

# AASB Research Forum 2021

Call for academic expressions of interest  
Submissions due 21 July 2020

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Australian Government

Australian Accounting Standards Board

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# overview

## What is the AASB Research Forum?

The AASB Research Forum is an annual event where timely and topical academic research in relation to financial reporting is presented before an audience of key industry stakeholders. The forum usually consists of three presenting academic research teams, a panel of industry executives who provide live feedback and discussions, and questions from the audience.

The Research Forum is the AASB's premier annual event, and in addition to it bringing emerging financial reporting topics to the forefront, it also provides networking opportunities for accountants, academics, and other industry stakeholders.





## Why should I consider conducting research for the Research Forum?

The 2019 AASB Research Forum had over 120 attendees throughout the day, illustrating the industry's interest in thought-provoking academic research as it relates to financial reporting standards and practices. The AASB endeavours to deliver timely, engaging topics that are relevant for stakeholders, and by extension, to spark dialogue about the way we develop standards, and how they might be improved.

With the 2020 AASB Research Forum's proceedings underway, we are now calling for Expressions of Interest from academics who wish to undertake research that will produce actionable insights for the AASB's consideration and present it at the 2021 AASB Research Forum.

**Your findings have the power to influence tomorrow's decisions for the greater benefit of the International and Australian accounting industry and economy.**


The AASB wants academics to make practical recommendations for standard-setters and encourages them to be bold in their recommendations. Academics help inform the AASB about the future of financial reporting and the areas where standard setting activities are needed.

Should your application to participate in the AASB Research Forum be successful, you'll benefit from several key opportunities that will help give your research findings prominence:

- Members of the International Accounting Standards Board (IASB) are involved in the AASB Research Forum – previous AASB Research Forum presenters have been asked to present their findings at some key international standard-setting meetings, such as the Accounting Standards Advisory Forum.
- Academics will have their work exposed to a network of key industry executives, including up to 200 in the live audience, and thousands more through the AASB's engaged database, social network, and industry partnerships.
- Research findings may be taken into consideration by the IASB and AASB for future standard-setting projects, therefore your academic research can have real-world outcomes for the greater benefit of the Australian and International accounting industry.
- Authors will also benefit from the AASB's publication relationship with academic journals including Accounting and Finance, which has published studies from previous research forums, and Australian Accounting Review which welcomes academic research for practitioners.

More information about previous forums can be found on the [AASB website](#).





## Who is the audience I'm preparing my research for?

Your audience consists of a wide-range of academics and executives from the for-profit and not-for-profit sectors, the majority of whom will be impacted by your research findings. These include users, preparers, auditors, and regulators of financial statements, as well as Australian and international accounting standard-setters.

## What topics can I choose from?

Research projects can be forward-looking, and can either address topics not yet on standard setters' agendas, or provide input to issues currently being discussed and reviewed. Research is required for all sectors (for-profit, not-for-profit public and private) and all entity sizes.

The Appendix to this document presents five areas of particular interest to the AASB. Topics could include – but are not limited to – the following (see the Appendix for full description):

- New areas of financial reporting and external reporting beyond financial reporting.
- Behavioural aspects of decision making on financial reporting and standard-setting.
- Technological advances in systems and recording financial transactions.
- The Australian Financial Reporting Framework.
- Current standard setters' topics/post-implementation-reviews of standards.



# submissions

## How to submit your Expression of Interest

Expressions of Interest must be relevant to stakeholders in the for-profit and not-for-profit (either public or private) sectors, and adhere to the following format:

1. **Paper title**
2. **Names of researchers, institutions they represent**
3. **Synopsis – please submit a maximum of 200 words on each of the following:**
  - Why the research is important.
  - The research that will be undertaken, including:
    - Research aims.
    - Proposed research questions.
    - Methodology.
  - Possible assistance from the AASB (if required).
  - The relevance of possible conclusions from the research to inform the AASB's standard setting activities and its strategic objectives.

Should you be successful in your application, we will get in touch with your research team to discuss further details.

Expressions of Interest should be submitted no later than **5.00pm, Tuesday 21 July 2020** to the **Research Principal** via [research@aasb.gov.au](mailto:research@aasb.gov.au)



# Research topics suggested by the AASB

This appendix outlines possible research questions and topics that the AASB considers relevant to its current and possible future standard-setting work program. Applicants are not limited to the suggestions, but are encouraged to consider and build on them.


## suggested research topics

### 1. New areas of financial reporting and external reporting beyond financial reporting

#### 1.1 External reporting beyond financial reporting:

- Are there other areas that users and governments may want entities to publicly report? For example:
  - Do users need non-financial information, such as about emerging risks (e.g. climate change) or forward-looking information on future net cash inflows, to enable economic decision making?
  - What are common voluntary disclosures made by entities? For example, are entities providing climate-related disclosures without being required by standards or other regulations (such as ASIC Regulatory Guides)? If so, why do entities provide voluntary disclosure, and is voluntary disclosure indicative of user needs?
  - How should external reporting beyond financial reporting be mandated and enforced to be effective for users? Should there be a framework/standards? Should it be a voluntary or mandatory requirement, and if mandatory, for which types of entities? Who should regulate the information?
  - The AASB has completed a literature review on remuneration reporting. How to compare remuneration reporting frameworks across the three sectors? What is current practice in other countries, and is it effective for users? Can a benchmark for remuneration reporting be established? What are user needs?
  - How can management commentary complement financial statements? What are the best practices of Operating and Financial Review overseas, and is it mandatory and audited? Would the IASB proposals provide better information to users than ASIC Regulatory Guide 247? Would this assist service performance reporting?





