim measure to achieve withdrawal of the contents of AASB 1031, the Board decided to reissue AASB 1031 so that it serves only as a referencing Standard and to remove cross-references to AASB 1031 from all AASB Standards and Interpretations. Once all cross-references to AASB 1031 have been removed, AASB 1031 will be superseded by AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> .
<u>IASB – substantive AASB involvement</u>		
<i>IASB Major Projects</i>		
12. Consolidation – investment entities	AASB 10	The project was completed and the AASB issued AASB 2013-5 <i>Amendments to Australian Accounting Standards – Investment Entities</i> in August 2013.
13. Financial instruments – general hedge accounting	AASB 139 AASB 9	The project was completed and the AASB issued AASB 2013-9 <i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i> which (amongst other amendments) in December 2013.
14. Financial instruments – impairment	AASB 139 AASB 9	The AASB made a submission on IASB ED/2013/3 <i>Financial Instruments: Expected Credit Losses</i> in July 2013. The AASB continued to monitor the IASB's progress.
15. Financial instruments – macro hedge accounting	AASB 139	IASB Discussion Paper <i>Accounting for Dynamic Risk Management: A Portfolio Revaluation Approach to Macro Hedging</i> was issued in April 2014 and incorporated into AASB ITC 31 of the same name in May 2014. Comments are due on the IASB DP in October 2014. The AASB continued to monitor the IASB's progress.
16. Financial instruments – classification and measurement (limited improvements)	AASB 9	The AASB issued AASB 2013-9 in December 2013 which (amongst other amendments) permits requirements relating to the 'own credit risk' of financial liabilities measured at fair value to be applied without applying the other requirements of AASB 9 at the same time. The AASB continued to monitor the IASB's progress on the remaining 'limited improvements'.

**Active projects (continued)**

Project	Pronouncement	Outcomes to 30 June 2014
17. Leases	AASB 117	The AASB made a submission the IASB on ED/2013/6 <i>Leases</i> in September 2013. The AASB continued to monitor the IASB's progress.
18. Revenue recognition (see also item 5 above)	AASB 118, AASB 111 ED 222	The AASB monitored the final re-deliberations of the IASB on its 2011 proposals in ED/2011/6 which was incorporated into AASB ED 222 <i>Revenue from Contracts with Customers</i> (November 2011). The AASB also provided comments (in conjunction with other AOSSG members) on a fatal flaw version of the IASB's draft revenue standard. The IASB issued IFRS 15 <i>Revenue from Contracts with Customers</i> on 28 May 2014. The AASB expects to issue an Australian Accounting Standard that corresponds to IFRS 15 in Q4 2014.
19. Insurance contracts	AASB 4, 1023 & 1038	The AASB continued to monitor the IASB's progress.
20. Rate regulated activities – interim IFRS	—	The project was completed and the AASB issued AASB 14 <i>Regulatory Deferral Accounts</i> in June 2014. AASB 14 applies from 1 January 2016.
21. Rate regulated activities – comprehensive project	Conceptual Framework	The AASB continued to monitor the IASB's progress. A discussion paper is expected to be published by the IASB in September 2014.
22. Disclosure initiative: Amendments to IAS 1 <sup>2</sup>	AASB 101	IASB Exposure Draft ED/2014/1 was issued in March 2014 and incorporated into AASB ED 249 <i>Disclosure Initiative</i> . The ED is proposing narrow-focus clarifying amendments to IAS 1 <i>Presentation of Financial Statements</i> to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying that Standard. The AASB continued to monitor the IASB's progress.
23. Disclosure initiative: Reconciliation of liabilities from financing activities <sup>3</sup>	AASB 107	The AASB continued to monitor the IASB's progress.
24. IASB three-yearly public agenda consultation	ITC 25	The AASB continued to monitor the IASB's progress.

<sup>2</sup> This project was not explicitly identified in the original 2013-14 work program

<sup>3</sup> This project was not explicitly identified in the original 2013-14 work program

## Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2014
<i>Narrow-scope amendments</i>		
25. Annual improvements 2010–2012	ED 225	The project was completed and the AASB issued AASB 2014-1 <i>Amendments to Australian Accounting Standards</i> in June 2014.
26. Annual improvements 2011–2013	ED 229	The project was completed and the AASB issued AASB 2004-1 <i>Amendments to Australian Accounting Standards</i> in June 2014.
27. Annual improvements 2012–2014	ED 247	IASB ED/2013/11 was incorporated in ED 247 <i>Annual Improvements to IFRSs 2012–2014 Cycle</i> issued in December 2013. The AASB submitted a comment letter to the IASB in March 2014. The AASB continued to monitor the IASB's progress.
28. Annual improvements 2013–2015 <sup>4</sup>	Various	The AASB continued to monitor the IASB's progress on topics to be included as part of this Annual Improvements cycle.
29. Sale or contribution of assets between investor and associate/joint venture (proposed amendments to IFRS 10 and IAS 28)	AASB 10 & 128	IASB ED/2012/6, incorporated into ED 232 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> , was issued in December 2012. The AASB made a submission to the IASB in April 2013. The AASB continued to monitor the IASB's progress.
30. Equity method: Share of other net asset changes (Proposed amendments to IFRS 10 and IAS 28)	AASB 128	The AASB continued to monitor the IASB's progress. In May 2014, the IASB decided not to proceed with the proposed amendments.
31. Clarification of acceptable methods of depreciation and amortisation	AASB 116 & 138	The IASB issued IFRS <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> on 12 May 2014. The AASB expects to issue the amendments in Australian Accounting Standards in Q3 2014.

<sup>4</sup> This project was not explicitly identified in the original 2013-14 work program

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**Active projects (continued)**


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Project	Pronouncement	Outcomes to 30 June 2014
32. Clarification of classification and measurement of share-based payment transactions (proposed amendments to IFRS 2) <sup>5</sup>	AASB 2	The AASB continued to monitor the IASB's progress. An ED is expected to be published in Q4 2014.
33. Classification of liabilities (proposed amendments to IAS 1) <sup>6</sup>	AASB 101	The AASB continued to monitor the IASB's progress.
34. Acquisition of interest in a joint operation	AASB 11	IFRS <i>Accounting for Acquisitions of Interests in Joint Operations</i> was issued by the IASB in May 2014. The AASB is expecting to issue the amendments in Australian Accounting Standards in Q3 2014.
35. Defined benefit plans: employee contributions (proposed amendments to IAS 19)	AASB 119	The project was completed and the AASB issued AASB 2014-1 <i>Amendments to Australian Accounting Standards</i> which made amendments (amongst other amendments) to AASB 119 in relation to <i>Defined Benefit Plans: Employee Contributions</i> in June 2014.
36. Elimination of gains arising from downstream transactions (proposed amendments to IAS 28) <sup>7</sup>	AASB 128	The AASB continued to monitor the IASB's progress.
37. Fair value measurement: unit of account	AASB 13	The AASB continued to monitor the IASB's progress.

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<sup>5</sup> This project was not explicitly identified in the original 2013-14 work program

<sup>6</sup> This project was not explicitly identified in the original 2013-14 work program

<sup>7</sup> This project was not explicitly identified in the original 2013-14 work program

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**Active projects (continued)**

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Project	Pronouncement	Outcomes to 30 June 2014
38. Disclosure requirements about assessment of going concern (proposed amendments to IAS 1)	AASB 101	The AASB continued to monitor the IASB's progress. In November, the IASB decided not to proceed with the proposed amendments. In January 2014 the AASB wrote to the IASB expressing disagreement with their decision to discontinue the project.
39. Investment entities: Applying the consolidation exemption (proposed amendments to IFRS 10 and IAS 28) <sup>8</sup>	AASB 10 and AASB 128	The IASB Exposure Draft ED/2014/2 <i>Investment Entities: Applying the Consolidation Exception</i> was published in June 2014 and was incorporated into AASB ED 250 of the same name in June 2014. The AASB will prepare a submission on IASB ED/2014/2 in September 2014.
40. Bearer plants (proposed amendments to IAS 41)	AASB 141	The project was completed and the IASB issued <i>Agriculture: Bearer Plants</i> (Amendments to IAS 16 and IAS 41) in June 2014. The AASB is expecting to issue the amendments in Q4 2014.
41. Put options written on non-controlling interests (proposed amendments to IAS 32)	AASB 132	The AASB continued to monitor the IASB's progress. In June 2014 the IASB reallocated to project to its research project on Financial Instruments with Characteristics of Equity (FICE).
42. Recognition of deferred tax assets for unrealised losses (proposed amendments to IAS 12)	AASB 112	The AASB continued to monitor the IASB's progress.
43. Separate financial statements (equity method) (proposed amendments to IAS 27)	AASB 127	The AASB continued to monitor the IASB's progress. The IASB is expecting to issue a Standard in Q4 2014. The AASB expects to issue the amendments in Australian Accounting Standards thereafter.
44. Actuarial assumptions: discount rate (proposed amendments to IAS 19)	AASB 119	The project has been moved to the IASB's Research Agenda. The AASB continued to monitor the IASB's progress.

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<sup>8</sup> This project was not explicitly identified in the original 2013-14 work program

**Active projects (continued)**

Project	Pronouncement	Outcomes to 30 June 2014
45. Novation of derivatives and continuation of hedge accounting (proposed amendments to IAS 39 and IFRS 9)	AASB 139 AASB 9	The project was completed and the AASB issued AASB 2013-4 <i>Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting</i> in July 2013.
<i>Post-implementation reviews</i>		
46. IFRS 8 <i>Operating Segments</i>	AASB 8	In July 2014 the IASB published a report and feedback statement on the post-implementation review process for IFRS 8 <i>Operating Segments</i> . The AASB provided comments to the IASB on that statement. The AASB continued to monitor the IASB's progress.
47. IFRS 3 <i>Business Combinations</i>	AASB 3	<p>The AASB issued ITC 30 <i>Request for Comment on IASB Request for Information on Post-implementation Review: IFRS 3 Business Combinations</i> in February 2014 with a comment period until 2 May 2014. The ITC incorporated the IASB's Request for Information. The AASB also held a public Discussion Forum in April 2014 to discuss the issues with constituents.</p> <p>The AASB discussed the comments received from constituents and the principal comments to be made in its submission to the IASB at its meeting in May 2013. The submission was subsequently finalised and lodged with the IASB in July 2014.</p> <p>The AASB continued to monitor the IASB's progress.</p>
<i>IASB ongoing</i>		
48. Actively monitor IFRS implementation	Relevant standards	AASB staff continued to liaise with a wide range of Australian constituents on implementation issues.
<i>IASB conceptual framework</i>		
49. Conceptual framework – Phase A: objective and qualitative characteristics	Framework	In December 2013 the AASB amended its Conceptual Framework to incorporate the chapters of the IASB Framework (on Objective and Qualitative Characteristics) issued in September 2010.

## Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2014
50. Conceptual framework – Phases B & C: elements and recognition/derecognition	Framework	<p>The IASB issued DP/2013/1 <i>A Review of the Conceptual Framework for Financial Reporting</i> in July 2013. That IASB DP addresses the definitions, recognition and derecognition of the elements of financial statements; the distinction between liabilities and equity; measurement; presentation and disclosure; and other comprehensive income. The AASB made a submission on the IASB DP in February 2014 and sent the IASB a supplementary paper to that submission in June 2014. In developing that submission and supplementary paper, the AASB considered feedback on the IASB DP in comment letters received from constituents and through forums conducted by the AASB in Canberra, Melbourne and Sydney in October 2013. The AASB Chairman participated in discussions of that DP at meetings of the IASB's Accounting Standards Advisory Forum (ASAF) in September and December 2013 and March and June 2014, and the International Forum of Accounting Standard Setters (IFASS) in September 2013 and March 2014. AASB staff participated in an IASB Roundtable on that DP in November 2013 and provided input to the formulation by the Asian-Oceanian Standard-Setters Group of its submission on the IASB DP.</p> <p>In October 2013, the AASB published Occasional Paper No. 1 <i>Liabilities – the neglected element: a conceptual analysis of the financial reporting of liabilities</i>.</p> <p>The AASB continued to monitor the IASB's progress.</p>
51. Conceptual framework – Phase C: measurement	Framework	See item 50 above.
52. Conceptual framework – Phase D: reporting entity	Framework	<p>The IASB has deferred work on this aspect of its Conceptual Framework project. It intends to redeliberate the proposals on its previous ED on this topic in light of submissions it received, as it develops an ED on a revised Conceptual Framework, which would incorporate the topics covered by the DP mentioned above in item 50.</p> <p>In April 2014, AASB staff published AASB Essay 2014-1 <i>The Critical Role of the Reporting Entity Concept in Australian Financial Reporting</i>.</p> <p>The AASB continued to monitor the IASB's progress.</p>
53. Conceptual framework – Phase E: presentation and disclosure	Framework	See item 50 above. In August 2013, the AASB published AASB Essay 2013-1 <i>Rethinking the Path from an Objective of Economic Decision Making to a Disclosure and Presentation Framework</i> .
54. Disclosure feedback statement	—	The AASB continued to monitor the IASB's progress on its Disclosure Feedback Statement, which is now the subject of its Disclosure Initiative projects (see items 22 and 23 above).

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**Active projects (continued)**


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Project	Pronouncement	Outcomes to 30 June 2014
<u>IPSASB convergence</u>		
55. Conceptual framework – public sector perspectives	Framework	The AASB made a submission to the IPSASB in August 2013 on its Conceptual Framework ED on presentation. AASB staff continued to monitor the IPSASB's Conceptual Framework project, including briefing the Australian and New Zealand IPSASB members on IPSASB staff papers and providing comments on draft documents. The AASB continued to monitor the IPSASB's progress.
56. Service concession arrangements: grantor's perspective	Interpretation 12 ED 194	The AASB considered the suitability of IPSAS 32 <i>Service Concession Arrangements: Grantor</i> (issued by the IPSASB in October 2011) for Australia and tentatively decided that some modifications would need to be made to IPSAS 32 if it were to be adopted into an Australian Standard. In September 2012, the AASB deliberated and tentatively concluded on one modification in relation to control of service concession assets. The AASB has been closely monitoring the development of IFRS 15 (mentioned above) issued in May 2014 in respect of two other modifications pertaining to revenue from licences. The AASB will resume its deliberations on the modifications in July 2014.
57. Interests in Other Entities <sup>9</sup>	AASBs 10, 11, 12, 127 and 128	The IPSASB issued EDs 48-52 Interests in Other Entities. The AASB made a submission to the IPSASB in March 2014. The AASB continued to monitor the IPSASB's progress.
58. First-time Adoption of Accrual Basis IPSASs <sup>10</sup>	—	The IPSASB issued ED 53 <i>First time Adoption of Accrual Basis IPSASs</i> . The AASB made a submission to the IPSASB in February 2014. The AASB continued to monitor the IPSASB's progress.
59. Reporting Service Performance Information <sup>11</sup>	—	The IPSASB issued ED 54 <i>Reporting Service Performance Information</i> . The AASB made a submission to the IPSASB in May 2014. The AASB continued to monitor the IPSASB's progress. The AASB will also be considering this IPSASB's project when developing its own Standard on Service Performance Reporting.

