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Dear Ms Peach

Exposure Draft (ED) 260: *Income of Not-for-Profit Entities*

Thank you for the opportunity to provide our views on the Australian Accounting Standards Board's (AASB) proposals in ED 260: *Income of Not-for-Profit Entities*.

The Moore Stephens Australia (MSA) network is a leading national network of 13 independent firms of business advisors and chartered accountants in all mainland capital cities of Australia. All Moore Stephens firms are long-standing members of their local business communities and specialise in providing highly personalised, expert and commercially astute audit, accounting and advisory services to their clients.

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The MSA network provides various professional services, including assurance, accounting, taxation and advisory services, to a range of not-for-profit ('NFP') organisations, including religious organisations, large charities, local governments, Universities and TAFE colleges. Accordingly, our comments arise from our long-standing involvement with the NFP sector as well as our discussions with members of the NFP sector in respect to the proposals in ED 260.

We strongly support the AASB's decision to develop NFP-specific requirements and guidance to replace the current income recognition requirements in AASB 1004: *Contributions*. The income recognition requirements in AASB 1004, particularly the reciprocal/non-reciprocal transfer distinction, do not, in our view, currently facilitate consistent or informative reporting by NFP entities. A principles-based replacement Standard for AASB 1004 may also provide a suitable basis for a replacement Standard for IAS 20/AASB 120: *Accounting for Government Grants and Disclosure of Government Assistance*, thereby facilitating greater consistency between the accounting for government grants by NFP and for-profit (FP) entities.

We acknowledge the inherent difficulties the AASB is faced with in developing such revised income recognition requirements, including:

- ensuring, to the extent feasible, consistency with International Financial Reporting Standards (IFRS); and
- identifying principles-based requirements that can facilitate consistent and comparable accounting for different types of inflows, such as fees for goods/services, government grants and donations.

Nevertheless, we do have concerns regarding both the conceptual and practical implications of the AASB's proposals to essentially overlay the principles in IFRS 15: *Revenue from Contracts with Customers* with additional recognition criteria for the purpose of application to NFP entities. IFRS 15 was developed to address the accounting for specific contracts between for-profit ('FP') entities. The objectives and features of such contracts, however, often differ markedly from the objectives and features of the arrangements that have, to date, been accounted for under AASB 1004, particularly government grants. Accordingly, in their current form, we do not consider the proposals in ED 260, if adopted, would facilitate improved financial reporting of income, particularly government grant funding, by NFP entities. The attached Appendix provides our responses to the Specific Matters for Comment identified in ED 260.

Should you wish to discuss the contents of this submission further with us, please contact me on (03) 9909 7371 or at dardern@moorestephens.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Dean Ardern". The signature is fluid and cursive, with the first name "Dean" written in a larger, more prominent script than the last name "Ardern".

Dean Ardern

National Head of Technical Accounting Services

Specific Matters for Comment

1. In relation to the AASB's proposal to replace the reciprocal/non-reciprocal transfer distinction in AASB 1004 with income recognition requirements based on whether a not-for-profit entity needs to satisfy a performance obligation:
 - a) do you agree that this proposal would provide a faithful depiction of a not-for-profit entity's financial performance?
 - b) if not, what alternative approach to income recognition would you recommend for not-for-profit entities? Please provide your reasons.

We support the AASB's proposals to remove the reciprocal/non-reciprocal transfer distinction in AASB 1004. From experience, the distinction is challenging to apply consistently, particularly in circumstances where transactions involving NFP entities comprise both reciprocal and non-reciprocal components. We also consider the distinction to be inconsistent with the guidance in AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* with respect to identifying the counterparty to an obligation. Paragraph 20 of AASB 137 states, in part, that:

An obligation always involves another party to whom the obligation is owed. It is not necessary, however, to know the identity of the party to whom the obligation is owed – indeed the obligation may be to the public at large...

Accordingly, we support the principle that a NFP entity recognise income from grants and other similar types of arrangements as the entity meets or is released from its obligations under the arrangement. As discussed below, however, we do not support the proposal to link the recognition by a NFP entity of an obligation under a grant or similar arrangement to the identification of 'sufficiently specific' goods and/or services or 'enforceability' under the arrangement.

