



Project:	Other Business – Public	Meeting:	April 2019 (M170)
Topic:	Cover Memo	Agenda Item:	12.0
Contact(s):	Shachini Dassanayake sdassanayake@asb.gov.au 03 9617 7633	Project Priority:	n/a
		Decision-Making:	n/a
		Project Status:	n/a

Objective of this paper

- 1 The objective of this paper is to inform the Board about matters under Other Business – Public. No action is required from the Board on these matters except for item 12.3.5. Please refer to table below for details.

There is a matter that will be covered under Other Business - Private, which will be in agenda item 13.

OTHER BUSINESS – SUBMISSIONS

Paper No.	Title	Staff comment	Board action
12.3.1	None for the period		

OTHER BUSINESS – CORRESPONDANCE

Paper No.	Title	Staff comment	Board action
12.2.1	None for the period		

OTHER BUSINESS – OTHER

Paper No.	Title	Staff comment	Board action
12.3.1	A newspaper article on how Gerry Harvey defends retailer values \$2.9bn property empire	<p>As extracted from the article:</p> <p>“Harvey Norman executive chairman Gerry Harvey has defended how the retailer discloses the value of its multibillion-dollar property portfolio, arguing that providing investors with a breakdown of individual properties would give its rivals an advantage.</p> <p>ASX-listed Harvey Norman’s accounts detail that it has one-sixth of its \$2.9 billion portfolio valued every six months by external valuers with the remainder assessed by the company’s directors. Listed companies are required</p>	Included for noting only. No action required.

Paper No.	Title	Staff comment	Board action
		under accounting standards to revalue their assets regularly.”	
12.3.2	Corporate Governance Principles and Recommendations 4th Edition.	ASX Corporate Governance Council issued the fourth edition of the Corporate Governance Principles and Recommendations in February 2019.	Included for noting only. No action required.
12.3.3	IASB update – February 2019	Staff do not consider there are any matters to raise with the IASB in relation to their decisions in their February meeting.	Included for noting only. No action required.
12.3.4	IASB update – March 2019	Staff do not consider there are any matters to raise with the IASB in relation to their decisions in their March meeting.	Included for noting only. No action required.
12.3.5	IFRIC update – March 2019	<p>Staff do not consider there are any matters to raise with the IFRS Interpretations Committee in relation to their decisions in their March meeting. However staff would like the Board to consider, whether the below may have an impact on Australian entities::</p> <p>1. The Committee received a request about a particular contract for subsurface rights. In the contract described in the request, a pipeline operator (customer) obtains the right to place an oil pipeline in underground space for 20 years in exchange for consideration. The contract specifies the exact location and dimensions (path, width and depth) of the underground space within which the pipeline will be placed. The land owner retains the right to use the surface of the land above the pipeline, but it has no right to access or otherwise change the use of the specified underground space throughout the 20-year period of use. The customer has the right to perform inspection, repairs and</p>	<p>The Board is asked a question whether this type of transactions is prevalent in Australia?</p> <p>If yes:</p> <ul style="list-style-type: none"> • would this change the current practise in Australia; and • would any transition period be required?

Paper No.	Title	Staff comment	Board action
		<p data-bbox="786 284 1525 352">maintenance work (including replacing damaged sections of the pipeline when necessary).</p> <p data-bbox="786 389 1496 491">The request asked whether IFRS 16, IAS 38 <i>Intangible Assets</i> or another Standard applies in accounting for the contract.</p> <p data-bbox="786 531 1547 633">The Committee concluded that the contract described in the request contains a lease as defined in IFRS 16. The customer applies IFRS 16 in accounting for that lease.</p> <p data-bbox="786 673 1547 855">The Committee concluded that the principles and requirements in IFRS Standards provide an adequate basis for an entity to determine its accounting for the contract described in the request. Consequently, the Committee decided not to add the matter to its standard-setting agenda.</p>	