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<sup>9</sup> This project was not explicitly identified in the original 2013-14 work program

<sup>10</sup> This project was not explicitly identified in the original 2013-14 work program

<sup>11</sup> This project was not explicitly identified in the original 2013-14 work program



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**Active projects (continued)**

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Project	Pronouncement	Outcomes to 30 June 2014
60. IPSASB Strategy and work program consultation	—	The IPSASB issued a Consultation Paper <i>IPSASB Strategy Consultation</i> this paper included consultation on the IPSASB's work program for 2015-2019. The AASB will prepare a submission to this Consultation Paper in July 2014.
61. Public sector combinations	AASB 3	AASB staff continued to monitor the IPSASB's Public sector combinations project, including briefing the Australian and New Zealand IPSASB members on IPSASB staff papers and providing comments on draft documents.
62. Reporting on the long-term sustainability of a public sector entity's finances	—	The IPSASB issued Recommended Practice Guideline RPG 1 <i>Reporting on the Long-Term Sustainability of an Entity's Finances</i> in July 2013.
<hr/> <u>Other international</u>		
63. NZ convergence – Tier 2 entities	—	The NZASB has created a Tier 2 in respect of for-profit entities that is converged with the Australian Tier 2 requirements. Staff consultation is ongoing.
64. Conceptual framework – NFP entity perspectives (shadowing IASB/FASB/IPSASB projects – see items 50 – 53 & 55 above)	Framework	The AASB's amended Conceptual Framework issued in December 2013 (see item 49 above) includes additional AASB guidance on application of the concepts by NFP entities. AASB staff continued to monitor the work of the IASB and the IPSASB on their Conceptual Framework projects.
65. IASB's comprehensive review of IFRS for SMEs	—	In October 2013, the IASB published ED/2013/9 <i>IFRS for SMEs: Proposed Amendments to the International Financial Reporting Standard for Small and Medium-sized Entities</i> . The AASB made a submission on the ED in March 2014. The AASB continued to monitor the IASB's progress.
66. IPSASB Governance Review Group	—	The IPSASB Governance Review Group issued a Public Consultation Document <i>The Future Governance of the International Public Sector Accounting Standards Board (IPSASB) (January 2014)</i> . The AASB made a submission to this Consultation Document in March 2014.

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**Inactive projects (subject to resources)**

Project	Pronouncement	Outcomes to 30 June 2014
<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 active item 5 above).
2. Disaggregated disclosures	AASB 1052	This will be the subject of future AASB research.
3. Budget reporting beyond GGS and WoG	AASB 1055	This will be the subject of future AASB research.
4. Measurement of contributions by owners as owners	—	
5. Review of Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities	Interpretation 1038	The AASB has separated this topic from its work on Income of NFP Entities (see active item 3 above) and will make an agenda decision in future on when to address this topic.
6. Compliance with parliamentary appropriations and other externally imposed requirements	AASB 1004	The AASB has separated this topic from its work on Income of NFP Entities (see active item 3 above) and will make an agenda decision in future on when to address this topic.

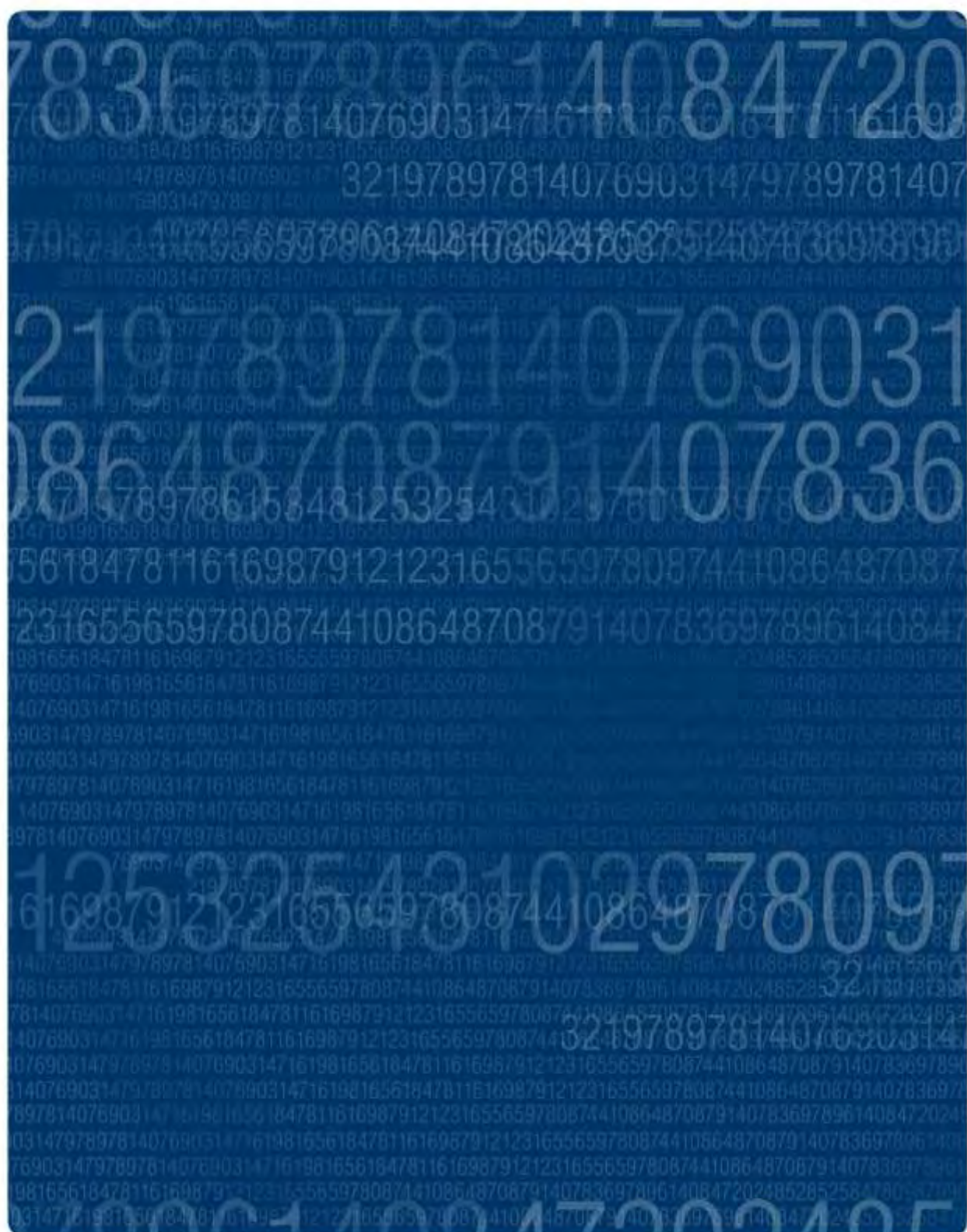
### Inactive projects (continued)

Project	Pronouncement	Outcomes to 30 June 2014
7. Summary financial reports and MD&A	IFRS Practice Statement <i>Management Commentary</i>	
8. Currency (notes and coins) on issue	AASB 139/ AASB 9	
9. Other gaps in GAAP issues for public sector NFP entities	Various Standards	
<u>Other domestic</u>		
10. Review of Interpretations	Various Interpretations	
<u>IPSASB convergence</u>		
11. Heritage assets	AASB 116	



## Management and accountability







# MANAGEMENT AND ACCOUNTABILITY

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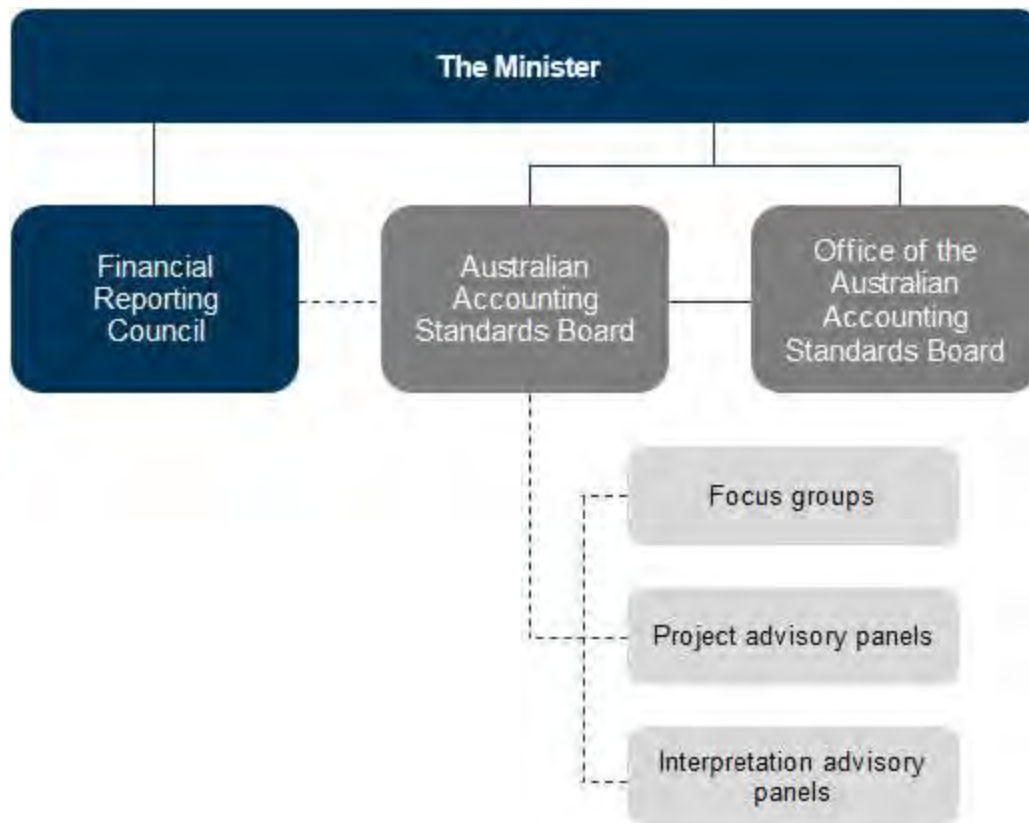
## CORPORATE GOVERNANCE

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 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 2013-14 are listed below. The Board held 7 meetings for a total of 13 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 back row: Peter Carlson, Peter Gibson, Ian McPhee, Brett Rix, Kevin Stevenson, Glenn Brady (Director – Australian Activities), John O’Grady, Steve Mitsas, Robert Keys (Director – Research) Marc Smit, Angus Thomson (Director – Research) middle row: Taryn Rulton, Regina Fikkers, Anna Crawford, Ann Tarca, Michele Embling, Lisa Panetta (Board Secretary) and front row: Carmen Ridley, Susan Lightfoot (Director – International Activities) and Nikole Gyles (Director – Technical Projects and Board Activities)

### 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 and CEO 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 is also a member of the Financial Reporting Council and a member of the New Zealand Accounting Standards Board. During the year Mr Stevenson was appointed as a member of ASAF by the IASB.

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 during the year ended 30 June 2013 were:

**Ian McPhee, Deputy Chair**

Ian McPhee was appointed to the AASB from January 2009 to December 2011 and re-appointed from January 2012 to December 2014.

Mr McPhee is the Auditor-General for Australia.

**John O'Grady, Deputy Chair**

John O'Grady was initially appointed to the AASB from January 2006 to December 2008. He was re-appointed to the AASB from January 2009 to December 2011 and again from January 2012 to December 2014.

Mr O'Grady is a Partner in Ernst & Young's Assurance Professional Practice Group and is the leader of the firm's Asia Pacific Professional Practice Group, responsible for audit quality and risk management and the consistent interpretation of IFRS across Ernst & Young in Asia Pacific. In July 2012 he was appointed a member of the IASB's IFRS Interpretations Committee.

**Peter Carlson**

Peter Carlson was appointed to the AASB from January 2013 to December 2015.

Dr Carlson is a partner in KPMG's Department of Professional Practice. He is responsible for the provision of technical accounting advice to Australian entities in both the public and private sectors. Dr Carlson is the Deputy Chair of KPMG's global Business Combination and Consolidation Technical Team that interprets and sets policy for IFRSs. He is also Chair of KPMG's ASPAC BCTT and is a member of KPMG's global International Standards Group and IFRS client panels.

**Anna Crawford**

Anna Crawford was appointed to the AASB from January 2011 to December 2013 and re-appointed from January 2014 to December 2016.

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.

**Michele Embling**

Michele Embling is the Chair of the New Zealand Accounting Standards Board (NZASB) and a member of the New Zealand External Reporting Board (XRB). Ms Embling was appointed to the AASB as reciprocal member from 1 July 2011.

Ms Embling is the National Assurance Leader of the New Zealand firm of PricewaterhouseCoopers. Ms Embling specialises in advice on the adoption of IFRS and the application of the standards to complex transactions

### **Regina Fikkers**

Regina Fikkers was appointed to the AASB from January 2014 to December 2016.

Mrs Fikkers is a partner in PricewaterhouseCoopers' capital markets and accounting consulting services team, which is responsible for the firm's policy and expertise on financial reporting issues. She has been a member of the firm's global corporate reporting/IFRS group since 1997. Mrs Fikkers has been a member of PwC Australia's diversity steering committee, and previously led the firm's submissions to the Senate, Treasury and AASB on improving reporting in the Not-for-Profit sector.

### **Peter Gibson**

Peter Gibson was appointed to the AASB from January 2013 to December 2015.

Mr Gibson is Assistant Secretary, Budget Estimates and Accounting in the Commonwealth Department of Finance, and is responsible for preparation of consolidated budget financial information and technical accounting advice across the Australian Government and its entities, and for developing the accounting and reporting requirements for Australian Government entities.

### **Steve Mitsas**

Steve Mitsas was appointed to the AASB from January 2014 to December 2016.