# suggested research topics

## 1.2 Improvements to and new areas of financial reporting:

- What about accounting and reporting for natural resources/extractive activities/intangibles? Are these better dealt with in financial statements or in supporting information such as Management Commentary?
- Are entities obtaining/performing valuations on assets/liabilities that do not meet the recognition criteria in accounting standards, such as internally-generated intangible assets? Are entities voluntarily disclosing such valuations in the market? If so, why, and do users find this information useful?
- With the increase in entities as social enterprises, co-operatives and mutual entities, how should they be treated for financial reporting purposes – are they for-profit or not-for-profit entities?

## 1.3 Looking forward from a public sector perspective:


- How should we account for inter and intra-generational transfers and reporting, for example the liability of the workers of tomorrow paying for the upkeep of the workers of today?

## 2. Behavioural aspects of decision making in financial reporting and standard-setting

### 2.1 Primary financial statements

- The IASB is undertaking a project to improve the structure and content of primary financial statements, with a focus on the statement(s) of financial performance:
- Do we need both a statement of profit and loss and a statement of other comprehensive income (OCI)? Do users understand what is presented in OCI, and why the items are in OCI? Is OCI useful to their decision making?
- The statement of profit and loss presents historical information – do we need another statement to present forward-looking projections and forecasts?
- What are the minimum line items that users' need to make decisions? Should standard-setters prescribe minimum line items, or should this be an entity-level decision?





# suggested research topics

## 3. Technological advances in systems and recording transactions

Cryptocurrencies are currently a regular news item and the underpinning blockchain technology is facilitating the Internet of Things (IoT) revolution and enabling the use of smart contracts in business and consumer transactions.

3.1 With more and more business carried out online, new ways of doing business may have a fundamental impact on the way financial accounting and reporting is recorded and processed, with the related assurance issues as well.


- What would need to change, if anything, in the current suite of accounting and disclosure standards to facilitate a transition to a new global business and transaction model?

3.2 Aligned to this is the availability of software such as XBRL that tags data and is used extensively by some regulators across the globe as major users of financial information.

- Why are some regulators and other users such as investors not also requiring/requesting entities to use this technology?
- Is there something else that would enable users to more easily compare and analyse financial data, and what would it look like?
- Are current taxonomies useful and should there be something else to replace them?

## 4. The Australian Financial Reporting Framework

- Do the benefits of using fair-value in the public sector outweigh the costs? (Under GFS market value is used)
- What has been the impact of AASB 1049 Whole of Government and General Government Sector Financial Reporting? Have the benefits outweighed the costs?
- In the public sector, how does the market value differ from fair value, how should value be measured (e.g. value in use/current replacement cost, highest and best use), and what about impairment?
- In the public sector, is there too much duplication of reporting at individual entity level, consolidated level and whole of government accounts?
- What are user needs for NFP entities? How do user needs differ between the NFP/FP sectors, and why?



# suggested research topics


## 5. Current standard setters' topics/post-implementation-reviews

5.1 The AASB, IASB and IPSASB currently have a number of ongoing projects for which research would be useful. For example (see links for more information):

- The disclosure and reporting required of different types of tax and effective tax rates under the [tax transparency code](#).
- Theoretical underpinnings of selecting an appropriate discount rate for Long-term discount rates.
- Definition of a social benefit and the related accounting and reporting.
- User perspective on [Management commentary](#).
- User perspective on Remuneration reporting.
- [Dynamic risk management](#).
- [Exchange and non-exchange revenue and expenses](#).
- Disclosure.
- Commodity loans and related transactions.
- [Goodwill and impairment](#).
- [Financial instruments with characteristics of equity](#).
- [Infrastructure](#) and [heritage](#) assets.
- [Provisions](#).
- Variable and contingent consideration.

See more on the [AASB Work Program](#), [AASB Research Status and Needs](#), [IASB Work Plan](#), [IASB Research Pipeline](#) and [IPSASB Work Plan](#).





# suggested research topics

5.2 Further, the following new IFRS Standards have been issued in Australia recently with post-implementation-reviews to be undertaken by the IASB in several years' time. Input into the dollar impact of adopting the new standards, how users have benefited from the new standards, and issues experienced by preparers and users would be timely.

- AASB 9 Financial Instruments.
- AASB 15 Revenue from Contracts with Customers.
- AASB 17 Insurance Contracts.

5.3 Australian-specific standards have also been issued recently, and the AASB would value the same information as above in relation to costs, benefits and challenges. Imminent domestic post-implementation reviews are:

- AASB 1049 Whole of Government and General Government Sector financial reporting.
- AASB 1056 Superannuation Entities.

5.4 The AASB will also conduct domestic post-implementation reviews in the future for:

- AASB 1058 Income of Not-for-Profit Entities.
- AASB 1059 Service Concession Arrangements: Grantors.
- AASB 2020-2 Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.
- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.
- Income of NFPs.