



**Subject:** Minutes of the 86<sup>th</sup> meeting of the AASB  
**Venue:** Ken Spencer Room, AASB offices  
Level 7, 600 Bourke St, Melbourne  
**Time(s):** Thursday 17 April 2008 from 8:30 a.m. to 4:30 p.m.

All agenda items except items 2, 3 and 10 were discussed in private.

## ATTENDANCE

**Members** David Boymal (Chairman)  
Sue Highland  
Mark Jenkin  
Jan McCahey  
John O'Grady  
Frank Palmer  
Colin Parker  
Des Pearson (from 12:45 p.m.)  
Bruce Porter

**Observer** Peter Batten (IPSASB Member) (Agenda items)

**In attendance** Kimberley Crook (New Zealand FRSB)

**Apologies** Glenn Appleyard  
Kris Peach  
Des Pearson (from 8:30 a.m. to 12:45 p.m.)  
Joanna Perry  
Brett Rix  
Judith Downes (SAC Member)  
Warren McGregor (IASB Member)

**Staff** Dean Arden (in part)  
Natalie Batsakis (in part)  
Aletta Boshoff (in part)  
Geoff Harris  
Robert Keys  
Jim Paul (in part)  
Angus Thomson (in part)

## **APOLOGIES, AGENDA, MINUTES AND MATTERS ARISING FROM MINUTES**

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.

### **Minutes**

The Board confirmed the minutes of the 85th meeting held on 5-6 March 2008.

### **CHAIRMAN'S REPORT**

The Chairman informed members of the following:

- (a) that legislation regarding the AASB becoming a *Financial Management and Accountability Act* agency is expected to be introduced in June 2008;
- (b) of impending funding concerns in view of the end of funding arrangements with the Accounting Bodies and the Australian Securities Exchange;
- (c) an additional one-day meeting in late August will be required to finalise and approve an Exposure Draft on accounting by superannuation plans and approved deposit funds; and
- (d) the National Standard Setters meeting held in Melbourne on 28-29 March, 2008 was successful and that notes on the meeting will be provided to Board members.

Action:

Staff

### **SUPERANNUATION PLANS AND APPROVED DEPOSIT FUNDS**

Agenda item 2

The Board had before it:

- (a) a memorandum from Dean Ardern dated 8 April 2008 (Agenda paper 2.1);
- (b) an issues paper: obligations for superannuation plans for member benefits (Agenda paper 2.2); and
- (c) an issues paper: implications of AASB 132 amendments for superannuation plans (Agenda paper 2.3).

The Board considered Agenda Paper 2.2 and tentatively agreed that:

- (a) the obligation to meet a member's defined contribution entitlements falls on the member's superannuation plan or approved deposit fund (ADF) and the obligation is legally enforceable in nature. Accordingly, members' defined contribution entitlements should be treated as liabilities of a superannuation plan or an ADF;

- (b) the obligation to meet a member's defined benefit entitlements as specified in the trust deed of the member's superannuation plan falls primarily on the member's plan and the obligation is contractual and/or constructive in nature. Accordingly, members' defined benefit entitlements should be treated as liabilities of a superannuation plan;
- (c) a member's accrued benefits is the most meaningful measure of a superannuation plan's or an ADF's obligations to the member. Accordingly, the accrued benefits of members of a superannuation plan or an ADF should be recognised as liabilities in the financial statements of the plan or the ADF;
- (d) the accrued benefits of defined benefit members of a superannuation plan should be measured in accordance with the approach in AASB 119 *Employee Benefits* in respect of defined benefit obligations except that:
  - (i) expected administration costs should be excluded from the measurement of accrued benefits; and
  - (ii) expected future benefit payments to defined benefit members should be discounted for the time value of money using a risk-free discount rate based on current observable, objective rates that relate to the nature, structure and term of the future benefit payments; and
- (e) vested and accrued benefits of members of a superannuation plan or an ADF should be measured on an annual basis. Consistent with (d), a plan or an ADF would be permitted to employ estimates, averages and computational shortcuts in the same manner as permitted by AASB 119 in respect of long-term employee benefits.