Sufficiently specific goods and services are arguably a natural outcome of contractual negotiations in a FP context. Entities negotiating the supply of goods and/or services in a FP context will invariably seek to define and quantify the specifications of the goods and/or services being provided, primarily because the implications of providing or receiving goods or services that are not 'fit for purpose' can be prohibitively costly for both entities (the reason why they contract in the first place). In a NFP context, however, the same pressures to precisely define and quantify the goods and services to be provided are often less evident, and sometimes non-existent. Consequently, government grant arrangements, for instance, often exhibit less 'specificity' than equivalent contracts between FP entities. In some NFP contexts, particularly those involving government grants for the provision of government services through private NFP entities, there may exist genuine incentives for both parties to the arrangement to retain some flexibility (non-specificity) in the contracted terms. In addition, in some cases the government providing a grant may have no expectations about the specific goods and/or services that might be provided to the ultimate beneficiaries of the grant, except that the NFP entity receiving the grant will spend the funding (or at least a significant portion of the funding) for the benefit of the government's constituents.

The outsourced provision of what has traditionally been regarded as government services is an increasingly prominent feature of the Western economies, including Australia. For some time now governments have been delegating responsibility for the delivery of social services to entities outside of the public sector. A natural consequence of this is that governments have become increasingly distanced from the beneficiaries of their social programs, and therefore reliant on private sector providers to meet their constituents' needs. In such circumstances, particularly when information asymmetries between grantors and grantees are acute, it is not necessarily in the best interests of either party to have the contractual arrangement precisely specify both the objectives of the grant arrangement and the manner in which the NFP grantee entity will meet the grant objectives.

As noted in paragraph BC30 of the Basis for Conclusions to ED 260, a grant arrangement may provide a NFP entity with the discretion to change the goods or services to be provided to third parties under the arrangement. This flexibility, however, only relieves the NFP entity from providing particular goods or services; it arguably does not relieve the NFP entity of providing any goods or services under the agreement. Being able to substitute goods and services under a grant arrangement provides the NFP entity with the practical ability to deliver to the ultimate beneficiaries of the funding the *outcomes* desired by the government, rather than specific *goods and services* that may or may not meet the beneficiaries' particular needs. In short, the existence of such flexibility does not diminish the NFP entity's obligations under the grant arrangement to sacrifice economic benefits in the future by providing goods and/or services to another person or entity.

We also note that 'enforceability' as envisaged in ED 260 is often not a significant feature of many government grant arrangements in the sense that:

- there are often few, if any, specific provisions in such arrangements for the imposition of penalties ('severe' or otherwise); and
- examples of governments enforcing their rights under grant arrangements through external legal mechanisms (such as the courts) are relatively uncommon.

Considering the power differential that exists between governments and NFP entities, these observations are unsurprising. Nevertheless, the absence of identifiable enforcement provisions does not necessarily mean that a NFP entity does not have an obligation (legal and/or constructive) under the grant agreement to sacrifice economic benefits in the future by providing goods and/or services to another person or entity.

It is also sometimes the case that a government will provide a grant to a NFP private sector entity and give no indications whatsoever (either formally or informally) the nature or type of goods and/or services expected to be provided under the grant arrangement, or else specifically when the goods and/or services would be expected to be provided. In such circumstances, the government's primary objective may be, for instance, to fulfil an election promise to provide a specified level of funding to, or for the benefit of, particular constituents. Nevertheless, both the government and the NFP private sector entity would have a shared understanding that the funding is to be used to provide goods and/or services to, or for the benefit of, particular constituents. Accordingly, notwithstanding that the government grant arrangement may not exhibit 'sufficient specificity', the NFP entity would still have an obligation in respect of the funding provided.

Consistent with the foregoing discussion, we do not consider that the proposals in ED 260 would, if applied in practice, provide a faithful depiction of a NFP entity's financial performance, primarily because the pattern of income recognised under the proposals, particularly in relation to multi-period government grants for the provision of outsourced government services, would not necessarily reflect the NFP entity's efforts to meet its obligations under the arrangement.

