



Project:	AASB Agenda Consultation 2022–2026	Meeting:	AASB June 2022 (M188)
Topic:	Proposed responses to feedback	Agenda Item:	8.2
		Date:	6 June 2022
Contact(s):	Eric Lee elee@asb.gov.au Nikole Gyles ngyles@asb.gov.au	Project Priority:	High
		Decision-Making:	High
		Project Status:	Consider AASB's work plan and proposed response to feedback

Objective of this paper

- 1 In responding to feedback received from [ITC 46 AASB Agenda Consultation 2022–2026](#), this paper seeks Board members' views on the staffs' proposals and recommendations.

Structure

- 2 This Staff Paper is set out as follows:
 - (a) Background (paragraphs 3–4)
 - (b) Staff overall recommendations (paragraph 5)
 - (c) Summary of analyses and recommendations (paragraphs 6–22)

Background

- 3 At the [May 2022 meeting](#), the Board discussed feedback received from submissions and outreach activities conducted during the consultation period.¹
- 4 Staff analysed feedback received and provided recommendations after considering various factors, including those factors identified in Paragraph 7.2.3 of the [AASB Due Process Framework for Setting Standards](#):
 - (a) the importance of the issue to those who use financial reports, including the range and extent of those to whom the issue might apply, and whether it impacts for-profit and not-for-profit entities;
 - (b) the urgency of addressing the issue, considering input of other relevant regulators and evidence of the impact of not addressing the issue;
 - (c) interactions with other current or possible projects;
 - (d) the complexity and breadth of the problem to be resolved, and the feasibility of possible solutions being developed;
 - (e) the capacity of stakeholders to respond to proposals, both as individual proposals

¹ https://www.aasb.gov.au/media/orbnzkjf/03-2_ac_feedbacksummary_m187_pp.pdf

- and across the work program as a whole;
- (f) the overall balance of the work plan and the overall balance in the pipeline of research projects that may ultimately come forward to the standards-level work program, including a balance of not-for-profit, public sector and other projects; and
 - (g) the availability of sufficient staff resources.

Staff overall recommendations

- 5 After analysing feedback received, staff recommend the Board to:
- (a) **remove** the following inactive projects from the work program:
 - (i) Remuneration reporting;
 - (ii) Crowd-sourced equity funding;
 - (iii) Definition of fundraising; and
 - (iv) Long-term discount rates;
 - (b) **retain** the public sector long-term discount rates project in the work program;
 - (c) **add** the following projects to the standard-setting work program:
 - (i) Service performance reporting; and
 - (ii) Imputation franking credits disclosures
 - (d) **add** the following projects to the research work program:
 - (i) Intangible assets; and
 - (ii) Going concern disclosures; and
 - (e) **monitor and influence** the development of digital financial reporting as appropriate.

Summary of analysis and recommendations

Inactive projects

Remuneration reporting

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	Entities impacted		
	For-profit sector	NFP private sector	NFP public sector
Key issues raised	Remuneration reports are often complex and costly to prepare. There are overlapping requirements in the accounting standards and the Corporations Act, ² which give rise to lengthy compliance reports. ³ Disclosures may	Recent changes to the <i>Australian Charities and Not-for-profits Commission Regulation 2013 (Cth)</i> require all large charities to report key management personnel (KMP) remuneration in accordance with the accounting standards for	There is diversity in remuneration reporting of public sector entities across states and territories.