The Board noted that, by requiring superannuation plans to recognise the accrued benefits of their defined benefit members as liabilities, some plans would recognise a 'deficiency'. The Board also noted that the recently published PAAinE Discussion Paper *The Financial Reporting of Pensions* considers the implications of recognising such a deficiency such as also recognising an asset in the form of a receivable from the employer sponsor. Accordingly, the Board agreed to give further consideration to whether there is such an asset that would be recognised in the plan's financial statements and how it might be measured.

The Board considered Agenda Paper 2.3 and noted that application of the amendments to AASB 132 *Financial Instruments: Presentation* arising from AASB 2008-2 *Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation* to a superannuation plan or an ADF would give rise to different reporting outcomes depending upon:

- (a) whether the entity offered member investment choice to all of its members; and/or
- (b) whether members' benefits are defined contribution or defined benefit in nature.

The Board agreed that such reporting outcomes:

- (a) are inconsistent with the objectives of principles-based standard setting; and
- (b) would potentially diminish the comparability of the financial statements of superannuation plans and ADFs and, therefore, are inappropriate in a superannuation context.

Accordingly, the Board agreed that the amendments to AASB 132 arising from AASB 2008-2 should not apply to superannuation plans or ADFs under a replacement Standard for AAS 25 *Financial Reporting by Superannuation Plans*.

Action:

Staff

## INTERPRETATIONS

Agenda item 3

The Board had before it:

- (a) a memorandum from Aletta Boshoff dated 8 April 2008 re Interpretations (Agenda paper 3.1);
- (b) an update of all Australian interpretation issues in progress (IFRIC and domestic topics) as at 9 April 2008 (Agenda paper 3.2);
- (c) a memorandum from Jim Paul dated 11 April 2008 re IFRIC D24 *Customer Contributions* (Agenda paper 3.3);
- (d) draft AASB submission on IFRIC D24 (Agenda paper 3.4);
- (e) collation of comments on IFRIC D24 (Agenda paper 3.5);
- (f) FRSB staff memorandum *IFRIC D24 Customer Contributions* (Agenda paper 3.5A);
- (g) Australian constituents' submissions on IFRIC D24 (Agenda paper 3.6);
- (h) IFRIC Draft Interpretation D24 *Customer Contributions* (Agenda paper 3.7);
- (i) a memorandum from Natalie Batsakis dated 8 April 2008 re IFRIC D23 *Distributions of Non-cash Assets to Owners* (Agenda paper 3.8);
- (j) draft AASB submission on IFRIC D23 (Agenda paper 3.9);
- (k) Australian constituent responses to IFRIC D23 (Agenda paper 3.10);
- (l) IFRIC Draft Interpretation D23 *Distributions of Non-cash Assets to Owners* (Agenda paper 3.11);
- (m) a memorandum from Aletta Boshoff dated 9 April 2008 re Tentative and Final IFRIC Agenda Decisions (Agenda paper 3.12);

- (n) *IFRIC Update* (March 2008) (Agenda paper 3.13);
- (o) a memorandum from Joanna Spencer and Aletta Boshoff dated 8 April 2008 re Superannuation Contributions Tax Advisory Panel (Agenda paper 3.14); and
- (p) a copy of the draft comment letter of the European Financial Reporting Advisory Group on IFRIC D23 (Agenda paper 3.15 – tabled).

## **IFRIC Draft Interpretations D23 Distributions of Non-cash Assets to Owners**

The Board considered a draft AASB submission on IFRIC Draft Interpretation D23 *Distributions of Non-cash Assets to Owners*. The Board noted that, in practice, the majority of distributions of non-cash assets to owners are common control transactions and providing an Interpretation might provide a solution to the common control accounting issue. Accordingly, the Board agreed to acknowledge the need for accounting guidance in this area, and to express a preference that these types of transactions be dealt with as part of the IASB's project on common control transactions. Alternatively, if the project is progressed separately, the Board agreed that it should be dealt with by the IASB as an amendment to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

The Board discussed the following for inclusion in the submission:

- (a) IFRSs assume exchange transactions, however a distribution of non-cash assets to owners is a non-reciprocal transaction and, therefore, IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* is not necessarily the most appropriate Standard to account for a dividend payable. In addition, the Board disagreed with the justification discussed in paragraph BC15 which stated that IAS 39 *Financial Instruments: Recognition and Measurement* should not be considered because it does not deal with non-contractual obligations or liabilities to distribute non-financial assets to owners;
- (b) in some jurisdictions because a dividend payable might not be recognised, it is therefore not appropriate to address the issue from the perspective of the liability. The Board believes that an amendment to IFRS 5 requiring the asset to be distributed to be measured at its fair value less costs to sell would appropriately address the issue;
- (c) further consideration should be given to the appropriateness of using the terms 'dividend' and 'distribution' interchangeably in D23. Some Board members commented that this was also an issue with the IASB's ED – Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate; and
- (d) the gain on the asset is a holding gain and not as a result of the distribution to owners. However, there is not sufficient basis in the current suite of standards to allow transactions with owners to be recognised in profit or loss. The Board noted that there are arguments supporting the recognition of any difference between the carrying amount of the asset and the dividend payable in profit or loss as well as in equity. For this reason, the Board considers that the issue should be further justified in the Basis for Conclusions, otherwise a rethink of the accounting outcome is warranted.

The Board formed a sub-committee (Ms McCahey and Mr O'Grady) to help finalise the submission out-of-session, together with the Chairman.

Action:

Chairman  
Ms McCahey  
Mr O'Grady  
Staff

## **IFRIC Draft Interpretations D24 *Customer Contributions***

The Board considered the draft submission on IFRIC Draft Interpretation D24 *Customer Contributions* and decided/confirmed:

- (a) it disagrees with the proposal that revenue, in all cases, should be recognised in respect of customer contributions only as ongoing access to a supply of goods or services is provided; and
- (b) the appropriate accounting treatment of a customer contribution should depend on the circumstances, such as whether the customer is entitled to remain connected to the network as a result of making the contribution, and whether there are supply price differentials arising from the customer contribution.
- (c) it should be recommended that the scope of the Interpretation be narrowed and be more clearly defined than in D24, or the IFRIC should not issue an Interpretation on this topic. In this regard, the problems with the existing broad scope of D24 should be explained, including the need to scope out contributions by owners and to clarify whether government grants are meant to be included, and it should be recommended that examples be used to illustrate the arrangements to which the Interpretation is intended to apply;
- (d) the comments on customer contributions that give rise to an obligation for ongoing access by the contributor (on page 4) should be re-ordered and exclude the comment in sub-paragraph (a), and should note the support for the Board's view provided by the guidance in the Appendix to IAS 18 *Revenue*;
- (e) the comments on the Basis for Conclusions should omit or clarify sub-paragraphs (a) and (b); and
- (f) the comments on the reference to the time value of money in paragraph BC22 should be strengthened. In particular, the submission should note that customer contributions do not involve deferred inflows of the customer's consideration and therefore are not affected by paragraph 11 of IAS 18, which provides guidance on discounting future receipts to their present value.

The Board approved the submission, subject to the decisions noted above and the Chairman's review of the revised text.

Action:

Chairman  
Staff

## Final and Tentative IFRIC Agenda Decisions

The Board considered the final and tentative IFRIC agenda decisions published in the *IFRIC Update* (March 2008) and decided not to submit any comments to the IFRIC in relation to the tentative decisions and to refer Australian constituents to the final IFRIC agenda decisions on the IASB website.

## Superannuation Contributions Tax Advisory Panel

The Board received an update on the activities of the Superannuation Contributions Tax Advisory Panel.

## STRATEGIES

### Agenda item 4

The Board had before it:

- (a) a memorandum from Angus Thomson dated 2 April 2008 [Agenda paper 4.3]; and
- (b) February 2006 AASB Strategy Meeting Resolutions & Actions [Agenda paper 4.4].