Mr Mitsas is the Director, Financial Reporting and Principal Accounting Officer of the State of Victoria, within the Victorian Department of Treasury and Finance. The major focus of this role is to support the State's fiscal and policy agendas by achieving best practice financial management and reporting for the State. Mr Mitsas and his team are responsible for driving the State's financial reporting framework governing the administration and reporting of finances cross the Victorian public sector (including the provision of technical accounting advice on related issues to Government and the Victorian public sector); preparation of the Victorian Government's consolidated financial and budget reports to Parliament, and overseeing sector compliance with the State's financial reporting framework.

### **Carmen Ridley**

Carmen Ridley was appointed to the AASB from January 2012 to December 2014.

Ms Ridley is the principal of Australian financial reporting solutions, an independent financial reporting consulting business. She provides training and consulting services to a range of small to medium accounting firms and entities in the for-profit and not-for-profit sectors.

### **Brett Rix**

Brett Rix was initially appointed to the AASB from July 2006 to July 2009. He was re-appointed to the AASB from July 2008 to December 2011 and re-appointed again from January 2012 to December 2014.

Mr Rix is Vice President – External Reporting and Governance at BHP Billiton. He is responsible for the preparation of the BHP Billiton Group financial statements, including operation of group wide consolidation processes, oversight of financial reporting controls, maintenance and development of accounting policies and examination of significant transactions for compliance with accounting policies.

### **Taryn Rulton**

Taryn Rulton was appointed to the AASB from January 2014 to December 2016.

Ms Rulton is the Chief Financial Officer at Ambulance Victoria, a statutory body providing ambulance services to the Victorian community. She directs Ambulance Victoria's finance and financial reporting activities including application and development of accounting policies and controls. Ms Rulton is also responsible for overseeing the Ambulance Victoria Membership Subscription Scheme which enables more than two million Victorian residents to cover themselves against ambulance transport fees.

### **Marc Smit**

Marc Smit was appointed to the AASB from January 2014 to December 2016.

Mr Smit is the Global Head of Group Accounting Policy at National Australia Bank. He is responsible for setting accounting policy applied across the National Australia Bank group and providing technical accounting advice on significant transactions and financial reporting matters. Mr Smit is also responsible for the implementation of new or changed accounting policies.

### **Ann Tarca**

Ann Tarca was appointed to the AASB from January 2014 to December 2016.

Professor Tarca is head of the Accounting and Finance group at UWA. She has over 15 years teaching experience, building on prior work in public accounting and the public sector. She has been involved in a wide range of training and education activities in Australia and internationally. In 2011-2012 Ann was an Academic Fellow for the IFRS Foundation Education Initiative in London. In addition, Professor Tarca is a board member of the European Accounting Association and three Australian and two international journals, and a member of the Accounting and Finance Association of Australia and New Zealand, the International Association for Accounting Education and Research (IAAER) and the American Accounting Association, where she has served on doctoral consortia and various committees.

## **Board Members Retired During Year**

### **Victor Clarke**

Victor Clarke was appointed to the AASB from January 2009 to December 2011 and re-appointed from January 2012 to December 2013. Mr Clarke was a senior Financial Services Assurance partner at PricewaterhouseCoopers. Mr Clarke retired from the Board on 31 December 2013.

### **Jayne Godfrey**

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

Professor 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. Professor Godfrey retired from the Board on 31 December 2013.

### **Liane Papaelias**

Liane Papaelias was appointed to the AASB from January 2012 to December 2014. Ms Papaelias has been part of the senior management team at the Royal Flying Doctor Service for eight years. As CFO she has responsibility for corporate governance, finance, administration, information management, risk and asset management. Liane holds one directorship with the Anglican Schools Commission. Liane retired from the Board on 31 December 2013.

### **Roger Sexton AM**

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

Dr Sexton is a leading investment banker and company director with extensive professional experience in the Asia Pacific region. Dr 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. Dr Sexton retired from the Board on 31 December 2013.

## **Board Members Retired at Year End**

Kevin Stevenson and Michele Embling retired as at 30 June 2014.

## **Observers**

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

- Tim Youngberry, Australian representative on the IPSASB

## 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 2013–14, 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:

- Continued to oversee the Office of AASB's processes relating to risk management
- 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 2012–13 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. Currently, 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). The AASB believes it has adequate fraud prevention controls.

## 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.

AASB annual reports are scrutinised by the Senate Economics Legislation Committee and the Parliamentary Joint Committee on Corporations and Financial Services.

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

**Table 1a: AASB Employees at 30 June 2014**

Classification	Persons	Ongoing	Non-ongoing	F/T	P/T	F/T Equivalents		
						Female	Male	Total
Senior executive	7	6	1	7	0	3.00	4.00	7.00
Technical and Non-Technical	17	17	-	14	3	9.00	7.00	16.00
<b>Total employees</b>	<b>24</b>	<b>23</b>	<b>1</b>	<b>21</b>	<b>3</b>	<b>12.00</b>	<b>11.00</b>	<b>23.00</b>

**Table 1b: AASB Employees at 30 June 2013**

Classification	Persons	Ongoing	Non-ongoing	F/T	P/T	F/T Equivalents		
						Female	Male	Total
Senior executive	4	3	1	4	0	1.00	3.00	4.00
Technical and Non-Technical	20	20	-	13	7	10.40	7.80	18.20
<b>Total employees</b>	<b>24</b>	<b>23</b>	<b>1</b>	<b>17</b>	<b>7</b>	<b>11.40</b>	<b>10.80</b>	<b>22.20</b>



**Table 2: AASB Salary ranges as at 30 June 2014**

Salary Bands	Senior executive full time	Senior executive part time	Technical & non-technical full time	Technical & non-technical part time
\$ 15,000 to \$104,999	-	-	6	3
\$105,000 to \$194,999	3	-	8	-
\$195,000 to \$284,999	2	-	-	-
\$285,000 to \$374,999	1	-	-	-
\$375,000 to \$464,999	1	-	-	-

The Chairman is employed pursuant to a contract for services with the AASB, with salary and other entitlements determined by the Commonwealth Remuneration Tribunal.

The salaries and other entitlements of the technical and non-technical employees are linked to comparable industry and market levels of remuneration.

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

Employees attend seminars, conferences and training programs as required on topics related to the technical, policy or administrative work of the AASB.

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

During the 2013-14 financial year the AASB had no staff employed under the PSA.

The AASB has continued to provide various support services to the Office of the AUASB. No employee received a performance bonus.

## 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 2013-14 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 and value has been exempted by the Acting Chair from being published in AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

## DISABILITY REPORTING

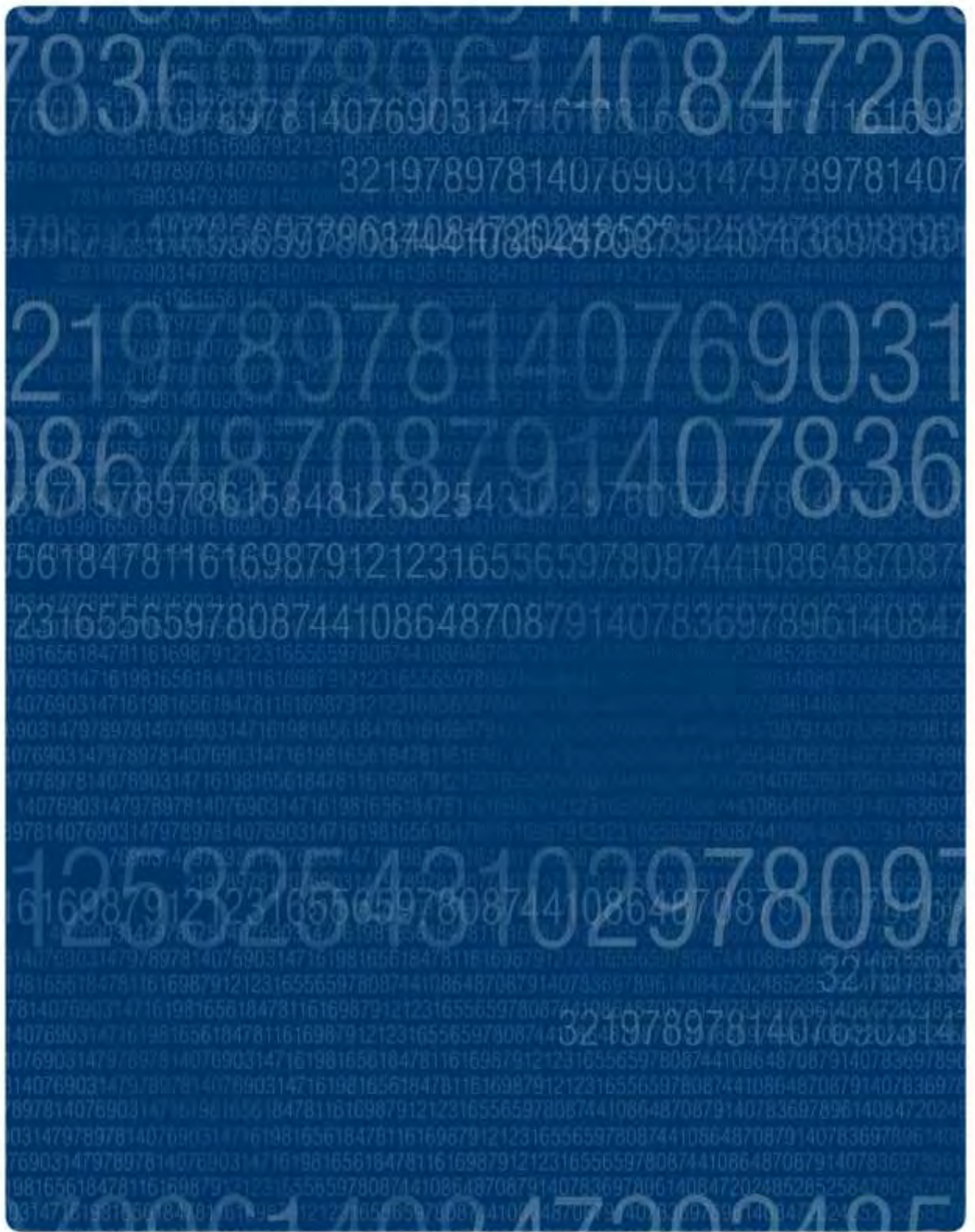
Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007-08, reporting on the employer role was transferred to the Australian Public Service Commission's State 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.

The Commonwealth Disability Strategy has been overtaken by a new National Disability Strategy 2010-2020 which sets out a ten year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the Strategy and present a picture of how people with disability are faring. The first of these reports will be available in 2014, and will be available at [www.fahcsia.gov.au](http://www.fahcsia.gov.au).

The Social Inclusion Measurement and Reporting Strategy agreed by the Government in December 2009 will also include some reporting on disability matters in its regular How Australia is Faring report and, if appropriate, in strategic change indicators in agency Annual Reports. More detail on social inclusion matters can be found at [www.socialinclusion.gov.au](http://www.socialinclusion.gov.au).

## Financial report







## FINANCIAL REPORT

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## INDEPENDENT AUDITOR'S REPORT

### To the Acting Assistant Treasurer

I have audited the accompanying financial statements of the Office of the Australian Accounting Standards Board for the year ended 30 June 2014, which comprise: a Statement by the Chief Executive Officer and Chief Financial Officer; Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes to and forming part of the Financial Statements, including 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 is necessary to enable the preparation of financial statements that give a true and fair view and 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 have 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 Chief Executive of the Office of the Australian Accounting Standards Board, 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 2014 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Carla Jago  
Executive Director  
Delegate of the Auditor-General  
Canberra  
12 September 2014



## STATEMENT BY THE ACTING CHAIR AND CHIEF FINANCIAL OFFICER

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In our opinion, the attached financial statements for the year ended 30 June 2014 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.



Angus Thomson  
Acting Chair  
12 September 2013



Litsa Pillios  
Chief Financial Officer  
12 September 2013

**Statement of Comprehensive Income**  
for the period ended 30 June 2014

	Notes	2014 \$	2013 \$
<b>EXPENSES</b>			
Employee benefits	3A	4,051,418	3,416,620
Supplier expenses	3B	821,870	1,064,377
Depreciation and amortisation	3C	169,050	144,695
Finance costs	3D	4,276	4,150
Write-down and impairment of assets	3E	48,066	11,186
<b>Total expenses</b>		<b>5,094,680</b>	4,641,028
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	361,227	297,727
Rental income	4B	54,892	52,900
Other revenue	4C	500,000	500,000
<b>Total own-source revenue</b>		<b>916,119</b>	850,627
<b>GAINS</b>			
Other gains	4D	141,832	34,000
<b>Total gains</b>		<b>141,832</b>	34,000
<b>Total own-source income</b>		<b>1,057,951</b>	884,627
<b>Net cost of services</b>		<b>4,036,729</b>	3,756,401
Revenue from Government	4E	3,733,000	3,729,000
<b>Deficit attributable to the Australian Government</b>		<b>(303,729)</b>	(27,401)
<b>OTHER COMPREHENSIVE INCOME</b>			
Revaluation of infrastructure, plant and equipment		-	29,101
Remeasurements of net defined liability		190,000	267,000
<b>Total other comprehensive income</b>		<b>190,000</b>	296,101
<b>Total comprehensive income attributable to the Australian Government</b>		<b>(113,729)</b>	268,700

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

## Statement of Financial Position

as at 30 June 2014

	Notes	2014	2013
		\$	\$
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	5A	493,045	389,394
Net defined benefit	5B	224,000	-
Trade and other receivables	5C	3,987,591	4,555,937
<b>Total financial assets</b>		<b>4,704,636</b>	<b>4,945,331</b>
<b>Non-financial assets</b>			
Infrastructure, plant and equipment	7A,C	276,542	455,311
Intangibles	7B,C	30,203	29,178
Inventories	7D	2,276	2,353
Other non-financial assets	7E	9,976	20,941
<b>Total non-financial assets</b>		<b>318,997</b>	<b>507,783</b>
<b>Total assets</b>		<b>5,023,633</b>	<b>5,453,114</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	8A	55,302	244,772
Other payables	8B	605,834	427,365
<b>Total payables</b>		<b>661,136</b>	<b>672,137</b>
<b>Provisions</b>			
Employee provisions	9A	779,070	1,170,097
Other provisions	9B	144,935	140,659
<b>Total provisions</b>		<b>924,005</b>	<b>1,310,756</b>
<b>Total liabilities</b>		<b>1,585,141</b>	<b>1,982,893</b>
<b>Net assets</b>		<b>3,438,492</b>	<b>3,470,221</b>
<b>EQUITY</b>			
Contributed equity		363,000	281,000
Asset revaluation reserve		62,247	62,247
Retained surplus		3,013,245	3,126,974
<b>Total equity</b>		<b>3,438,492</b>	<b>3,470,221</b>

