



**Subject:** Minutes of the 159<sup>th</sup> meeting of the AASB  
**Venue:** TEQSA Offices, Level 14, 530 Collins Street, Melbourne  
**Time(s):** Tuesday, 15 August 2017 from 10:00 a.m. to 5:30 p.m.

All agenda items were discussed in public, except for items 1(a), 4(b), 9, 10 and 11

## Attendance

Members	Kris Peach (Chair) Regina Fikkers (Deputy Chair) (via teleconference) Mike Blake Kimberley Crook (via teleconference) Peter Gibson Andrew Kearnan Carmen Ridley (until 4.30pm) Taryn Rulton Marc Smit (arrival 11.00am) Stephen Taylor (arrival 10.15am) Megan Wilson John O'Grady (Observer)
Apologies	–
In Attendance Staff	Garima Ahuja (in part) Clark Anstis Tim Austin (in part) Chris Gillman (in part) Kala Kandiah Justine Keenan (in part) Robert Keys (in part) Stella Yun (in part)
Other	Kerry Hicks (Item 4(a)) Patricia McBride (Item 3, 4(a), 4(b), 5) Susan Pascoe (Item 3, 4(a), 4(b)) Roger Simnett (Item 3, 4(a), 4(b), 7, 8, 9, 10, 11) Melville Yates (Item 3, 4(a), 4(b))



## Agenda and Declaration of Interests

Agenda Item 1

### Declarations of Interest

Members indicated that, in the normal course of their day-to-day professional responsibilities, they deal with a broad range of financial reporting issues. Members have adopted the standing policy in respect of declarations of interest that a specific declaration will be made where there is a particular interest in an issue before the Board. At this meeting, Stephen Taylor declared a new appointment to The Academic Board of Plato Investment Management and as Deputy Chairman of SIRCA Limited.

### Chair Report

#### External Meetings

The Chair provided the Board with an update on outreach activities including:

- The Board noted the appointment and formally welcomed Professor Stephen Taylor to the AASB Board.
- Australian Taxation Office – Taxation Disputes. A joint paper will be completed for the Minister.
- AASB will complete an FAQ on the new superannuation forms based on AAS25 from APRA.

## Minutes and Approvals Out of Session

Agenda Item 2

The Board approved the minutes of the one hundred and fifty-eighth meeting, held on 27 June 2017.

The Board noted the out-of-session approval of consultation documents and Standards.

## Presentation – Update on ACNC Activities

Agenda Item 3

The ACNC Commissioner, Susan Pascoe, and the Director, Reporting and Red Tape Reduction, Mel Yates, presented an overview of the charities sector, including the ACNC's review of charity financial statements and regulatory arrangements for simplifying the financial reporting requirements of charities registered as incorporated associations in State and Territory jurisdictions.

## Australian Financial Reporting Framework – Draft Research Report on Charities

Agenda Item 4(a)

Staff provided a progress report on the AASB Research Report on financial reporting requirements for charities. The Board decided the research to date was sufficient as a basis for identifying (a) issues with the current reporting framework in Australia for charities and (b) the findings and implications from the research relevant to improving the reporting framework. Accordingly, the Board decided the Research Report (together with an executive summary) should be published as soon as possible. The Research Report will



provide a context for the subsequent Consultation Paper on possible options for improving the financial reporting framework applicable to charities registered with the Australian Charities and Not-for-profits Commission (ACNC), an early draft of which was also discussed by the Board (see below).

Action: Staff  
Board Members

## Australian Financial Reporting Framework – Draft Consultation Paper on Charities

Agenda Item 4(b)

In relation to the Consultation Paper referred to above, the Board decided:

- (a) the Paper should clearly explain the basis for considering changing the current financial reporting framework for charities and the respective roles of the AASB and regulators in developing a revised framework;
- (b) to issue the Paper to enable adequate input into the legislative review of the ACNC, which is due to commence in December; and
- (c) key stakeholders should be engaged early in the process, with outreach planned jointly with the ACNC to discuss possible options for improving the framework.

The Board and the ACNC Commissioner, Susan Pascoe, agreed the ACNC should have significant input into the Paper.

Action: Staff  
Board Members

## Licences

Agenda Item 5

The Board decided licence arrangements of not-for-profit public sector entities in substance have features that distinguish them from other arrangements, such as taxes (as defined in AASB 1058 *Income of Not-for-Profit Entities*). Those features, including that licences are discretionary and create certain kinds of rights for a licensee, are useful for delineating the scope of the project.

The Board also clarified the accounting standards ‘gap’ in respect of licence arrangements by identifying licence types not adequately addressed by current AASB Accounting Standards. Based on examples and analysis of the AASB Standards that could apply, the Board decided that licences that do not fall within



AASB 1059 *Service Concession Arrangements: Grantors* or AASB 16 *Leases* should be subject to the principles of AASB 15 *Revenue from Contracts with Customers*, with additional guidance.

An issues paper to be considered by the Board in a future meeting will address application guidance that could accompany AASB 15 for not-for-profit public sector entities. The paper will also consider any practical implications.

Action: Staff  
Board Members

## Presentation – Update on EFRAG Activities

Agenda Item 6

Patricia McBride, Technical Director of the European Financial Reporting Advisory Group (EFRAG), presented an overview of EFRAG's structure and activities, including the European endorsement process for IFRS Standards and EFRAG's proactive work on accounting issues.

## Reduced Disclosure Requirements

Agenda Item 7

The Board tentatively decided after considering the feedback on Exposure Draft ED 277 *Reduced Disclosure Requirements for Tier 2 Entities* to:

- (a) progress the project in conjunction with the New Zealand Accounting Standards Board;
- (b) conduct further outreach regarding the key disclosure areas as the base for identifying required disclosures. A wider range of users and preparers of Tier 2 financial statements in the for-profit and not-for-profit sectors will be consulted;
- (c) conduct further outreach regarding the method of presenting the reduced disclosure requirements in AASB Standards, focussing on preparers; and
- (d) consider Specific Matters for Comment 4, 5 and 6 – the approaches to accounting policy requirements, guidance paragraphs and cross-referencing – after a decision is made on the presentation method, as these are directly linked.

Action: Staff  
Board Members



## Work Program and KPIs for AASB Strategy

Agenda Item 8

The Board confirmed the proposed work program and approved its publication on the website.

The Board commented on a number of the proposed KPIs, noting the difficulty of assessing interim performance on long-term projects and the quality of technical papers (in addition to the quantity).

Action: Staff  
Board Members

## For-Profit and Not-for-Profit Standard-Setting Frameworks

Agenda Item 9

The Board decided that after final input from the Financial Reporting Council, the draft policy statements addressing the for-profit and not-for-profit standard-setting frameworks to be applied by the Board in finalising AASB Standards should be published on the website for public comment, with a three-month comment period.

Action: Staff  
Board Members

## Close of Meeting

The Chair closed the meeting at 5:30 pm on Tuesday, 15 August 2017.

## Approval

Signed by the Chair as a correct record  
this tenth day of October 2017