

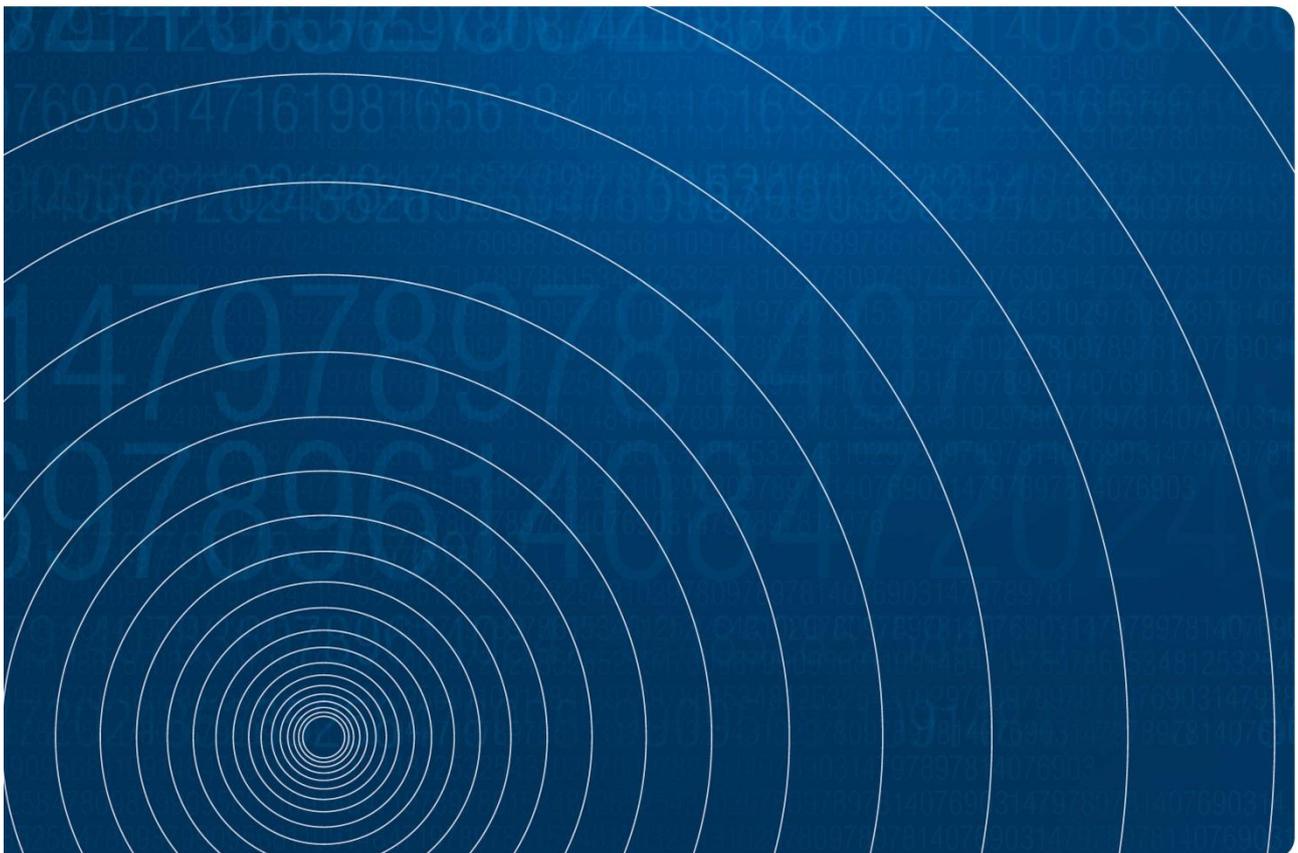


Australian Government

Australian Accounting Standards Board

2011-12

Annual Report



Australian Accounting Standards Board

Annual Report 2011-12

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LETTER OF TRANSMITTAL

9 October 2012

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

Dear Deputy Prime Minister

I have pleasure in presenting the annual report of the Australian Accounting Standards Board (AASB) and the Office of the Australian Accounting Standards Board for the year ended 30 June 2012.

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

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

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

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ABBREVIATIONS

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
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
IPSASB	International Public Sector Accounting Standards Board

ABBREVIATIONS (CONTINUED)

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

Chairman
Australian Accounting Standards Board

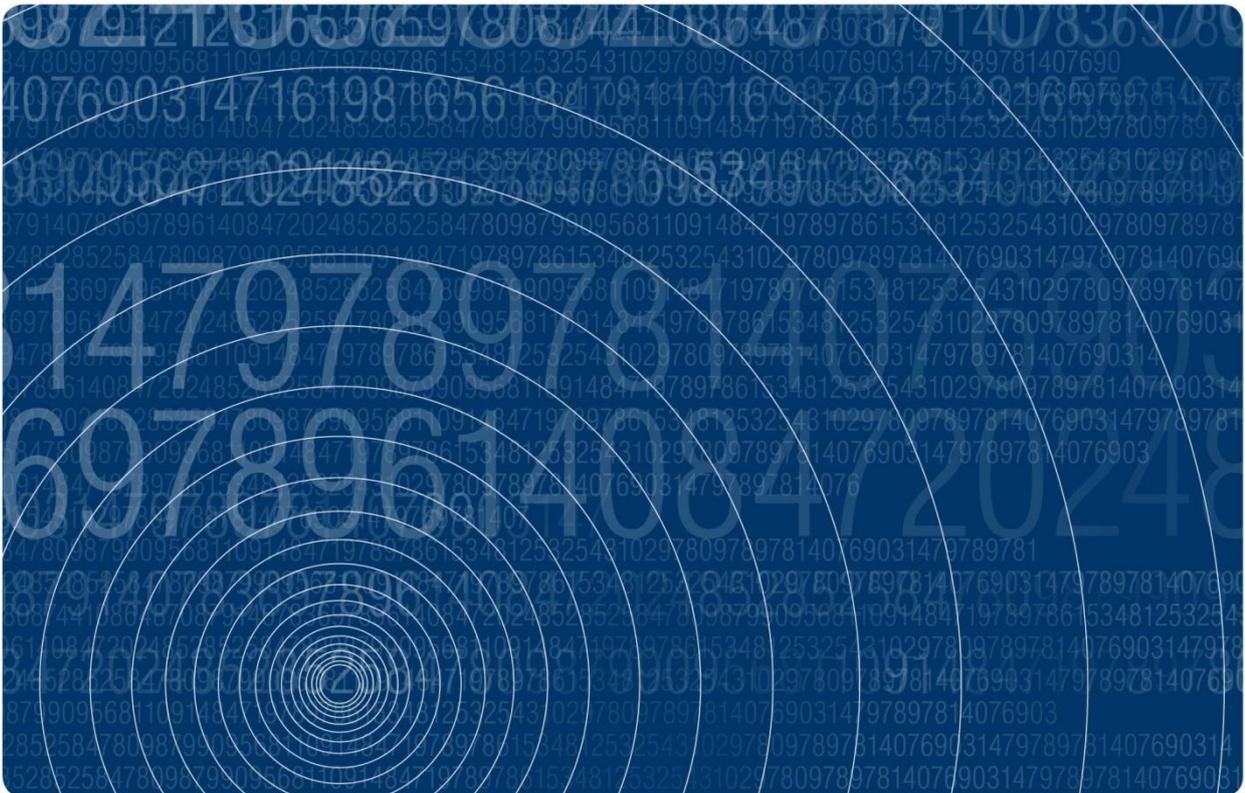
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Chairman's review



CHAIRMAN'S REVIEW

INTRODUCTION



As Australia has subscribed to International Financial Reporting Standards (IFRS) as the base for both its for-profit and not-for-profit requirements, our work is split between endeavours to assist the International Accounting Standards Board (IASB) in developing the IFRS conceptual framework, accounting standards and standard-setting processes and the AASB's own agenda for the public sector and not-for-profit private sector.

In the 2011-2012 year, the AASB actively argued for IASB to place revision and extension of its Conceptual Framework high on its list of priorities as it reforms its agenda in the coming year or two. It seems that the IASB has accepted the need to do this.

In terms of the other objectives of the AASB, it has been a very active year, especially in bringing its public sector and not-for-profit agendas from re-establishment to what will be a visibly productive stage in coming months. A number of key projects are nearing publication.

THE ENVIRONMENT IN WHICH THE AASB IS OPERATING

The AASB's planning and activities are geared to achieving the above aims in a complex and challenging environment, including:

- a challenging economic and politicised environment internationally, in which many economies and governments are under significant pressures as a result of financial and sovereign debt crises;
- continuing and important globalisation initiatives, including in financial reporting and standard-setting as IFRSs are applied by more and more countries;
- the immense efforts of the IASB and the Financial Accounting Standards Board in the US (FASB) to complete the current convergence agenda, which is focussed on four core projects (financial instruments, leases, revenue and insurance);
- a recognised need for further significant development in financial reporting requirements for the public and not-for-profit private sectors; and
- growing concerns about the pace of change with which constituents can deal, and the accumulated complexity in current financial reporting requirements.

DESIRED OUTCOMES

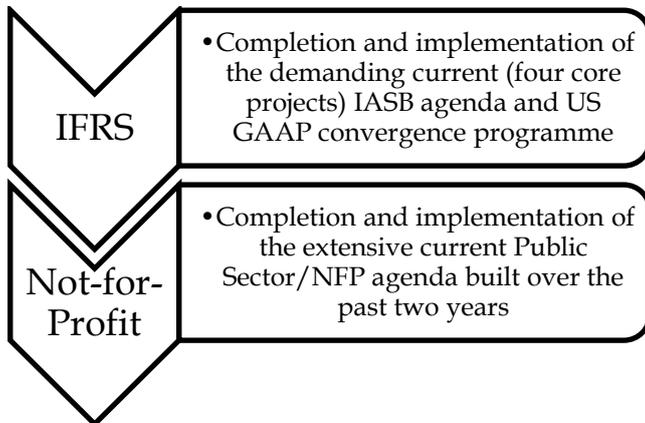
Success in achieving its current strategic plan would mean for the AASB that:

- it completes its involvement with the current IFRS agenda in a manner that helps answer the worthwhile criticisms of financial reporting emanating from the economic crises and contributes to the global adoption of IFRS;
- it demonstrates that a transaction neutral approach to financial reporting is responsive to the needs of both the public and not-for-profit private sectors, as well as for the for-profit sector;
- contributes to a reduction in complexity in financial reporting requirements so that complexity becomes more a function of what is being reported and not of the setting of accounting standards; and
- Australia's reputation both regionally and globally for high quality financial reporting requirements is enhanced and its influence upon the setting of international standards is further increased.

KEY STRATEGIC AREAS

To work towards achieving the above desired outcomes, the AASB has been giving priority to the following strategic technical areas:

- (i) completion and implementation of the current core convergence standards on financial instruments, revenue, leasing and insurance; and
- (ii) completion and implementation of the current domestic public sector and not-for-profit private sector projects on the current AASB agenda, together with its project to revise the accounting requirements for superannuation.



It is expected that all of the current projects covered in paragraphs (i) and (ii) above will result in amended or new standards in the period from June 2012 to June 2014. The standards involved will, however, not be applicable until later periods. The AASB has reported regularly on progress on its projects on its website (<http://www.aasb.gov.au>) and against its business plan (to the FRC throughout the year and in this annual report addressed to the Ministers and published publicly).

The other strategic areas of priority are:

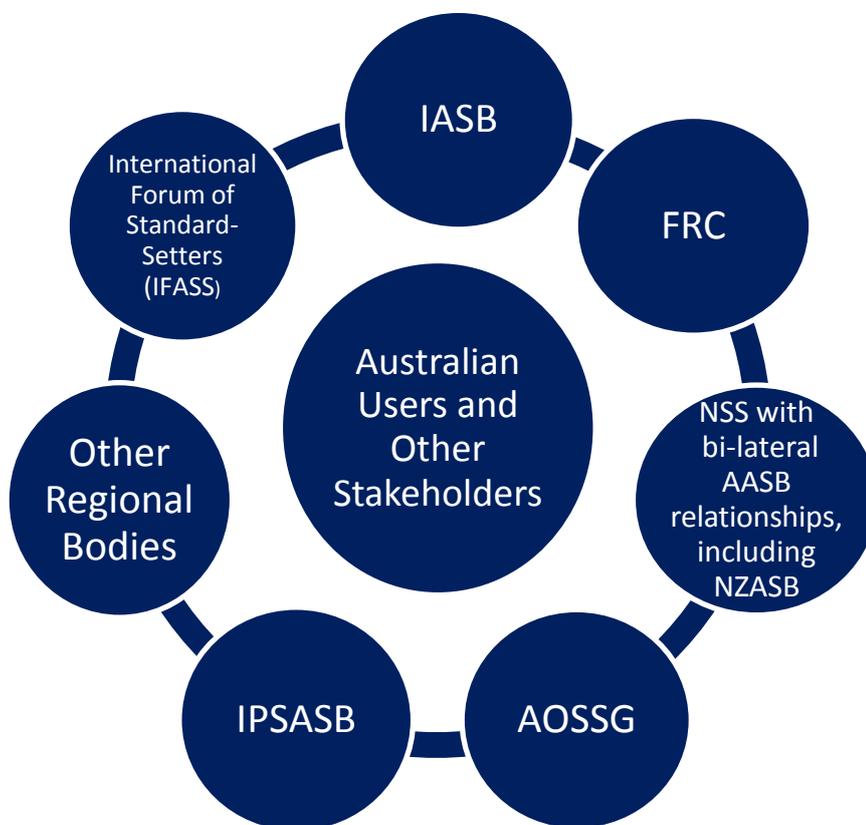
Strategic Area

- (iii) Assisting with regional and global standard-setting initiatives, including explaining the benefits of IFRS to constituents.
- (iv) Contributing to a reduction in complexity in financial reporting requirements.
- (v) Differential reporting: reviewing special purpose reporting and monitoring the introduction of the reduced disclosure regime.
- (vi) Encouraging rationalisation of international standards between sectors.
- (vii) Engaging in post implementation reviews of existing standards.
- (viii) Ensuring the human and other resources of the AASB are commensurate with responsibilities.
- (ix) Maintaining cross-Tasman harmonisation of reporting requirements for for-profit entities.
- (x) Improving AASB communications and accessibility, whilst maintaining due process in the light of IASB developments.

OTHER STRATEGIC AREAS IN MORE DETAIL

Regional and Global Standard-setting Initiatives

The AASB faces a complex series of relationships with international standard-setters, and with other standard-setters on both a bi-lateral and multi-lateral basis. The AASB Chairman became the current Chair of the Asian-Oceanian Standard-Setters Group (AOSSG) in November 2011 and as a result of that role, the AASB provides the leadership and the secretariat for the AOSSG until late in 2013. Other relationships are illustrated below.



In the AASB's planning period it is likely that pressures will mount for a rationalisation of the various relationships. The AASB will continue to aim to be a thought-leader as this occurs, aiming to promote both the AOSSG and its own objectives. The AASB will also continue to shoulder its share of projects undertaken by domestic standard-setters in the international context. The AASB's goal is to avoid the risk that Australia will lose influence if it is not active when traditional relationships are altered.

Reducing Complexity in Standards

The AASB continued to press for a rationalisation of requirements in standards, avoidance of exceptions and anti-abuse provisions, as well as having accentuated the importance of developing and consistently applying concepts and principles. It continued to press for better understanding and use of standards by other regulators. In the current period it has worked with the Australian Charities and Not-for-Profit Commission, the Australian Taxation Office, the Commonwealth, States and Territory Treasuries/Finance Departments and other bodies to try to ensure that complexities are avoided. The Board has also been exploring ways in which the Conceptual Framework might be improved so as to enable rationalisation of individual standards (especially those relating to the use of other comprehensive income (OCI) and disclosure and presentation). Some work has been completed in this regard. More will be done as international standard-setters work on framework issues.

Differential Reporting

The AASB progressed research in relation to the incidence and acceptability of special purpose financial reporting now that a differential reporting regime has been put in place. The Board will consider the outcome of that research in coming months and will discuss the findings with the Commonwealth Treasury and with ASIC. It is conceivable that consideration of the results of the research could lead to de-regulation, re-regulation, enforcement activity or changes in accounting requirements.

The AASB will continue to monitor the early application of the reduced disclosure regime in the light of its implementation in all sectors in Australia and developments internationally, including at the IASB level and in New Zealand.