² See Section 300A of *Corporations Act 2001*

³ Examples of redundant or overlapping requirements are provided in the PwC and G100 publication [Remuneration reporting – Streamlined](#) from May 2017

	not necessarily meet user needs.	the 2022 reporting period onwards (covering 1 July 2021 to 30 June 2022 and later periods).	
Importance and priorities	Low to medium priority.	Low to medium priority.	Low priority.
Interaction with other projects	Sustainability reporting.	Sustainability reporting and the post-implementation review (PIR) of AASB 124 <i>Related Party Disclosures</i> . See Appendix B for the revised PIR timeline.	Sustainability reporting and the post-implementation review (PIR) of AASB 124. See Appendix B for the revised PIR timeline.
Complexity and feasibility	The Board does not have the remit to change remuneration reporting disclosure requirements under the Corporations Act.	The impact of the recent changes on the <i>Australian Charities and Not-for-profits Commission Regulation 2013</i> (Cth) is unknown.	Research is required to understand the extent of diversity in remuneration reporting of public sector entities across states and territories.
References	<ul style="list-style-type: none"> • AASB research report 8: Literature review: Remuneration reporting • AASB staff paper: Review of executive remuneration disclosure requirements 		

- 7 Staff **recommend** the Board remove the remuneration reporting project from the work program because:
- upcoming projects such as the sustainability reporting and PIR of AASB 124 may address some of the concerns in the NFP sector; and
 - many concerns raised by for-profit stakeholders are related to the requirements in the Corporations Act and the Board has limited ability to make significant progress on this matter.

Crowd-sourced equity funding

- 8 There are no issues raised by stakeholders. Staff **recommend** the Board remove the crowd-sourced equity funding project from the work program.

Definition of fundraising

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Entities impacted	
NFP private sector	
Key issues raised	The definition of fundraising differs significantly between jurisdictions and may impair the comparability of NFP private sector financial statements and performance metrics.
Importance and priorities	Low to medium.

	Entities impacted
	NFP private sector
Interaction with other projects	NFP Private Sector Financial Reporting Framework, sustainability reporting and service performance reporting.
Complexity and feasibility	Most respondents are of the view that ‘fundraising’ is better defined by other regulators, such as the ACNC. Further, the Treasury is reviewing the national fundraising framework and may potentially address the issue.
References	<ul style="list-style-type: none"> • AICD publication: Fundraising – Role of the board • AASB Discussion Paper: Improving financial reporting for Australian Charities

10 Staff **recommend** the Board remove the definition of fundraising project from the work program because:

- (a) the Treasury is reviewing the national fundraising framework; and
- (b) upcoming projects such as sustainability reporting and service performance reporting may address the concern.

Long-term discount rates

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	Entities impacted
	NFP public sector
Key issues raised	AASB 119 <i>Employee Benefits</i> paragraphs 83 and Aus83.1 require NFP public sector entities to use market yields on government bonds at the end of the reporting period as the discount rate to measure post-employment benefit obligations. Stakeholders raised concerns that the requirement could give inappropriate outcomes. In particular, applying a single bond rate at the reporting date to discount liabilities has seen significant volatility in reported superannuation liabilities, diminishing the ability of key users to make informed assessments about an entity’s financial performance and financial sustainability.
Importance and priorities	HoTARAC is of the view that the long-term discount rates have been an ongoing issue for the public sector and suggested the Board consider this project as a high priority.
Interaction with other projects	PIR of AASB 1056 <i>Superannuation Entities</i> and Interpretation 1019 <i>The Superannuation Contributions Surcharge</i> . See Appendix B for the revised PIRs timeline.
Complexity and feasibility	Extensive research and outreach activities will be required to determine whether there are sufficient compelling reasons or evidence to warrant a modification to the Standard(s) for the NFP public sector.
References	<ul style="list-style-type: none"> • AASB Staff Report: Australian Accounting Standards Board and International Public Sector Accounting Standards Board Pronouncements: A Comparison • May 2017 AASB meeting agenda paper 3.7 Discounting of defined benefit plan liabilities in the public sector – project plan

	<ul style="list-style-type: none"> • HoTARAC’s submission to: <ul style="list-style-type: none"> ○ AASB Exposure Draft 187 Discount rate for employee benefits ○ AASB Exposure Draft 195 Defined Benefit Plans: Proposed Amendments to AASB 119
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12 Staff **recommend** the Board to retain the public sector long-term discount rates project in the work program and develop a project plan.

