



Introduction

The Australian Accounting Standards Board (AASB) has updated its [Work Program](#). In updating its Work Program the AASB incorporated feedback from Australian constituents to Invitation to Comment ITC 34 *AASB Agenda Consultation 2017–2019*¹ as set out below.

The AASB Agenda Consultation process

ITC 34 sought views on projects to add to AASB Work Program that were strategically aligned to the AASB's 2015-2019 Strategy², with a particular focus on taking a leadership role in shaping the Australian Reporting Framework; and broadening work beyond 'conventional' financial reporting.

The projects needed to address financial reporting issues that relate to:

1. public sector entities;
2. not-for-profit (NFP) entities; or
3. Australian-specific issues relating to for-profit entities.

The objective was also to include a number of research projects to demonstrate the AASB's commitment to utilising its Research Centre to facilitate and substantiate thought leadership on financial reporting issues.

Prioritising projects

In prioritising individual projects on its Work Program and allocating resources to them, the AASB considered various factors, including:

- the importance of the issue to those who use financial reports, including the range and extent of those to whom the issue might apply, and whether it impacts for-profit and NFP entities
- interactions with other current or possible projects
- the complexity and breadth of the problem to be resolved, and the feasibility of possible solutions being developed
- the capacity of stakeholders to respond to proposals, both as individual proposals and across the work program as a whole
- the overall balance of the work plan and the overall balance in the pipeline of research projects that may ultimately come forward to the standards-level work program, including a balance of NFP, public sector and other projects
- the availability of sufficient staff resources.

Submissions received on ITC 34 are available on the [AASB website](#) and helped determine the importance of issues to those who use and prepare financial reports.

AASB Work Program

In its May 2017 meeting, the Board determined and prioritised projects for inclusion in the AASB Work Program (Table 1). These projects will be tightly scoped to facilitate completion in a timely manner.

The Board considers that all major issues identified in responses to the ITC have been incorporated into the Work Program.

The Board also decided to continue work on key projects in its previous Work Program. It noted the need to accelerate progress on the Australian Reporting Framework project as a priority during 2017–2019.

¹ [AASB Agenda Consultation 2017–2019, November 2015](#)

² [AASB Strategy, 2015–2019](#)



Table 1. AASB Work Program – key new projects

AASB new projects	Project scope
1. AASB 13 <i>Fair Value Measurement</i>: its application to NFP public sector entities	To clarify the application of AASB 13 <i>Fair Value Measurement</i> to NFP public sector entities regarding obsolescence, restrictions and disclosures.
2. AASB 15 <i>Revenue from Contracts with Customers</i>: clarification of the accounting by grantors of public sector licences	To clarify the accounting by grantors of public sector licences, including whether they are within the scope of AASB 15 <i>Revenue from Contracts with Customers</i> , and if not, whether there is a need to develop specific accounting requirements.
3. Benchmarking: senior executive remuneration	To conduct research and undertake a benchmarking exercise on senior executive remuneration reporting for both the public and private sectors, consistent with the AASB's strategy to explore external reporting topics that are also relevant to external users of financial statements.
4. AASB 1049 <i>Whole of Government and General Government Sector Reporting</i>: exploration of its fair value asset measurement requirements	To engage an independent party to perform a cost/benefit analysis of AASB 1049 <i>Whole of Government and General Government Sector Reporting</i> , in response to constituent concerns regarding the benefits of its fair value asset measurement requirements.
5. Develop guidance for co-operatives and mutual entities	To develop and deliver guidance for co-operatives and mutual entities to encourage the consistent application of Australian Accounting Standards, and to improve user understanding of the financial statements.
6. Research: discount rates	To conduct preliminary research on long-term discount rates and the impact of the volatility of spot discount rates on defined benefit liabilities of the public sector.

Submission: International Public Sector Accounting Standards Board (IPSASB) Exposure Draft

Noting the likelihood that IPSASB's Social Benefits project will inform future Australian accounting for social benefits, the board decided to make a submission on the IPSASB's Exposure Draft in due course.

Projects under consideration

The Board also decided:

1. Not to add separate projects to its work plan on contributions by owners or public sector combinations. Instead, the AASB will review existing accounting for:
 - a) contributions by owners as part of its Conceptual Framework project
 - b) public sector combinations as part of its Business Combinations under Common Control project.
2. Not to conduct further work on the accounting for volunteer services at this time.

This project is likely to be informed by the Post-Implementation Review of AASB 1058 *Income of Not-for-Profit Entities* and how preparers respond to its voluntary disclosures and the quality of information reported to the Australian Charities and Not-for-profits Commission over the next few years.

The Board further observed that AASB 1058 encourages NFP entities to provide information that will communicate to users their dependence on volunteer services.

The Board also noted it will continue to review the other areas identified in submissions to ITC 34 should projects be completed early or additional specialist resources are made available.