Rationalisation Internationally Between Sectors

The AASB actively promoted the harmonisation and consolidation of the work of the IASB and the International Public Sector Accounting Standards Board (IPSASB), as supported in the 2011 Memorandum of Understanding between the IASB and the International Federation of Accountants (IFAC). The AASB is of the view that, although the circumstances and events faced in the public and private sectors can differ, the needs of users are common and the means of satisfying them need to reflect the underlying economic elements that are also common. However, there is a threat that, as each of the international boards tries to widen the range of jurisdictions adopting its existing standards, not enough thought and effort will be devoted to arriving at consistent and complementary answers. Eventually this could lead to the need for a further complicated convergence programme. The AASB's aim is to encourage the IASB and IPSASB to avoid this from the beginning.

Post-implementation Reviews

The AASB completed a post implementation review (PIR) of AASB 1049 *Whole of Government and General Government Sector Financial Reporting* during the period and issued revisions to that standard. The AASB is also participating in the PIRs by the IASB of IFRS 8 *Operating Segments* and the review commencing of *IFRS for SMEs*. PIRs will consume more of the AASB's resources than in the past.

AASB Human and Other Resources

The AASB continued actively developing its staff and carefully managed its financial resources in straightened times. The funding base of the AASB remains a concern.

Cross-Tasman Harmonisation

The AASB worked closely with the NZASB to complete the harmonisation of cross-Tasman reporting requirements for for-profit entities.

AASB Communications / Accessibility

The AASB continued to provide compilations of amended standards (including those relating to the Reduced Disclosure Regime). Further, the AASB continued significantly changing its electronic publishing to meet new Commonwealth accessibility requirements. It kept pace with developments in IASB due processes that are relevant to Australia. In the planning period, it is planned to make Board meetings more accessible to those who are unable to physically attend the public meetings.

CONCLUDING COMMENTS

I would like to express my sincere gratitude to the members of the AASB and the staff of the AASB for all their hard work, to the Chair of the FRC and members of the FRC for their support and to the constituents who have submitted on so many issues.

During the year the Board saw the retirement of Glenn Appleyard who had been a member of the Board for three terms and who had very considerably assisted not only the Board but, through special efforts, the staff on certain assignments. We also saw the retirement of Mark Jenkin who brought great insight into the effects of standards on a large and complex public sector Department.

Joining the Board this year have been Carmen Ridley and Liane Papaelias who bring with them valuable experience and expertise in smaller reporting entities and in not-for-profit private sector reporting.

My thanks also go to the NZASB and its staff who have again contributed to our thinking and especially to Michele Embling, the Chair of the NZASB, who serves on

the AASB in a reciprocal arrangement for the two Chairs. I also thank Joanna Perry, a former NZ Chair and current member of the IFRS Interpretations Committee who has served as both a Board member of the AASB and as an ex-officio observer to the Board in her capacity with the Interpretations Committee.

We are also indebted to Judith Downes for her work on the IFRS Advisory Council and to Tim Youngberry for his work on IPSASB, and for their contribution to the AASB as observers.

My congratulations go to John O'Grady, a current AASB member, who has joined Joanna on the IFRS Interpretations Committee. Their presence very much assists us in our work with the IASB.

A handwritten signature in black ink that reads "K.M. Stevenson". The signature is written in a cursive style with a large, sweeping flourish at the end.

Kevin Michael Stevenson
Chairman
4 September 2012

AASB overview



AASB OVERVIEW

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

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

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

Part 12, section 227, of the ASIC Act provides, 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; and
 - (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); and
 - (c) to formulate accounting standards for other purposes; and
 - (d) to participate in and contribute to the development of a single set of accounting standards for 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

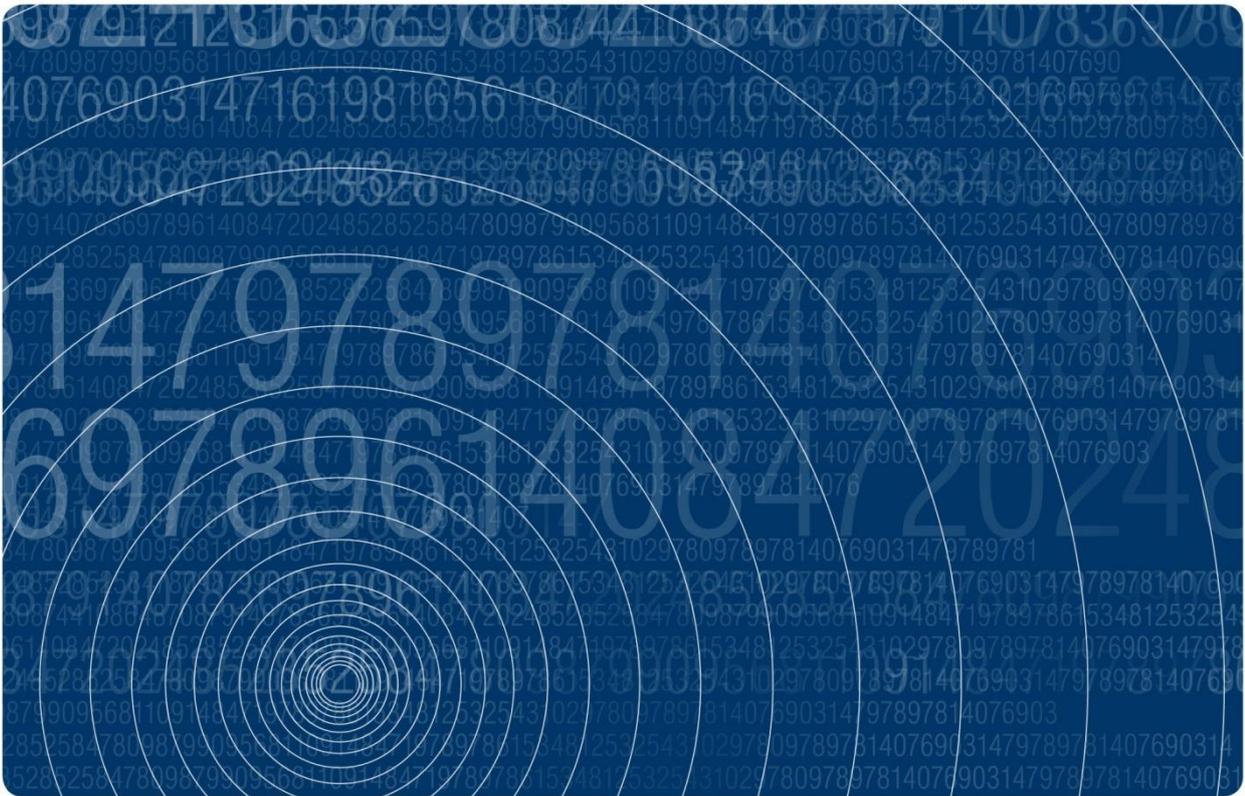
AASB Chairman: Kevin Stevenson

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 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

INTRODUCTION

This section lists the outputs of the Board during 2011–12, as well as the progress made on the 2011–12 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, most 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). Many of these can be attributed to the IASB's ongoing response to the global financial crisis. Similarly, most of the AASB Exposure Drafts issued incorporated IASB proposals. During the year, the Board made submissions to proposals of both the IASB and the International Public Sector Accounting Standards Board (IPSASB). The AASB had regard to not-for-profit, 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 control in the not-for-profit sector and revenue of not-for-profit entities. Many 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.

In addition the AASB was a major contributor to the activities of the Asian–Oceanian Standard–Setters Group (AOSSG). During the year, the AASB was instrumental in helping to consolidate the AOSSG as a regional body with a long-term future of enhancing the contribution of the Asia–Oceania region to global standard setting. The AASB Chair was appointed as Chair of the AOSSG for two years in November 2011, and the AASB successfully hosted the third annual meeting of the AOSSG in November in Melbourne.

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

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

Agency resource statement

	Actual available appropriations	Payments made	Balance remaining
Ordinary annual services			
Departmental			
Prior year departmental appropriation	4,810,207	782,211	4,027,996
Departmental appropriation	3,946,000	3,301,404	644,595
Section 31 Relevant agency receipts	819,779	819,779	-
Total ordinary annual services	9,575,986	4,903,394	4,672,591
Departmental non-operating			
Equity injection	-	-	-
Total other services	-	-	-
Special Accounts			
Opening balance	-	-	-
Appropriation receipts	93,925	93,925	-
Total special accounts	93,925	93,925	-
Total resourcing and payments	9,669,911	4,997,319	4,672,591

Agency summary resource table by outcomes

Office of the AASB: Resources for outcomes 2011-12

	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			
Departmental expenses			
Ordinary annual services (Appropriation Bill No. 1)	3,846,000	3,547,483	298,517
Revenues from independent sources (section 31)	241,000	819,779	(578,779)
Special Accounts	600,000	93,925	506,075
Expenses not requiring appropriation	191,000	174,190	16,810
Less revenue to be carried forward	-	-	-
Total for Outcome 1	4,878,000	4,635,377	242,623

OUTPUTS

During 2011-12, the Board issued or reissued the following standards and other documents:

Standards	
AASB 10	<i>Consolidated Financial Statements</i> (August 2011)
AASB 11	<i>Joint Arrangements</i> (August 2011)
AASB 12	<i>Disclosure of Interests in Other Entities</i> (August 2011)
AASB 127	<i>Separate Financial Statements</i> (August 2011)
AASB 128	<i>Investments in Associates and Joint Ventures</i> (August 2011)
AASB 13	<i>Fair Value Measurement</i> (September 2011)
AASB 119	<i>Employee Benefits</i> (September 2011)
AASB 1048	<i>Interpretation of Standards (revised)</i> (June 2012)
AASB 2011-4	<i>Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements</i> (July 2011)
AASB 2011-5	<i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation</i> (July 2011)
AASB 2011-6	<i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements</i> (July 2011)
AASB 2011-7	<i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards</i> (August 2011)
AASB 2011-8	<i>Amendments to Australian Accounting Standards arising from AASB 13</i> (September 2011)
AASB 2011-9	<i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income</i> (September 2011)
AASB 2011-10	<i>Amendments to Australian Accounting Standards arising from AASB 119</i> (September 2011)
AASB 2011-11	<i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i> (September 2011)
AASB 2011-12	<i>Amendments to Australian Accounting Standards arising from Interpretation 20</i> (November 2011)
AASB 2011-13	<i>Amendments to Australian Accounting Standard – Improvements to AASB 1049</i> (December 2011)
AASB 2012-1	<i>Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements</i> (March 2012)
AASB 2012-2	<i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities</i> (June 2012)
AASB 2012-3	<i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities</i> (June 2012)
AASB 2012-4	<i>Amendments to Australian Accounting Standards – Government Loans</i> (June 2012)
AASB 2012-5	<i>Amendments to Australian Accounting Standards arising from Annual Improvements Cycle</i> (June 2012)
Interpretations	
Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> (November 2011)

Exposure drafts

ED 213	<i>Improvements to IFRSs</i> (July 2011)
ED 214	<i>Extending Related Party Disclosures to the Not-for-Profit Public Sector</i> (July 2011)
ED 215	<i>Mandatory Effective Date of IFRS 9 [proposed amendment to AASB 9 (December 2009) and AASB 9 (December 2010)]</i> (August 2011)
ED 216	<i>AASB 12 Disclosure of Interests in Other Entities: Tier 2 Proposals</i> (August 2011)
ED 217	<i>AASB 127 Separate Financial Statements: Tier 2 Proposals</i> (August 2011)
ED 218	<i>Presentation of Items of Other Comprehensive Income: Tier 2 Proposals</i> (September 2011)
ED 219	<i>AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13: Tier 2 Proposals</i> (September 2011)
ED 220	<i>Investment Entities</i> (September 2011)
ED 221	<i>Government Loans (proposed amendments to AASB 1)</i> (October 2011)
ED 222	<i>Revenue from Contracts with Customers</i> (November 2011)
ED 223	<i>Superannuation Entities</i> (November 2011)
ED 224	<i>Transition Guidance (proposed amendments to AASB 10)</i> (December 2011)
ED 225	<i>Annual Improvements to IFRSs 2010 - 2012 Cycle</i> (May 2012)

Invitations to comment

ITC 25	<i>Request for Comment on IASB Request for Views on Agenda Consultation 2011</i> (August 2011)
ITC 26	<i>Disclosures on Transition to AASB 9 [proposed amendments to AASB 9 (December 2009), AASB 9 (December 2010) and AASB 7]</i> (March 2012)

PROGRESS MADE ON THE 2011-12 WORK PROGRAM

In this progress report, the Project column includes the project descriptions contained in the original 2011-12 work program. Projects initiated since the original work program are footnoted. The Pronouncement column refers to relevant AASB pronouncements when the 2011-12 program was published. Reference is made in this progress report to outcomes for a project identified as 'inactive' in the 2011-12 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 2012
<u>Domestic not-for-profit and public sector projects</u>		
1. GAAP/GFS harmonisation – post-implementation review of AASB 1049	AASB 1049	This project is phase one of a project effecting a FRC direction. This project is now completed with the issuance of AASB 2011-3 <i>Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments</i> in May 2011 and AASB 2011-13 <i>Amendments to Australian Accounting Standard – Improvements to AASB 1049</i> in December 2011. Monitoring for GAAP/GFS harmonisation issues that might affect any active AASB projects continues on an ongoing basis.
2. GAAP/GFS harmonisation – entities within the GGS	—	This project is phase two (the final phase) of a project effecting a FRC direction. The AASB considered part 1 and part 2 of collation of comments received from respondents on the proposals in ED 212 <i>Not-for-Profit Entities within the General Government Sector</i> (issued June 2011). The Board tentatively decided not to proceed with the proposals relating to: <ul style="list-style-type: none"> • limiting GAAP recognition and measurement options to align with GFS; and • requiring disclosure of information based on GAAP/GFS harmonised classification and presentation principles (on the face or in the notes) for controlled items and, separately, for administered items. The Board decided to consider the remaining proposals in ED 212 at its July 2012 meeting.
3. Related party disclosures by NFP public sector entities	ED 214	The AASB considered the submissions received on ED 214 <i>Extending Related Party Disclosures to the Not-for-Profit Public Sector</i> (issued in July 2011) and comments made in roundtable discussions. The AASB discussed the major issues arising from the exposure process, to give directions for drafting amendments to AASB 124.

Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2012
4. Control in the NFP public and private sector (incl gaps in GAAP issue no. 10; and amendments to AASB 3 for restructures of local governments) (see also item 13 below)	AASB 127 AASB 3 & 2008-11 AASB 1050	The AASB considered draft implementation guidance for not-for-profit entities in relation to AASB 10 <i>Consolidated Financial Statements</i> at numerous Board meetings during 2011-12. The AASB has completed its consideration of the issues and will next review a complete draft ED. Work on restructures of local governments has been deferred pending developments by the IPSASB. (See item 12 in the Inactive table below.)
5. Income of NFP Entities (see also item 26 below)	AASB 1004, 120 & 118	The AASB is pursuing an approach to liability recognition aligned closely to the IASB's project on <i>Revenue from Contracts with Customers</i> . During 2011-12 the AASB considered staff papers on a number of occasions, and substantially completed a revised ED for issue in the third quarter of 2012. The timing of a resulting Standard is subject to the timing of the IFRS <i>Revenue from Contracts with Customers</i> (which the IASB expects to issue in the first half of 2013).
6. Borrowing costs of NFP public sector entities	AASB 123 & 2009	This project was delayed due to resources being committed to other AASB projects.
7. Disclosures by NFP private sector entities (focus on identifying new financial and non-financial disclosures including service performance reporting)	Various Standards	The AASB made tentative decisions regarding the scope of the project and its positioning with respect to the AASB conceptual framework, the users of service performance information and their needs, and a description of service performance reporting including aspects of an entity's objectives, resources, inputs, outputs, outcomes, and sustainability. Staff continued work on the development of possible reporting principles.
8. Carbon tax/emissions trading scheme (Government perspective) (see also item 11 below)	—	Staff continued research into accounting for a carbon tax from the perspective of the Government during the fixed price phase of the Carbon Pricing Mechanism to be operational on 1 July 2012. The outcome is expected to be the publication of a staff paper setting out financial reporting issues arising from the fixed price phase and possible approaches to those issues.

Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2012
<u>Other domestic</u>		
9. Superannuation entities	AAS 25	The AASB issued ED 223 <i>Superannuation Entities</i> (further to ED 179 <i>Superannuation Plans and Approved Deposit Funds</i>) in December 2011 to seek further input on particular issues. The AASB is still in the process of deliberating on the feedback obtained.
10. Differential reporting/Reduced Disclosure Requirements – Stage 2 (including Reporting Entity [SAC 1 & 2] & GPFR/SPFR)	AASB 1053 & 2010-2	A process similar to that for Tier 1 documents has been followed in preparing Tier 2 requirements relating to each Tier 1 Standard. During 2011-12, Tier 2 supplements to all Tier 1 EDs were also 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. There has been extensive liaison with the Commonwealth regulator to assess data relating to lodging entities for research purposes. The Board has considered periodic updates from the research contractors on the work performed, with a view to providing them with feedback about the preliminary results and on which issues the research should focus.
11. Carbon tax/emissions trading scheme (emitter entity perspective) (see also item 8 above) ¹	—	Staff continued research into accounting for a carbon tax from the perspective of emitter entities during the fixed price phase of the Carbon Pricing Mechanism to be operational on 1 July 2012. The outcome was publication of a staff paper setting out financial reporting issues arising from the fixed price phase for emitter entities and possible approaches to those issues.
12. Compilations	Amending Standards	Due to the ongoing amendment of existing Standards and Interpretations, AASB staff prepared and published compiled versions of Standards and Interpretations in order to facilitate their use and application by constituents. Thirty compilations were published in 2011-12.

¹ This is an additional aspect of reporting for a carbon tax/emissions trading scheme that was not in the original project plan (refer item 8).

Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2012
<u>IASB – substantive AASB involvement</u>		
<i>IASB financial crisis related projects</i>		
13. Consolidation – replacement of IAS 27 (see also item 4 above)	AASB 127	AASB 10 <i>Consolidated Financial Statements</i> and AASB 127 <i>Separate Financial Statements</i> were made in August 2011, and apply to annual reporting periods beginning on or after 1 January 2013.
14. Consolidation – disclosure of interests in other entities	Interpretation 112	AASB 10 <i>Consolidated Financial Statements</i> and AASB 12 <i>Disclosure of Interests in Other Entities</i> were made in August 2011, and apply to annual reporting periods beginning on or after 1 January 2013.
15. Fair value measurement	—	AASB staff monitored the IASB's progress and prepared AASB 13 <i>Fair Value Measurement</i> , which was made in September 2011, and applies to annual reporting periods beginning on or after 1 January 2013.
16. Financial instruments – asset and liability offsetting	AASB 132	The AASB monitored the IASB's progress and prepared amending standards AASB 2012-2 <i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities</i> , and AASB 2012-3 <i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities</i> . These Standards were made by the AASB in June 2012.
17. Financial instruments (IAS 39 replacement) – general hedge accounting	AASB 139	The AASB continued to monitor the progress of the IASB.
18. Deferral of mandatory effective date of IFRS 9 until 1 January 2015	ED 215	The AASB monitored the IASB's progress. IASB International Financial Reporting Standard <i>Mandatory Effective Date and Transition Disclosures (Amendments to IFRS 9 and IFRS 7)</i> was issued in December 2011 and incorporated into AASB ITC 26 <i>Disclosures on Transition to AASB 9 [proposed amendments to AASB 9 (December 2009), AASB 9 (December 2010) and AASB 7]</i> issued in March 2012 (comment period closed 20 April 2012). The AASB considered the comments received and an amending standard is being prepared.
19. Consolidation – investment companies	AASB 127	IASB Exposure Draft ED/2011/4 <i>Investment Entities</i> was issued in August 2011 and incorporated into AASB ED 220 <i>Investment Entities</i> in September 2011. The AASB made a submission on IASB ED/2011/4 in December 2011. The AASB continued to monitor the IASB's progress.
20. Financial instruments (IAS 39 replacement) – impairment	AASB 139	The AASB continued to monitor the progress of the IASB.
21. Financial instruments – macro hedge accounting	AASB 139	The AASB continued to monitor the progress of the IASB.

Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2012
<i>IASB memorandum of understanding projects</i>		
22. Consolidation – joint ventures (IFRS 11)	AASB 131	AASB 11 <i>Joint Arrangements</i> was made in August 2011, and applies to annual reporting periods beginning on or after 1 January 2013.
23. Financial statement presentation – presentation of other comprehensive income (IAS 1 revised)	AASB 101	The AASB continued to monitor the IASB's progress and prepared AASB 2011-9 <i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income</i> , which was made in September 2011.
24. Post-employment benefits (IAS 19 revised)	AASB 119	AASB 119 <i>Employee Benefits</i> was amended in September 2011.
25. Leases	AASB 117	The AASB continued to monitor the IASB's progress.
26. Revenue recognition (see also item 5 above)	AASB 118	The AASB continued to monitor the IASB's progress. The AASB submitted comment letters on the IASB ED <i>Revenue from Contracts with Customers</i> in November 2010, on subsequent IASB decisions in May 2011 and the revised IASB ED in March 2012.
<i>IASB other projects</i>		
27. Annual improvements 2009-2011	ED 213	The AASB noted comments received from Australian constituents and made a submission to the IASB advising its views. The AASB issued AASB 2012-5 <i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle</i> in June 2012.
28. Annual improvements 2010-2012 ²	ED 225	IASB ED/2012/1 was incorporated into ED 225 <i>Annual Improvements to IFRS 2010-2012 Cycle</i> issued in May 2012 and open for comment until 6 September 2012. The AASB will consider responses from constituents and develop its submission to the IASB in 2012-13.
29. Insurance contracts	AASB 4, 1023 & 1038	The AASB monitored the continuing re-deliberations of the IASB on its 2010 proposals in ED 2010/8 <i>Insurance Contracts</i> , which was incorporated into AASB ED 201 <i>Insurance Contracts</i> .
30. Government loans ³	AASB 1	IASB Exposure Draft ED/2011/5 <i>Government Loans</i> was incorporated into AASB ED 221 <i>Government Loans</i> issued October 2011. Subsequently the AASB made amending standard 2012-4 <i>Amendments to Australian Accounting Standards – Government Loans</i> in June 2012.

² Additional project not in 2011-12 work program

³ Additional project not in 2011-12 work program

Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2012
31. IASB three-yearly public agenda consultation	ITC 25	The AASB noted comments received from Australian constituents and made a submission to the IASB in December 2011 advising its views.
<i>IASB ongoing</i>		
32. Actively monitor IFRS implementation	Relevant standards	AASB staff continued to liaise with a wide range of Australian constituents on implementation issues. (Also see item 43 below.)
<i>IASB conceptual framework</i>		
33. Conceptual framework – Phase A: objective and qualitative characteristics	Framework	The AASB considered the new chapters of the IASB Framework (on Objective and Qualitative Characteristics) issued in September 2010 and decided to issue them for application only by for-profit entities until a fundamental assessment of concepts for not-for-profit entities is undertaken. Due to resource constraints this work was deferred and these new chapters of the AASB Framework, together with a reissue of the existing Framework for application by not-for-profit entities, are now expected to be issued during the second half of 2012.
34. Conceptual framework – Phase B: elements and recognition	Framework	The IASB has deferred work on this project.
35. Conceptual framework – Phase C: measurement	Framework	The IASB has deferred work on this project.
36. Conceptual framework – Phase D: reporting entity	Framework	The IASB has deferred work on this project.
<u>IPSASB convergence</u>		
37. Conceptual framework – public sector perspectives	Framework	The AASB made submissions to the IPSASB on its Conceptual Framework consultation documents on the objectives of financial reporting, qualitative characteristics and reporting entity, elements of financial statements, measurement, presentation and key characteristics of the public sector with potential implications for financial reporting. The AASB Chairman commented on a draft consultation paper on presentation circulated to the IPSASB Conceptual Framework Standard Setters Advisory Panel. AASB staff continued to monitor the IPSASB's Conceptual Framework project, including providing comments on draft documents.
38. Service concession arrangements: grantor	Interpretation 12	AASB staff continued to monitor the progress of the IPSASB project. The IPSASB issued its standard IPSAS 32 <i>Service Concession Arrangements: Grantor</i> in October 2011 and the AASB held several discussions concerning a number of major issues in considering whether IPSAS 32 could be adopted in Australia.

Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2012
39. Long-term fiscal sustainability	AASB 137	AASB staff continued to monitor the IPSASB's progress. The AASB lodged a submission on IPSASB ED 46 <i>Recommended Practice Guideline, Reporting on the Long-Term Sustainability of a Public Sector Entity's Finances</i> (October 2011) in April 2012.
40. Financial statement discussion and analysis ⁴	—	AASB staff continued to monitor the IPSASB's progress, including providing comments on draft versions of an exposure draft, which was issued as IPSASB ED 47 in March 2012. The AASB will prepare a submission on the ED in July 2012.
<u>Other international</u>		
41. NZ convergence – Tier 2 entities	—	The New Zealand Accounting Standards Board has decided to create a Tier 2 in respect of for-profit entities that is expected to converge with the Australian Tier 2 requirements. Staff consultation is ongoing.
42. NFP criteria/NZ convergence – NFP entities	—	Staff monitored developments in New Zealand's policy position on Standards for not-for-profit entities and opportunities for convergence.
43. Conceptual framework – NFP entity perspectives (shadowing IASB/FASB/IPSASB projects – see projects 33 & 37 above)	Framework	The IASB Conceptual Framework projects remained inactive during the year. AASB staff continued to monitor the work of the IPSASB on corresponding Conceptual Framework topics.
44. Intangible assets (Research into initial accounting for intangible assets acquired in business combinations – for presentation to IFASS)	AASB 138 & 3	AASB staff initiated two separate, but related, research questionnaires on the initial accounting under IFRS 3 and IAS 38 for intangible assets acquired in business combinations, addressing respectively the perspectives of preparers and users of financial statements. The survey for preparers closed on 15 July 2011 and the survey for users of financial statements closed on 15 December 2011. Findings of the surveys are scheduled to be presented at the IFASS (formerly NSS) meeting in October 2012.

⁴ Additional project not in 2011-12 work program

Active projects (continued)

Project	Pronouncement	Outcomes to 30 June 2012
<u>Interpretations</u>		
45. Managed investment schemes (related party disclosures – are members of key management personnel (KMP) necessarily people?)	AASB 124	As a result of the AASB raising with the IFRS Interpretations Committee the issue of whether certain types of schemes that typically have no employees, and therefore no key management personnel [KMP] of their own can make KMP disclosures, the IASB has released for comment a proposed 'annual improvement' that would deal with the matter. See item 28 above. The AASB plans to support the proposed improvement.
46. Stripping costs in the production phase of a surface mine	AASB 6	In July 2011 the IFRS Interpretations Committee amended its draft Interpretation to address an inconsistency previously advised by the AASB. Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i> was made in November 2011.

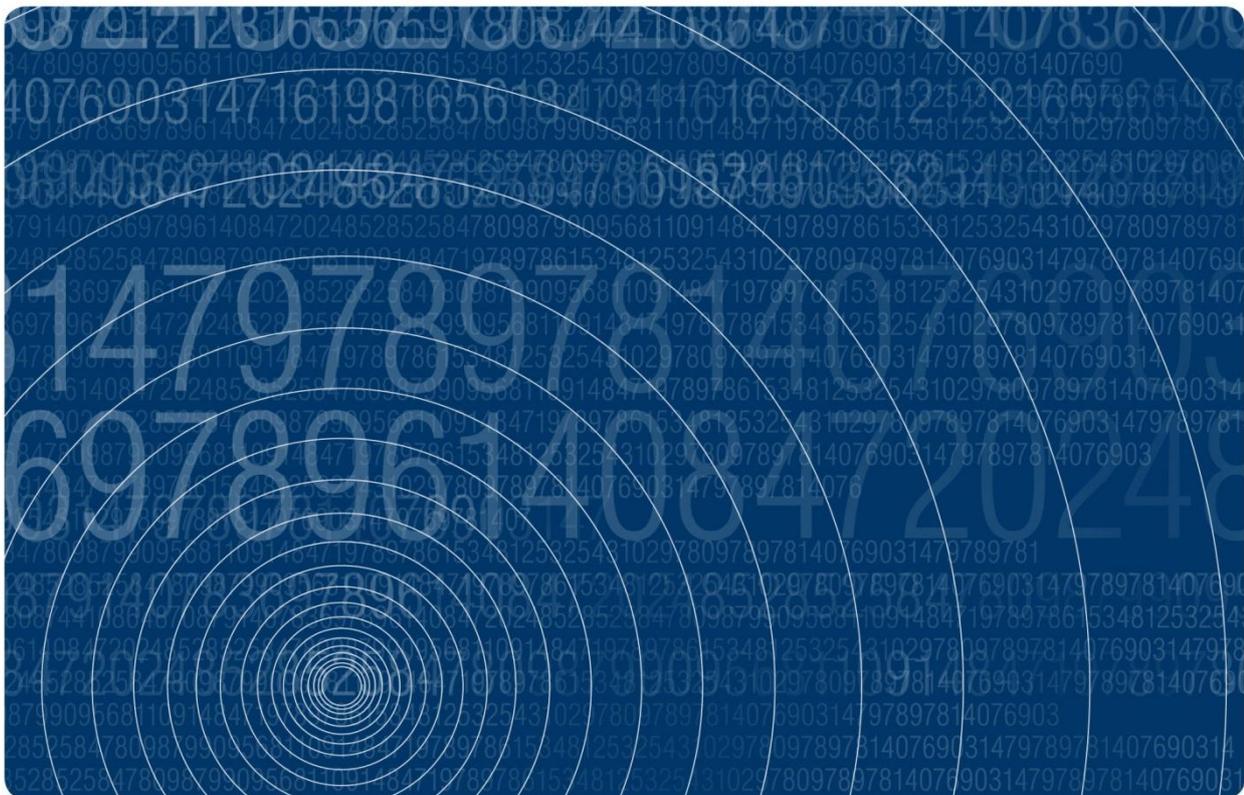
Inactive projects (subject to resources)

Project	Pronouncement	Outcomes to 30 June 2012
<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 7 above). In May 2012 the AASB made a submission to the IPSASB on its Consultation Paper <i>Reporting Service Performance Information</i> .
2. Disaggregated disclosures	AASB 1052	
3. Budget reporting beyond GGS and WoG (gaps in GAAP issue no. 26)	AASB 1049	
4. Measurement of contributions by owners as owners	—	
5. Review of Interpretation 1038 <i>Contributions by Owners Made to Wholly-Owned Public Sector Entities</i>	Interpretation 1038	The AASB has separated this topic from its work on Income of NFP Entities (see active item 5 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 5 above) and will make an agenda decision in future on when to address this topic.

Inactive projects (continued)

Project	Pronouncement	Outcomes to 30 June 2012
7. Summary financial reports and MD&A	IFRS Practice Statement <i>Management Commentary</i>	See also active item 40 above
8. Currency (notes and coins) on issue	AASB 139	
9. Other gaps in GAAP issues for public sector NFP entities	Various Standards	
<u>Other domestic</u>		
10. Review of Interpretations	Various Interpretations	
<u>IFRS Foundation</u>		
11. The annual improvements process	The annual improvements process	In May 2012 the Foundation's recently established Due Process Oversight Committee issued a draft of a substantially revised Due Process Handbook, including the due process for exposing 'Annual Improvements'. The AASB will consider a possible submission in 2012-13.
<u>IPSASB convergence</u>		
12. Entity combinations	AASB 3	The IPSASB issued a Consultation Paper <i>Public Sector Combinations</i> in June 2012. The AASB will consider a possible submission in 2012-13.
13. Heritage assets	AASB 116	The IPSASB has deferred work on this project, pending development of its Conceptual Framework.