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

**Statement of Changes in Equity**  
for the period ended 30 June 2014

	Retained earnings		Asset revaluation reserve		Contributed equity/capital		Total equity	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Opening balance</b>								
Balance carried forward from previous period	<b>3,126,974</b>	2,887,375	<b>62,247</b>	33,146	<b>281,000</b>	200,000	<b>3,470,221</b>	3,120,521
Adjusted opening balance	<b>3,126,974</b>	2,887,375	<b>62,247</b>	33,146	<b>281,000</b>	200,000	<b>3,470,221</b>	3,120,521
<b>Comprehensive income</b>								
Other comprehensive income								
Revaluation of infrastructure, plant and equipment	-	-	-	29,101	-	-	-	29,101
Actuarial gains/(losses)	<b>190,000</b>	267,000	-	-	-	-	<b>190,000</b>	267,000
Surplus / (deficit) for the period	<b>(303,729)</b>	(27,401)	-	-	-	-	<b>(303,729)</b>	(27,401)
<b>Total comprehensive income</b>	<b>(113,729)</b>	239,599	-	29,101	-	-	<b>(113,729)</b>	268,700
of which:								
Attributable to the Australian Government	<b>(113,729)</b>	239,599	-	29,101	-	-	<b>(113,729)</b>	268,700
<b>Transactions with owners</b>								
<b>Contribution by owners</b>								
Departmental capital budget	-	-	-	-	<b>82,000</b>	81,000	<b>82,000</b>	81,000
<b>Closing balance as at 30 June</b>	<b>3,013,245</b>	3,126,974	<b>62,247</b>	62,247	<b>363,000</b>	281,000	<b>3,438,492</b>	3,470,221

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

## Cash Flow Statement

for the period ended 30 June 2014

	Notes	2014 \$	2013 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		5,242,639	4,430,000
Goods and services		411,330	332,265
Net GST received		138,898	136,426
Contributions received		500,000	500,000
Other cash received		78,750	78,750
<b>Total cash received</b>		<b>6,371,617</b>	<b>5,477,441</b>
<b>Cash used</b>			
Employees		4,198,189	3,392,706
Suppliers		1,097,229	1,056,534
Net GST paid		49,668	64,014
Section 31 receipts transferred to Official Public Account		922,880	861,210
<b>Total cash used</b>		<b>6,267,966</b>	<b>5,374,464</b>
<b>Net cash flows from (used by) operating activities</b>	10	<b>103,651</b>	<b>102,977</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of infrastructure, plant and equipment		39,371	148,801
<b>Total cash used</b>		<b>39,371</b>	<b>148,801</b>
<b>Net cash flows from (used by) investing activities</b>		<b>(39,371)</b>	<b>(148,801)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		39,371	148,801
<b>Total cash received</b>		<b>39,371</b>	<b>148,801</b>
<b>Net cash flows from (used by) financing activities</b>		<b>39,371</b>	<b>148,801</b>
<b>Net increase / (decrease) in cash held</b>		<b>103,651</b>	<b>102,977</b>
Cash and cash equivalents at the beginning of the reporting period		389,394	286,417
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<b>493,045</b>	<b>389,394</b>

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

**Schedule of Commitments**  
as at 30 June 2014

	2014	2013
	\$	\$
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Sublease rental income <sup>1</sup>	135,676	197,012
GST recoverable on commitments	107,079	158,191
<b>Total commitments receivable</b>	<b>242,755</b>	<b>355,203</b>
<b>Commitments payable</b>		
Operating leases <sup>2</sup>	(1,177,867)	(1,740,110)
GST payable on commitments	(12,334)	(17,910)
<b>Total commitments payable</b>	<b>(1,190,201)</b>	<b>(1,758,020)</b>
<b>Net commitments by type</b>	<b>(947,446)</b>	<b>(1,402,817)</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>Operating lease income</b>		
One year or less	63,789	61,336
From one to five years	71,887	135,676
Over five years	-	-
<b>Total operating lease income</b>	<b>135,676</b>	<b>197,012</b>
<b>Other commitments receivable</b>		
One year or less	50,651	49,092
From one to five years	56,428	109,099
Over five years	-	-
<b>Total commitments receivable</b>	<b>107,079</b>	<b>158,191</b>
<b>Commitments payable</b>		
<b>Operating lease commitments payable</b>		
One year or less	(557,164)	(540,016)
From one to five years	(620,703)	(1,200,094)
Over five years	-	-
<b>Total operating lease commitments payable</b>	<b>(1,177,867)</b>	<b>(1,740,110)</b>
<b>GST payable on commitments</b>		
One year or less	(5,799)	(5,576)
From one to five years	(6,535)	(12,334)
Over five years	-	-
<b>Total GST payable on commitments</b>	<b>(12,334)</b>	<b>(17,910)</b>
<b>Net commitments by maturity</b>	<b>(947,446)</b>	<b>(1,402,817)</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 2 photocopiers – 1 for 48 months and 1 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 2014

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There are no known contingencies as at 30 June 2014.

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### 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 Office of the AASB supports the AASB in meeting its objectives, which are to develop and maintain high-quality financial reporting standards for all sectors of the Australian economy, 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 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.

### Note 1: Summary of Significant Accounting Policies

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#### 1.1 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 2011; 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.

## 1.2 Significant Accounting Judgements and Estimates

The following judgement has a significant impact on the amounts recorded in the financial statements:

The AASB contributes, for some long-serving employees, to a closed defined benefit superannuation plan. The accounting for that plan involves assumptions and estimates (including those relating to expected periods of service, salary changes and rates of return on plan assets) by the plan's actuaries which the AASB assesses and, when satisfied, accepts. Those assumptions and estimates do, as for most such plans, change over time as better information becomes available. The changes can affect the expense and liability for superannuation benefits.

There are no other accounting assumptions or estimates identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

## 1.3 Changes in Australian Accounting Standards

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

The adoption of AASB 13 Fair Value Measurement has resulted in additional disclosures in Note 6.

No other 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 these pronouncements, when effective, will have no material impact on future reporting periods, either because the AASB does not conduct the types of transactions addressed by these pronouncements or because the extent to which they might impact the AASB is not expected to be material.

Pronouncement Number	Pronouncement Title	Effective on or after
AASB 1055	Budgetary Reporting - March 2013 (Principal)	1/7/2014

## 1.4 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.

## **1.5 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.

## **1.6 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.

## **1.7 Leases**

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.

## **1.8 Financial Assets**

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

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

## **1.9 Financial Liabilities**

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

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

The amount accrued for FRLI registration costs is determined on the basis of legislative instruments made by the AASB up to the statement of financial position date that need to be compiled and registered and the registration fees expected to apply.

## 1.10 Infrastructure, Plant and Equipment

### (a) Asset Recognition

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:

	2014	2013
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, infrastructure, plant and equipment are carried at fair value less accumulated depreciation. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

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 infrastructure, 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 applying to each class of depreciable asset are based on the following useful lives:

	2014	2013
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 are assessed for impairment at the statement of financial position date. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. 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 were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

### **1.11 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 (2012-13: three to five years).

All software assets were assessed for indications of impairment as at 30 June 2014.

### **1.12 Taxation**

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

### **Note 2: Events After the Statement of Financial Position Date**

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The Office of the AASB has no reportable events after the statement of financial position date.

**Note 3: Expenses**

	2014	2013
	\$	\$
<b>Note 3A: Employee benefits</b>		
Wages and salaries	3,192,967	3,050,737
Superannuation:		
Defined contribution plan	268,961	237,972
Defined benefit plan	292,000	206,000
Leave and other entitlements	28,973	(78,089)
Separation and redundancies	268,517	-
<b>Total employee benefits</b>	<b>4,051,418</b>	<b>3,416,620</b>
<b>Note 3B: Suppliers</b>		
<b>Goods and services</b>		
Board Member Services	55,979	56,168
International Travel	81,276	124,426
Publications/Subscriptions	66,579	224,620
Administration	187,016	168,209
Consultants	15,043	51,245
Other	33,093	62,572
<b>Total goods and services expenses</b>	<b>438,986</b>	<b>687,240</b>
Goods and services are made up of:		
Provision of goods — related entities	-	-
Provision of goods — external parties	53,251	47,643
Rendering of services — related entities	82,414	233,952
Rendering of services — external parties	303,321	405,645
<b>Total goods and services expenses</b>	<b>438,986</b>	<b>687,240</b>
<b>Other supplier expenses</b>		
Operating lease rentals		
Minimum lease payments	372,880	368,004
Workers compensation premiums	10,004	9,133
<b>Total other supplier expenses</b>	<b>382,884</b>	<b>377,137</b>
<b>Total supplier expenses</b>	<b>821,870</b>	<b>1,064,377</b>
<b>Note 3C: Depreciation and amortisation</b>		
Depreciation:		
Infrastructure, plant and equipment	148,726	126,910
<b>Total depreciation</b>	<b>148,726</b>	<b>126,910</b>
Amortisation:		
Intangibles:		
Computer software	20,324	17,785
<b>Total amortisation</b>	<b>20,324</b>	<b>17,785</b>
<b>Total depreciation and amortisation</b>	<b>169,050</b>	<b>144,695</b>
<b>Note 3D: Finance costs</b>		
Unwinding of discount on leasehold restoration obligation (see 9B)	4,276	4,150
<b>Total finance costs</b>	<b>4,276</b>	<b>4,150</b>
<b>Note 3E: Write-down and impairment of assets</b>		
Write-down of infrastructure, plant and equipment	48,066	4,362
Write-down of bad debt	-	6,824
<b>Total write-down and impairment of assets</b>	<b>48,066</b>	<b>11,186</b>

**Note 4: Income**

	2014	2013
	\$	\$
<b>REVENUE</b>		
<b>Note 4A: Sale of goods and rendering of services</b>		
Provision of goods — related entities	900	600
Provision of goods — external entities	16,127	21,751
Rendering of services — related entities	178,333	172,626
Rendering of services — external entities	165,867	102,750
<b>Total sale of goods and rendering of services</b>	<b>361,227</b>	<b>297,727</b>
<b>Note 4B: Rental income</b>		
Operating lease:		
Sub-lease	54,892	52,900
<b>Total rental income</b>	<b>54,892</b>	<b>52,900</b>
<b>Note 4C: Other revenue</b>		
Contributions from States and Territories	500,000	500,000
<b>Total contributions</b>	<b>500,000</b>	<b>500,000</b>
<b>Total other revenue</b>	<b>500,000</b>	<b>500,000</b>
<b>GAINS</b>		
<b>Note 4D: Other gains</b>		
Resources received free of charge in relation to audit services	34,000	34,000
Other*	107,832	-
<b>Total other gains</b>	<b>141,832</b>	<b>34,000</b>
*the amount for the current year is shown as an other gain and relates to an over accrual from the previous period		
<b>REVENUE FROM GOVERNMENT</b>		
<b>Note 4E: Revenue from Government</b>		
Appropriations:		
Departmental appropriation	3,733,000	3,729,000
<b>Total revenue from Government</b>	<b>3,733,000</b>	<b>3,729,000</b>

**Note 5: Financial Assets**

	2014	2013
	\$	\$
<b>Note 5A: Cash and cash equivalents</b>		
Cash on hand or on deposit	493,045	389,394
<b>Total cash and cash equivalents</b>	<b>493,045</b>	<b>389,394</b>
<b>Note 5B: Net defined benefit</b>		
Net defined benefit*	224,000	-
<b>Total net defined benefit</b>	<b>224,000</b>	<b>-</b>
*refer to 9A(ii) disclosure		
<b>Note 5C: Trade and other receivables</b>		
<b>Goods and Services:</b>		
Goods and services – related entities	18,210	14,715
Goods and services – external parties	17,082	26,577
<b>Total receivables for goods and services</b>	<b>35,292</b>	<b>41,292</b>
<b>Appropriations receivable:</b>		
For existing programs	3,934,453	4,478,583
<b>Total appropriations receivable</b>	<b>3,934,453</b>	<b>4,478,583</b>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	17,846	36,062
<b>Total other receivables</b>	<b>17,846</b>	<b>36,062</b>
<b>Total trade and other receivables (gross)</b>	<b>3,987,591</b>	<b>4,555,937</b>
Receivables are expected to be recovered in:		
No more than 12 months	684,062	580,608
More than 12 months	3,303,529	3,975,329
<b>Total trade and other receivables (gross)</b>	<b>3,987,591</b>	<b>4,555,937</b>
Receivables are aged as follows:		
Not overdue	3,984,316	4,555,937
Overdue by:		
0 to 30 days	-	-
31 to 60 days	3,275	-
61 to 90 days	-	-
<b>Total receivables (gross)</b>	<b>3,987,591</b>	<b>4,555,937</b>

## Note 6: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

### Note 6A: Fair Value Measurement

Fair value measurements at the end of the reporting period by hierarchy for non-financial assets in 2014

	Fair value measurements at the end of the reporting period using			
	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Non-financial assets:				
Infrastructure, Plant & Equipment	276,542	–	101,217	175,325
Total non-financial assets	276,542	–	101,217	175,325

### Fair value Measurement - Highest & Best Use

AASB's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all controlled assets is considered their highest and best use.

### Note 6B: Transfers between levels

There have been no transfers between levels of the hierarchy during the year.

The AASB's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

**Note 6C: Valuation technique and inputs for Level 2 and Level 3 fair value measurements**

Level 2 and 3 fair value measurements - valuation technique and the inputs used for assets in 2014

Category (Level 2 or Level 3)	Fair value	Valuation technique(s) <sup>1</sup>	Inputs used <sup>2</sup>	Range (weighted average) <sup>3</sup>
<b>Non-financial assets:</b>				
<b>Infrastructure, Plant &amp; Equipment</b>	2 101,217	Market Approach	Adjusted market transactions	
<b>Infrastructure, Plant &amp; Equipment</b>	3 175,325	Depreciated Replacement Cost	Replacement Cost New (price per square metre)	
			Consumed economic benefit / Obsolescence of asset	10.0% per annum

<sup>1</sup> There has been no change to the valuation techniques used. The following valuation techniques were used:

- **Market Approach:** Market approach seeks to estimate the current value of an asset with reference to recent market evidence including transactions of comparable assets within local second-hand markets.
- **Depreciated Replacement Cost:** The amount a market participant would be prepared to pay to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence.