The Board agreed that the descriptions used in the February 2006 AASB Strategy Meeting Resolutions & Actions (and future papers in which references to AASB strategies/plans are made, including the headings to be used in the draft Business Plan – agenda paper 9.2) should be changed in light of the Board’s decisions, noted below. The resolutions and actions should be expressed as high-level principles in aspirational, rather than operational, terms. More specifically, the Board decided that:

- (a) the ‘International Role’ strategy should be shown as two related strategies, along the lines of “Contributing to international standard setting” and “Maintaining IFRS compliance in respect of Australian for-profit entities” and explained in terms consistent with those strategy headings;
- (b) the ‘Domestic Topics’ strategy should be characterised as something along the lines of ‘Addressing domestic priorities outside the IASB’s scope’, and that:
  - (i) the emphasis in this strategy should be on driving improvements in financial reporting in respect of Standards and Interpretations for entities outside the IASB’s scope (in the public and private not-for-profit sectors); and
  - (ii) mention should be made of topics of domestic significance affecting for-profit entities, but noting that the limitations of working within IFRSs would apply;
- (c) ‘Transaction Neutrality’ is more in the nature of a policy position, rather than being a strategy, however, aspects of transaction neutrality should be included under other strategies;
- (d) ‘Interpretations’ should not be identified as a strategy of itself and the relevant points made under that heading should be incorporated into the ‘International’ and ‘Domestic’ strategies, and reference made to the current charter and policies on the AASB undertaking interpretations;

- (e) having 'Communication' as a strategy is appropriate, but the focus should shift away from 'improvement' to engaging with constituents, including: Treasury, the FRSB, the IASB and IPSASB and other stakeholders;
- (f) there should be a separate strategy 'Developing standard setting expertise', which would include expertise within staff, Board members and constituents; and
- (g) the manner in which the 'Transaction Neutrality' strategy is set out, showing:
  - (i) a high-level principle;
  - (ii) background;
  - (iii) action points to operationalise the principle; and
  - (iv) constraints that may need to be overcome in achieving the principle;

is broadly appropriate for the strategies agreed on, but that it would need to be varied to cater specifically for the different nature of each of the other strategies identified;

## **Contributing to international standard setting**

The Board agreed that:

- (a) the emphasis of the high-level principle should be on contributing to the IASB's and IPSASB's efforts and not on trying to influence the agenda and priorities of the IASB and the IPSASB;
- (b) the high-level principle could be described in terms of aiming to be a thought leader in contributing to the development of international accounting standards;
- (c) the action points under the high-level principle should include:
  - (i) encouraging Australian constituents to participate in the due processes of the IASB and the IPSASB;
  - (ii) undertaking work on topics important to Australian constituents that are not being addressed by the IASB or the IPSASB and thereby showing thought leadership internationally;
  - (iii) converging with the Standards of the New Zealand FRSB;
  - (iv) being involved in significant IASB and IPSASB projects as early as possible in the process and not necessarily waiting until comment is invited through as ED;
  - (v) working to reduce barriers to IFRS and IPSAS adoption, including legislative barriers; and



- (vi) promoting IFRSs globally in light of Australia's adoption experience, which may be useful to transitioning jurisdictions, in the interests of avoiding there being a range of national IFRSs;
- (d) the action points under the high-level principle should not include reference to trying to increase scale using contacts in the Asia/Pacific region as a means of having influence; and
- (e) the constraints under the high-level principle should include reference to being one of many potential participants in the international standard setting process.

## **Maintaining IFRS compliance in respect of Australian for-profit entities'**

The Board agreed that the action points on this strategy should include reference to:

- (a) streamlining the process of incorporating IFRSs into the Australian context;
- (b) reducing and removing barriers to IFRS adoption in Australia; and
- (c) encouraging Australian constituents to comment on IASB consultative documents.

## **Communication**

The Board noted that:

- (a) greater engagement with constituents will lead to better input to the standard setting process, and also more accountability to those constituents; and
- (b) having bases for conclusions is a useful mechanism for acquitting the AASB's accountability obligations for decisions made, but more mechanisms may be needed.