Co-operatives and mutual entities

13 There are no issues raised by stakeholders. Staff **recommend** the Board remove this project from the work program.

Question for Board members:

Question 1: Do Board members agree with staff recommendations to retain the public sector long-term discount rates project in the work program and remove the rest of the inactive projects?

Potential projects

Service performance reporting

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	Entities impacted	
	NFP private sector	NFP public sector
Key issues raised	There is a lack of guidance on service performance reporting, and service performance information is often inconsistent between entities.	There is diversity in the service performance reporting of public sector entities across states and territories.
Importance and priorities	Mixed feedback was received. Most stakeholders, however, suggested that this project should be a medium to high priority. In particular, voluntary guidance should be developed to help large NFP private sector entities prepare service performance information that meets user needs.	There is a consensus that service performance reporting is a medium to high priority.
Interaction with other projects	NFP Private Sector Financial Reporting Framework project, management commentary and sustainability reporting.	NFP Public Sector Financial Reporting Framework project, management commentary and sustainability reporting.
Complexity and feasibility	Feedback from AASB Exposure Draft ED 270 Reporting Service Performance Information will be considered. Feedback suggests that other regulators, such as the ACNC, develop service performance reporting guidance. However, the ACNC in its submission suggests the Board add this project to the work program as a	There is a lack of understanding of the extent of diversity in the service performance reporting of public sector entities across states and territories. Some stakeholders noted that this project is related to other external reporting matters, such as the management commentary reporting

	<p>high priority. To ensure the success of this project, extensive consultation and collaboration with key stakeholders will be required, including working closely with other regulators, such as the AUASB, ACNC and ORIC.</p> <p>The recent implementation of its new service performance reporting standard in New Zealand (PBE FRS 48) will also be considered in developing this project.</p>	<p>and sustainability reporting. They are of the view that the Board should commence this project immediately.</p>
Reference	<p>AASB Research Report 14 Literature Review: Service Performance Reporting for Not-for-Profits</p>	

15 Staff **recommend** that the Board add the service performance reporting project to the work program and develop a project plan.

Digital financial reporting

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	Entities impacted		
	For-profit sector	NFP private sector	NFP public sector
Key issues raised	<p>Most stakeholders noted that they had little knowledge about digital financial reporting in the agenda consultation.</p> <p>Some stakeholders raised concerns that Australia is falling behind. There would be an enormous effort for Australian entities to catch up in the future if regulators do not act soon. Similarly, the Parliamentary Joint Committee (PJC) in the Corporations and Financial Services Regulation of Auditing in Australia: Interim Report recommends the Australian Government take appropriate action to make digital financial reporting standard practice in Australia.</p>		
Importance and priorities	<p>There are mixed views:</p> <ul style="list-style-type: none"> • some stakeholders commented that they are unclear what the Board could accomplish on this project, and as such, they do not have views about the importance and priority of this project; • some stakeholders noted that digital financial reporting is not mandated in Australia, and this project is a low priority. • Some stakeholders are of the view that digital financial reporting is important to meet user needs and are of the view that this project is medium to high priority. 		
Interaction with other projects	N/A		
Complexity and feasibility	<p>Following are the general concerns raised for consideration:</p> <ul style="list-style-type: none"> • <i>Mandatory requirement:</i> A common feedback received was that entities would not likely be implementing digital financial reporting unless regulators mandated it. 		

	<ul style="list-style-type: none"> • <i>AASB's role:</i> Some stakeholders commented that the Board does not have the remit to mandate digital financial reporting, and it is unclear what the Board could accomplish on this project. Some respondents remarked that this project should be led by other relevant regulators, such as ASIC. • <i>Lack of experts and resources:</i> There is a lack of experts in digital financial reporting; as such, some concerns were raised that the AASB does not have the ability to lead this project. • <i>Lack of evidence:</i> There is a lack of understanding of the costs and benefits of implementing and maintaining digital financial reporting. • <i>Connectivity of financial and non-financial information:</i> Some stakeholders suggested the AASB consider incorporating financial and non-financial information in digital reporting.
Reference	<ul style="list-style-type: none"> • CPA publication: Digital corporate reporting: Global experiences from the G20 and implications for policy formulation (authored by Professor Indrit Troshani and Dr Nick Rowbottom)

- 17 In responding to the recommendation provided by PJC and the rapid global development of digital financial reporting in recent years, staff **recommend** the Board monitor and influence the development of digital financial reporting, as appropriate, by educating stakeholders, and contributing to the development and maintenance of IFRS Accounting Taxonomy.