<sup>2</sup> The following valuation inputs were used to calculate fair values:

- **Adjusted Market Transactions:** market transactions of comparable assets, adjusted to reflect differences in price sensitive characteristics.
- **Replacement Cost of New Assets:** the amount a market participant would pay to acquire or construct a new substitute asset of comparable utility.
- **Consumed Economic Benefits or Obsolescence of Assets:** physical deterioration, functional or technical obsolescence and conditions of the economic environment specific to the asset.

<sup>3</sup> Significant unobservable inputs are used for level 3 items. The input range indicates the variability of inputs used and reflects annual variability. The weighted average of inputs used within this range is also provided.



### Recurring Level 3 fair value measurements - valuation processes

AASB procured the services of the Australian Valuation Office to undertake a comprehensive valuation of all non-financial assets at 30 June 2013. The AASB tests the procedures of the valuation model as an internal management review at least once every 12 months (with a formal revaluation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. The entity engaged Australian Valuation Solutions to provide written assurance that the models developed comply with AASB 13.

There is no change in the valuation technique since the prior year.

### **Significant Level 3 inputs utilised by the entity are derived and evaluated as follows:**

#### Infrastructure, Plant & Equipment - Consumed economic benefit / Obsolescence of asset

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the cost (Depreciated Replacement Cost or DRC) approach. Under the DRC approach the estimated cost to replace the asset is calculated and then adjusted to take into account its consumed economic benefit / asset obsolescence (accumulated Depreciation). Consumed economic benefit / asset obsolescence has been determined based on professional judgment regarding physical, economic and external obsolescence factors relevant to the asset under consideration.

The weighted average is determined by assessing the fair value measurement as a proportion of the total fair value for the class against the total useful life of each asset.

### Recurring Level 3 fair value measurements - sensitivity of inputs

#### Infrastructure, Plant & Equipment - Consumed economic benefit / Obsolescence of asset

The significant unobservable inputs used in the fair value measurement of AASB's infrastructure, plant and equipment asset classes relate to the consumed economic benefit / asset obsolescence. A significant increase (decrease) in this input would result in a significantly lower (higher) fair value measurement.

### Recurring Level 3 fair value measurements – sensitivity analysis financial assets and liabilities

There were no financial assets or liabilities measured at fair value, or for which fair value disclosure is required.

### Note 6D: Reconciliation for recurring Level 3 fair value measurements

Recurring Level 3 fair value measurements - reconciliation for assets

	Non-financial assets		
	Purchases 2014	Sales 2014	Total 2014
<b>Open balance</b>	<b>257,160</b>		<b>257,160</b>
Total gains/(losses) in accumulated depreciation <sup>1</sup>	(81,835)		(81,835)
Purchases	–	–	–
<b>Closing balance</b>	<b>175,325</b>	<b>–</b>	<b>175,325</b>

<sup>1</sup> These gains/(losses) are presented in the Statement of Comprehensive Income under depreciation and amortisation and write-down and impairment of assets.

AASB's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

### Note 7: Non-Financial Assets

	2014 \$	2013 \$
<b>Note 7A: Infrastructure, plant and equipment</b>		
Infrastructure, plant and equipment:		
Gross carrying value (at fair value)	<b>1,081,111</b>	1,161,383
Accumulated depreciation	<b>(804,569)</b>	(706,072)
<b>Total infrastructure, plant and equipment (non-current)</b>	<b>276,542</b>	455,311

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2013, the Australian Valuation Office, an independent valuer, conducted a valuation.

A revaluation increment of \$29,101 for infrastructure, plant and equipment was recognised in the statement of comprehensive income and transferred to the asset revaluation reserve in the prior year.

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

### Note 7B: Intangibles

	2014 \$	2013 \$
Computer software at cost:		
Purchased	<b>109,527</b>	112,557
Accumulated amortisation	<b>(79,324)</b>	(83,379)
<b>Total computer software</b>	<b>30,203</b>	29,178

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 7C: Analysis of infrastructure, plant and equipment and intangibles**

Table A — Reconciliation of the opening and closing balances of infrastructure, plant and equipment and intangibles (2013-14)

	Infrastructure, plant and equipment \$	Computer software purchased \$
<b>As at 1 July 2013</b>		
Gross book value	1,161,383	112,557
Accumulated depreciation/amortisation and impairment	(706,072)	(83,379)
<b>Net book value 1 July 2013</b>	<b>455,311</b>	<b>29,178</b>
Additions:		
By purchase	18,023	21,348
Revaluations recognised in other comprehensive income	-	-
Depreciation/amortisation expense	(148,726)	(20,324)
Disposals:		
Write-down of assets	(48,066)	-
<b>Net book value 30 June 2014</b>	<b>276,542</b>	<b>30,203</b>
<b>Net book value as of 30 June 2014 represented by:</b>		
Gross book value	1,081,111	109,527
Accumulated depreciation/amortisation and impairment	(804,569)	(79,324)
	<b>276,542</b>	<b>30,203</b>

Table B — Reconciliation of the opening and closing balances of infrastructure, plant and equipment and intangibles (2012-13)

	Infrastructure, plant and equipment \$	Computer software purchased \$
<b>As at 1 July 2012</b>		
Gross book value	1,076,155	89,109
Accumulated depreciation/amortisation and impairment	(644,026)	(65,594)
<b>Net book value 1 July 2012</b>	<b>432,129</b>	<b>23,515</b>
Additions:		
By purchase	125,353	23,448
Revaluations recognised in other comprehensive income	29,101	-
Depreciation/amortisation expense	(126,910)	(17,785)
Disposals:		
Write-down of assets	(4,362)	-
<b>Net book value 30 June 2013</b>	<b>455,311</b>	<b>29,178</b>
<b>Net book value as of 30 June 2013 represented by:</b>		
Gross book value	1,161,383	112,557
Accumulated depreciation/amortisation and impairment	(706,072)	(83,379)
	<b>455,311</b>	<b>29,178</b>

	<b>2014</b>	2013
	<b>\$</b>	\$
<b>Note 7D: Inventories</b>		
Inventories held for sale		
Finished goods	<b>2,276</b>	2,353
<b>Total inventories</b>	<b>2,276</b>	2,353

**Note 7E: Other non-financial assets**

Prepayments	<b>9,976</b>	20,941
<b>Total other non-financial assets</b>	<b>9,976</b>	20,941
Total other non-financial assets are expected to be recovered in:		
No more than 12 months	<b>9,976</b>	20,941
<b>Total other non-financial assets</b>	<b>9,976</b>	20,941

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

**Note 8: Payables**

	<b>2014</b>	2013
	<b>\$</b>	\$
<b>Note 8A: Suppliers</b>		
Trade creditors and accruals	<b>55,302</b>	244,772
<b>Total supplier payables</b>	<b>55,302</b>	244,772
Supplier payables are made up of:		
Related entities	<b>22,144</b>	179,008
External parties	<b>33,158</b>	65,764
<b>Total supplier payables</b>	<b>55,302</b>	244,772

Settlement is usually made net 30 days

**Note 8B: Other payables**

Separations and Redundancies	<b>268,517</b>	-
Lease commitments	<b>251,608</b>	351,395
Other	<b>85,709</b>	75,970
<b>Total other payables</b>	<b>605,834</b>	427,365
Other payables are expected to be settled within:		
No more than 12 months	<b>465,061</b>	173,216
More than 12 months	<b>140,773</b>	254,149
<b>Total other payables</b>	<b>605,834</b>	427,365

**Note 9: Provisions**

	2014	2013
	\$	\$
<b>Note 9A: Employee provisions</b>		
Leave [Note 9A (i)]	779,070	750,097
Superannuation [Note 9A (ii)]	-	420,000
<b>Total employee provisions</b>	<b>779,070</b>	<b>1,170,097</b>
Employee provisions are expected to be settled in:		
No more than 12 months	205,009	209,289
More than 12 months	574,061	960,808
<b>Total employee provisions</b>	<b>779,070</b>	<b>1,170,097</b>

Note 9A (i): Leave

The liability for employee benefits includes provision for annual leave and long-service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Office of the AASB is estimated to be less than the annual entitlement for sick leave.

Note 9A (ii): Superannuation provisions

Six Office of the AASB staff are members of a defined benefit plan sponsored by the Office. The defined benefit plan is closed to new members.

Other Office of the AASB staff are defined contribution members of the Office's default superannuation plan or are members of superannuation plans of their own choosing.

Defined benefit plan members receive lump sum benefits based on final average salary on meeting a condition of release, such as retirement.

Based on the demographic profile of defined benefit plan members, expected salaries and other factors affecting member benefits, and in order to best manage the risks (particularly investment risk) to the Office of the AASB as employer-sponsor, the defined benefit plan invests wholly in the Optimax Australian Fixed Interest Fund for which Onepath is the investment manager.

Funding arrangements, including contribution rates, are set based on actuarial advice and take into account the risks associated with both under-funding and over-funding. In recent years the contribution rate has generally been 9%, and from 1 July 2014 is planned to be 9.5% (in line with the Superannuation Guarantee amounts that apply to defined contribution members).

The defined benefit plan is subject to regulation by the Australian Prudential Regulation Authority under the Superannuation Industry (Supervision) Act 1993.

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 statement of financial position for the plan:

**Statement of Financial Position 30 June 2014**

<b>As at 30 June</b>	<b>2014</b>	2013
	\$	\$
Defined Benefit obligation (DBO)^	4,754,000	4,496,000
(-) Fair value of AASB Plan assets	4,978,000	4,076,000
<b>Deficit/(Surplus)</b>	<b>(224,000)</b>	420,000
(+) Adjustment for limitation on net asset	-	-
<b>Net defined benefit liability/(asset)</b>	<b>(224,000)</b>	420,000

^ includes contributions tax provision

Statement of Comprehensive Income 2013-14

Financial year ending	2014	2013
	\$	\$
Service cost	195,000	194,000
Past service cost	88,000	-
Net interest on net defined liability/(asset)	9,000	12,000
<b>Defined benefit expense/(income)</b>	<b>292,000</b>	<b>206,000</b>

Other Comprehensive Income 2013-14

Financial year ending	2014	2013
	\$	\$
Remeasurements of net defined liability/assets:		
Actuarial (gains)/losses on DBO	(56,000)	(126,000)
(-) Return on assets, excl amounts already recognised	(134,000)	(141,000)
(+) Adjustment for limitation on net asset	-	-
<b>Defined benefit expenses / (income)</b>	<b>(190,000)</b>	<b>(267,000)</b>

Progression in Net Defined Benefit Liability

Financial year ending	2014	2013
	\$	\$
Net defined benefit liability/(asset) at start of year	420,000	585,000
(+) Expense recognised in statement of comprehensive income	292,000	206,000
(+) Remeasurements of net defined liability recognised in OCI	(190,000)	(267,000)
(-) Employer contributions	746,000	104,000
<b>Net defined benefit liability/(asset) at end of year</b>	<b>(224,000)</b>	<b>420,000</b>

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

Financial year ending	2014	2013
	\$	\$
<b>Present value of DBO at start of year</b>	<b>4,496,000</b>	<b>4,297,000</b>
(+) Current service cost	195,000	194,000
(+) Past service cost	88,000	-
(+) Interest cost (at discount rate)	129,000	114,000
(+) Contributions by AASB Plan members	60,000	59,000
(-) Benefits paid	-	-
(-) Taxes, premiums and expenses paid	158,000	42,000
(+) Actuarial (gains)/losses - experience	(34,000)	(61,000)
(+) Actuarial (gains)/losses – financial assumptions	(22,000)	(65,000)
(+) Actuarial (gains)/losses – demographic assumptions	-	-
<b>Present value of DBO at end of year</b>	<b>4,754,000</b>	<b>4,496,000</b>

## Reconciliation of AASB Plan assets

Financial year ending	2014	2013
	\$	\$
<b>Fair value of AASB Plan assets at start of year</b>	<b>4,076,000</b>	3,712,000
(+) Expected return on AASB Plan assets	<b>120,000</b>	102,000
(+) Employer Contributions	<b>746,000</b>	104,000
(+) Contributions by AASB Plan members	<b>60,000</b>	59,000
(-) Benefits paid	-	-
(-) Taxes, premiums and expenses paid	<b>158,000</b>	42,000
(+) Return on assets, over and above expected return	<b>134,000</b>	141,000
<b>Fair value of AASB Plan assets at end of year</b>	<b>4,978,000</b>	4,076,000

## AASB Plan assets – para 120A(j)

As at 30 June	2014	2013
	%	%
Australian equities	-	-
International equities	-	-
Fixed income	<b>95</b>	98
Property	-	-
Alternatives/other	-	-
Cash	<b>5</b>	2
	<b>100</b>	100

## Sensitivity Analysis

Discount rate (% p.a.)	DBO	Sensitivity
2.5	4,860	+106
3.0	4,754	-
3.5	4,652	-102
Salary growth (% p.a.)	DBO	Sensitivity
2.0	4,688	-66
2.5	4,754	-
3.0	4,821	+67
Retirement age	DBO	Sensitivity
58	4,814	+60
60	4,754	-
62	4,700	-54

### Summary of membership

As at	2014	2013
Number of active defined benefit members	6	6
Number of deferred members	-	-
<b>Total annual salaries</b>	<b>1,084,000</b>	1,057,000

### Actuarial assumptions

As at	30 June 2014 %	30 June 2013 %	Comments
Discount rate	3.0	2.9	Based on 5-year Government bond rate, less allowance for investment tax
Salary inflation	2.5	2.5	
Expected return on assets	n/a	n/a	Based on Plan's mix of asset classes
Contributions tax rate	-	15	
Method of recognising actuarial gains and losses	Immediate recognition of actuarial gains and losses through OCI		

\*It has been agreed that for the 30 June 2014 and subsequent valuations, the discount rate should be pre-tax.

