



**Issue:** Number 124  
**Date:** 23 April 2009  
**Subject:** AASB Meeting 97, 22 April 2009

## Board Membership

The Board was informed that Brett Rix, Manager, Group Accounting – Policy and Governance, BHP Billiton Ltd has been reappointed as a member for a further term ending 31 December 2011.

## Asian-Oceanian Standards Setters Group (AOSSG)

Acting Chairman, Bruce Porter and the AASB's Technical Director, Angus Thomson, attended a preparatory meeting held in Beijing for the formation of the AOSSG, the objectives of which include promoting the adoption of, or convergence with, IFRSs in the region and participating in the development of IFRSs. The first meeting of the AOSSG will be hosted by Malaysia in November 2009.

## Superannuation Plans and Approved Deposit Funds

The Board considered a revised version of a draft ED and formally approved ED 179 *Superannuation Plans and Approved Deposit Funds* for issue, subject to making a number of amendments. The amendments agreed by the Board at the meeting included:

- (a) the illustrative financial statements in Appendix C should be replaced with statements that contain amounts clearly showing the linkages between the various financial statements;
- (b) the guidance in Appendix B should be amended to clarify that, consistent with the approach under AASB 119 *Employee Benefits* for measuring defined benefit obligations, defined benefit members' accrued benefits should be measured on a 'best estimates' basis; and
- (c) the ED should include a question asking constituents whether information about the components of a remeasurement change in defined benefit members' accrued benefits, particularly benefit cost, interest cost and actuarial gains or losses, would be useful to users and, if so, how this information should be presented.

The Board decided to have a four-month comment period from the date of issuing the ED. ED 179 will be available on the website shortly. The Board expects to conduct roundtable discussions with constituents on ED 179 over the coming months.

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## Income from Non-Exchange Transactions

The Board is carrying out a short-term project jointly with the NZ Financial Reporting Standards Board (FRSB) to develop a common Standard based on IPSAS 23 *Revenue from Non-Exchange Transactions (Taxes and Transfers)*.

The Board discussed a revised draft ED and decided to propose that the resulting Standard should take precedence over AASB 139 *Financial Instruments: Recognition and Measurement* in relation to the recognition of financial assets and financial liabilities arising under non-exchange transactions. However, the Board agreed that their measurement should be as specified in AASB 139. The Board decided to add an example to the draft Implementation Guidance, and to request comments on the issue in the Preface to the ED. The FRSB is expected to consider these matters at its next meeting.

The Board decided to further consider, at its next meeting, whether the ED should propose the retention of all or part of AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

## Revenue Recognition

The Board discussed views expressed by constituents at roundtables held on ITC 18 "Request for Comment on IASB Discussion Paper *Preliminary Views on Revenue Recognition in Contracts with Customers*" and considered a preliminary draft submission to the IASB. The discussion focused on the DP's differential guidance on goods and services provided, and the extent to which the DP emphasises physical delivery in identifying when control of goods transfers to customers. The Board agreed to finalise its submission at its May meeting following consideration of comment letters from constituents.

## Presentation of Financial Statements

The Board considered comment letters from constituents and views expressed at roundtables held on ITC 19 "Request for Comment on IASB Discussion Paper *Preliminary Views on Financial Statement Presentation*". The Board agreed that its submission should express concerns about a number of the proposals in the IASB's DP, including the manner in which the 'management approach' as a basis for determining classifications is proposed to be implemented, and the extent of the proposed disclosures. The submission will be finalised out-of-session and made available on the website shortly.

## Borrowing Costs

The Board considered comment letters from constituents on ED 176 *Proposed Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities* and made AASB 2009-1 *Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities* (AASB1, AASB 111 and AASB 123). Consistent with the proposals in ED 176, AASB 2009-1 amends AASB 123 *Borrowing Costs* by reintroducing the option to allow not-for-profit public sector entities to expense all borrowing

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costs as incurred. AASB 2009-1 is applicable to annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009, with early adoption permitted. AASB 2009-1 will be available on the website shortly.

## Financial Instruments

The Board made AASB 2009-2 *Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments* (AASB 4, AASB 7, AASB 1023 and AASB 1038) and AASB 2009-3 *Amendments to Australian Accounting Standards – Embedded Derivatives* (AASB 139 and Interpretation 9) following amendments issued by the IASB in March 2009. AASB 2009-2 is applicable to annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009, with early adoption permitted. AASB 2009-3 is applicable to annual reporting periods ending on or after 30 June 2009, with early adoption not permitted. AASB 2009-2 and AASB 2009-3 will be available on the website shortly.

The Board decided to revise its approach to the presentation of amendments to Australian Accounting Standards. AASB 2009-2 and AASB 2009-3 will show relevant amendments to paragraphs by using underlining, striking out and other typographical material to identify the amendments to the Standards, in order to make the amendments more understandable and more consistent with the approach used by the IASB when making amendments to IFRSs.

## Interpretations

### *Australian Superannuation Contributions Tax*

The Board considered comment letters from constituents on Proposed Interpretation AASB 10XX *Australian Superannuation Contributions Tax* and IASB observer notes on taxes relating to pension costs discussed at the IASB's March 2009 meeting. The Board noted that the IASB tentatively agreed to propose to amend the definition of 'return on plan assets' so that it would refer to taxes that have not been included in the actuarial assumptions used to measure the defined benefit obligation, which would mean that some taxes could be taken into account in measuring the defined benefit obligation. In view of this development, the Board decided not to issue an Interpretation at this stage, to offer assistance to the IASB on the proposals, and closely monitor the IASB's deliberations.

## Consultative Group

The Board will meet with its Consultative Group on Wednesday 20 May 2009. Details of the meeting, which will be held in public, will be available on the website shortly.

## Minutes

The Board approved the minutes of Meeting 96 held on 4-5 March 2009. These are now available on the website.

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## Next Meeting on 20-21 May 2009

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

- Annual Improvements
- Corrections to Standards
- Differential Reporting
- Financial Instruments
- IASB Insurance Project
- Income from Non-exchange Transactions
- Interpretations
- Policies and Processes
- Revenue Recognition.

## 2009 Meeting Dates

Remaining meeting dates for 2009 are:

- 20-21 May (including Consultative Group on morning of 20 May)
- 24-25 June
- 29-30 July
- 23-24 September
- 28-29 October (joint meeting with FRSB)
- 9-10 December.

Unless indicated otherwise, meetings are held in Melbourne.

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