Questions for Board members:

Question 2: Do Board members agree with staff recommendations to:

- add a service performance reporting project to the work program and develop a project plan?
- monitor and influence the development of digital financial reporting as appropriate?

Other suggested potential projects

- 18 Appendix A summarises key considerations pertinent to other suggested potential projects. The table below summarises staff recommendations for each of the topics:

Topics	Staff recommendations
Digital assets and liabilities	At its April 2022 meeting , the IASB decided not to add cryptocurrencies and related transactions to its work program. Further, as the intangible assets research project may address some of the concerns on digital assets and liabilities, staff recommend not adding digital assets and liabilities to the work program.
Going concern disclosures	At its April 2022 meeting , the IASB decided not to add going concern disclosures to its work program. AASB's submission to the IASB Agenda Consultation recommends that a project related to going concern disclosures be included in the IASB's revised work plan as a high priority. AASB staff paper on Going concern disclosures: A case of international standard-setting suggests the IASB initiate a research project to assess: <ul style="list-style-type: none"> (a) the situations in which financial statements are prepared on a non-going concern basis; (b) the extent to which local legislation and regulation regarding liquidation

Topics	Staff recommendations
	<p>and solvency affect the basis of preparation of these financial statements and their content;</p> <p>(c) who the primary users of these financial statements are and their information needs; and</p> <p>(d) the extent of current diversity in practice and, therefore, the need for standard-setting in this area.</p> <p>Staff recommend adding the going concern disclosures project to the research work program and developing a research project plan.</p>
Intangible assets	<p>At its April 2022 meeting, the IASB decided to add intangible assets to its research project pipeline.</p> <p>Consistent with the AASB's submission to the IASB Agenda Consultation, staff are of the view that the intangible assets project is a high priority. In March 2022, the AASB staff paper Intangible assets: Reducing the financial statements information gap through improved disclosures was published. Staff recommend that the Board add the intangible assets project to the research work program, and develop a project plan pertinent to the definition of an intangible asset and/or recognition criteria in AASB 138 <i>Intangible Assets</i>.</p>
Audit remuneration disclosures	<p>The Audit remuneration disclosures project is already in the work program. Staff are monitoring the development of other regulators. See agenda item 5.0 <i>Audit Engagement-related Disclosures</i>.</p>
Imputation franking credits disclosures	<p>Some stakeholders suggested that the Board consider developing more disclosure guidance on imputation franking credits. Further, because of the recent changes in the research and development tax offset regime announced as part of the 2020–2021 Budget, a respondent suggested that the Board develop guidance requiring additional narrative or other disclosure to allow users to understand the future impacts of deferred franking debits on the level of franking credits available. The respondent also suggested the Board work with NZASB closely on this project to maintain trans-Tasman harmonisation for entities.</p> <p>Staff recommend that the Board add this project to the work program and develop a project plan.</p>
Superannuation entities	<p>While acknowledging the Board will be conducting a PIR on AASB 1056 <i>Superannuation Entities</i>, a respondent requested that the Board develop guidance for interim reporting by superannuation entities as the Treasury Laws Amendment (Streamlining and Improving Economic Outcomes for Australians) Bill 2022 was introduced to Parliament on 17 February 2022. It proposed amendments to reporting and auditing requirements of registrable superannuation entities and may require them to prepare interim financial reports. Currently, neither AASB 134 <i>Interim Financial Reporting</i> nor AASB 1056 is fit for the purpose of interim reporting by superannuation entities.</p> <p>However, on 11 April 2022, the House of Representatives dissolved, and the Bill was unpassed legislation before parliament lapsed. Given there are uncertainties about whether the Bill would be reintroduced, staff recommend no action be taken at this stage. Staff will continue to monitor developments.</p>
Definition of NFP	<p>Some respondents suggested that the Board revisit the definition of NFP as the</p>