As noted in the covering letter to this response, we acknowledge the inherent difficulties the AASB faces in developing principles to facilitate the appropriate accounting treatments of the different types of income received by NFP entities. However, we do not consider that a generally acceptable solution to this issue necessarily lies in overlaying requirements developed with specific (FP) entities/arrangements in mind with additional recognition criteria, but rather developing principles suitable for NFP entities from more generic definitions and principles available from Australian Accounting Standards and IFRS. To this end, we note that, at least at a very high level, the definition of a liability and associated guidance in the *Framework for the Preparation and Presentation of Financial Statements* (the Framework) arguably provides a basis for distinguishing between inflows to a NFP entity arising from:

- a contractual arrangement that involves a NFP entity providing specified goods and services to a third party; and
- donations provided by members of the general public that impose no present obligations on the NFP entity to operate or act in any particular way that would involve the entity sacrificing economic benefits in the future to a third party.

In addition, we do not consider that expanding the application of AASB 120: *Accounting for Government Grants and Disclosure of Government Assistance* to incorporate NFP entities is an appropriate solution for a number of reasons, including:

- the scope of AASB 120 is limited to funding and assistance provided by governments and therefore doesn't anticipate, for instance, inflows to NFP entities that comprise both fee-for-service and donation components; and
- under AASB 120, accounting for government grants is determined based on the government's intention behind the grant, not necessarily whether the grant imposes an obligation on the recipient of the grant to sacrifice economic benefits to another entity in the future.

2. In relation to the AASB's proposal that, to qualify as a performance obligation, a not-for-profit entity's promise to transfer a good or service to a counterparty in a contract must be 'sufficiently specific' to be able to determine when the obligation is satisfied (see paragraph IG13 of Part A):

- a) do you agree with this proposal?
- b) if not, what factors or criteria should apply to determine whether a not-for-profit entity has a performance obligation? Please provide your reasons.

We understand and appreciate why the AASB have sought to enhance the recognition criteria in AASB 15 for application in a NFP context by proposing inflows be accounted for consistent with the requirements in AASB 15 when the 'sufficient specificity' and 'enforceability' criteria are met. As discussed above, however, we do not support the adoption of the proposed 'sufficient specificity' or 'enforceability' criteria, primarily because they are not necessarily natural features of many grant arrangements between governments and NFP entities for the provision of outsourced government services. Nevertheless, the absence of 'sufficient specificity' and 'enforceability' features in a government grant arrangement does not preclude the existence of an obligation for the NFP recipient to sacrifice economic benefits in the future to another entity under the agreement.

We also consider that:

- application of the proposed 'sufficient specificity' recognition criteria is arguably inconsistent with the AASB's policy of transaction neutrality. Overlaying the principles in AASB 15 with the 'sufficient specificity' and 'enforceability' criteria imposes a higher recognition threshold on NFP entities with respect to government grants compared to the recognition criteria under AASB 120 applicable to FP entities, thereby diminishing the comparability of FP and NFP entity financial statements; and
- the proposed 'sufficient specificity' criteria link recognition and measurement requirements in a manner that is inconsistent with approaches under other Australian Accounting Standards dealing with similar transactions. Australian Accounting Standards that deal with the accounting for provisions similar to performance obligations, including AASB 119: *Employee Benefits*, AASB 137, AASB 1023: *General Insurance Contracts* and AASB 1038: *Life Insurance Contracts*, do not require an entity to be able to determine the expected pattern of provision of goods and/or services it will provide in respect of the provision into the future before it can recognise the liability. Moreover, AASB 15 does not premise recognition of a contract with a customer on the identification of the specific goods and/or services that might be provided under the agreement.

3. Do you agree with the proposal in paragraphs IG19-IG30 of Part A that a not-for-profit entity would recognise a donation component in a contract with a customer as immediate income only if:

- a) a qualitative assessment of available evidence indicates that the customer intended to make a donation to the not-for-profit entity; and
- b) the donation component is separately identifiable from the goods or services promised in the contract? (See also paragraphs BC36-BC49 of the Basis for Conclusions.)

If not, under what circumstances should a not-for-profit entity identify and account separately for a donation that is provided as part of a contract with a customer?

