

AASB Standard

AASB 2012-8

December 2012

**Amendments to AASB 1049
– Extension of Transitional
Relief for the Adoption of
Amendments to the ABS
GFS Manual relating to
Defence Weapons Platforms**



Australian Government

**Australian Accounting
Standards Board**

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ACCOUNTING STANDARD

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Australian Accounting Standard AASB 2012-8 *Amendments to AASB 1049 – Extension of Transitional Relief for the Adoption of Amendments to the ABS GFS Manual relating to Defence Weapons Platforms* is set out in paragraphs 1 – 6. All the paragraphs have equal authority.

PREFACE

Introduction

This Standard makes amendments to Australian Accounting Standard AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Main Features of this Standard

Application Date

This Standard applies to annual reporting periods beginning on or after 1 July 2012.

Amendments to AASB 1049

This Standard amends AASB 1049 to provide a further two-year period of transitional relief from the requirement to adopt Chapter 2 *Amendments to Defence Weapons Platforms* of the Australian Bureau of Statistics (ABS) publication *Amendments to Australian System of Government Finance Statistics, 2005* (ABS Catalogue No. 5514.0) – published on the ABS website on 5 April 2011 – in the financial statements prepared in accordance with AASB 1049. The effect of the relief is to defer the adoption from annual reporting periods ending on or after 30 June 2013 to annual reporting periods ending on or after 30 June 2015.

ACCOUNTING STANDARD AASB 2012-8

The Australian Accounting Standards Board makes Accounting Standard AASB 2012-8 *Amendments to AASB 1049 – Extension of Transitional Relief for the Adoption of Amendments to the ABS GFS Manual relating to Defence Weapons Platforms*.

Dated 17 December 2012

Kevin M. Stevenson
Chair – AASB

ACCOUNTING STANDARD AASB 2012-8

AMENDMENTS TO AASB 1049 – EXTENSION OF TRANSITIONAL RELIEF FOR THE ADOPTION OF AMENDMENTS TO THE ABS GFS MANUAL RELATING TO DEFENCE WEAPONS PLATFORMS

Objective

- 1 The objective of this Standard is to amend AASB 1049 *Whole of Government and General Government Sector Financial Reporting* to extend the existing transitional relief for the adoption of Chapter 2 *Amendments to Defence Weapons Platforms* of the ABS publication *Amendments to Australian System of Government Finance Statistics, 2005* (ABS Catalogue No. 5514.0) – published on the ABS website on 5 April 2011 – for financial statements prepared in accordance with AASB 1049.

Application

- 2 **This Standard applies to each government’s whole of government general purpose financial statements and General Government Sector (GGS) financial statements.**
- 3 **This Standard applies to annual reporting periods beginning on or after 1 July 2012.**
- 4 **This Standard uses underlining, striking out and other typographical material to identify some of the amendments to AASB 1049, in order to make the amendments more understandable. However, the amendments made by this**

Standard do not include that underlining, striking out or other typographical material.

Amendments to AASB 1049

- 5 Paragraph 13B is amended as follows (new text is underlined and deleted text is struck through) and paragraph 13C is added:
- 13B** ~~Subject to paragraph 13C, for~~ the purpose of this Standard, a government shall apply the version of the ABS GFS Manual effective at the beginning of the previous annual reporting period or any version effective at a later date, as the basis for GFS information included in the financial statements under this Standard. The date on which amendments to the ABS GFS Manual become effective is, for the purpose of this Standard, the publication date if no effective date is specified by the ABS.
- 13C** *A government may elect not to apply Chapter 2 Amendments to Defence Weapons Platforms of the ABS publication Amendments to Australian System of Government Finance Statistics, 2005 (ABS Catalogue No. 5514.0) – published on the ABS website on 5 April 2011 – in the financial statements prepared in accordance with this Standard for reporting periods ending before 30 June 2015.*
- 6 Paragraph 39(a)(ii) is amended as follows (new text is underlined and deleted text is struck through):
- 39** **In addition to the disclosures required by ...**
- (a) **for the whole of government and the GGS:**
- (i) ...
- (ii) **a reference to the version of the ABS GFS Manual used as the basis for GFS information included in the financial statements, and when an entity has not applied the most recent version of the ABS GFS Manual (including when an entity has elected to adopt the relief available in paragraph 13C):**
- (A) **this fact; and**
- (B) **known or reasonably estimable information relevant to assessing the possible impact that**

**application of the latest version of the ABS
GFS Manual will have on the financial
statements in the period of initial application;
and**

(iii) ...

BASIS FOR CONCLUSIONS

This Basis for Conclusions accompanies, but is not part of, AASB 2012-8.

Background

- BC1 This Basis for Conclusions summarises the Australian Accounting Standards Board's considerations in reaching the conclusions in the Standard, following consideration of comments received in response to Exposure Draft ED 227 *Proposed Amendments to AASB 1049 – Extension of Transitional Relief for the Adoption of Amendments to the ABS GFS Manual relating to Defence Weapons Platforms*, issued in October 2012. Individual Board members gave greater weight to some factors than to others.
- BC2 On 5 April 2011, the ABS published on its website, Chapter 2 *Amendments to Defence Weapons Platforms* of the ABS publication *Amendments to Australian Government Finance Statistics, 2005* (ABS Catalogue No. 5514.0). Due to the interrelationship between the ABS GFS Manual and AASB 1049 *Whole of Government and General Government Sector Financial Reporting*, the effect of the ABS Chapter 2 Amendments would be to require assets that are the subject of Chapter 2 to be measured at fair value, where reliably measurable, in the financial statements prepared in accordance with AASB 1049 for reporting periods beginning on or after 1 July 2012.

Considerations in extending the transitional relief

- BC3 Prior to issuing ED 227, the Board considered a submission arguing that more time was needed to measure assets classified as defence weapons platforms at fair value, for the purposes of financial reporting under AASB 1049, due to the magnitude and complexity of the valuation exercise for such assets. Constituents familiar with the nature and quantity of the assets involved advised the Board that an extension of transitional relief for two years would be required to comply. The Board agreed that the extension is warranted, and considered that such an extension should be sufficient and therefore would not expect to provide further relief for such assets in the future.
- BC4 The Board also considered the existing disclosure requirements in paragraphs 39(a)(ii) and 39A of AASB 1049 and decided that, in principle, they would be adequate during the extended period in which the ABS Chapter 2 Amendments are not applied in financial statements prepared in accordance with AASB 1049. However, to address concern that there might be potential confusion as to whether the disclosure requirements of paragraphs 39(a)(ii) and 39A would

apply to an entity that elects to adopt the extended transitional relief, the Board decided to clarify in paragraph 39(a)(ii) that such an entity is regarded as not having applied the latest version of the ABS GFS Manual.

BC5 One Board member, Ian McPhee, abstained from voting on the issue of this Standard, which has the potential to significantly affect only the Australian Government, due to his role as the Auditor-General of that Government.