### Note 9B: Other provisions

	2014 \$	2013 \$
Leasehold restoration obligations	144,935	140,659
<b>Total other provisions</b>	<b>144,935</b>	140,659
Other provisions are expected to be settled within:		
More than 12 months	144,935	140,659
<b>Total other provisions</b>	<b>144,935</b>	140,659
	<b>Provision for restoration 2014</b>	Provision for restoration 2013
<b>Carrying amount 1 July</b>	<b>140,659</b>	136,509
Unwinding of discount	4,276	4,150
Change in discount rate	-	-
<b>Closing balance 30 June</b>	<b>144,935</b>	140,659

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 10: Cash Flow Reconciliation**

	2014	2013
	\$	\$
<b>Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement</b>		
<b>Cash equivalents as per:</b>		
Cash flow statement	493,045	389,394
Statement of financial position	493,045	389,394
Difference	-	-
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net cost of services	(4,036,729)	(3,756,401)
Add revenue from Government	3,733,000	3,729,000
Other movement in retained surplus – superannuation actuarial gain and losses	190,000	267,000
<b>Adjustments for non-cash items:</b>		
Depreciation/amortisation	169,050	144,695
Lease incentive – amortisation	(71,013)	(71,013)
Lease – straight line over lease term	(28,774)	(15,708)
Provision for required restoration of premises	4,276	4,150
Net write down of non-financial assets	48,066	11,184
<b>Changes in assets/liabilities:</b>		
(Increase)/decrease in net receivables	610,975	(170,800)
(Increase)/decrease in inventories	77	155
(Increase)/decrease in prepayments	10,962	2,266
Increase/(decrease) in superannuation provision	(644,000)	(165,000)
Increase/(decrease) in other employee provisions	297,490	(78,088)
Increase/(decrease) in supplier payables	(189,467)	194,728
Increase/(decrease) in other payables	9,738	6,809
<b>Net cash from/(used by) operating activities</b>	<b>103,651</b>	<b>102,977</b>

## Note 11: Executive Remuneration

	2014	2013
	\$	\$
<b>Note 11A: Senior executive remuneration expense for the reporting period</b>		
<b>Short-term employee benefits:</b>		
Salary	1,534,350	908,496
<b>Total short-term employee benefits</b>	<b>1,534,350</b>	<b>908,496</b>
<b>Post-employment benefits:</b>		
Superannuation	143,519	87,258
<b>Total post-employment benefits</b>	<b>143,519</b>	<b>87,258</b>
<b>Other long-term benefits:</b>		
Annual leave accrued	127,862	75,708
Long-service leave	40,902	8,193
<b>Total other long-term benefits</b>	<b>168,764</b>	<b>83,901</b>
<b>Total</b>	<b>1,846,633</b>	<b>1,079,655</b>

## Note 11B: Average annual reportable remuneration paid to senior executives during the reporting period

### Average annual reportable remuneration

	As at 30 June 2014				As at 30 June 2013			
	Senior executives No.	Reportable salary	Contributed superannuation	Total	Senior executives No.	Reportable salary	Contributed superannuation	Total
less than \$195,000	3	171,094	15,826	186,920	1	168,441	15,160	183,601
\$195,000 to \$224,999	-	-	-	-	-	-	-	-
\$225,000 to \$254,999	1	220,056	20,355	240,411	-	-	-	-
\$255,000 to \$284,999	1	231,035	37,482	268,517	1	226,505	36,145	262,650
\$285,000 to \$314,999	-	-	-	-	1	267,277	42,650	309,927
\$315,000 to \$344,999	1	272,623	44,228	316,851	-	-	-	-
\$345,000 to \$374,999	-	-	-	-	1	341,846	24,821	366,667
\$375,000 to \$404,999	1	364,267	26,123	390,390	-	-	-	-
<b>Total</b>	<b>7</b>				<b>4</b>			

#### Notes:

- This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
- 'Reportable salary' includes the following:
  - gross payments;
  - reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
  - exempt foreign employment income.
- The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payslips.
- Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

**Note 11C: Other highly paid staff****Average annual reportable remuneration**

	As at 30 June 2014				Staff No.	As at 30 June 2013		
	Staff No.	Reportable salary	Contributed superannuation	Total		Reportable salary	Contributed superannuation	Total
\$225,000 to \$254,999	-	-	-	-	1	213,647	19,228	232,875
Total	-	-	-	-	1	-	-	-

**Notes:**

1. This table reports staff:
  - a) who were employed by the entity during the reporting period;
  - b) whose reportable remuneration was \$195,000 or more for the financial period; and
  - c) were not required to be disclosed in Tables A or B

Each row is an averaged figure based on headcount for individuals in the band.

2. 'Reportable salary' includes the following:
  - a) gross payments;
  - b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
  - c) exempt foreign employment income.
3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to staff in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payslips.
4. Various salary sacrifice arrangements were available to other highly paid staff including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

**Note 12: Remuneration of Auditors**

Financial statement audit services were provided free of charge to the entity.

	<b>2014</b>	2013
	<b>\$</b>	\$
The fair value of the services provided:		
Remuneration to the ANAO for auditing the financial statements for the reporting period	<b>34,000</b>	34,000
	<b>34,000</b>	34,000

No other services were provided by the ANAO

**Note 13: Financial Instruments**

	2014	2013
	\$	\$
<b>Note 13A: Categories of financial instruments</b>		
<b>Financial assets</b>		
Loans & receivables not held to maturity		
Cash and cash equivalents	493,045	389,394
Trade receivables	35,292	41,292
<b>Total financial assets</b>	<b>528,337</b>	430,686
<b>Carrying amount of financial assets</b>	<b>528,337</b>	430,686
<b>Financial liabilities</b>		
At amortised cost		
Trade creditors	55,302	244,772
<b>Carrying amount of financial liabilities</b>	<b>55,302</b>	244,772

**Note 13B: 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 13C: 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 statement of financial position.

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**

	2014	2013
	\$	\$
Cash and cash equivalents	493,045	389,394
Trade receivables	35,292	41,292
<b>Total</b>	<b>528,337</b>	430,686

**Credit quality of financial instruments not past due or individually determined as impaired**

	<b>Not past due nor impaired</b>	Not past due nor impaired	<b>Past due or impaired</b>	Past due or impaired
	<b>2014</b>	2013	<b>2014</b>	2013
	<b>\$</b>	\$	<b>\$</b>	\$
Trade receivables	<b>32,017</b>	41,292	<b>3,275</b>	-
<b>Total</b>	<b>32,017</b>	41,292	<b>3,275</b>	-

**Ageing of financial assets that were past due but not impaired for 2014**

	<b>0 to 30 days</b>	<b>31 to 61 days</b>	<b>61 to 90 days</b>	<b>Total</b>
	<b>\$</b>	\$	<b>\$</b>	<b>\$</b>
Trade receivables	-	<b>3,275</b>	-	<b>3,275</b>
<b>Total</b>	-	<b>3,275</b>	-	<b>3,275</b>

**Note 13D: 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 13E: Market risk**

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

## Note 14: Appropriations

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

	2014 Appropriations				Appropriation applied in 2014 (current and prior years)	Variance <sup>(a)</sup>
	Appropriation Act		FMA Act	Total appropriation		
	Annual Appropriation	Appropriations reduced	Section 31			
	\$	\$	\$	\$	\$	
<b>DEPARTMENTAL</b>						
Ordinary annual services	3,815,000	-	922,880	4,737,880	5,334,789	(596,909)
<b>Total departmental</b>	<b>3,815,000</b>	<b>-</b>	<b>922,880</b>	<b>4,737,880</b>	<b>5,334,789</b>	<b>(596,909)</b>

- A voluntary contribution of \$648,000 from prior year appropriations was made to the Defined Benefit Super fund in 2013-2014.
- Section 31 Appropriations are funds received from outside sources and transferred to the Official Public Account (OPA).

	2013 Appropriations				Appropriation applied in 2013 (current and prior years)	Variance <sup>(a)</sup>
	Appropriation Act		FMA Act	Total appropriation		
	Annual Appropriation	Appropriations reduced <sup>(b)</sup>	Section 31 <sup>(c)</sup>			
	\$	\$	\$	\$	\$	
<b>DEPARTMENTAL</b>						
Ordinary annual services	3,827,000	(17,000)	861,210	4,671,210	4,598,040	73,170
<b>Total departmental</b>	<b>3,827,000</b>	<b>(17,000)</b>	<b>861,210</b>	<b>4,671,210</b>	<b>4,598,040</b>	<b>73,170</b>

- Material variances were due to travel savings and staff movements.
- The Instrument to Reduce Appropriations (No. 1 of 2013-2014) was issued after the 30 June 2013. The Instrument determined that the Office of the AASB's Appropriation (Act 1) 2012-2013 was to be reduced by \$17,000.
- Section 31 Appropriations are funds received from outside sources and transferred to the Official Public Account (OPA).

**Table B: Departmental capital budgets ('Recoverable GST exclusive')**

	2014 Capital Budget Appropriations			Capital budget appropriations applied in 2014		Variance <sup>(a)</sup>
	Appropriation Act		Total capital budget appropriations	Payments for non-financial assets	Total payments	
	Annual Capital Budget	Appropriations reduced				
	\$	\$	\$	\$	\$	\$
<b>DEPARTMENTAL</b>						
Ordinary annual services – Departmental capital budget	82,000	-	82,000	39,371	39,371	42,629
<b>Total departmental</b>	<b>82,000</b>	<b>-</b>	<b>82,000</b>	<b>39,371</b>	<b>39,371</b>	<b>42,629</b>

1. Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.
  - a. Variance due to IT infrastructure upgrades still in progress.

	2013 Capital Budget Appropriations			Capital budget appropriations applied in 2013		Variance <sup>(b)</sup>
	Appropriation Act		Total capital budget appropriations	Payments for non-financial assets	Total payments	
	Annual Capital Budget	Appropriations reduced				
	\$	\$	\$	\$	\$	\$
<b>DEPARTMENTAL</b>						
Ordinary annual services – Departmental capital budget	81,000	-	81,000	148,801	148,801	(67,801)
<b>Total departmental</b>	<b>81,000</b>	<b>-</b>	<b>81,000</b>	<b>148,801</b>	<b>148,801</b>	<b>(67,801)</b>

1. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.
  - b. Variance due to IT infrastructure upgrades still in progress from 2011-12.

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

<b>Authority</b>	<b>2014</b>	<b>2013</b>
Appropriation Act 1 2010/11	-	21,002
Appropriation Act 1 2011/12	-	4,244,956
Appropriation Act 1 2012/13	<b>3,303,529</b>	549,604
Appropriation Act 1 2013/14	<b>1,028,925</b>	-
Appropriation Act 1 2012/13 - capital budget	<b>13,044</b>	52,415
Appropriation Act 1 2013/14 - capital budget	<b>82,000</b>	-
<b>Total</b>	<b>4,427,498</b>	4,867,977

During 2013/14 the Office of the AASB re-allocated the unspent balance of Appropriation (Act 1) 2011/12 to Appropriation (Act 1) 2012/13 to cover forward estimates period potential cash shortfalls.

### **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**

<b>Outcome 1</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Expenses</b>		
Departmental	<b>5,094,680</b>	4,641,028
<b>Total expenses</b>	<b>5,094,680</b>	4,641,028
<b>Income from non-government sector:</b>		
Departmental	<b>361,227</b>	297,727
<b>Total departmental</b>	<b>361,227</b>	297,727
<b>Other own-source income</b>		
Other revenue	<b>554,892</b>	552,900
Gains	<b>141,832</b>	34,000
<b>Total other own-source income</b>	<b>696,724</b>	586,900
<b>Net cost/(contribution) of outcome delivery</b>	<b>4,036,729</b>	3,756,401



**Note 16: Compensation and Debt Relief**

	<b>2014</b>	2013
	<b>\$</b>	<b>\$</b>
No 'Act of Grace payments' were expended during the reporting period (2013: 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 (2013: nil waivers).	-	-
No ex-gratia payments were provided for during the reporting period. (2013: 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. (2013: nil payments).	-	-

**Note 17: Net cash appropriation arrangements**

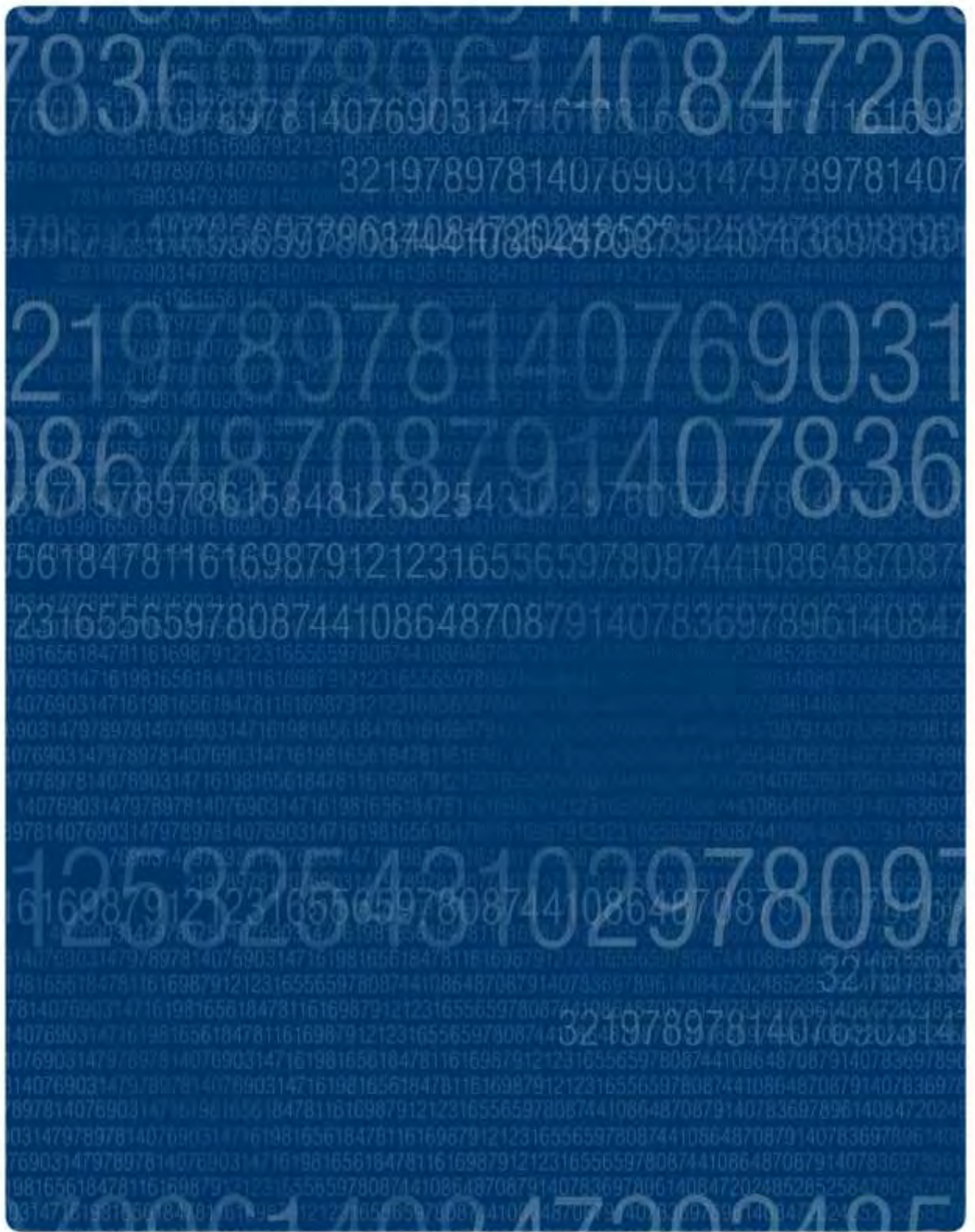
	<b>2014</b>	2013
	<b>\$</b>	<b>\$</b>
Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriation <sup>1</sup>	<b>55,321</b>	413,395
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	<b>(169,050)</b>	(144,695)
<b>Total comprehensive income (loss) as per Statement of Comprehensive Income</b>	<b>(113,729)</b>	268,700

1. From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.



## 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 2012-13 financial year.

### **FREEDOM OF INFORMATION**

*Statement covering the period from 1 July 2013 to 30 June 2014*

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. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements.