Management and accountability



MANAGEMENT AND ACCOUNTABILITY

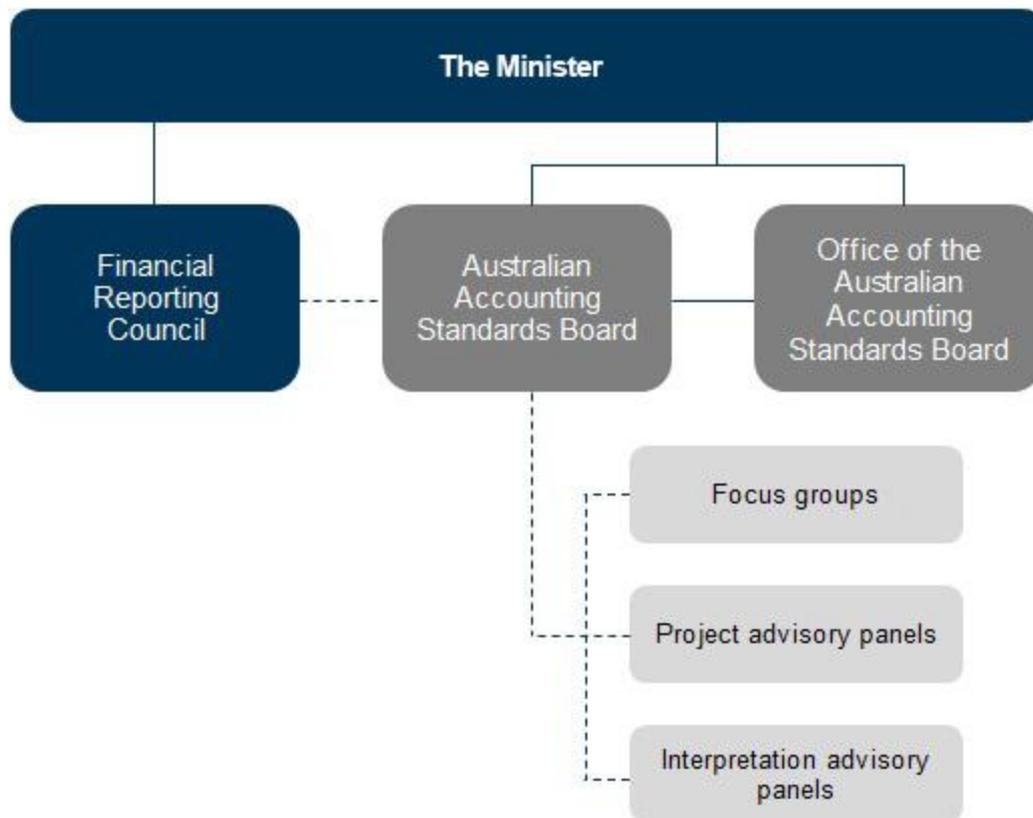
CORPORATE GOVERNANCE

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

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

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

ORGANISATIONAL STRUCTURE



The Chairman is appointed by the Minister, while other Board members are appointed by the FRC.

To be eligible for appointment, a person must have knowledge of, or experience in, business, accounting, law or government. The Chairman and members hold office on the terms and conditions that are determined by the Minister and FRC respectively. Appointments may be made for a period of up to five years and retiring members are eligible for reappointment.

The members of the AASB during 2011-12 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 from left to right: Kris Peach, Robert Williams, Ian McPhee, Victor Clarke, Sue Highland, Brett Rix, Kevin Stevenson, John O'Grady, Anna Crawford, Angus Thomson (Director of Research), Carmen Ridley, Robert Keys (Technical Director), Liane Papaelias and Peter Batten (Board Secretary). Absent: Jayne Godfrey, Roger Sexton and Michele Embling.

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.

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 2012 were:

Ian McPhee, Deputy Chair

Ian McPhee was appointed to the AASB from 1 January 2009 to 31 December 2011 and re-appointed from 1 January 2012 to January 2015. Mr McPhee is the Auditor-General for Australia.

Kris Peach, Deputy Chair

Kris Peach was initially appointed to the AASB from 15 February 2005. Her current appointment is from 1 January 2010 to 31 December 2012.

Ms Peach, a partner in KPMG's Department of Professional Practice, has extensive experience in interpreting and analysing Australian and International accounting standards for complex transactions. She also sits on a number of KPMG international committees.

Glenn Appleyard

Glenn Appleyard, Economic Consultant, was initially appointed to the AASB from 18 December 2002 and was twice re-appointed until 31 December 2011. Mr Appleyard was a member of the Commonwealth Grants Commission and the Chairman of the Tasmanian Economic Regulator.

Victor Clarke

Victor Clarke was appointed to the AASB from 1 January 2009 to 31 December 2011 and re-appointed from 1 January 2012 to 31 December 2013. Mr Clarke is currently a senior Financial Services Assurance partner at PricewaterhouseCoopers.

Anna Crawford

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

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 Auckland Managing Partner 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.

Jayne Godfrey

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

Sue Highland

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

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

Mark Jenkin

Mark Jenkin was appointed to the AASB from 1 January 2008 and was re-appointed in January 2011. Mr Jenkin resigned from the AASB at 31 July 2011. Mr Jenkin was a First Assistant Secretary, Financial Management and Reporting, Department of Defence, responsible for financial management and infrastructure.

John O'Grady

John O'Grady was initially appointed to the AASB from 1 January 2006 to 31 December 2008. He was re-appointed to the AASB from 1 January 2009 to 31 December 2011 and again from 1 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 IFRS Group, responsible for the consistent interpretation of IFRS across Ernst & Young in Asia Pacific.

Liane Papaelias

Liane Papaelias was appointed to the AASB from 1 January 2012 to 31 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.

Carmen Ridley

Carmen Ridley was appointed to the AASB from 1 January 2012 to 31 December 2014. Ms Ridley was previously Associate Director, National Audit Support - Grant Thornton and National Technical Principal - William Buck, Melbourne. Ms Ridley is a member of CPA Australia's External Reporting Centre of Excellence.

Brett Rix

Brett Rix was initially appointed to the AASB from 4 July 2006 to 3 July 2009. He was re-appointed to the AASB from 4 July 2008 to 31 December 2011 and re-appointed again from 1 January 2012 to January 2015.

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.

Roger Sexton AM

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

Robert Williams

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

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

Observers

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

- Tim Youngberry, Australian representative on the IPSASB;
- Judith Downes, member, IFRS Advisory Council; and
- Joanna Perry, member, IFRS Interpretations Committee.

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 2011-12, the Audit Committee consisted of Stuart Alford (Chair), Sue Tait and Merran Kelsall (AUASB Chairman).

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

- reviewed the AASB's financial statements and recommended that they be adopted; and
- reviewed a letter from the Australian National Audit Office, which stated that there were no matters arising from the 2011-12 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).

ETHICS

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

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

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

EXTERNAL SCRUTINY

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

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

MANAGEMENT OF HUMAN RESOURCES

As at 30 June 2012, the Office of the AASB had 15 full-time and 3 part-time technical staff members (9 male and 9 female), based in Melbourne, including:

- 1 Chairman;
- 1 Director of Research;
- 1 Technical Director;
- 5 Senior Project Managers;
- 5 Project Managers;
- 2 Graduate Interns;
- 1 Board Secretary;
- 1 Visiting Academic Fellow; and
- 1 Compilations Editor.

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

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

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

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

The salaries and other entitlements of the technical and administration employees are linked to relevant industry salary scales and entitlements. No employee received a performance bonus in 2011-12.

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

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

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

PURCHASING

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

Information on expenditure on contracts and consultancies is also available on the AusTender website, www.tenders.gov.au.

CONSULTANTS

During the 2011-12 financial year, the Office of the AASB did not engage any consultants as defined by the *FMA Act*.

AUSTRALIAN NATIONAL AUDIT OFFICE ACCESS CLAUSES

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

EXEMPT CONTRACTS

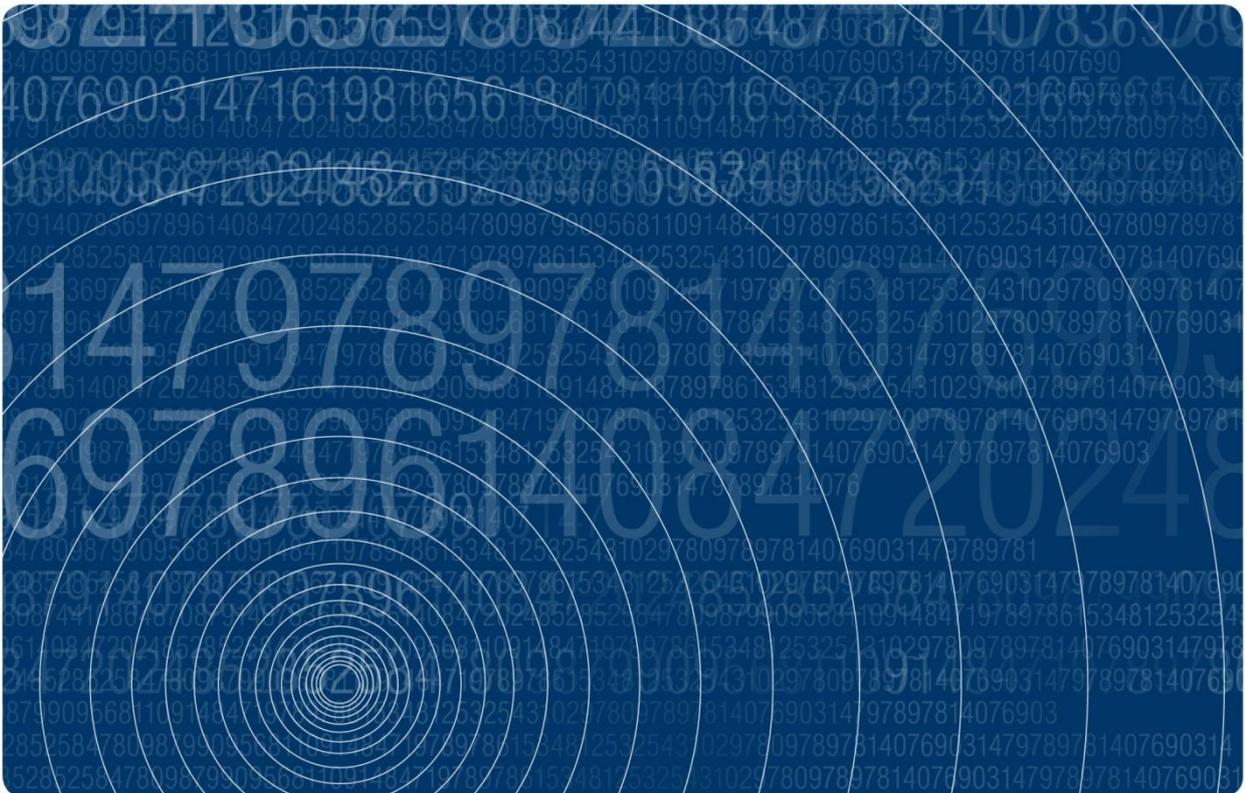
The AASB has a contract with the IFRS Foundation. The contract gives the AASB rights to IFRS copyright material.

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

DISABILITY REPORTING

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

Financial report





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INDEPENDENT AUDITOR'S REPORT

To the Treasurer

I have audited the accompanying financial statements of the Office of the Australian Accounting Standards Board for the year ended 30 June 2012, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive of the agency 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 the 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 agency'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 agency'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 agency, 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 2012 and of 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

4 September 2012

STATEMENT BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2012 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



Kevin Michael Stevenson
Chief Executive Officer
3 September 2012



Litsa Pillios
Chief Financial Officer
3 September 2012

Statement of Comprehensive Income

for the period ended 30 June 2012

	Notes	2012	2011
		\$	\$
EXPENSES			
Employee benefits	3A	3,257,707	3,032,589
Supplier expenses	3B	1,233,453	1,022,918
Depreciation and amortisation	3C	140,190	148,101
Finance costs	3D	4,027	6,109
Write-down and impairment of assets	3E	-	1,506
Total expenses		4,635,377	4,211,223
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	194,872	227,171
Rental income	4B	51,382	49,418
Other revenue	4C	600,000	1,250,000
Total own-source revenue		846,254	1,526,589
GAINS			
Other gains	4D	34,000	34,000
Total gains		34,000	34,000
Total own-source income		880,254	1,560,589
Net cost of services		3,755,123	2,650,634
Revenue from Government	4E	3,846,000	3,048,000
Surplus attributable to the Australian Government		90,877	397,366
OTHER COMPREHENSIVE INCOME			
Revaluation of infrastructure, plant and equipment		-	(7,544)
Restatement of make-good provision		(14,530)	-
Actuarial gains/(losses) on defined benefit plans		(860,000)	(327,000)
Total other comprehensive income		(874,530)	(334,544)
Total comprehensive income attributable to the Australian Government		(783,653)	62,822

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

Balance Sheet
as at 30 June 2012

	Notes	2012 \$	2011 \$	2010 \$
ASSETS				
Financial assets				
Cash and cash equivalents	5A	286,417	282,211	232,672
Trade and other receivables	5B	4,459,762	4,583,888	4,511,632
Total financial assets		4,746,179	4,866,099	4,744,304
Non-financial assets				
Infrastructure, plant and equipment	6A,C	432,129	537,219	668,503
Intangibles	6B,C	23,515	39,473	4,696
Inventories	6D	2,508	2,519	2,535
Other non-financial assets	6E	23,204	66,637	8,542
Total non-financial assets		481,356	645,848	684,276
Total assets		5,227,535	5,511,947	5,428,580
LIABILITIES				
Payables				
Suppliers	7A	52,602	64,744	142,014
Other payables	7B	504,718	575,538	634,261
Total payables		557,320	640,282	776,275
Provisions				
Employee provisions	8A	1,413,185	949,539	899,110
Other provisions	8B	136,509	117,952	111,843
Total provisions		1,549,694	1,067,491	1,010,953
Total liabilities		2,107,014	1,707,773	1,787,228
Net assets		3,120,521	3,804,174	3,641,352
EQUITY				
Contributed equity		200,000	100,000	-
Asset revaluation reserve		33,146	47,676	55,220
Retained surplus		2,887,375	3,656,498	3,586,132
Total equity		3,120,521	3,804,174	3,641,352

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

Statement of Changes in Equity

for the period ended 30 June 2012

	Retained earnings		Asset revaluation reserve		Contributed equity/capital		Total equity	
	2012	2011	2012	2011	2012	2011	2012	2011
Opening balance								
Balance carried forward from previous period	3,656,498	3,728,489	47,676	55,220	100,000	-	3,804,174	3,783,709
Adjustment for errors (see note 7B)	-	(142,357)						(142,357)
Adjusted opening balance	3,656,498	3,586,132	47,676	55,220	100,000		3,804,174	3,641,352
Comprehensive income								
Other comprehensive income								
Revaluation of infrastructure, plant and equipment	-	-	-	(7,544)	-	-	-	(7,544)
Restatement of make-good provision	-	-	(14,530)	-	-	-	(14,530)	-
Actuarial gains/(losses)	(860,000)	(327,000)	-	-	-	-	(860,000)	(327,000)
Surplus for the period	90,877	397,366	-	-	-	-	90,877	397,366
Total comprehensive income	(769,123)	70,366	(14,530)	(7,544)	-	-	(783,653)	62,822
of which:								
Attributable to the Australian Government	(769,123)	70,366	(14,530)	(7,544)	-	-	(783,653)	62,822
Transactions with owners								
Contribution by owners								
Departmental capital budget	-	-	-	-	100,000	100,000	100,000	100,000
Closing balance as at 30 June	2,887,375	3,656,498	33,146	47,676	200,000	100,000	3,120,521	3,804,174

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

Cash Flow Statement
for the period ended 30 June 2012

	Notes	2012 \$	2011 \$
OPERATING ACTIVITIES			
Cash received			
Appropriations		4,896,152	3,890,576
Goods and services		95,337	249,906
Net GST received		158,034	172,497
Contributions received		600,000	1,266,600
Other cash received		234,915	131,433
Total cash received		5,984,438	5,711,012
Cash used			
Employees		3,654,061	3,309,160
Suppliers		1,442,047	1,392,859
Net GST paid		64,345	79,769
Section 31 receipts transferred to Official Public Account		819,779	887,378
Total cash used		5,980,232	5,669,166
Net cash flows from (used by) operating activities	9	4,206	41,846
INVESTING ACTIVITIES			
Cash used			
Purchase of infrastructure, plant and equipment		11,449	60,642
Total cash used		11,449	60,642
Net cash flows from (used by) investing activities		(11,449)	(60,642)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		11,449	68,335
Total cash received		11,449	68,335
Net cash flows from (used by) financing activities		11,449	68,335
Net increase / (decrease) in cash held		4,206	49,539
Cash and cash equivalents at the beginning of the reporting period		282,211	232,672
Cash and cash equivalents at the end of the reporting period	5A	286,417	282,211

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

Schedule of Commitments

as at 30 June 2012

	2012	2011
	\$	\$
BY TYPE		
Commitments receivable		
Sublease rental income ¹	255,988	312,696
GST recoverable on commitments	204,280	248,809
Total commitments receivable	460,268	561,506
Commitments payable		
Operating leases ²	(2,247,082)	(2,736,902)
GST payable on commitments	(23,272)	(28,427)
Total commitments payable	(2,270,354)	(2,765,329)
Net commitments by type	(1,810,086)	(2,203,823)
BY MATURITY		
Commitments receivable		
Operating lease income		
One year or less	58,976	56,708
From one to five years	197,012	255,988
Over five years	-	-
Total operating lease income	255,988	312,696
Other commitments receivable		
One year or less	47,249	46,540
From one to five years	157,031	202,269
Over five years	-	-
Total commitments receivable	204,280	248,809
Commitments payable		
Operating lease commitments payable		
One year or less	(519,737)	(511,945)
From one to five years	(1,727,345)	(2,224,957)
Over five years	-	-
Total operating lease commitments payable	(2,247,082)	(2,736,902)
GST payable on commitments		
One year or less	(5,362)	(5,155)
From one to five years	(17,910)	(23,272)
Over five years	-	-
Total GST payable on commitments	(23,272)	(28,427)
Net commitments by maturity	(1,810,086)	(2,203,823)

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 2012

There are no known contingencies as at 30 June 2012.