## **WORK PROGRAM AND RELATED MATTERS**

Agenda item 5

The Board had before it:

- (a) a memorandum from Angus Thomson and Robert Keys dated 2 April 2008 (Agenda paper 5.1);
- (b) a draft AASB work program as at April 2008 (Agenda paper 5.2);
- (c) a draft AASB Public Sector Policy Paper as at April 2008 (Agenda paper 5.3);
- (d) a list of AASB member project advisors, by Board member and by project (Agenda paper 5.4);
- (e) a status report on the IASB extractive activities research project (Agenda paper 5.5);
- (f) a status report on the IASB insurance contracts project (Agenda paper 5.6); and
- (g) an article from choice.com.au "The Business of Giving" (April 2008) (Agenda paper 5.7).

The Board's discussion focussed on the draft work program (Agenda paper 5.2).

The Board agreed the following top seven broad priorities relating to its standard-setting activities, without ranking them:

- Adoption of IFRSs and related activities
- GAAP/GFS harmonisation
- Superannuation plans
- Public sector specific projects (non-exchange revenue, control of an entity)
- Differential reporting/SMEs
- Emission trading schemes
- IPSASB convergence.

In relation to public sector specific projects, the Board noted that other topics may be identified following consultation with constituents in relation to the gaps in GAAP exercise.

In addition to its direct standard-setting activities, the Board also noted that some of its other activities should be characterised as high priority, including the staff work on the IASB's extractive activities and insurance contracts projects.

The Board decided that:

- (a) the work program should be amended for consideration by the Board at its next meeting. In particular, the work program should be amended/reformatted to:
  - (i) more clearly distinguish active projects from non-active/monitoring projects. The non-active projects should be designated as 'subject to resources';
  - (ii) include an indication of the expected completion dates of the documents currently listed in the 'Q1 2009 plus' column;
  - (iii) adopt some of the features of the NZ FRSB work program, including where possible providing an indication of each project's level of priority (low, medium, high) and staff resourcing;
  - (iv) include a note in the 'Service Concessions' row to indicate the intention of the Board to comment to the IPSASB on the IPSASB's Consultation Paper; and
  - (v) include a category 'agenda decisions to be made'. This category should include prospective information, disclosures by charities and XBRL. After noting the interest from some constituents in a project on disclosures by charities, the Board also decided that staff should draft a brief project proposal focusing on the scope of such a project for consideration by the Board at a future meeting;
- (b) in relation to decision (a)(v), staff should draft, for consideration by the Board at a future meeting, Board protocols for bringing new projects onto the work program. The protocols should have regard to time/resource constraints and the Board's strategies (see Agenda paper 4);

- (c) future Board agendas should schedule time for the Board's discussion of its work program each six months;
- (d) further consideration should be given to finding more efficient ways of progressing projects, including streamlining the manner in which IFRSs are adopted in Australia, and making more extensive use of the Board's public sector sub-committee; and
- (e) the question of whether the scope of the GAAP/GFS harmonisation project should be expanded to include the administered items project should be considered in the context of a staff issues paper to be considered by the Board at its May 2008 meeting.

## **TRANSACTION NEUTRALITY**

### Agenda item 6A

The Board had before it:

- (a) a memorandum from Kimberley Crook, Annette Davis and Angus Thomson dated 1 April 2008 (Agenda paper 6A.1);
- (b) draft IPSASB "Guidelines for Modifying IASB Documents" (January 2008) (Agenda paper 6A.2); and
- (c) NZ FRSB draft minutes relating to the FRSB's discussion of "Criteria for Modifying IFRSs for PBEs" at its 8 April 2008 meeting (Agenda paper 6A.3 – tabled).

The Board discussed whether the quality of an IFRS should be a factor that the Board considers in determining whether the requirements of that IFRS should be modified for not-for-profit entities. The Board noted that to incorporate such a 'quality assessment' into its not-for-profit considerations could entail a fundamental review of an entire IFRS and thereby negate the benefits gained from using IFRSs as the foundation for transaction-neutral Standards. Accordingly, the Board decided that its policy on transaction neutrality should be expressed in terms of presuming that an IFRS is of a high quality and that it should only be modified to the extent that the IFRS is not relevant or appropriate in a not-for-profit context. Given this approach, it is not necessary to adopt a rebuttable presumption about the quality of IFRSs. The Board noted that this approach will help ensure that the Board focuses on the differences between for-profit and not-for-profit entities, which is the appropriate focus of a transaction-neutral approach.