Two applications under the *Freedom of Information Act 1982* were received by the AASB in 2013-14.

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

### **ADVERTISING AND MARKET RESEARCH**

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

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

The AASB does not have specific responsibilities in relation to the administration of environmental sustainability legislation.

The nature of the AASB's activities limits the impact of the AASB's operations on the environment, however, the AASB is mindful of its responsibilities to minimise negative impacts. Accordingly, the AASB has in place policies and procedures designed to minimise environmental impacts by complying with government policies relating to waste, energy and travel.

The principal environmental impact minimisation activities employed are:

- Waste management, through a fully commingled and organic recycling programme;
- Energy efficient practises in lighting, air-conditioning and computer use; and
- Limited water use.

Travel restrictions limiting meetings to only essential obligations. Teleconferencing and videoconferencing are used whenever possible.

## **DISCRETIONARY GRANTS**

The AASB does not administer any discretionary grant programs.

## **INFORMATION PUBLICATION SCHEME**

The Information Publication Scheme (IPS) aims to transform the freedom of information framework from one that responds to individual requests for access to documents to one that requires Australian Government agencies to take a proactive approach to publishing information. The scheme commenced on 1 May 2011.

The IPS:

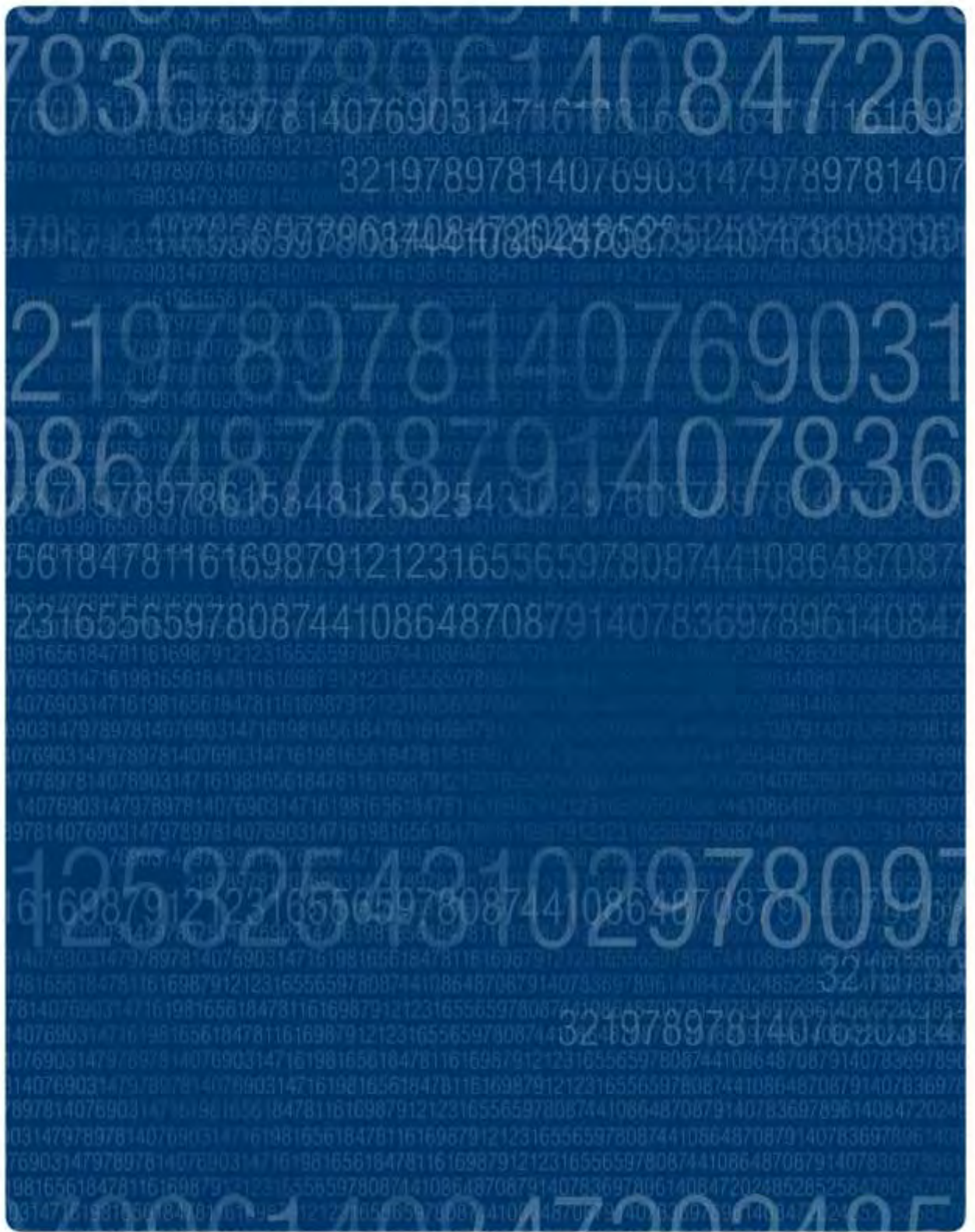
- requires Australian Government agencies to publish information publication plans;
- specifies categories of information that must be published; and
- provides a means for agencies to proactively publish other government information.

Further information on the IPS is available from the Office of the Australian Information Commissioner website at [www.oaic.gov.au](http://www.oaic.gov.au).



## Appendices







## APPENDIX A

### ATTENDANCE AT AASB MEETINGS

The AASB met 7 times during 2013-14 for a total of 13 meeting days. In addition to preparation for these meetings, which requires consideration of detailed technical papers, members considered and voted on 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)	13	13	-
I McPhee (Deputy Chair)	13	8	5
J O'Grady (Deputy Chair)	13	9	4
P Carlson	13	13	-
V Clarke	8	8	-
A Crawford	13	11	2
M Embling	13	8	5
R Fikkers	5	5	-
P Gibson	13	11	2
J Godfrey	8	8	-
S Mitsas	5	3	2
L Papaelias	8	8	-
C Ridley	13	13	-
B Rix	13	13	-
T Rulton	5	5	-
R Sexton AM	8	1	7
M Smit	5	5	-
A Tarca	5	5	-

For details of terms of appointments, please refer to the Organisational Structure section of this Report commencing on page 36.



## APPENDIX B

### PRONOUNCEMENTS (30 June 2014)

#### 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
AASB CF 2013-1	<i>Amendments to the Australian Conceptual Framework</i>	12/13

#### 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 10	<i>Consolidated Financial Statements</i>	(beginning) 1 January 2013	8/11
AASB 11	<i>Joint Arrangements</i>	(beginning) 1 January 2013	8/11
AASB 12	<i>Disclosure of Interests in Other Entities</i>	(beginning) 1 January 2013	8/11

Australian Accounting Standards Board Annual Report 2013-14

Standard	Title	Application date (annual reporting periods)	Issue date
AASB 13	<i>Fair Value Measurement</i>	(beginning) 1 January 2013	9/11
AASB 14	<i>Regulatory Deferral Accounts</i>	(beginning) 1 January 2016	6/14
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
AASB 107	<i>Cash Flow Statements (now titled <i>Statement of Cash Flows</i>)</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 (now titled <i>Events after the Reporting Period</i>)</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 (superseded by AASB 8)</i>	(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 (revised)</i>	(beginning) 1 January 2006	12/04
AASB 119	<i>Employee Benefits (revised)</i>	(beginning) 1 January 2013	9/11
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 (revised)</i>	(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 (revised)</i>	(ending) 31 December 2005	12/05
AASB 124	<i>Related Party Disclosures (revised)</i>	(beginning) 1 January 2011	12/09

## Appendix B: Pronouncements

<b>Standard</b>	<b>Title</b>	<b>Application date (annual reporting periods)</b>	<b>Issue date</b>
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 127	<i>Separate Financial Statements</i> (revised)	(beginning) 1 January 2013	8/11
AASB 128	<i>Investments in Associates</i>	(beginning) 1 January 2005	7/04
AASB 128	<i>Investments in Associates and Joint Ventures</i> (revised)	(beginning) 1 January 2013	8/11
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
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 1031	<i>Materiality</i> (revised)	(beginning) 1 January 2014	12/13
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

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Standard	Title	Application date (annual reporting periods)	Issue date
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 1048	<i>Interpretation of Standards</i> (revised)	(ending) 30 June 2012	6/12
AASB 1048	<i>Interpretation of Standards</i> (revised)	(ending) 20 December 2013	12/13
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
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 1055	<i>Budgetary Reporting</i>	(beginning) 1 July 2014)	3/13
AASB 1056	<i>Superannuation Entities</i>	(beginning) 1 July 2016	6/14
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

## Appendix B: Pronouncements

<b>Standard</b>	<b>Title</b>	<b>Application date (annual reporting periods)</b>	<b>Issue date</b>
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
AASB 2007-1	<i>Amendments to Australian Accounting Standards</i> <i>arising from AASB Interpretation 11</i> [AASB 2]	(beginning) 1 March 2007	2/07
AASB 2007-2	<i>Amendments to Australian Accounting Standards</i> <i>arising from AASB Interpretation 12</i> [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131, AASB 139]	(beginning) 1 January 2008	2/07
AASB 2007-3	<i>Amendments to Australian Accounting Standards</i> <i>arising from AASB 8</i> [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023, AASB 1038]	(beginning) 1 January 2009	2/07
AASB 2007-4	<i>Amendments to Australian Accounting Standards</i> <i>arising from ED 151 and Other Amendments</i> [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]	(beginning) 1 July 2007	4/07
AASB 2007-5	<i>Amendments to Australian Accounting Standards</i> <i>— Inventories Held for Distribution by</i> <i>Not-for-Profit Entities</i> [AASB 102]	(beginning) 1 July 2007	5/07

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Standard	Title	Application date (annual reporting periods)	Issue date
AASB 2007-6	<i>Amendments to Australian Accounting Standards arising from AASB 123</i> [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116, AASB 138, Interpretations 1, 12]	(beginning) 1 January 2009	6/07
AASB 2007-7	<i>Amendments to Australian Accounting Standards</i> [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107, AASB 128]	(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</i> [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AAS 127, AASB 137]	(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</i> [AASB 2]	(beginning) 1 January 2009	2/08
AASB 2008-2	<i>Amendments to Australian Accounting Standards — Puttable Financial Instruments and Obligations arising on Liquidation</i> [AASB 7, AASB 101, AASB 132, AASB 139, Interpretation 2]	(beginning) 1 January 2009	3/08
AASB 2008-3	<i>Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127</i> [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]	(beginning) 1 July 2009	3/08
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



## Appendix B: Pronouncements

Standard	Title	Application date (annual reporting periods)	Issue date
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
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

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Standard	Title	Application date (annual reporting periods)	Issue date
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
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

## Appendix B: Pronouncements

Standard	Title	Application date (annual reporting periods)	Issue date
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
AASB 2011-4	<i>Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements</i> [AASB 124]	(beginning) 1 July 2013	7/11
AASB 2011-5	<i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation</i> [AASB 127, AASB 128 & AASB 131]	(beginning) 1 July 2011	7/11
AASB 2011-6	<i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements</i> [AASB 127, AASB 128 & AASB 131]	(beginning) 1 July 2013	7/11
AASB 2011-7	<i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards</i> [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	(beginning) 1 January 2013	8/11
AASB 2011-8	<i>Amendments to Australian Accounting Standards arising from AASB 13</i> [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	(beginning) 1 January 2013	9/11
AASB 2011-9	<i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income</i> [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 135, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	(beginning) 1 July 2012	9/11
AASB 2011-10	<i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)</i> [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	(beginning) 1 January 2013	9/11
AASB 2011-11	<i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i>	(beginning) 1 July 2013	9/11
AASB 2011-12	<i>Amendments to Australian Accounting Standards arising from Interpretation 20</i> [AASB 1]	(beginning) 1 January 2013	11/11
AASB 2011-13	<i>Amendments to Australian Accounting Standard – Improvements to AASB 1049</i>	(beginning) 1 July 2012	12/11
AASB 2012-1	<i>Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements</i> [AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141]	(beginning) 1 July 2013	3/12