We agree in principle with the proposal that a NFP entity should account for identifiable components of an inflow in accordance with the substance of the component. However, we do not consider the proposals would yield cost-beneficial reporting outcomes. Moreover, we do not agree that a customer's intention is necessarily an appropriate basis on which to determine the accounting treatment by the NFP entity of an inflow for a number of reasons, including:

- under IFRS, the accounting treatment of a particular item is generally not based on the intentions of any individuals (including management) with respect to the item, except when there is verifiable evidence to support those intentions (such as 'held for sale' classification under AASB 5: *Non-current Assets Held for Sale and Discontinued Operations*); and
- following on from Examples 6-8 in Appendix E to ED 260, where the prices of goods or services provided by a NFP are greater than the prices of similar goods or services, the customer may perceive that they are making a donation to the NFP entity by purchasing the goods or services, notwithstanding that application of the proposals in IG24-IG30 of ED 260 determines that no significant donation component exists.

An alternative approach to that proposed in ED 260 could include a rebuttable assumption that in providing goods and/or services to a customer the price received by the NFP entity does not comprise a donation component, except when:

- there is an active market for the goods or services; and
- there is a difference between the fair value of the goods or services based on current prices from the relevant active market and the transaction price, and the difference is material.

4. In relation to the AASB's proposals to:

- a) permit any not-for-profit entity to recognise volunteer services as income if the fair value of those services can be measured reliably; and
- b) carry forward the requirement in paragraph 44 of AASB 1004 that particular public sector entities must recognise volunteer services if those services would also have been purchased if they had not been donated,

the AASB seeks views on:

- a) whether the requirements (if any) for the recognition of volunteer services should be the same for all not-for-profit entities, regardless of whether they operate in the public or private sector; and
- b) if your answer to (a) is 'yes', whether the recognition of volunteer services should be:
 - i. optional, provided that the fair value of those services can be measured reliably; or
 - ii. required if those services would also have been purchased if they had not been donated.

(See also paragraphs BC59-BC63 of the Basis for Conclusions.)

To facilitate comparability, we support the proposal to permit (but not require) a NFP private sector entity to recognise volunteer services as income if the fair value of those services can be measured reliably. We do not agree that a NFP private sector entity should be required to recognise volunteer services on the same basis as NFP public sector entities under paragraph 44 of AASB 1004, primarily on cost-benefit grounds.

We have no specific comments in relation to proposals regarding NFP public sector entities identified in Question 4.

5. Do you agree with the proposal in paragraph 38 of [draft] AASB 10XX that, when inventories are donated to a not-for-profit entity other than as part of a contract with a customer, assessments of whether the donations are material should be made on an individual transaction basis without reassessment at a portfolio or other aggregate level? (See also paragraphs BC50-BC51 of the Basis for Conclusions.)

We agree that the approach proposed in paragraph 38 of [draft] AASB 10XX is appropriate in some circumstances typically experienced by NFP entities, including the receipt of donations of second-hand goods. We are somewhat surprised, however, by the AASB's decision to propose including guidance on materiality in AASB 10XX at approximately the same time as it is progressively withdrawing guidance on materiality from other Australian Accounting Standards. The proposal to include materiality guidance in AASB 10XX appears to conflict with the AASB's recent policy of not providing unnecessary local guidance on matters covered by IFRS.

While we do not consider the removal of the proposals in paragraph 38 of [draft] AASB 10XX would significantly impact how a NFP entity would determine materiality under a replacement Standard for AASB 1004, if the AASB considers that the guidance in paragraph 38 would assist NFP entities, we would support materiality issues being discussed in the Basis for Conclusions to the replacement Standard rather than in the body of the Standard. Such an approach is more consistent with the AASB's recent policy of not providing unnecessary local guidance on matters covered by IFRS, and also reduces the likelihood of entities inappropriately applying the guidance by analogy based on any inconsistencies between IFRS and Australian Accounting Standards.

6. Australian Accounting Standards applicable to for-profit entities do not include a definition of 'contributions by owners'. Further, concerns have been expressed by some that the definition of 'contributions by owners' in AASB 1004 is too narrow. Do you consider that a definition of 'contributions by owners' is still necessary, or appropriate, in Australian Accounting Standards? If so, would you prefer using:

- a) the definition of 'contributions by owners' presently in AASB 1004; or
- b) the definition of 'ownership contributions' in the Public Sector Conceptual Framework issued by the International Public Sector Accounting Standards Board (IPSASB)? (See also paragraphs BC84-BC91 of the Basis for Conclusions.)