The Board will consider other possible criteria for modifying an IFRS for not-for-profit entities at a future meeting.

## **IPSASB STRATEGY**

### Agenda item 6B

The Board had before it a memorandum from Jim Paul dated 2 April 2008 (Agenda Paper 6B). The Board considered the memorandum and decided that:

- (a) it would be desirable for the Board to be able, and the Board's long-term expectation is that it will be able, to adopt IPSASs for application by Australian public sector not-for-profit entities. This is on the basis that the IPSASs will be the most relevant and appropriate

Standards for those entities because the IPSASB will continue to base IPSASs on IFRSs, departing from IFRSs only to the extent appropriate for public sector issues (consistent with transaction neutrality principles);

- (b) it will develop a consultation paper to elicit constituents' views on whether they support this long-term aspiration;
- (c) it will discuss this issue at its meeting with the FRSB in July 2008 (at which representatives of the IPSASB will be in attendance) before finalising the consultation paper;
- (d) if, following its consideration of comments on the consultation paper, the Board decided to adopt IPSASs for application by Australian public sector not-for-profit entities:
  - (i) each adopted IPSAS would be amended to the extent necessary:
    - (aa) to implement the FRC's strategic direction regarding GAAP/GFS harmonisation;
    - (ab) to address the regulatory environment and other domestic imperatives; and
    - (ac) to avoid inconsistencies with other Australian Accounting Standards; and
  - (ii) it would monitor IPSASB developments to confirm, from time to time, that the basis upon which IPSASs are adopted in Australia—as set out in (a)—remains valid;
- (e) it will encourage its constituents to consider the IPSASB's 'Rules of the Road' (*Guidelines for Modifying IASB Documents*) when they are published and provide feedback to the Board and the IPSASB on them; and
- (f) it will continue to participate at an early stage and throughout the process of developing IPSASs, and engage with constituents to help ensure that Australian views are considered by the IPSASB in developing IPSASs.

Action:

Staff

## **POLICY STATEMENTS**

Agenda item 7

The Board had before it:

- (a) a memorandum from Angus Thomson and Robert Keys dated 2 April 2008 (Agenda paper 7.1); and
- (b) Policy Statement 4 *International Convergence and Harmonisation Policy* (issued April 2002) (Agenda paper 7.2).

The Board decided that:

- (a) staff should prepare a paper for consideration by the Board at a future meeting addressing the question of whether the current Policy Statements (PS 1 *The Development of Statements of Accounting Concepts and Accounting Standards*, PS 2 *The AASB Consultative Group*, PS 3 *AASB Project Advisory Panels*, and PS 4 *International Convergence and Harmonisation Policy*) should be withdrawn and, if so, whether they need to be rewritten and, if so, in what format. The Board noted that some of the content of the existing Policy Statements may no longer be best contained in a Policy Statement or in printed form and could best be located in an appropriate area of the AASB website;
- (b) some material should be deleted from the Policy Statements and that staff should develop proposals in this respect; and
- (c) the paper referred to in (a) should reflect the Board's in-principle decision that 'International Comparisons' should not be included in future Australian Standards. Instead, a Policy Statement should note that a for-profit entity (except possibly a for-profit government department) that complies with Australian Accounting Standards will simultaneously be in compliance with IFRSs. The Policy Statement should also articulate the Board's policy relating to IPSASs (see agenda item 6B).

Action:

Staff

## **PRINTING OF EXPOSURE DRAFTS AND INVITATIONS TO COMMENT**

Agenda item 8

The Board had before it a memorandum from Geoff Harris dated 2 April 2008 (Agenda paper 8.1).

The Board decided to:

- (a) now publish Exposure Drafts and Invitations to Comment on its website and would only issue printed copies when the proposals are controversial or are likely to have a significant impact on Australian reporting entities;
- (b) advise subscribers to its subscription service of the change in publications policy; and
- (c) continue to issue an information release for each ED and ITC published.