Topics	Staff recommendations
	<p>current definition in various Australian Accounting Standards is difficult to apply.</p> <p>At the April 2021 meeting, the Board decided to discontinue this project and retain the current 'not-for-profit entity' definition in Australian Accounting Standards. The Board noted the initial feedback in response to the Invitation to Comment ITC 37 The AASB's Standard-Setting Frameworks for For-Profit Entities and Not-for-Profit Entities requested more guidance but did not indicate significant issues with the current definition. The Board also recognised that while most of the respondents to Exposure Draft ED 291 Not-for-Profit Entity Definition and Guidance showed support for the proposals, many raised reservations about the clarity of the implementation guidance, including the level of judgement required, the expected transition effort and cost for some entities. The Board acknowledged the stakeholders' concerns and concluded that the potential benefits of the proposals are unlikely to justify the cost of their implementation.</p> <p>Staff recommend the Board not add this topic to the work program.</p>
Tax transparency disclosures	<p>As requested by the Board of Taxation, the AASB commenced its Tax transparency project and drafted guidance on the transparency code to assist business meet the Tax Transparency Code (TTC) recommendations for the suggested tax reconciliation and calculation of the TTC effective tax rate. The draft was also used as part of the Board of Taxation's PIR of the TTC Consultation Paper issued in 2019. Since the consultation, the Board of Taxation has not made decisions on whether further work is required. Staff are monitoring developments.</p> <p>Staff recommend that no action be taken at this stage.</p>
Globalisation disclosures	<p>A respondent suggested that information related to globalisation would be helpful in its work, such as:</p> <ul style="list-style-type: none"> • information about international flows of intra-company services of multinationals; • transactions related to outsourcing activities; • identification and measurement of non-financial and financial assets and liabilities for the global operation activities of multinational enterprises; • royalties transactions with affiliates by country; • transfers of intellectual property on the balance sheet by country; and • interest paid and received with affiliates by country. <p>The respondent however considers this project a low priority.</p> <p>Staff recommend the Board not add this topic to the work program as the issues raised may be incorporated into the development of digital reporting in the coming years.</p>
Other public sector topics	
Specialised assets / Matters related to AASB 116 Property, Plant and Equipment	<p>A respondent suggested that the Board develop guidance for specialised assets in the public sector, such as cultural assets, heritage assets and natural assets.</p> <p>The IPSASB has an active project on heritage assets. An exposure draft is expected to be published in 2022.</p> <p>Further, in May 2022, the IPSASB released its Consultation Paper, Natural Resources for comment. The consultation paper is IPSASB's first step in developing guidance on the recognition, measurement, presentation and disclosure of natural</p>