We do not support the retention of the current definition of 'contributions by owners' in AASB 1004, primarily because in a number of circumstances we have found it produces reporting outcomes that arguably at odds with the substance of the transaction. For instance:

- capital contributions to companies limited by guarantee and other vehicles typically used for NFP activities are treated as income; and

- gains from bargain purchases arising from mergers between NFP entities under AASB 3: *Business Combinations* are treated as income.

Nevertheless, we do support the proposal that Australian Accounting Standards include a definition of ‘contributions by owners’, and favour adopting the definition of ‘ownership contributions’ in the Public Sector Conceptual Framework for the purpose of NFP entities.

In a FP context, transactions between an entity and its stakeholders can normally be consistently classified under IFRS. In some NFP contexts, however, the consistent classification of transactions between a NFP entity and its stakeholders under IFRS can be challenging. One such situation is when:

- the purpose of the NFP entity is to provide goods and services to a community that, collectively, benefit the community; and
- the community as a whole, rather than any individual member of the community, has an entitlement to the net assets of the entity.

We acknowledge that this type of situation is not the norm among NFP entities, but does serve to highlight the challenges that sometimes arise in applying FP concepts in a NFP context. In a FP context, transactions between an entity and other parties can normally be classified based upon the relationship of the party to the entity as prescribed by the transaction. For instance, in a FP context a transacting party can normally be classified as a customer, creditor or equity holder on the basis of the rights and obligations arising from the transaction. In a NFP context, however, equivalent rights and obligations may be less readily identifiable. The current definition of ‘contributions by owners’ in AASB 1004, however, presupposes the existence of identifiable rights and obligations (“conveys entitlement... to distributions”, “can be sold, transferred or redeemed...”).

Consistent classification of NFP transactions sometimes requires some professional judgment, which we consider would be more readily exercised under the definition of ‘ownership contributions’ in the Public Sector Conceptual Framework as compared to under the current definition of ‘contributions by owners’ in AASB 1004.

7. The AASB also seeks views on the following issues related to contributions by owners:

- a) whether, in view of concerns expressed by some that using AASB 1004’s definition of ‘contributions by owners’ in AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities (which includes for-profit public sector entities in its scope) might prevent a for-profit entity in the public sector from making an unreserved statement of compliance with IFRSs, AASB Interpretation 1038 should be:
 - i. withdrawn;
 - ii. retained but with narrower application [that is, limited to not-for-profit entities in the public sector, and possibly also confined to identifying which not-for-profit public sector entities should account for transfers between them when they are controlled by the same parent (government)]; or
 - iii. retained without amendment? (See also paragraphs BC84-BC94 of the Basis for Conclusions.)
- b) whether requirements for restructures of administrative arrangements (presently set out as paragraphs 54-59 of AASB 1004) should still be included in Australian Accounting Standards (see also paragraph BC90(b) of the Basis for Conclusions);
- c) whether requirements for distributions to owners (presently set out as paragraphs 49 and 53 of AASB 1004) should still be included in Australian Accounting Standards (see also paragraphs BC94-BC96 of the Basis for Conclusions);
- d) whether requirements for liabilities of government departments assumed by other entities (presently set out as paragraphs 39-43 of AASB 1004) should still be included in Australian Accounting Standards (see also paragraphs BC97-BC98 of the Basis for Conclusions); and
- e) the practical implications if the definition of ‘contributions by owners’ and AASB Interpretation 1038 were to be withdrawn?

We have no specific comments in relation to Question 7.

8. In relation to disclosure requirements regarding compliance by government departments with appropriations, do you agree with:
- omitting the requirement in paragraph 64(e) of AASB 1004 to disclose the nature and probable financial effect of any non-compliance by the government department with externally-imposed requirements for the period, other than any non-compliance reflected in material variances between amounts appropriated and amounts expended? (See paragraphs BC99-BC103 of the Basis for Conclusions.)
 - extending the scope of the retained disclosure requirements for government departments (ie those regarding any non-compliance reflected in material variances between amounts appropriated and amounts expended) to also apply to any other public sector entities that obtain part or all of their spending authority from parliamentary appropriations? (See also paragraphs BC99-BC103 of the Basis for Conclusions.)

We have no specific comments in relation to Question 8.

