

11 November 2019

Australian Accounting Standards Board
Podium Level 14
530 Collins Street
Melbourne VIC 3000

Dear Board Members

**AASB 2019-X AMENDMENTS TO AUSTRALIAN ILLUSTRATIVE EXAMPLES FOR NOT-FOR-PROFIT ENTITIES
& STAFF FAQ UPDATES ACCOMPANYING AASB 15**

ShineWing Australia would like to provide its comments on the recent draft Staff FAQ documents released by the AASB as named above. In formulating its comments, ShineWing has considered the views received from Monash University via their response letter to the Staff FAQ dated 8 November 2019.

ShineWing Australia has worked closely with the university sector since 2017 in helping them review and analyse their contracts to understand how to apply AASB 15 and AASB 1058. Our role in assisting the universities has meant that we have reviewed in excess of 500 research contracts. Consequently we have a detailed understanding of the various research grant agreements entered into by universities across the country.

Based on the background facts and information outlined in the draft FAQ, our analysis of the critical facts and information we would like to endorse the submission made by Monash University on this recent draft of the Staff FAQ. We strongly support the view they have presented and conclusions reached based on our own review and understanding of these research contracts.

Of particular importance in their submission are the following two sections that we have extracted and re-presented below:

- 5.2 We believe that the alteration of chart 3 in FAQ 5 to segregate BC 125 to BC 128 in assessing AASB 15 35(a) is not consistent with B3 and B4, and in its current altered state is leading to inconsistent and ineffective discussions with auditors, especially on Commonwealth funded competitive research. We believe the original version of this flowchart more accurately depicts a broader spectrum of research.
- 5.4 We believe that the amendments to Example 4A would leave the sector without an illustrative example that portrays how B4 should be applied, noting that the original version of the example provided more clarity in this regard.

We would be happy to discuss our understanding and views with the AASB.

Kind Regards,



Hayley Underwood
Partner
ShineWing Australia