## **BUSINESS PLAN**

Agenda item 9

The Board had before it:

- (a) a memorandum from David Boymal dated 2 April 2008 (Agenda paper 9.1); and
- (b) an AASB 2008-09 Draft Business Plan (Agenda paper 9.2).

The Board decided that the Draft Business Plan should be amended as follows:

- (a) the first column (containing Purpose, Vision, Mission and Behaviours) should be reformatted to avoid the impression that it maps each of its cells to the Strategies and Initiatives columns;
- (b) the second paragraph under Mission should be amended to refer to ‘thought leadership’;
- (c) a dot-point along the lines of ‘compliance with legal requirements’ should be listed under Behaviours;
- (d) the Strategies should be re-expressed to align with the Board’s decisions made under agenda item 4. This includes:
  - (i) amending the first strategy to refer to “Maintain IFRS compliance ...” rather than “Retain IFRS compliance ...”
  - (ii) moving the fourth strategy “identify local areas requiring fundamental review and introduce standards to cover these areas” to the Initiatives column, and replacing it with the Strategy decided upon under agenda item 4;
  - (iii) amend Strategy 7 to read “Develop personnel with experience in standard setting and broaden the network of people eligible for appointments related to standard setting”.
- (e) the Initiatives column should be amended to be consistent with the Board’s decisions made under agenda items 4 and 5. This includes:
  - (i) deleting administered items and budget reporting from item 2.3, because they are currently non-active projects;
  - (ii) deleting the reference to disclosures by charities in item 4.2;
  - (iii) amending the first item 4.3 to read “Revisit differential reporting utilising the IASB’s IFRS for SMEs, in conjunction with Treasury”;
  - (v) amending the second 4.3 to read “Research on Emissions Trading”;
  - (vi) adding an item immediately below item 6.5 “6.6 Develop other communication strategies”; and
  - (vii) amending item 7.3 to read “Encourage staff secondments to IASB and IPSASB”.

Action:

Chairman  
Staff

## **OTHER BUSINESS AND CORRESPONDENCE**

Agenda item 10

The Board had before it:

- (a) FRSB Alert (summary as at 18 March 2008) and FRSB Alert (summary as at 9 April 2008) (Agenda papers 10.1 and 10.1A – tabled);

- (b) AASB submission to the IASB dated 3 April 2008 on Proposed Amendments to IFRS 2 and IFRIC 11 (Agenda paper 10.2);
- (c) a memorandum from Aletta Boshoff dated 9 April 2008 re Related Party Disclosures (Agenda paper 10.3);
- (d) a letter from Senator Nick Sherry, Minister for Superannuation and Corporate Law, (Agenda paper 10.3.1);
- (e) a letter from Mark Hall, Executive Director, Corporate Planning, Accounting and Administration, Telstra, dated 11 April 2008 re duplication between the remuneration report and financial statements (Agenda paper 10.3.2);
- (f) a memorandum from Jim Paul dated 8 April 2008 (Agenda paper 10.4); and
- (g) IPSASB Report: March 2008 meeting (Agenda paper 10.4.1).

## **Key Management Personnel Disclosures**

The Board noted the letter from Senator Sherry and decided:

- (a) to issue an ED proposing that disclosing entities that are companies be exempted from complying with key management personnel (KMP) disclosures in AASB 124 *Related Party Disclosures* [paragraphs Aus25.2 to Aus25.7.2] where such disclosures about individual KMP are made in the remuneration report under section 300A of the *Corporations Act 2001* and Regulation 2M.3.03;
- (b) to vote on approving the ED out-of-session; and
- (c) to issue the ED by the end of April, with a 19 May 2008 closing date for comments, with the intention that the relief will be in place by 30 June 2008.

## **REVIEW**

Agenda item 11

The Board agreed that it should formally consider the work plan and the status of projects each six months.

## **CLOSE OF MEETING**

The Chairman closed the meeting at 4:30 p.m. on 17 April 2008.

## **APPROVAL**

Signed by the Chairman as a correct record  
this 22nd day of May 2008.