Topics	Staff recommendations
	<p>resources in the public sector.</p> <p>Feedback received will also be considered as part of the NFP Conceptual Framework project.</p> <p>Staff recommend that no action be taken at this stage because IPSASB has an active project on this matter (i.e. IPSASB's Consultation Paper, Natural Resources). Staff are monitoring IPSASB's development.</p>
<p>Systematic review of public sector disclosures (e.g. disclosures for Tier 1 and 2) / More guidance on issues of concern to the public sector</p>	<p>Staff expect to receive feedback regarding many public sector disclosures and other concerns while conducting PIRs. See Appendix B for the revised PIRs timeline. Staff recommend no action to be taken at this stage.</p>
<p>Outstanding issues on AASB 16 Leases that are particularly relevant to the public sector</p>	<p>The IASB has included IFRS 16 <i>Leases</i> as one of its forthcoming PIR projects. The AASB will conduct the PIR of AASB 16 <i>Leases</i> to align with IASB's timeline. As part of the AASB Not-for-Profit Entity Standard-Setting Framework, the AASB will gather NFP stakeholder feedback for the PIR. Further, the IPSASB has an active project considering public sector-specific leasing issues, such as concessionary leases.</p> <p>Staff recommend no action be taken at this stage.</p>
<p>Review of harmonisation differences with Government Finance Statistics in recognition and measurement</p>	<p>PIR of AASB 1049 <i>Whole of Government and General Government Sector</i> is in progress. Staff recommend no action be taken at this stage.</p>
<p>AASB 9 Financial Instruments related matters</p>	<p>In conjunction with the IASB's PIR of IFRS 9 – Classification and Measurement, the AASB, in October 2021, issued ITC 47 Request for Comment on IASB Request for Information on Post-implementation Review of IFRS 9 Financial Instruments – Classification and Measurement for comments by 31 December 2021. AASB received stakeholder feedback from all sectors, including a comment letter from HoTARAC.</p> <p>Staff recommend no action be taken at this stage and consider the topic part of the Public Sector Financial Reporting Framework.</p>
<p>Concepts of 'control'</p>	<p>Staff recommend no action to be taken at this stage because staff have commenced a PIR of control/consolidation. See Appendix B for the revised PIRs timeline.</p>
<p>AASB 124 Related Party Disclosures –</p>	<p>Staff recommend no action to be taken at this stage because staff have commenced a PIR of AASB 124. See Appendix B for the revised PIRs timeline.</p>

Topics	Staff recommendations
review of application for the public sector	
Matters related to AASB 137 Provisions, Contingent Liabilities and Contingent Assets in the public sector	Feedback received will be considered as part of the NFP Conceptual Framework project. Staff recommend no action be taken at this stage.
AASB 102 Inventories	The concern is pertinent to AASB 15 <i>Revenue from Contracts with Customers</i> , AASB 1058 <i>Income of Not-for-Profit Entities</i> and AASB 120 <i>Accounting for Government Grants and Disclosure of Government Assistance</i> . Staff recommend that no action be taken because feedback received will be considered part of PIRs of AASB 15 and AASB 1058.
Matters related to AASB 1058 Income of Not-for-Profit Entities	Staff recommend no action to be taken at this stage because staff have commenced a PIR of AASB 1058. See Appendix B for the revised PIRs timeline.
Narrow scope amendments to Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities to more closely align with actual public sector practice	Staff recommend no action to be taken at this stage because staff have commenced a PIR of Interpretation 1038. See Appendix B for the revised PIRs timeline.
Remove the requirement for a statement of changes in equity	Feedback received will be considered as part of the NFP Conceptual Framework project. Staff recommend no action be taken at this stage.
AASB 1004 Contributions	Staff recommend no action to be taken at this stage because staff have commenced a PIR of AASB 1004. See Appendix B for the revised PIRs timeline.
AASB 3 Business Combinations, combinations under common control between public sector entities	Staff recommend no action be taken at this stage because the IASB is having an active project on Business Combinations under Common Control . Staff will monitor developments.

Questions for Board members:

Question 3: Do Board members agree with staff recommendations to add a project on imputation franking credits disclosures to the standard-setting work program?

Question 4: Do Board members agree with other staff recommendations?

