



**Issue:** Number 122  
**Date:** 9 February 2009  
**Subject:** AASB Meeting 95, 5 February 2009

## Board Membership

The Board welcomed Victor Clarke, Partner, PricewaterhouseCoopers and Ian McPhee, Auditor-General, Australian National Audit Office, to their first meeting as members of the Board. Both are appointed for the period 1 January 2009 to 31 December 2011.

Colin Parker retires from the Board on 14 February 2009. The Board expressed its appreciation for the contributions he has made to standard setting and the activities of the Board since his appointment in February 2006.

## Superannuation Plans and Approved Deposit Funds

The Board considered a revised version of a draft ED *Superannuation Plans and Approved Deposit Funds* and decided to:

- (a) propose that parent superannuation plans and parent approved deposit funds recognise and present a 'discount of subsidiaries' as a remeasurement gain in their consolidated income statements in the period in which it occurs subsequent to initial recognition;
- (b) propose that a superannuation plan with defined benefit members:
  - (i) recognise and present the difference between any remeasurement change in defined benefit members' accrued benefits during a reporting period and the net contributions received and receivable in relation to such members in the same reporting period as a gain or loss in the income statement; and
  - (ii) disclose the components of any remeasurement change in such members' accrued benefits in the notes;
- (c) clarify that, for the purpose of disclosing information about how a superannuation plan or approved deposit fund arranges and manages its assets, the 'through the eyes of management' approach used in AASB 8 *Operating Segments* should be applied, which in some circumstances may give rise to disclosures about groups of assets based on member investment choices;
- (d) clarify that, unless life insurance cover is offered to members of a superannuation plan directly by an external insurer (with the plan only acting as an agent of the insurer), insurance premiums would be recognised as expenses and proceeds from insurance policies would be recognised as income by the plan;

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- (e) clarify that a 'hybrid' superannuation plan could present a single statement of changes in members' benefits rather than separate statements for defined contribution and defined benefit members; and
- (f) not require a superannuation plan or approved deposit fund to disclose information about its expected rates of return.

The Board will consider a further draft ED at its April 2009 meeting with a view to approving it for public comment.

## Income from Non-Exchange Transactions

The Board considered an issues paper on whether property taxes, in particular local government rates, include both exchange and non-exchange components and on identifying the taxable event. The Board decided not to add guidance on these issues to the draft ED which is based on IPSAS 23 *Revenue from Non-Exchange Transactions (Taxes and Transfers)*. However, the ED will include specific matters for comment on the issues.

## Borrowing Costs

The Board approved ED 176 *Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities*, which proposes that not-for-profit public sector entities be able to choose whether to expense or capitalise borrowing costs relating to qualifying assets by deferring the mandatory adoption of the capitalisation approach. ED 176 will be available on the website shortly. Comments are requested by 31 March 2009, including on whether the option should also be available to not-for-profit private sector entities.

## Interpretations

### *Australian Superannuation Contributions Tax*

The Board approved the issue of a Proposed Interpretation *Australian Superannuation Contributions Tax for Defined Benefit Plans* and requests comments on the proposals by 31 March 2009. The Proposed Interpretation will be available on the website shortly.

### *Proposed Amendments to AASB Interpretations*

The Board approved the issue of ED 175 *Post-Implementation Amendments to AASB Interpretations*, which includes IASB ED/2009/1. ED 175 proposes amendments to Interpretation 9 *Reassessment of Embedded Derivatives* and Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*. The Board requests comments by 25 February 2009. The comments will be considered in preparing a submission to the IASB. ED 175 will be available on the website shortly.

## Consolidated Financial Statements

The Board received a presentation on the principal proposals in ED 171 *Consolidated Financial Statements*, which includes the IASB's ED 10. ED 171 proposes a single Standard on consolidation to replace the consolidation requirements in AASB 127 *Consolidated and Separate Financial Statements* and Interpretation 112 *Consolidation –*

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*Special Purpose Entities.* The main objective is to establish a single basis for consolidation using the control model. The Board noted that submissions from constituents are due by 22 February 2009 and will be considered by the Board in preparing its submission to the IASB.

## Emissions Trading

The Board noted that the Australian Government's White Paper on the Carbon Pollution Reduction Scheme indicates that the IASB should determine the accounting requirements for emissions-related assets and liabilities in Australia. The Board will continue to monitor the IASB's progress on this project.

## Minutes

The Board approved the minutes of Meeting 94 held on 17-18 December 2008. These are now available on the website.

## Next Meeting on 4-5 March 2009

It is anticipated that the Board will deal with the following items:

- Conceptual Framework (IPSASB Project)
- Consolidated Financial Statements
- Differential Reporting
- IASC Foundation Constitution Review
- Income from Non-Exchange Transactions
- Insurance Contracts (update on IASB project)
- Internally Generated Intangible Assets (Discussion Paper)
- Interpretations
- Related Party Disclosures (ED 170)
- Revenue Recognition (IASB Discussion Paper)

## 2009 Meeting Dates

Remaining meeting dates for 2009 are:

- 4-5 March
- 22 April
- 20-21 May
- 24-25 June
- 29-30 July
- 23-24 September
- 28-29 October
- 9-10 December

Unless indicated otherwise, meetings are held in Melbourne.

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