(Nil contingencies as at 30 June 2011.)

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of AASB

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

The objectives of the Office of the AASB 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.

The key strategies to achieve this outcome are:

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

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

1.2 Basis of Preparation of the Financial Report

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

The financial report has been prepared in accordance with:

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

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

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

1.3 Significant Accounting Judgements and Estimates

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 accounting period.

1.4 Changes in Australian Accounting Standards

(a) Adoption of New Australian Accounting Standard Requirements

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

(b) Future Australian Accounting Standard Requirements

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

Pronouncement Number	Pronouncement Title	Effective on or after
AASB 119	Employee Benefits	1/1/2013
AASB 13	Fair Value Measurement	1/1/2013
AASB 2011-8	Amendments to Australian Accounting Standards arising from AASB 13	1/1/2013
AASB 2011-10	Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)	1/1/2013

1.5 Revenue

(a) Revenue from Government

Amounts appropriated for departmental output appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Office of the AASB gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

(b) Other Types of Revenue

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

Revenue from the sale of goods is recognised when: the risks and rewards of ownership have been transferred to the buyer; the Office of the AASB retains no

managerial involvement nor effective control over the goods; the revenue and transaction costs incurred can be reliably measured; and it is probable that the economic benefits associated with the transaction will flow to the Office of the AASB.

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

1.6 Gains

(a) Resources Received Free of Charge

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

(b) Sale of assets

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

1.7 Transactions with the Government as Owner

(a) Equity Injections

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

1.8 Employee Benefits

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

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

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

(a) Leave

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

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

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

(b) **Superannuation**

The Office of the AASB sponsors the AASB Superannuation Plan.

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

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

1.9 Leases

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

The Office of the AASB has no finance leases.

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

1.10 Cash

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

1.11 Financial Assets

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

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

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

(a) Loans and Receivables

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

(b) Impairment of Financial Assets

Financial assets are assessed for impairment at each balance date.

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

1.12 Financial Liabilities

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

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

(a) Supplier and Other Payables

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

1.13 Contingent Liabilities and Contingent Assets

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

1.14 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor authority's accounts immediately prior to the restructuring.

1.15 Infrastructure, Plant and Equipment

(a) Asset Recognition Threshold

Purchases of infrastructure, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$300, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

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

(b) Revaluations

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

	2012	2011
Leasehold Improvements	Depreciated replacement cost or market selling price	Depreciated replacement cost or market selling price
Plant and Equipment	Depreciated replacement cost or market selling price	Depreciated replacement cost or market selling price

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

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

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

(c) Depreciation

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

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

	2012	2011
Leasehold Improvements	Lease term — ten years	Lease term — ten years
Plant and Equipment	Three to ten years	Three to ten years

(d) Impairment

All assets were assessed for impairment at 30 June 2012. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

1.16 Intangibles

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

Software and licences are amortised on a straight-line basis over their anticipated useful life. The useful life of Office of the AASB's software and licences is three to five years (2010-11: three to five years).

All software assets were assessed for indications of impairment as at 30 June 2012.

1.17 Inventories

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

1.18 Taxation

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

Revenues, expenses and assets are recognised net of GST:

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

1.19 Insurance

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

1.20 Comparative Figures

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

Note 2: Events After the Balance Sheet Date

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

Note 3: Expenses

	2012 \$	2011 \$
Note 3A: Employee benefits		
Wages and salaries	2,828,283	2,836,152
Superannuation:		
Defined contribution plan	153,762	133,222
Defined benefit plan	116,630	121,786
Leave and other entitlements	134,646	(58,571)
Separation and redundancies	24,386	-
Total employee benefits	3,257,707	3,032,589
Note 3B: Suppliers		
Goods and services		
Board Member Services	113,542	104,057
International Travel	117,207	109,332
Publications/Subscriptions	173,971	127,765
Administration	184,327	185,184
Consultants	88,844	52,249
AOSSG Conference	111,295	-
Other	69,450	74,394
Total goods and services expenses	858,636	652,981
Goods and services are made up of:		
Provision of goods — related entities	1,635	-
Provision of goods — external parties	128,384	70,556
Rendering of services — related entities	164,965	125,399
Rendering of services — external parties	563,652	457,026
Total goods and services expenses	858,636	652,981
Other supplier expenses		
Operating lease rentals – related entities:		
Minimum lease payments	367,521	362,724
Workers compensation premiums	7,296	7,213
Total other supplier expenses	374,817	369,937
Total supplier expenses	1,233,453	1,022,918
Note 3C: Depreciation and amortisation		
Depreciation:		
Infrastructure, plant and equipment	123,827	135,344
Total depreciation	123,827	135,344
Amortisation:		
Intangibles:		
Computer software	16,363	12,757
Total amortisation	16,363	12,757
Total depreciation and amortisation	140,190	148,101
Note 3D: Finance costs		
Unwinding of discount on leasehold restoration obligation (see 8B)	4,027	6,109
Total finance costs	4,027	6,109
Note 3E: Write-down and impairment of assets		
Write-down of infrastructure, plant and equipment	-	1,506
Total write-down and impairment of assets	-	1,506

Note 4: Income

	2012	2011
	\$	\$

REVENUE

Note 4A: Sale of goods and rendering of services

Provision of goods — related entities	900	1,200
Provision of goods — external entities	30,081	38,984
Rendering of services — related entities	139,891	174,987
Rendering of services — external entities	24,000	12,000
Total sale of goods and rendering of services	194,872	227,171

Note 4B: Rental income

Operating lease:		
Sub-lease	51,382	49,418
Total rental income	51,382	49,418

Note 4C: Other revenue

Contributions from States and Territories	500,000	500,000
Contributions from CPA Australia	-	22,000
Contributions from the Institute of Chartered Accountants in Australia	-	22,000
Contributions from the National Institute of Accountants	-	22,000
Contributions from Australian Stock Exchange	100,000	100,000
Contributions from Companies Unclaimed Monies Account	-	584,000
Total contributions	600,000	1,250,000
Total other revenue	600,000	1,250,000

GAINS

Note 4D: Other gains

Resources received free of charge in relation to audit services	34,000	34,000
Total other gains	34,000	34,000

REVENUE FROM GOVERNMENT

Note 4E: Revenue from Government

Appropriations:		
Departmental appropriation	3,846,000	3,048,000
Total revenue from Government	3,846,000	3,048,000

Note 5: Financial Assets

	2012	2011	2010
	\$	\$	\$
Note 5A: Cash and cash equivalents			
Cash on hand or on deposit	286,417	282,211	232,672
Total cash and cash equivalents	286,417	282,211	232,672
Note 5B: Trade and other receivables			
Goods and Services:			
Goods and services – related entities	19,113	27,102	20,507
Goods and services – external parties	33,283	1,631	898
Total receivables for goods and services	52,396	28,733	21,405
Appropriations receivable:			
For existing programs	4,386,174	4,527,996	4,451,529
Total appropriations receivable	4,386,174	4,527,996	4,451,529
Other receivables:			
GST receivable from the Australian Taxation Office	21,192	27,159	38,698
Total other receivables	21,192	27,159	38,698
Total trade and other receivables (gross)	4,459,762	4,583,888	4,511,632
Receivables are expected to be recovered in:			
No more than 12 months	1,271,762	895,888	823,632
More than 12 months	3,188,000	3,688,000	3,688,000
Total trade and other receivables (gross)	4,459,762	4,583,888	4,511,632
Receivables are aged as follows:			
Not overdue	4,426,538	4,583,888	4,511,632
Overdue by:			
0 to 30 days	6,824	-	-
31 to 60 days	14,200	-	-
61 to 90 days	12,200	-	-
Total receivables (gross)	4,459,762	4,583,888	4,511,632

Note 6: Non-Financial Assets

	2012	2011	2010
	\$	\$	\$
Note 6A: Infrastructure, plant and equipment			
Infrastructure, plant and equipment:			
Gross carrying value (at fair value)	1,076,155	1,057,418	1,111,658
Accumulated depreciation	(644,026)	(520,199)	(433,155)
Total infrastructure, plant and equipment (non-current)	432,129	537,219	668,503

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2011, the Australian Valuation Office, an independent valuer, conducted a valuation. A revaluation decrement of \$7,544 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 6B: Intangibles

	2012	2011	2010
	\$	\$	\$
Computer software at cost:			
Purchased	89,109	88,704	43,535
Accumulated amortisation	(65,594)	(49,231)	(38,839)
Total computer software	23,515	39,473	4,696

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

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

Table A — Reconciliation of the opening and closing balances of infrastructure, plant and equipment and intangibles (2011-12)

	Infrastructure, plant and equipment \$	Computer software purchased \$
As at 1 July 2011		
Gross book value	1,057,418	91,069
Accumulated depreciation/amortisation and impairment	(520,199)	(51,596)
Net book value 1 July 2011	537,219	39,473
Additions:		
By purchase	18,737	405
Depreciation/amortisation expense	(123,827)	(16,363)
Net book value 30 June 2012	432,129	23,515
Net book value as of 30 June 2012 represented by:		
Gross book value	1,076,155	91,474
Accumulated depreciation/amortisation and impairment	(644,026)	(67,959)
	432,129	23,515

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

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

	2012	2011	2010
	\$	\$	\$
Note 6D: Inventories			
Inventories held for sale			
Finished goods	2,508	2,519	2,535
Total inventories	2,508	2,519	2,535

Note 6E: Other non-financial assets			
Prepayments	23,204	66,637	8,542
Total other non-financial assets	23,204	66,637	8,542
Total other non-financial assets are expected to be recovered in:			
No more than 12 months	23,204	66,637	8,542
Total other non-financial assets	23,204	66,637	8,542

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

Note 7: Payables

	2012	2011	2010
	\$	\$	\$
Note 7A: Suppliers			
Trade creditors and accruals	52,602	64,744	142,014
Total supplier payables	52,602	64,744	142,014
Supplier payables are made up of:			
Related entities	17,537	5,052	536
External parties	35,065	59,692	141,478
Total supplier payables	52,602	64,744	142,014

Settlement is usually made net 30 days

Note 7B: Other payables

Lease commitments	438,116	512,274	574,351
Other	66,602	63,264	59,910
Total other payables	504,718	575,538	634,261
Other payables are expected to be settled within:			
No more than 12 months	153,341	134,281	129,537
More than 12 months	351,377	441,257	504,724
Total other payables	504,718	575,538	634,261

A calculation error relating to a lease for accommodation that started in 2006 has been corrected. The lease includes a fixed percentage escalation clause to cover inflation. The error was to treat the operating lease payments relating to each year as the amount of lease expense in each year. The correction to recognise a straight-line expense in each year for the 10-year lease has resulted in corrections being made to adjust:

- the opening balance sheet of the comparative year in the following ways – retained earnings down by \$142,357; and lease liabilities up by \$142,357;
- prior year supplier expenses by \$8,935; and
- prior year lease commitments by \$151,292.

There are no material consequences of the correction for the Comprehensive Income Statement for either the current or prior year.

Note 8: Provisions

	2012	2011	2010
	\$	\$	\$
Note 8A: Employee provisions			
Leave	828,185	693,539	752,110
Superannuation [Note 8A (i)]	585,000	256,000	147,000
Total employee provisions	1,413,185	949,539	899,110
Employee provisions are expected to be settled in:			
No more than 12 months	300,387	295,434	308,092
More than 12 months	1,112,798	654,105	591,018
Total employee provisions	1,413,185	949,539	899,110

Note 8A (i): Superannuation provisions

The AASB has one defined benefit fund, which requires contributions to be made to the separately administered fund. The benefits are based on final average salary and are subject to regulation by the Australian Prudential Regulation Authority. The defined benefit is not open to new employees.

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

Balance sheet and Statement of Comprehensive impact

As at 30 June	2012	2011
	\$	\$
Defined Benefit obligation [^]	4,297,000	3,473,000
(-) Fair value of AASB Plan assets	3,712,000	3,217,000
Deficit/(Surplus)	585,000	256,000
(-) Unrecognised past service cost	-	-
(-) Unrecognised net (gains)/losses	-	-
(+) Adjustment for limitation on net asset	-	-
Net superannuation liability/(asset)	585,000	256,000

[^] includes contributions tax provision

Financial year ending	2012	2011
	\$	\$
Service cost	131,000	127,000
Interest cost	158,000	140,000
Expected return on assets	(230,000)	(199,000)
Actuarial gains/(losses)	-	-
Past service cost	-	-
Movement in limitation on net asset	-	-
Effect of curtailments/settlements	-	-
Superannuation expense/(income)	59,000	68,000

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

Financial year ending	2012	2011
	\$	\$
Actuarial (gains)/losses	860,000	327,000

Movement in net liability/(asset)

Financial year ending	2012	2011
	\$	\$
Net superannuation liability(asset) at start of year	256,000	147,000
(+) Expense recognised in statement of comprehensive income	59,000	68,000
(+) Amount recognised in retained earnings	860,000	327,000
(-) Employer contributions	590,000	286,000
Net superannuation liability/(asset) at end of year	585,000	256,000

Estimate of expense for 2013

Financial year ending	2013
	\$
Service cost	164,000
Interest cost	116,000
Expected return on assets	(264,000)
Actuarial losses/(gains)	-
Past service cost	-
Movement in limitation on net asset	-
Effect of curtailments/settlements	^
Estimated superannuation expense/(income)	16,000

^ not known until end of year

Estimate of net liability/(asset) at 30 June 2013

Financial year ending	2013
	\$
Net superannuation liability/(asset) at start of year	585,000
(+) Estimated expense recognised in statement of comprehensive income	16,000
(+) Estimated amount recognised in retained earnings	^
(-) Estimated employer contributions	94,000
Estimated net superannuation liability/(asset) at end of year	507,000

^ not known until end of year

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

Financial year ending	2012	2011
	\$	\$
Present value of DBO at start of year	3,473,000	2,937,000
(+) Current service cost	131,000	127,000
(+) Interest cost	158,000	140,000
(+) Contributions by AASB Plan members	57,000	54,000
(+) Actuarial (gains)/losses	575,000	266,000
(-) Benefits paid	-	-
(-) Taxes, premiums and expenses paid	97,000	51,000
(+) Transfers in	-	-
(-) Contributions to accumulation section	-	-
(+) Past service cost	-	-
(+) Curtailments	-	-
(+) Settlements	-	-
(+) Exchange rate changes	-	-
Present value of DBO at end of year	4,297,000	3,473,000

