



## *Australia's accounting standards – more modifications and guidance needed for the not-for-profit sector*

Released today, an Australian Accounting Standards Board (AASB) report finds Australia's adoption of the International Financial Reporting Standards (IFRS) has been relatively smooth for most Australian business entities. Extra support however, is warranted for not-for-profit (NFP) entities, (such as public sector entities and charities and incorporated associations) to meet user needs and to reduce costs associated with preparing financial information.

The research report, entitled *Review of Adoption of International Financial Standards in Australia* sets out responses from Australian stakeholders from all sectors who, through interviews and forums conducted by the AASB, shared their views and experiences of the past ten years since Australia adopted the IFRS Standards.

The AASB undertook extensive outreach and consultation during the past year, conducting interviews with 80 preparers, users and auditors and holding five forums that attracted almost 180 participants (executive and non-executive directors, auditors and analysts).

AASB Chair Kris Peach said, "The research report finds that while IFRS Standards are currently appropriate as a base, extra modifications and guidance for specific standards are needed to support the NFP sector. The AASB is undertaking and considering projects specifically to meet this need".

These projects include:

- Exposure Draft 277 *Reduced Disclosure Requirements for Tier 2 Entities*
- Benchmarking AASB Standards against International Public Sector Accounting Standards Board Standards to identify further areas that might warrant modification
- Reshaping the Australian Financial Reporting Framework – leading and working with key regulators and policy makers to simplify and clarify reporting requirements.

Upcoming projects under consideration include:

- fair value guidance for the NFP public sector
- accounting for volunteer services
- review of Australian-specific disclosure paragraphs in AASB Standards
- definition of contributions by owners.

"The AASB Research Report on the adoption of IFRS Standards has provided important feedback and proves again how vital consultation with all sectors is when developing and maintaining world-class accounting standards," Ms Peach added.



The report can be downloaded via the AASB website [link to come].

**Media Contact**

Susie Brown  
Communications Manager  
Australian Accounting Standards Board  
sbrown@asb.gov.au  
Tel +61 3 8080 7440