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AASB Responds to Fair Value Disclosure Concerns

Good news for not-for-profit public sector entities. They will not need to make certain fair value disclosures about property, plant and equipment held for their current service potential. The amendments to AASB 13 *Fair Value Measurement* may be early adopted to apply for 30 June 2015 year ends.

Kris Peach, Chair of the AASB noted “The AASB wanted this relief to be available for preparation of 30 June 2015 general purpose financial statements. Disclosures of quantitative information about the significant unobservable inputs used in fair value measurements and the sensitivity of certain fair value measurements to changes in unobservable inputs will no longer be required.”

The disclosures specified by AASB 13 had posed challenges and costs for the not-for-profit public sector where fair value measurement is prevalent and property, plant and equipment is held primarily to meet public service objectives. The AASB concluded that the concerns raised were more than transitional in nature, and that it was appropriate, in this instance, to depart from the requirements of the equivalent international pronouncement.

Ms Peach also observed that the Board’s research and discussions on this and similar other recent projects may have bearing on the Board’s active projects on the Australian Reporting Framework and the Reduced Disclosure Requirements (Tier 2) regime.

The amendments to AASB 13 are made by [AASB 2015-7](#) *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. AASB 13 and AASB 2015-7 are available on the AASB website.

Technical & Media Enquiries:

standard@asb.gov.au

(03) 9617 7600

The Australian Accounting Standards Board (AASB) is the Commonwealth statutory authority responsible for developing, issuing and maintaining accounting standards. The Board’s functions and powers are set out in the Australian Securities and Investments Commission Act 2001.

Australian Accounting Standards Board, Level 7, 600 Bourke Street, Melbourne, VIC, 3000
Telephone: +61 3 9617 7600, Facsimile: +61 3 9617 7608, E-mail: standard@asb.gov.au, Web site: www.aasb.gov.au