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

Financial year ending	2012	2011
	\$	\$
Fair value of AASB Plan assets at start of year	3,217,000	2,790,000
(+) Expected return on AASB Plan assets	230,000	199,000
(+) Actuarial (gains)/losses	(285,000)	(61,000)
(+) Employer Contributions	590,000	286,000
(+) Contributions by AASB Plan members	57,000	54,000
(-) Benefits paid	-	-
(-) Taxes, premiums and expenses paid	97,000	51,000
(+) Transfers in	-	-
(-) Contributions to accumulation section	-	-
(+) Settlements	-	-
(+) Exchange rate changes	-	-
Fair value of AASB Plan assets at end of year	3,712,000	3,217,000

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

As at 30 June	2012	2011
	\$	\$
Defined Benefit Obligation ^	4,297,000	3,473,000
(-) Fair value of AASB Plan assets	3,712,000	3,217,000
Deficit/(surplus)	585,000	256,000
(-) Unrecognised past service cost	-	-
(-) Unrecognised net (gains)/losses	-	-
(+) Adjustment for limitation on net asset	-	-
Net superannuation liability/(asset)	585,000	256,000

^ includes contributions tax provision

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

Financial year ending	2012	2011
	\$	\$
Service cost	131,000	127,000
Interest cost	158,000	140,000
Expected return on assets	(230,000)	(199,000)
Actuarial losses/(gains)	-	-
Past service cost	-	-
Movement in limitation on net asset	-	-
Effect of curtailments/settlements	-	-
Superannuation expense/(income)¹	59,000	68,000
Employer contributions	57,630	53,786
	116,630	121,786

¹ Included in Defined benefit plan expense in note 3A

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

Financial year ending	2012	2011
	\$	\$
Actuarial (gains)/losses	860,000	327,000

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

Financial year ending	2012	2011
	\$	\$
Cumulative amount of actuarial (gains)/losses	1,612,000	752,000

AASB Plan assets – para 120A(j)

As at 30 June	2012	2011
	%	%
Australian equities	34	48
International equities	17	24
Fixed income	11	14
Property	7	10
Alternatives/other	4	2
Cash	27	2
	100	100

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

Financial year ending	2012	2011
	\$	\$
Actual return on AASB Plan assets	(55,000)	138,000

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

Financial year ending	2012	2011
	%	%
Discount rate	2.7	4.6
Expected rate of return on AASB Plan assets	7.0	7.0
Expected salary increase rate	2.5	2.5

Historical information – para 120A(p)

Financial year ending 30 June	2012	2011	2010	2009	2008
	\$	\$	\$	\$	\$
Present value of DBO	4,297,000	3,473,000	2,937,000	2,866,000	2,826,000
Fair value of AASB Plan assets	3,712,000	3,217,000	2,790,000	2,026,000	2,326,000
Surplus/deficit in AASB Plan	585,000	256,000	147,000	840,000	500,000
Experience adjustments (gains)/losses:					
AASB Plan assets	285,000	61,000	(71,000)	606,000	683,000
Experience adjustments (gains)/losses:					
AASB Plan liabilities	72,000	214,000	(224,000)	(47,000)	74,000

Expected contributions – para 120A(q)

Financial year ending	2013 \$
Expected employer contributions *	94,000

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

Summary of membership

As at	2012	2011
Number of active defined benefit members	6	6
Number of deferred members	-	-
Total annual salaries (\$000)	1,036	1,005

Actuarial assumptions

As at	30 June 2012 %	30 June 2011 %	Comments
Discount rate	2.7	4.6	Based on 10-year Government bond rate, less allowance for investment tax
Salary inflation	2.5	2.5	
Expected return on assets	7.0	7.0	Based on Plan's mix of asset classes
Contributions tax rate	15	15	
Method of recognising actuarial gains and losses	Immediate recognition of actuarial gains and losses through retained earnings		
Vested benefit minimum	None	None	Not required by AASB 119

Supplemental information:

Service cost (a)

Financial year ending	2012 \$	2011 \$
1. Total service cost at beginning of year	150,000	142,000
2. Interest cost for year	7,000	7,000
3. Expected contributions tax and expenses	35,000	33,000
4. Expected employee contributions	57,000	52,000
5. Expected (increase) in contributions tax provisions	(4,000)	(3,000)
6. Current service cost (1+2+3-4+5)	131,000	127,000

Interest cost (b)

Financial year ending	2012	2011
	\$	\$
1. DBO at start of year ^	3,435,000	2,915,000
2. Expected distributions	-	-
3. Average DBO over year (1 + 50% x 2)	3,435,000	2,915,000
4. Discount rate	4.6%	4.8%
5. Interest cost (3 x 4)	158,000	140,000

^ before contributions tax provision

Expected return on AASB Plan assets (c)

Financial year ending	2012	2011
	\$	\$
1. Fair value of AASB Plan assets at start of year	3,217,000	2,790,000
2. Expected employer contributions	90,000	83,000
3. Expected employee contributions	57,000	52,000
4. Expected distributions during year	-	-
5. Expected expenses, tax and insurance premiums	22,000	20,000
6. Average expected fair value of assets (1+50% (2+3-4-5))	3,280,000	2,848,000
7. Expected rate of return on AASB Plan assets	7.0%	7.0%
8. Expected return on AASB Plan assets (6x7)	230,000	199,000
Superannuation Expense (a+b-c)	59,000	68,000

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

Financial year ending	2012	2011
	\$	\$
1. Actuarial (gain)/loss on assets - experience	285,000	61,000
2. Actuarial (gain)/loss on DBO ^ - experience	72,000	214,000
3. Actuarial (gain)/loss on DBO ^ - change in assumptions	503,000	52,000
4. Total actuarial (gain)/loss (1+2+3)	860,000	327,000

^ includes movement of contributions tax provision

Calculation of total defined benefit obligation

Financial year ending	2012	2011
	\$	\$
1. Defined benefit obligation ^	4,209,000	3,435,000
2. Fair value of AASB Plan assets	(3,712,000)	(3,217,000)
3. (Deficit)/surplus (1+2)	497,000	218,000
4. Provision for contributions tax (3x15%/85%)	88,000	38,000
5. Total defined benefit obligation (1+4)	4,297,000	3,473,000

^ before contributions tax provision

Expected change in contributions tax provision

Financial year ending	2012	2011
	\$	\$
1. Expected defined benefit obligation at end of current year	3,756,000	3,224,000
2. Expected assets at end of current year	(3,565,000)	(3,116,000)
3. Expected provision at end of current year [(1+2)*15%/85%]	34,000	19,000
4. Actual provision at end of prior year	38,000	22,000
5. Expected change in tax provision (3-4)	(4,000)	(3,000)

	2012	2011	2010
	\$	\$	\$

Note 8B: Other provisions

Leasehold restoration obligations	136,509	117,952	111,843
Total other provisions	136,509	117,952	111,843

Other provisions are expected to be settled within:

More than 12 months	136,509	117,952	111,843
Total other provisions	136,509	117,952	111,843

	Provision for restoration 2012	Provision for restoration 2011	Provision for restoration 2010
Carrying amount 1 July	117,952	111,843	106,051
Unwinding of discount	4,027	6,109	5,792
Change in discount rate	14,530	-	
Closing balance 30 June	136,509	117,952	111,843

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

Note 9: Cash Flow Reconciliation

	2012	2011
	\$	\$
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash equivalents as per:		
Cash flow statement	286,417	282,211
Balance sheet	286,417	282,211
Difference	-	-
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(3,755,123)	(2,650,634)
Add revenue from Government	3,846,000	3,048,000
Other movement in retained surplus – superannuation actuarial gain and losses	(860,000)	(327,000)
Adjustments for non-cash items:		
Depreciation/amortisation	140,190	148,101
Lease incentive – amortisation	(71,013)	(71,013)
Lease – straight-line of lease	(3,145)	8,936
Provision for required restoration of premises ¹	4,027	6,109
Net write down of non-financial assets	-	1,506
Changes in assets/liabilities:		
(Increase)/decrease in net receivables	212,677	(40,591)
(Increase)/decrease in inventories	11	16
(Increase)/decrease in prepayments	43,433	(58,096)
Increase/(decrease) in superannuation provision	329,000	109,000
Increase/(decrease) in other employee provisions	134,646	(58,571)
Increase/(decrease) in supplier payables	(19,835)	(77,271)
Increase/(decrease) in other payables	3,338	3,354
Net cash from/(used by) operating activities	4,206	41,846

¹ The provision for restoration increased by \$18,557, comprising \$4,027 affecting a non-cash item relating to the net cost of services and \$14,530, affecting other comprehensive income (see Statement of Changes in Equity).

Note 10: Executive Remuneration

	2012	2011
	\$	\$
Note 10A: Senior executive remuneration expense for the reporting period		
Short-term employee benefits:		
Salary	933,684	867,303
Annual leave accrued	77,807	72,275
Total short-term employee benefits	1,011,491	939,578
Post-employment benefits:		
Superannuation	84,372	78,911
Total post-employment benefits	84,372	78,911
Other long-term benefits:		
Long-service leave	61,779	(6,196)
Total other long-term benefits	61,779	(6,196)
Total	1,157,642	1,012,293

Note 10B: Average annual reportable remuneration paid to senior executives during the reporting period

Average annual reportable remuneration

	As at 30 June 2012				As at 30 June 2011			
	Senior executives No.	Reportable salary	Contributed superannuation	Total	Senior executives No.	Reportable salary	Contributed superannuation	Total
\$150,000 to \$179,999	1	159,705	14,374	174,079	1	149,056	13,415	162,471
\$210,000 to \$239,999					1	172,308	53,732	226,040
\$240,000 to \$269,999	1	200,789	54,211	255,000				
\$270,000 to \$299,999	-	-	-	-	1	235,553	54,795	290,348
\$300,000 to \$329,999	1	245,931	54,968	300,899				
\$330,000 to \$359,999	1	305,987	50,000	355,987	1	294,023	50,000	344,023
Total	4				4			

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 (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - 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 10C: Other highly paid staff

Average annual reportable remuneration

	As at 30 June 2012			As at 30 June 2011				
	Staff No.	Reportable salary	Contributed superannuation	Total	Staff No.	Reportable salary	Contributed superannuation	Total
\$150,000 to \$179,999	4	149,671	21,813	171,484	2	147,633	23,558	171,191
\$180,000 to \$209,999								
Total	4				2			

Notes:

1. This table reports staff:
 - a) who were employed by the entity during the reporting period;
 - b) whose reportable remuneration was \$150,000 or more for the financial period; and
 - c) were not required to be disclosed in Tables A, B or director disclosures

Each row is an averaged figure based on headcount for individuals in the band.
2. 'Reportable salary' includes the following:
 - a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - 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 11: Remuneration of Auditors

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

	2012	2011
	\$	\$
The fair value of the services provided:		
Remuneration to the ANAO for auditing the financial statements for the reporting period	34,000	34,000
	34,000	34,000

No other services were provided by the ANAO

Note 12: Financial Instruments

	2012	2011
	\$	\$
Note 12A: Categories of financial instruments		
Financial assets		
Held-to-maturity financial assets		
Cash and cash equivalents	286,417	282,211
Trade receivables	52,396	28,733
Total held-to-maturity financial assets	338,813	310,944
Carrying amount of financial assets	338,813	310,944
Financial liabilities		
At amortised cost		
Trade creditors	52,602	64,744
Carrying amount of financial liabilities	52,602	64,744

Note 12B: Fair value of financial instruments

Financial assets

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

Financial liabilities

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

Note 12C: Credit risk

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

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

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

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

	2012	2011
	\$	\$
Cash and cash equivalents	286,417	282,211
Trade receivables	52,396	28,733
Total	338,813	310,944

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

	Not past due nor impaired	Not past due nor impaired	Past due or impaired	Past due or impaired
	2012	2011	2012	2011
	\$	\$	\$	\$
Trade receivables	19,172	28,733	33,224	-
Total	19,172	28,733	33,224	-

Ageing of financial assets that were past due but not impaired for 2012

	0 to 30 days	31 to 61 days	61 to 90 days	Total
	\$	\$	\$	\$
Trade receivables	6,824	14,200	12,200	33,224
Total	6,824	14,200	12,200	33,224

There were no past due amounts in the prior year

Note 12D: Liquidity risk

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

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

Note 12E: Market risk

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

Note 13: Appropriations

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

	2012 Appropriations			Total appropriation	Appropriation applied in 2012 (current and prior years)	Variance ^(a)
	Appropriation Act		FMA Act			
	Annual Appropriation	Appropriations reduced	Section 31			
	\$	\$	\$	\$	\$	\$
DEPARTMENTAL						
Ordinary annual services	3,946,000	-	819,779	4,765,779	5,107,557	(341,779)
Total departmental	3,946,000	-	819,779	4,765,779	5,107,557	(341,779)

- a. Variances were due to:
1. A voluntary contribution of \$500,000 from prior year appropriations was made to the DB Super fund in 2011-2012.
 2. \$88,551 in unspent capital budget.

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

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

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

	2012 Capital Budget Appropriations			Capital budget appropriations applied in 2012		Variance ^(a)
	Appropriation Act		Total capital budget appropriations	Payments for non-financial assets	Total payments	
	Annual Capital Budget	Appropriations reduced				
	\$	\$	\$	\$	\$	\$
DEPARTMENTAL						
Ordinary annual services – Departmental capital budget	100,000	-	100,000	11,449	11,449	88,551

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.

	2011 Capital Budget Appropriations			Capital budget appropriations applied in 2011		Variance ^(b)
	Appropriation Act		Total capital budget appropriations	Payments for non-financial assets	Total payments	
	Annual Capital Budget	Appropriations reduced				
	\$	\$	\$	\$	\$	\$
DEPARTMENTAL						
Ordinary annual services – Departmental capital budget	100,000	-	100,000	60,642	60,642	39,358

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.

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

Authority	2012	2011
Act 4 - Non Operating - Equity Injection	3,188,000	3,688,000
Appropriation Act 1 2008/09	302,667	302,667
Appropriation Act 1 2009/10	484,662	484,662
Appropriation Act 1 2010/11	21,002	303,213
Appropriation Act 1 2011/12	556,044	-
Appropriation Act 1 2010/11 - capital budget	31,665	31,665
Appropriation Act 1 2011/12 - capital budget	88,551	-
Total	4,672,591	4,810,207

Note 14: Special Accounts**Office of the Australian Accounting Standards Board Special Account (abolished)**

Legal Authority: Minister for Finance and Deregulation. Determination under subsection 20(1) of the FMA Act 1997. Special Account established 2008.
This account has been closed under the Financial Management and Accountability Determination 2012/02 – Abolition of 24 Special Accounts.

Appropriation: FMA Act 1997, section 20

Purpose: The purpose of this Special Account is to enable the Office of the AASB to manage moneys received primarily from the professional accounting bodies, the Australian Securities Exchange and Australian State and Territory Governments.