9. Do you agree with the proposed transitional provisions in Appendix C of [draft] AASB 10XX? In particular:
- do you agree with the transitional provisions for non-financial assets and finance lease assets and liabilities, the cost of which was not measured at fair value on initial recognition; and
 - do any other issues warrant additional transitional provisions and, if so, which transitional provisions do you suggest? (See also paragraphs BC104-BC109 of the Basis for Conclusions.)

We do not support the proposed transitional provisions in Appendix C for non-financial assets and finance lease assets and liabilities on the basis that for most, if not all, NFP entities, the benefits derived from full retrospective application of the relevant proposals are unlikely to exceed the costs to NFP entities of acquiring and disclosing the information.

We are aware of a number of NFP entities that have recently sought to recognise previously unrecognised assets, particularly items of donated property. While these previously unrecognised assets have invariably been held for some time (in some cases, 80 plus years) and are significant to the entity, the recognition generally does not have a significant impact on the NFP entity's financial statements, and in many cases the impact is immaterial. The factors leading to these recent decisions to recognise assets differ from entity to entity, but many note the increased focus on the reporting and governance of NFP entities as a critical factor. Accordingly, we do not anticipate that proposals in ED 260 would necessarily lead to a dramatic increase in the reported number of assets held by NFP entities that were previously unrecognised. We are also not convinced that retrospective application of the proposals in ED 260 would necessarily yield more useful information regarding the current carrying amounts of those assets that have been recently recognised for the first time. Consequently, we support transitional provisions that provide a NFP entity with the option of either applying:

- the proposals in ED 260 retrospectively in accordance with paragraph C2 of Appendix C; or
- a similar approach to that adopted on first-time transition to Australian Accounting Standards (ie, deemed cost approach).

General Matters for Comment

10. Whether there are any regulatory issues or other issues arising in the Australian environment that may affect the implementation of the proposals, particularly any issues relating to:
- not-for-profit entities; and
 - public sector entities, including GAAP/GFS implications (discussed above).

We note that many NFP entities are charities registered with the Australian Charities and Not-for-profits Commission (ACNC), and that registered charities have differential reporting requirements based on the level of their reported revenues. Accordingly, a registered charity could, in some circumstances, manage its annual reporting obligations to the ACNC by, for instance, reclassifying income between revenues and gains.

While such practices undoubtedly diminish the quality of public reporting by registered charities, we do not consider it to be the AASB's role to develop additional accounting guidance to assist other statutory bodies to meet their regulatory objectives, particularly in the context of the AASB's policies of transaction neutrality and principles-based accounting standards.

Pursuant to the Framework, revenue is income that arises in the course of the ordinary activities of the entity. Although application of this definition requires, in some circumstances, some judgement, and therefore may be perceived to produce from time to time inconsistent reporting outcomes, we consider the current definition of revenue enables entities to provide overall and over time more useful information to users than any rules-based approach for a number of reasons, including:

- it facilitates income/revenue classification consistent with the *sui generis* nature of the entity and its specific activities; and
- it enables an entity to change the disclosure of income/revenue when the entity's underlying activities materially change.

If regulators such as the ACNC are uncomfortable with the manner in which the entities they regulate are applying accounting principles, we consider it to be the specific regulator's role to engage directly with the entity to resolve the issue, rather than the AASB's role to resolve application issues from a distance by modifying principles-based requirements or adding guidance that may, for instance, be inappropriately applied by analogy.

11. Whether, overall, the proposals would result in financial statements that would be useful to users.

Consistent with our response to Question 1, we do not consider the proposals in ED 260 would result in the faithful depiction of a NFP entity's financial performance, primarily because the pattern of income recognised under the proposals, particularly in relation to multi-period government grants for the provision of outsourced government services, would not necessarily reflect the NFP entity's efforts to meet its obligations under the arrangement.

12. Whether the proposals are in the best interests of the Australian economy.

Subject to our comments above, we consider that the proposals have the potential to facilitate improved reporting by NFP entities that is cost-beneficial to the Australian economy as a whole.

13. Unless already provided in response to specific matters for comment 1 – 9 above, the costs and benefits of the proposals relative to the current requirements, whether quantitative (financial or non-financial) or qualitative. In relation to quantitative financial costs, the AASB is particularly seeking to know the nature(s) and estimated amount(s) of any expected incremental costs, or cost savings, of the proposals relative to the existing requirements.

We have no specific comments in relation to Question 13.