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<b>Standard</b>	<b>Title</b>	<b>Application date (annual reporting periods)</b>	<b>Issue date</b>
AASB 2012-2	<i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 &amp; AASB 132]</i>	(beginning) 1 January 2013	6/12
AASB 2012-3	<i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</i>	(beginning) 1 January 2014	6/12
AASB 2012-4	<i>Amendments to Australian Accounting Standards – Government Loans[AASB 1]</i>	(beginning) 1 January 2013	6/12
AASB 2012-5	<i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 &amp; AASB 134 and Interpretation 2]</i>	(beginning) 1 January 2013	6/12
AASB 2012-6	<i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i>	(beginning) 1 January 2013	9/12
AASB 2012-7	<i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	(beginning) 1 July 2013	9/12
AASB 2012-8	<i>Amendments to AASB 1049 – Extension of Transitional Relief for the Adoption of Amendments to the ABS GFS Manual relating to Defence Weapons Platforms</i>	(beginning) 1 July 2012	12/12
AASB 2012-9	<i>Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039</i>	(beginning) 1 January 2013	12/12
AASB 2012-10	<i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments</i>	(beginning) 1 January 2013	12/12
AASB 2012-11	<i>Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments</i>	(beginning) 1 July 2013	12/12
AASB 2013-1	<i>Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements</i>	(beginning) 1 July 2013	3/13
AASB 2013-2	<i>Amendments to AASB 1038 – Regulatory Capital</i>	(ending) 31 March 2013	3/13
AASB 2013-3	<i>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</i>	(beginning) 1 Jan 2014	6/12
AASB 2013-4	<i>Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]</i>	(beginning) 1 January 2014	7/13
AASB 2013-5	<i>Amendments to Australian Accounting Standards – Investment Entities [AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 134 &amp; AASB 139]</i>	(beginning) 1 January 2014	8/13
AASB 2013-6	<i>Amendments to AASB 136 arising from Reduced Disclosure Requirements</i>	(beginning) 1 January 2014	9/13
AASB 2013-7	<i>Amendments to AASB 1038 arising from AASB 10 in relation to Consolidation and Interests of Policyholders</i>	(beginning) 1 January 2014	10/13
AASB 2013-8	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities</i>	(beginning) 1 January 2014	10/13

## Appendix B: Pronouncements

<b>Standard</b>	<b>Title</b>	<b>Application date (annual reporting periods)</b>	<b>Issue date</b>
AASB 2013-9 Part A	<i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i>	(ending) 20 December 2013	12/13
AASB 2013-9 Part B	<i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i>	(beginning) 1 January 2014	12/13
AASB 2013-9 Part C	<i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i>	(beginning) 1 January 2015	12/13
AASB 2014-1 Part A, B, C	<i>Amendments to Australian Accounting Standards</i>	(beginning) 1 July 2014	6/14
AASB 2014-1 Part D	<i>Amendments to Australian Accounting Standards</i>	(beginning) 1 January 2016	6/14
AASB 2014-1 Part E	<i>Amendments to Australian Accounting Standards</i>	(beginning) 1 January 2015	6/14
AASB 2014-2	<i>Amendments to AASB 1053 – Transition to and between Tiers, and Related Tier 2 Disclosure Requirements</i>	(beginning) 1 July 2014	6/14

**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
20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>	(beginning) 1 January 2013	11/11

## Appendix B: Pronouncements

Interpretation	Title	Application date (annual reporting periods)	Issue date
21	<i>Levies</i>	(beginning) 1 January 2014	6/13
107	<i>Introduction of the Euro</i>	(beginning) 1 January 2005	7/04
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

### 2014-15 AASB WORK PROGRAM

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

**Table 1:** Standard-setting work program; and

**Table 2:** Research Centre work program.

The Work Program was prepared June 2014. 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
ASAF	Accounting Standards Advisory Forum
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
IFASS	International Forum of Accounting Standard Setters
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 (now named IFASS)
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	Q3 2014	Q4 2014	Q1 2015	Q2 2015+	Estimated completion date
<b><u>Domestic NFP and public sector</u></b>							
1. Related party disclosures by NFP public sector entities	M	ED 214 closed Collation of comments		Std(r)			
Income from Transactions of NFP Entities (see also item 12 below)	H	AASBs 1004 & 118 ED 180 closed Collation of comments Revised approach based on principles in IASB project: Revenue from Contracts with Customers Correspondence (May 2012) from Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC) Issues papers		ED(r)			tbd
Borrowing costs of NFP public sector entities	M	AASBs 123 & 2009-1	ED				Q1 2015+
<b><u>IPSASB convergence project</u></b>							
Service concession arrangements: grantor	H	Interpretation 12 ED 194 (including IPSASB ED) closed AASB submission to IPSASB ED IPSAS 32		ED			tbd

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

Project	Priority	Status	Q3 2014	Q4 2014	Q1 2015	Q2 2015+	Estimated completion date
<b><u>IASB – substantive AASB involvement</u></b>							
<b><i>IASB Major Projects</i></b>							
Financial instruments – Classification and measurement (limited amendments)	H	AASB 9 AASB ED 230 closed Re-deliberations IASB ED/2012/4 closed AASB Submission		Std			
Financial instruments – impairment	H	AASB 139 ED 189 (IASB ED) closed ED 210 (2nd IASB ED(r)) closed AASB submission to IASB EDs (ED 189 and ED 210) AASB ED 237 closed AASB submission		Std			
Accounting for dynamic risk management: a portfolio revaluation approach to macro hedging	H	AASB 139 ITC 31 open until 19 September					tbd
Disclosure initiative: amendments to IAS 1	H	AASB 101 ED 249 (IASB ED) closed					tbd
Disclosure initiative: reconciliation of liabilities from financing activities	H	AASB 101		ED			tbd

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

Project	Priority	Status	Q3 2014	Q4 2014	Q1 2015	Q2 2015+	Estimated completion date
Insurance contracts	H	AASBs 4, 1023(r) & 1038(r) ED 201 (IASB ED) closed AASB submission Round Table (AASB) 29 October 2010 AASB ED 244 (IASB ED) closed Supplementary AASB letters to IASB (April 2014)					2015
Leases	H	AASB 117 ED 202R (IASB ED) closed Workshop (IASB at AASB) AASB submission Supplementary AASB letter to IASB AASB ED 242 (IASB ED) closed					2015
Revenue recognition (see also item 3 above)	H	AASBs 118 & 111 EDs 198 & 222 (IASB EDs) closed AASB submission Supplementary AASB letters to IASB (Nov 2012, March 2013)		Standard			
<b><i>Narrow-scope amendments</i></b>							
Acquisition of an Interest in a Joint Operation (Proposed amendment to IFRS 11)	H	AASB 11 ED 234 (IASB ED) closed AASB Submission		Standard			

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

Project	Priority	Status	Q3 2014	Q4 2014	Q1 2015	Q2 2015+	Estimated completion date
Annual improvements 2012 – 2014	H	Amends various Standards ED 247 closed AASB Submission		Standard			tbd
Annual improvements 2013–2015	H	Amends various Standards	ED				tbd
Bearer Plants (Proposed amendments to IAS 41)	H	AASB 141 ED 245 (IASB ED) closed AASB Submission		Standard			
Clarification of Acceptable Methods of Depreciation and Amortisation (Proposed amendments to IAS 16 and IAS 38)	H	AASB 116 & 138 ED 231 (IASB ED) closed AASB Submission	Standard				
Classification of liabilities (proposed amendments to IAS 1)	H	AASB 101		ED			tbd
Elimination of gains arising from downstream transactions (proposed amendments to IAS 28)	H	AASB 128		ED			tbd
Equity method in separate financial statements	H	AASB 127		Standard			
Fair Value Measurement: Unit of Account	H	AASB 13	ED				tbd

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

Project	Priority	Status	Q3 2014	Q4 2014	Q1 2015	Q2 2015+	Estimated completion date
Investment entities: applying the consolidation exemption (proposed amendments to IFRS 10 and IAS 28)	H	AASB 10 AASB 128 ED 250 (IASB ED) open for comment until 15 August					
Put Options Written on Non-controlling Interests (Proposed amendments to IAS 32)	H	AASB 132					Next steps tbd
Recognition of Deferred Tax Assets for Unrealised Losses (Proposed amendment to IAS 12)	H	AASB 112	ED				tbd
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Proposed amendments to IFRS 10 and IAS 28)	H	AASB 128 ED 232 (IASB ED) closed AASB Submission		Standard			

**Table 2: Research Centre work program**

Project	Priority	Status	Q3 2014	Q4 2014	Q1 2015	Q2 2015+	Estimated completion date
<b><u>Conceptual Framework</u></b>							
<ul style="list-style-type: none"> <li>IASB and IPSASB conceptual frameworks</li> </ul>	H	Comment letter on IASB DP Comment letter on IPSASB ITC		Follow up on themes in IASB DP submission		Comment on IASB ED	tbd
Disclosures by NFP private sector entities (includes assessing existing disclosure requirements with a view to identifying items that, on cost-benefit grounds, should be removed or re-oriented to meet NFP needs)	L	Potentially all extant Standards applying to NFP private sector entities				Issues paper	tbd
Scope of financial reporting, including relationships with integrated reporting	L					Essay on differing objectives of GPFS and IR	tbd
Financial Sustainability – public and private sectors	L					Essay on extending ideas in IPSASB RPG 1 on long-term sustainability of an entity's finances	tbd
Lodged financial statements – the reporting entity decision and quality of SPFS	H	AASB Research Report No. 1 SAC 1	Meeting with key stakeholders	Meeting with key stakeholders	Consultative document on application of Standards		tbd



**Table 2: Research Centre work program (continued)**

Project	Priority	Status	Q3 2014	Q4 2014	Q1 2015	Q2 2015+	Estimated completion date
<b><u>Domestic research affecting 'reporting entity' and tiers of GPFS</u></b>							
Lodged financial statements – application of Reduced Disclosure Requirements (PIR of the Tier 2 aspects of AASB 1053) and related issues	M					Commence PIR when 2013-2014 and 2014-2015 information is available	tbd
Identifying superannuation reporting entities	M	AASB 1056 SAC 1				Essay on identifying reporting entities in light of current framework	tbd
<b><u>Other domestic research</u></b>							
Carbon tax/emissions trading scheme (Government perspective)	L	Continue monitoring government policy developments					tbd
Carbon tax/emissions trading scheme (Emitter perspective)	L	Continue monitoring government policy developments					tbd
Present value of future cash flows (discount rates)	M	Various Standards			Essay on time value	Essay on PV in context of AASB 1056 (super-annuation)	tbd
Control in the NFP sector, including administered items, disaggregated disclosures, and departments as reporting entities	M	AASB 10			Essay on control in NFP sector		tbd

<b>Table 2: Research Centre work program (continued)</b>							
<b>Project</b>	<b>Priority</b>	<b>Status</b>	<b>Q3 2014</b>	<b>Q4 2014</b>	<b>Q1 2015</b>	<b>Q2 2015+</b>	<b>Estimated completion date</b>
<b><u>IASB research agenda (active items only)</u></b>							
Business Combinations Under Common Control	M	Request for Information	Provide information on domestic practice on BCUCC in IPO context to IASB				tbd
<b><u>IASB research agenda (active items only)</u></b>							
Disclosure initiative, including materiality, principles of disclosure and a general disclosure review	H	Various Standards		Provide information to IASB on domestic practice			tbd
Equity method of accounting	M	AASB 128 KASB paper	Provide feedback informally on KASB paper				tbd
<b><u>Post-implementation reviews (with IASB)</u></b>							
Business Combinations	H	AASB 3/IFRS 3	Respond to IASB requests for information				2014

## APPENDIX D

### LIST OF REQUIREMENTS

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Glossary	Mandatory	vii
Contact officer(s)	Mandatory	ix
Internet home page address and Internet address for report	Mandatory	ix
<b>Review by Secretary</b>		
Review by departmental secretary	Mandatory	3
Summary of significant issues and developments	Suggested	3
Overview of department's performance and financial results	Suggested	15
Outlook for following year	Suggested	109
Significant issues and developments – portfolio	Suggested	n/a
<b>Departmental Overview</b>		
Role and functions	Mandatory	7
Organisational structure	Mandatory	36
Outcome and programme structure	Mandatory	9
Where outcome and program structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory	9
Portfolio structure	Portfolio departments - mandatory	36

<b>Description</b>	<b>Requirement</b>	<b>Page</b>
<b>Report on Performance</b>		
Review of performance during the year in relation to programs and contribution to outcomes	Mandatory	13
Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory	13
Where performance targets differ from the PBS/ PAES, details of both former and new targets, and reasons for the change	Mandatory	9
Narrative discussion and analysis of performance	Mandatory	13
Trend information	Mandatory	13
Significant changes in nature of principal functions/ services	Suggested	n/a
Performance of purchaser/provider arrangements	If applicable, suggested	n/a
Factors, events or trends influencing departmental performance	Suggested	n/a
Contribution of risk management in achieving objectives	Suggested	n/a
Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory	n/a
Discussion and analysis of the department's financial performance	Mandatory	15
Discussion of any significant changes from the prior year, from budget or anticipated to have a significant impact on future operations	Mandatory	15
Agency resource statement and summary resource tables by outcomes	Mandatory	15
<b>Management and Accountability</b>		
<b>Corporate Governance</b>		
Agency heads are required to certify that their agency comply with the Commonwealth Fraud Control Guidelines	Mandatory	43
Statement of the main corporate governance practices in place	Mandatory	35
Names of the senior executive and their responsibilities	Suggested	38
Senior management committees and their roles	Suggested	36

<b>Description</b>	<b>Requirement</b>	<b>Page</b>
<b>Management and Accountability (cont)</b>		
Corporate and operational planning and associated performance reporting and review	Suggested	13
Internal audit arrangements including approach adopted to identifying areas of significant financial or operational risk and arrangements to manage those risks	Suggested	n/a
Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	43
How nature and amount of remuneration for SES officers is determined	Suggested	n/a
<b>External Scrutiny</b>		
Significant developments in external scrutiny	Mandatory	44
Judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner	Mandatory	44
Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman or an agency capability review	Mandatory	44
<b>Management of Human Resources</b>		
Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	44
Workforce planning, staff retention and turnover	Suggested	n/a
Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and Workplace Agreements (AWAs)	Suggested	n/a
Training and development undertaken and its impact	Suggested	45
Work health and safety performance	Suggested	89
Productivity gains	Suggested	n/a
Statistics on staffing	Mandatory	44
Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory	45
Performance pay	Mandatory	45

<b>Description</b>	<b>Requirement</b>	<b>Page</b>
<b>Assets management</b>		
Assessment of effectiveness of assets management	If applicable, mandatory	n/a
<b>Purchasing</b>		
Assessment of purchasing against core policies and principles	Mandatory	45
<b>Consultants</b>		
The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website.	Mandatory	45
<b>Australian National Audit Office Access Clauses</b>		
Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	46
<b>Exempt contracts</b>		
Contracts exempt from publication in AusTender	Mandatory	46
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<b>Other Mandatory Information</b>		
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Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i> ) and statement on advertising campaigns	Mandatory	89
Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i> )	Mandatory	89
Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	If applicable, mandatory	n/a
Grant programmes	Mandatory	90

Appendix D: List of Requirements

Description	Requirement	Page
<b>Other Mandatory Information (cont)</b>		
Disability reporting – explicit and transparent reference to agency-level information available through other reporting mechanisms	Mandatory	46
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Correction of material errors in previous annual report	If applicable, mandatory	n/a
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