	2012	2011
	\$	\$
Balance carried from previous period	-	-
Contributions from external bodies for reporting period (Departmental)	93,925	666,000
Total increase	93,925	666,000
Available for payments	93,925	666,000
Payments made	93,925	666,000
Total decrease	93,925	666,000
Total balance carried to the next period	-	-

Note 15: Reporting of Outcomes

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

Note 15A: Net Cost of Outcome Delivery

Outcome 1	2012	2011
	\$	\$
Expenses		
Departmental	4,635,377	4,211,223
Total expenses	4,635,377	4,211,223
Income from non-government sector:		
Departmental	194,872	227,171
Total departmental	194,872	227,171
Other own-source income		
Other revenue	651,382	1,299,418
Gains	34,000	34,000
Total other own-source income	685,382	1,333,418
Net cost/(contribution) of outcome delivery	3,755,123	2,650,634

Note 16: Compensation and Debt Relief

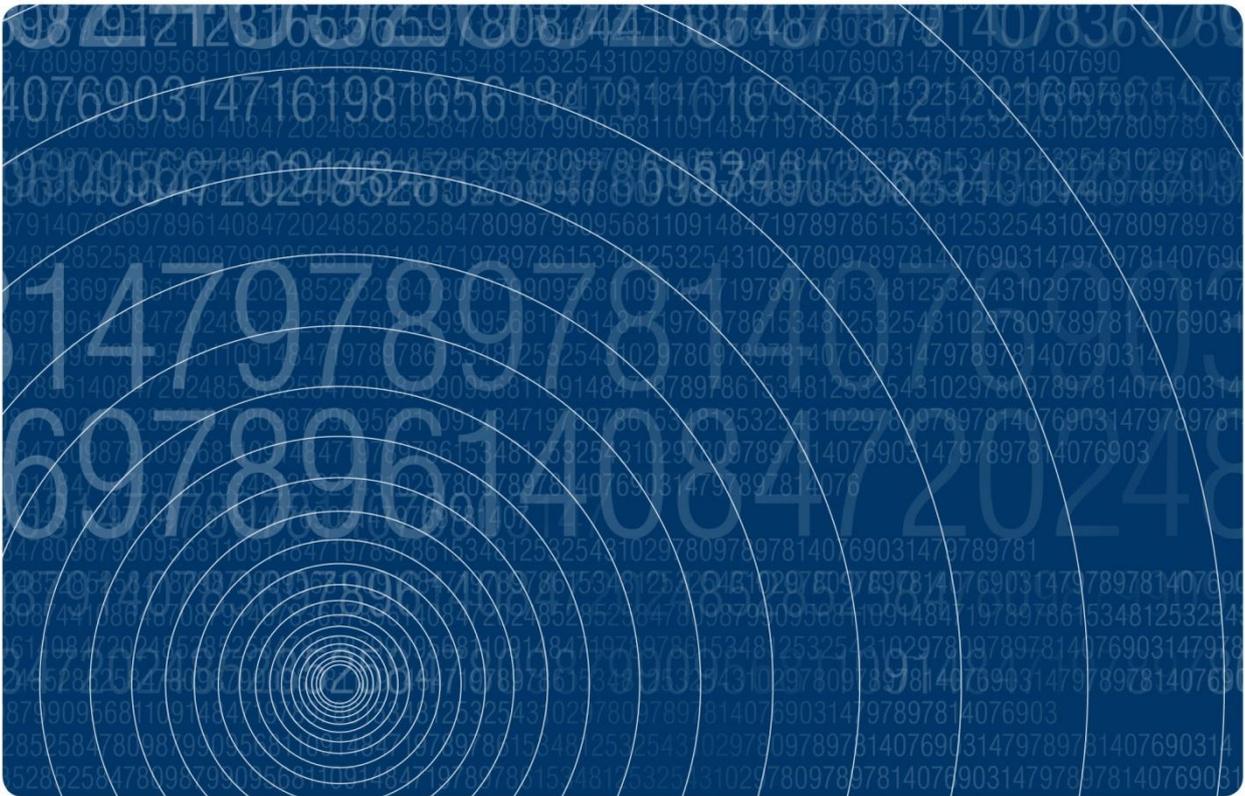
	2012	2011
	\$	\$
No 'Act of Grace payments' were expended during the reporting period (2011: nil expenses).	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997 (2011: nil waivers).	-	-
No ex-gratia payments were provided for during the reporting period. (2011: 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. (2011: nil payments).	-	-

Note 17: Net cash appropriation arrangements

	2012	2011
	\$	\$
Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriation ¹	(643,463)	210,923
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	140,190	148,101
Total comprehensive income (loss) as per Statement of Comprehensive Income	(783,653)	62,822

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

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 2011-12 financial year.

FREEDOM OF INFORMATION

Statement covering the period from 1 July 2011 to 30 June 2012

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.

No matter involving freedom of information arose during the 2011-12 financial year. No applications under the *Freedom of Information Act 1982* were received by the AASB in 2011-12.

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

DISCRETIONARY GRANTS

The AASB does not administer any discretionary grant programs.

INFORMATION PUBLICATION SCHEME

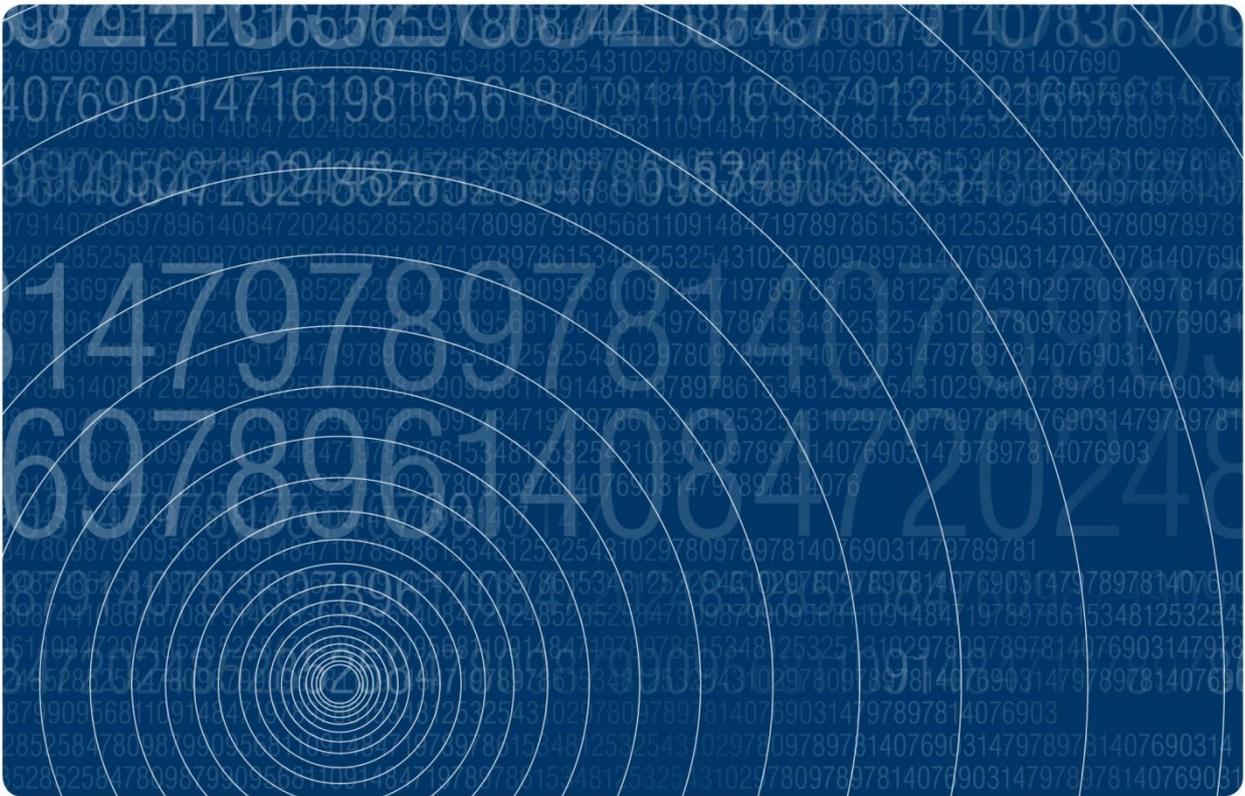
The Information Publication Scheme (IPS) aims to transform the freedom of information framework from one that responds to individual requests for access to documents to one that requires Australian Government agencies to take a proactive approach to publishing information. The scheme commenced on 1 May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

Appendices





APPENDIX A

ATTENDANCE AT AASB MEETINGS

The AASB met 7 times during 2011-12 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 upon accounting standards and other pronouncements out of session and also attended or made presentations at seminars and other meetings related to their role as a Board member. Consequently the time committed by members is substantially more than the meeting days attended.

Member attendance is shown in the table below:

Members	Number of days eligible to attend	Number of days attended	Apologies (days)
K Stevenson (Chairman)	13	13	-
I McPhee (Deputy Chair)	13	11	2
K Peach (Deputy Chair)	13	12	1
G Appleyard	7	7	-
V Clarke	13	13	-
A Crawford	13	8	5
M Embling	13	9	4
J Godfrey	13	8	5
S Highland	13	13	-
M Jenkin	2	-	2
J O'Grady	13	12	1
L Papaelias	6	6	-
C Ridley	6	6	-
B Rix	13	11	2
R Sexton AM	13	11	2
R Williams	13	13	-

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 2012)

Conceptual framework documents

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

Accounting standards

AASB series

Standard	Title	Application date (annual reporting periods)	Issue date
AASB 1	<i>First-time Adoption of Australian Equivalents to International Financial Reporting Standards</i>	(beginning) 1 January 2005	7/04
AASB 1	<i>First-time Adoption of Australian Accounting Standards (revised)</i>	(beginning) 1 July 2009	5/09
AASB 2	<i>Share-based Payment</i>	(beginning) 1 January 2005	7/04
AASB 3	<i>Business Combinations</i>	(beginning) 1 January 2005	7/04
AASB 3	<i>Business Combinations (revised)</i>	(beginning) 1 July 2009	3/08
AASB 4	<i>Insurance Contracts</i>	(beginning) 1 January 2005	7/04
AASB 5	<i>Non-current Assets held for Sale and Discontinued Operations</i>	(beginning) 1 January 2005	7/04
AASB 6	<i>Exploration for and Evaluation of Mineral Resources</i>	(beginning) 1 January 2005	12/04
AASB 7	<i>Financial Instruments: Disclosures</i>	(beginning) 1 January 2007	8/05
AASB 8	<i>Operating Segments</i>	(beginning) 1 January 2009	2/07
AASB 9	<i>Financial Instruments (revised)</i>	(beginning) 1 January 2013	12/09
AASB 9	<i>Financial Instruments</i>	(beginning) 1 January 2013	12/10
AASB 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
AASB 13	<i>Fair Value Measurement</i>	(beginning) 1 January 2013	9/11

Appendix B: Pronouncements

Standard	Title	Application date (annual reporting periods)	Issue date
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 Statement of Cash Flows)</i>	(beginning) 1 January 2005	7/04
AASB 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	(beginning) 1 January 2005	7/04
AASB 110	<i>Events after the Balance Sheet Date (now titled Events after the Reporting Period)</i>	(beginning) 1 January 2005	7/04
AASB 111	<i>Construction Contracts</i>	(beginning) 1 January 2005	7/04
AASB 112	<i>Income Taxes</i>	(beginning) 1 January 2005	7/04
AASB 114	<i>Segment Reporting (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
AASB 127	<i>Consolidated and Separate Financial Statements</i>	(beginning) 1 January 2005	7/04
AASB 127	<i>Consolidated and Separate Financial Statements (revised)</i>	(beginning) 1 July 2009	3/08

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Standard	Title	Application date (annual reporting periods)	Issue date
AASB 127	<i>Separate Financial Statements (revised)</i>	(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 (revised)</i>	(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 (superseded by AASB 7)</i>	(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 (now titled 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 (revised)</i>	(beginning) 1 July 2008	12/07
AASB 1023	<i>General Insurance Contracts</i>	(beginning) 1 January 2005	7/04
AASB 1031	<i>Materiality</i>	(beginning) 1 January 2005	7/04
AASB 1038	<i>Life Insurance Contracts</i>	(beginning) 1 January 2005	7/04
AASB 1039	<i>Concise Financial Reports</i>	(ending) 31 December 2005	4/05
AASB 1039	<i>Concise Financial Reports (revised)</i>	(beginning) 1 January 2009	8/08
AASB 1048	<i>Interpretation and Application of Standards</i>	(beginning) 1 January 2005	7/04

Appendix B: Pronouncements

Standard	Title	Application date (annual reporting periods)	Issue date
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 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 2004-1	<i>Amendments to Australian Accounting Standards</i> [AASB 1, AASB 116, AASB 138]	(beginning) 1 January 2005	12/04
AASB 2004-2	<i>Amendments to Australian Accounting Standards</i> [AASB 1, AASB 121, AASB 131, AASB 134, AASB 139, AASB 141]	(beginning) 1 January 2005	12/04
AASB 2004-3	<i>Amendments to Australian Accounting Standards</i> [AASB 1, AASB 101, AASB 124]	(beginning) 1 January 2006	12/04
AASB 2005-1	<i>Amendments to Australian Accounting Standard</i> [AASB 139]	(beginning) 1 January 2006	5/05
AASB 2005-2	<i>Amendments to Australian Accounting Standard</i> [AASB 1023]	(beginning) 1 January 2005	6/05
AASB 2005-3	<i>Amendments to Australian Accounting Standards</i> [AASB 119]	(ending) 31 December 2005	6/05
AASB 2005-4	<i>Amendments to Australian Accounting Standards</i> [AASB 1, AASB 132, AASB 139, AASB 1023, AASB 1038]	(beginning) 1 January 2006	6/05
AASB 2005-5	<i>Amendments to Australian Accounting Standards</i> [AASB 1, AASB 139]	(beginning) 1 January 2006	6/05
AASB 2005-6	<i>Amendments to Australian Accounting Standards</i> [AASB 3]	(beginning) 1 January 2006	6/05
AASB 2005-7	<i>Amendments to Australian Accounting Standards</i> [AASB 134]	(ending) 30 June 2005	6/05
AASB 2005-8	<i>Amendments to Australian Accounting Standards</i> [AASB 1]	(beginning) 1 January 2006	6/05
AASB 2005-9	<i>Amendments to Australian Accounting Standards</i> [AASB 4, AASB 1023, AASB 132, AASB 139]	(beginning) 1 January 2006	9/05

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Standard	Title	Application date (annual reporting periods)	Issue date
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
AASB 2007-6	<i>Amendments to Australian Accounting Standards</i> <i>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</i> <i>arising from AASB 101</i>	(beginning) 1 January 2009	9/07

Appendix B: Pronouncements

Standard	Title	Application date (annual reporting periods)	Issue date
AASB 2007–9	<i>Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AAS 127, AASB 137]</i>	(beginning) 1 July 2008	12/07
AASB 2007–10	<i>Further Amendments to Australian Accounting Standards arising from AASB 101</i>	(beginning) 1 January 2009	12/07
AASB 2008–1	<i>Amendments to Australian Accounting Standard — Share-based Payments: Vesting Conditions and Cancellations [AASB 2]</i>	(beginning) 1 January 2009	2/08
AASB 2008–2	<i>Amendments to Australian Accounting Standards — Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139, Interpretation 2]</i>	(beginning) 1 January 2009	3/08
AASB 2008–3	<i>Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASB 1, AASB 2, AASB 4, AASB 5, AASB 7, AASB 101, AASB 107, AASB 112, AASB 114, AASB 116, AASB 121, AASB 128, AASB 131, AASB 132, AASB 133, AASB 134, AASB 136, AASB 137, AASB 138, AASB 139, Interpretation 9, Interpretation 107]</i>	(beginning) 1 July 2009	3/08
AASB 2008–4	<i>Amendments to Australian Accounting Standard — Key Management Personnel Disclosures by Disclosing Entities [AASB 124]</i>	(beginning) 1 January 2009	6/08
AASB 2008–5	<i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project [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]</i>	(beginning) 1 January 2009	7/08
AASB 2008–6	<i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 5]</i>	(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 [AASB 1, AASB 118, AASB 121, AASB 127, AASB 136]</i>	(beginning) 1 January 2009	7/08
AASB 2008–8	<i>Amendments to Australian Accounting Standards — Eligible Hedged Items [AASB 139]</i>	(beginning) 1 July 2009	8/08
AASB 2008–9	<i>Amendments to AASB 1049 for Consistency with AASB 101</i>	(beginning) 1 January 2009	9/08
AASB 2008–10	<i>Amendments to Australian Accounting Standards — Reclassification of Financial Assets [AASB 7, AASB 139]</i>	(ending) 1 July 2008	10/08
AASB 2008–11	<i>Amendments to Australian Accounting Standards — Business Combinations Among Not-for-Profit Entities [AASB 3]</i>	(beginning) 1 July 2009	11/08
AASB 2008–12	<i>Amendments to Australian Accounting Standards — Reclassification of Financial Assets — Effective Date and Transition [AASB 7, AASB 139, AASB 2008 10]</i>	(ending) 1 July 2008	12/08

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Standard	Title	Application date (annual reporting periods)	Issue date
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
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

Appendix B: Pronouncements

Standard	Title	Application date (annual reporting periods)	Issue date
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
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

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Standard	Title	Application date (annual reporting periods)	Issue date
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
AASB 2012-2	<i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities</i> [AASB 7 & AASB 132]	(beginning) 1 January 2013	6/12
AASB 2012-3	<i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities</i> [AASB 132]	(beginning) 1 January 2014	6/12
AASB 2012-4	<i>Amendments to Australian Accounting Standards – Government Loans</i> [AASB 1]	(beginning) 1 January 2013	6/12
AASB 2012-5	<i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle</i> [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]	(beginning) 1 January 2013	6/12

AAS series

Standard	Title	Application date (annual reporting periods)	Issue date
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

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Interpretation	Title	Application date (annual reporting periods)	Issue date
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
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	Consolidation — Special Purpose Entities	(beginning) 1 January 2005	12/04
113	Jointly Controlled Entities — Non-Monetary Contributions by Venturers	(beginning) 1 January 2005	7/04
115	Operating Leases — Incentives	(beginning) 1 January 2005	7/04
121	Income Taxes — Recovery of Revalued Non-Depreciable Assets	(beginning) 1 January 2005	7/04
125	Income Taxes — Changes in the Tax Status of an Entity or its Shareholders	(beginning) 1 January 2005	7/04
132	Intangible Assets — Web Site Costs	(beginning) 1 January 2005	7/04
127	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	(beginning) 1 January 2005	7/04
129	Disclosure — Service Concession Arrangements	(beginning) 1 January 2005	7/04
129	Service Concession Arrangements: Disclosures (revised)	(beginning) 1 January 2008	2/07
131	Revenue — Barter Transactions Involving Advertising Services	(beginning) 1 January 2005	7/04

Other Australian Interpretations

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

APPENDIX C

2012-13 AASB WORK PROGRAM

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

Table 1: Active projects;

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

Table 3: Agenda decisions to be made; and

Table 4: Other technical staff activities.

