



13 February 2022

Australian Accounting Standards Board

RE: AASB Agenda Consultation 2022–2026

The Local Government Finance Professionals of Queensland (LGFP) represent financial and accounting professionals in Queensland Local Government. The Association provides a forum for members to discuss the various opportunities and challenges which arise in the local government finance industry and across local government generally.

The LGFP Committee have reviewed the AASB's proposed work program for the period 2022 – 2026 and provides the following comments:

Inactive projects

- **Are there any inactive projects you think should be retained in the AASB 2022–2026 work program?**

No.

Potential projects

- **Do you agree that the AASB should add any of the proposed external reporting projects to the work program? Include any feedback as to the scope of the proposed external reporting projects.**

Yes. The LGFP believes that the three proposed external reporting projects - Sustainability reporting, Service performance reporting and Digital financial reporting should be included in the work program. With regards to service performance reporting, understanding the link between levels of service and financial sustainability is a key issue for local government currently. The [Queensland Audit Office 2019 report](#) into the cost of local government services recommended that councils better understand the services they provide to their communities to ensure ongoing financial sustainability. Recommendations also included the Queensland Government supporting councils to develop a set of measures of effectiveness and efficiency to help them monitor the performance of their services.

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- **Are there any other projects you think the AASB should include as part of its work program for 2022–2026? Specify the scope of these projects and take into consideration the AASB’s capacity for additional projects.**

The LGFP encourages the AASB to start to look at investing resources into the establishment of a standard to cover landfill rehabilitation obligations. This is a current issue local government is grappling with on a number of fronts, from consistency in recognition and calculation of liabilities through to implications on broader council sustainability.

The industry across Australia would benefit from some overarching guidance from the AASB (similar to the South Africa experience). The LGFP would be happy to discuss further if the AASB has appetite to progress this initiative.

- **What priority would you give to each of the potential projects – high, medium or low?**

Sustainability reporting – medium

Service performance reporting – high

Digital financial reporting - low

Research projects

- **Do you agree that the AASB should add any of the proposed research projects to the work program?**

The LGFP supports the following projects to be added to the AASB work program:

Accounting Standards research projects:

- Intangible assets: recognition and measurement

External reporting research projects:

- Sustainability reporting
- Service performance reporting

Technology and reporting research projects

- Digital financial reporting

- **Are there any other research projects you think the AASB should include as part of its work program for 2022–2026? Specify the scope of these projects and take into consideration the AASB’s capacity for additional projects.**

No.

- **What priority would you give to each of the potential projects – high, medium or low?**

Intangible assets: recognition and measurement - medium

Sustainability reporting - medium

Service performance reporting - high

Digital financial reporting - low

Other comments

- **Do you have other comments on the AASB's activities and work program?**

No.

Should you wish to discuss anything raised in this submission, please don't hesitate to contact our President, Michael Shave on president@lgfp.org.au or ph. 0439 539 621.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Shave', with a stylized flourish at the end.

Michael Shave
President