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

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

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

Project priorities

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

Glossary of abbreviations

AOSSG	Asian–Oceanian Standard-Setters Group
CP	consultation paper
DP	discussion paper
ED	exposure draft
ED(r)	revised exposure draft
FASB	Financial Accounting Standards Board (USA)
FRC	Financial Reporting Council (Australia)
IASB	International Accounting Standards Board
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 2012	Q4 2012	Q1 2013	Q2 2013	Estimated completion date
<u>Domestic NFP and public sector</u>							
1. GAAP/GFS harmonisation – entities within the GGS	H	All relevant AASB standards ED 212 closed	Collation of comments on specific issues				tbd
2. Related party disclosures by NFP public sector entities	M	ED 214 closed	Std(r)				Q3 2012
3. Control in the NFP public and private sectors (incl gaps in GAAP issue no. 10; and amendments to AASB 3 for restructures of local governments)	H	AASB 10 AASB 1050 Issues papers	ED	Std			Q4 2012 (phase 1)
4. Income from Transactions of NFP Entities (see also item 18 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	HoTARAC liaison; ED(r)				Dependent on timing of IFRS on Revenue recognition
5. Borrowing costs of NFP public sector entities	M	AASBs 123 & 2009-1				ED	H2 2013
6. Disclosures by NFP private sector entities (focus on identifying new financial and non-financial disclosures including service performance reporting)	H	NZ TPA-9 Issues papers	IPs	IPs	CP		tbd

Table 1: Active projects (continued)

Project	Priority	Status	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Estimated completion date
7. Carbon tax/emissions trading scheme (Government perspective)	H	Monitor IASB Presentation from constituents Staff paper on accounting for carbon tax – emitter perspective	Staff paper on accounting for carbon tax – government perspective				Pending outcome of consultation
<u>Other domestic</u>							
8. Superannuation entities	H	AAS 25 ED 179 closed ED closed 30 April 2012 Collation of comments	IP	Std			Q4 2012
9. Differential reporting/Reduced Disclosure Requirements – Stage 2 (incl Reporting Entity [SAC 1] & GPFR/SPFR)	H	AASB 1053 AASB 2010-2 Preliminary research reports in June, September, December 2011 and April 2012	Research and consultation	Research and consultation	Research and consultation	Research and consultation	tbd
10. Compilations	H	Amending Stds		Std			Ongoing
11. Withdrawal of AASB 1031 Materiality	L	AASB 1031		ED	Std(withdraw)		Q1 2013
<u>IASB – substantive AASB involvement</u>							
<u>IASB financial crisis related projects</u>							
12. Financial instruments – general hedge accounting	H	AASB 139 ED 208 (IASB ED) closed AASB comments on IASB ED		Std			Target IFRS Q4 2012

Table 1: Active projects (continued)

Project	Priority	Status	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Estimated completion date
13. Deferral of mandatory effective date of IFRS 9 until 1 January 2015 and on transition to IFRS 9 Disclosures	H	ED 215 (IFRS ED/2011/3) closed AASB comments on IASB ED IFRS 9(r) issued Dec 2011	Std(r)				AASB Std(r) Q3 2012
14. Financial instruments – impairment	H	AASB 139 ED 189 (IASB ED) closed ED 210 (2nd IASB ED(r)) closed AASB comments on IASB EDs (ED 189 and ED 210) AOSSG comments on IASB EDs (ED 189 and ED 210)		Re-exposure			tbd
15. Financial instruments – macro hedge accounting	H	AASB 139	Target DP	Target DP			tbd
16. Financial instruments – Classification and measurement (limited improvements)	H	AASB 9		Target ED			tbd
IASB Memorandum of understanding projects							
17. Leases	H	AASB 117 ED 202R (IASB ED) closed Workshop (IASB at AASB) AASB comments on IASB ED Supplementary AASB letter to IASB		Target ED (Re-exposure)			tbd
18. Revenue recognition (see also item 4 above)	H	AASBs 118 & 111 ED 198 (IASB ED) closed AASB comments on IASB ED Supplementary AASB letter to IASB IASB ED(2nd) Sept 2011	IASB consider comments received				H1 2013

Table 1: Active projects (continued)

Project	Priority	Status	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Estimated completion date
<i>IASB other projects</i>							
19. Transition Guidance (Proposed amendments to IFRS 10)	H	AASB ED 224 (IASB ED) closed IFRS amendments June 2012	Std				Q3 2012
20. Consolidation – investment entities	H	AASB 127 ED 220 (IFRS ED /2011/4) closed AASB comments on IASB ED			Std		Q1 2013
21. Annual improvements 2010 – 2012	M	AASB ED 225 closed 13 August 2012 IASB ED/2012/1 closes 5 September 2012	Comment on ED		Target Completion		Q1 2013
22. IASB three-yearly public agenda consultation	M	AASB ITC 25 closed AASB comments on IASB consultation		Consider IASB agenda decisions			Agenda decisions Q4 2012
23. Annual improvements 2011 – 2013	M		Target ED	Comment on IASB ED			tbd
24. Insurance contracts	H	AASBs 4, 1023(r) & 1038(r) ED 201 (IASB ED) closed AASB comments on IASB ED RT (AASB)	IASB review draft or revised ED				tbd
25. IAS 8 Effective date and transition methods	M	AASB 108	ED				tbd
<i>IASB ongoing</i>							
26. Actively monitor IFRS implementation	H	Relevant standards					Ongoing

Table 1: Active projects (continued)

Project	Priority	Status	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Estimated completion date
<i>IASB conceptual framework</i>							
27. Conceptual framework – Phase A: objective and qualitative characteristics	M	Framework IASB Chapters	Ballot draft of revised Framework Consider NFP guidance on revised Framework Issue NFP guidance				tbd
28. Conceptual framework – Phase B: elements and recognition	M	Framework	IASB DP	IASB DP	IASB DP	IASB DP	tbd
29. Conceptual framework – Phase C: measurement	M	Framework	IASB DP	IASB DP	IASB DP	IASB DP	tbd
30. Conceptual framework – Phase D: reporting entity	M	Framework ED 193 (IASB ED) closed AASB comments on IASB ED IASB plans to recommence development of Conceptual Framework during 2012	Chapter	Chapter	Chapter	Chapter	tbd
<u>IPSASB convergence</u>							
31. Conceptual framework – public sector perspectives	M	Part of IPSASB Advisory Panel Member of NSS-4 monitoring group re IASB CF IPSASB ED (Phase 1) closed IPSASB CP on Elements (Phase 2) closed IPSASB CP on Measurement (Phase 3) closed IPSASB CP on Presentation (Phase 4) closed AASB's comments on IPSASB ED (Phase 1), CPs (Phases 2, 3 and 4) and on IPSASB ED on key characteristics of the public sector	Continue to monitor IPSASB work	Continue to monitor IPSASB work	Continue to monitor IPSASB work	Continue to monitor IPSASB work	tbd

Table 1: Active projects (continued)

Project	Priority	Status	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Estimated completion date
32. Service concession arrangements: grantor	H	Interpretation 12 ED 194 (including IPSASB ED) closed AASB response to IPSASB ED IPSAS 32	Consider IPSAS 32 as basis for ED	ED			tbd
<u>Other international</u>							
33. NZ convergence – Tier 2 entities	M	Both jurisdictions converging with IASB AASB 1053		Monitoring NZASB plans to promulgate a differential approach for Tier 2 entities – ready to liaise when necessary.			Ongoing
34. NFP criteria/NZ convergence – NFP entities	M	Process for Modifying IFRSs for NFP/PBE		Process to be amended on an ongoing basis as required. Monitor convergence opportunities within the NZASB's policy of using IPSASs, with some amendments for application outside the public sector.			Ongoing
35. Conceptual framework – NFP entity perspectives (shadowing IASB/FASB/IPSASB projects – see items 27 – 31 above)	M	Part of NSS-4/ IPSASB WG IP issued					NA
36. Intangible assets (DP 'initial accounting for internally generated intangible assets')	L	AASBs 138 & 3 AASB staff DP AASB comment to NSS on DP Project plan for post-implementation review of initial accounting for intangible assets under IFRS 3 Preparer survey closed User survey closed	Analyse survey responses	Presentation to IFASS			tbd

Table 1: Active projects (continued)

Project	Priority	Status	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Estimated completion date
<u>Improvements</u>							
37. Managed investment schemes (related party disclosures – are members of key management personnel (KMP) necessarily people?)	H	AASB 124 Referred to IFRS IC Report to Australian Treasury Presentation of KMP issue to NSS meeting Referred to IASB jointly with FRSB and with NSS support IASB has agreed to propose changing IAS 24 to identify entities that provide KMP services as a related party of the reporting entity ED 225 (IFRS ED/2012/1) closed 13 August 2012	Comment on ED	Consultation			Q1 2013
<u>Post-implementation</u>							
38. IFRS 8 Operating Segments	M	IASB has invited AASB to assist it in its post-implementation review of IFRS 8 ITC 27 – Request for Comment on IASB Request for Information on Post-implementation Review: IFRS 8 Operating Segments closes 11 October 2012		AASB submission			tbd
39. IFRS for SMEs – Comprehensive Review	M	IASB Request for Information closes 30 November 2012		AASB submission			tbd
40. IFRS 3 Business Combinations	M	IASB has proposed to review the implementation of IFRS 3		Initiate review	Initiate review		tbd

Table 2: Inactive projects (subject to resources)

Project	Priority	Status	2012 plus
<u>Domestic NFP and public sector</u>			
1. Performance indicators [public sector] (incl gaps in GAAP issue no.32 non-financial performance indicators, and consider NZ approach to Statement of Service Performance and IPSASB's future proposals on reporting of service performance information)	H	Related to Disclosures by private sector NFP entities (see also item 6 in Table 1)	IP
2. Disaggregated disclosures	H	AASB 1052	IP
3. Budget reporting beyond GGS and WoG (gaps in GAAP issue no.26)	M	AASB 1049	IP and ED
4. Measurement of contributions by owners as owners	L		IP
5. Review of Interpretation 1038 <i>Contributions by Owners Made to Wholly-Owned Public Sector Entities</i>	L	Interpretation 1038 Review will be undertaken separately from the ED on Income from transactions of NFPs	Consider IP
6. Compliance with parliamentary appropriations and other externally-imposed requirements (see also item 4 in Table One above)	L	AASB 1004	ED(r) Std
7. Summary financial reports and MD&A	L	NZ FRS-39 Summary Financial Reports IFRS Practice Statement Management Commentary IPSASB ED 47 Financial Statement Discussion and Analysis AASB response to IPSASB ED	Monitor IPSASB

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

Project	Priority	Status	2012 plus
8. Currency (notes and coins) on issue	L	AASB 139 IPSAS 28,29 & 30, but this and other PS specific issues in IPSASB EDs 37-39 deferred IP	Liaise with constituents
9. Other gaps in GAAP for NFP public sector entities	L	Various Stds IP Correspondence (Q4 2009) from Australian Council of Auditor-Generals (ACAG) and Heads of Treasuries Accounting & Reporting Advisory Committee (HoTARAC) Further correspondence from HoTARAC 28 July 2011 and meeting	Board deliberation Consult key constituents IPs on selected topics
<u>Other domestic</u>			
10. Review of Interpretations	L	Various Interpretations	IP
<u>IFRS Foundation</u>			
11. The annual improvements process	L	ITC 24 – AASB comments to IFRS Foundation IFRS Foundation ITC about IASB and IFRS IC Due Process Handbook AASB response to ITC	Monitor developments
<u>IPSASB convergence</u>			
12. Public sector combinations	M	AASB 3 No outcome from IPSASB ED 41 IPSASB CP Draft response to IPSASB CP	Monitor IPSASB
13. Heritage assets	L	AASB 116 IPSASB CP – further work deferred	Monitor IPSASB
14. Reporting on the Long-Term Sustainability of a Public Sector Entity's Finances	M	AASB 137 ITC 22 (including IPSASB CP) closed AASB response to IPSASB CP IPSASB ED 46	Monitor IPSASB ED

Table 3: Agenda decisions to be made

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

Table 4: Other technical staff activities

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

APPENDIX D

LIST OF REQUIREMENTS

Description	Requirement	Page/s
Introduction		3
Letter of transmittal	Mandatory	iii
Table of contents	Mandatory	v
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Glossary	Mandatory	vii
Contact officer(s)	Mandatory	ix
Internet home page address and Internet address for report	Mandatory	ix
Review by Secretary		
Review by departmental secretary	Mandatory	3
Summary of significant issues and developments	Suggested	3
Overview of department's performance and financial results	Suggested	20
Outlook for following year	Suggested	4
Significant issues and developments – portfolio	Suggested	3
Departmental Overview		
Role and functions	Mandatory	13
Organisational structure	Mandatory	36
Outcome and program structure	Mandatory	15
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	15
Portfolio structure	Portfolio departments - mandatory	36

Description	Requirement	Page/s
Report on Performance		
Review of performance during the year in relation to programs and contribution to outcomes	Mandatory	19
Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory	19
Where performance targets differ from the PBS/ PAES, details of both former and new targets, and reasons for the change	Mandatory	15
Narrative discussion and analysis of performance	Mandatory	19
Trend information	Mandatory	19
Significant changes in nature of principal functions/ services	Suggested	n/a
Performance of purchaser/provider arrangements	If applicable, suggested	45
Factors, events or trends influencing departmental performance	Suggested	n/a
Contribution of risk management in achieving objectives	Suggested	n/a
Social inclusion outcomes	If applicable, mandatory	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	20
Discussion of any significant changes from the prior year, from budget or anticipated to have a significant impact on future operations	Mandatory	20
Agency resource statement and summary resource tables by outcomes	Mandatory	20

Description	Requirement	Page/s
Management and Accountability		
Corporate Governance		
Agency heads are required to certify that their agency comply with the Commonwealth Fraud Control Guidelines	Mandatory	42
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
Corporate and operational planning and associated performance reporting and review	Suggested	19
Approach adopted to identifying areas of significant financial or operational risk	Suggested	n/a
Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	42
How nature and amount of remuneration for SES officers is determined	Suggested	n/a
External Scrutiny		
Significant developments in external scrutiny	Mandatory	42
Judicial decisions and decisions of administrative tribunals	Mandatory	94
Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman	Mandatory	50
Management of Human Resources		
Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	43
Workforce planning, staff turnover and retention	Suggested	n/a
Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and AWAs	Suggested	n/a
Training and development undertaken and its impact	Suggested	44
Work health and safety performance	Suggested	94
Productivity gains	Suggested	n/a
Statistics on staffing	Mandatory	43

Description	Requirement	Page/s
Management of Human Resources (continued)		
Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory	43
Performance pay	Mandatory	43
Assets management		
Assessment of effectiveness of assets management	If applicable, mandatory	n/a
Purchasing		
Assessment of purchasing against core policies and principles	Mandatory	44
Consultants		
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	44
Australian National Audit Office Access Clauses		
Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	44
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Description	Requirement	Page/s
Other Mandatory Information		
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Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	Mandatory	94
Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory	94
Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	If applicable, mandatory	n/a
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Disability reporting – explicit and transparent reference to agency-level information available through other reporting mechanisms	Mandatory	45
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