Research projects

19 The table below summarises staff recommendations for each of the potential research projects suggested in ITC 46:

Topics	Staff recommendations
Accounting standards research	
Encouraged disclosures	<p>Some respondents support the Board in pursuing this research project to influence IASB's Disclosure Initiative project. They suggested this project should be set as a low priority. However, some respondents expressed concerns that the findings from this project may conflict with the outcome of IASB's Disclosure Initiative project and, as such, they do not think the Board should work on this project.</p> <p>Staff recommend not to include this project in the research pipeline because:</p> <ul style="list-style-type: none"> - the AASB Research Centre has several activities that may contribute to the IASB's Disclosure Initiative Project. For example, for the upcoming 2022 AASB Research Forum, a research team is conducting research related to disclosures. - The IASB has made a call for research on materiality. The AASB Research Centre will work with academics and other national standard-setters on relevant research projects.
AASB 112 Income Taxes and tax transparency disclosures	<p>Many respondents suggested further research is needed to understand whether disclosure requirements under AASB 112 meet user needs. However, some respondents recommended the Board engage with the ATO and the Board of Taxation to understand their directions and areas of focus on tax transparency <i>before</i> recommending any research in this area, as key issues may already be on their project agenda. As such, staff recommend the Board not to add this topic to the research work program.</p>
Intangible assets	<p>As discussed above. Staff recommend that the Board add the intangible assets research project to the work program and develop a research project plan.</p>
External reporting research	
Service performance reporting	<p>As discussed above. Staff recommend the Board add the service performance reporting project to the work program and develop a project plan. The project plan will consider research needs, scope and proposed timeline.</p>
Emerging technology and reporting research	
Digital financial reporting	<p>As discussed above. Staff recommend that the board monitor and influence the development of digital financial reporting as appropriate, including monitoring relevant published research papers.</p>

Topics	Staff recommendations
Enhancing standard-setting process research	
Cost and benefit analysis	<p>Most respondents did not comment on this potential research project. Some respondents remarked that this project is about improving the Board's internal processes and, as such, they do not have views. Some respondents commented that the cost and benefit analysis is an integral part of the standard-setting process, which may impact the quality of financial reports. However, they suggested that the research project be low to medium priority.</p> <p>Staff recommend the Board not to add this topic to the research work program.</p>

- 20 As discussed in paragraph 18 above, staff recommend adding the going concern disclosures project to the work program and developing a research project plan.

<p>Questions for Board members:</p> <p>Question 5: Do Board members agree with staff recommendations to add the following projects to the research work program:</p> <ul style="list-style-type: none"> - Going concern disclosures; - Intangible assets? <p>Question 6: Do Board members agree with other staff recommendations?</p>
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Other comments

- 21 Almost all other comments received requested that the Board spend its resources on higher priority projects.
- 22 Following are staff responses to other comments received:

Other comments	Staff responses
Highest priority should be given to the Australian NFP financial reporting framework project, including reviewing whether the accounting standards are appropriate for Tier-2 NFP private entities	The Australian NFP Financial Reporting Framework project is already highly prioritised. Feedback on whether the accounting standards are appropriate for Tier-2 NFP private entities will be considered when the PIRs of standards are conducted.
Provide further guidance on NFP-specific issues such as grant accounting	Feedback will be considered when the PIRs of relevant standards are conducted.
<p>PIRs of some standards are high priorities, such as:</p> <ul style="list-style-type: none"> • AASB 1059 <i>Service Concession Arrangements: Grantors</i>; • AASB 1058 and AASB 15 <i>Revenue from Contracts with Customers: Appendix F Australian Implementation Guidance for Not-for-profit Entities</i>; • AASB 1050 <i>Administered Items</i>; <p>and</p>	All of topics raised are covered in the PIRs. See Appendix B for the revised PIRs timeline.

Other comments	Staff responses
<ul style="list-style-type: none">recent new accounting standards AASB 9 and AASB 16.	

Question for Board members:
Question 7: Do Board members agree with staff responses noted above?

Appendix A: Summary of key considerations pertinent to other suggested potential projects

Topics	Issues	Entities impacted	Priorities
Digital assets and liabilities	Some for-profit and NFP respondents requested the Board to develop some guidance on digital assets and liabilities. They shared their concerns that, in recent years, there are various forms of digital assets/liabilities emerging in the market.	All sectors	Low to medium
Going concern disclosures	A respondent acknowledged that, while the IASB may add a project to address going concern disclosures in its work program, the Board should consider commencing a domestic project aligning the disclosure requirements in the accounting standards with the Australian auditing standards. ⁴	All sectors	Medium to high
Intangible assets	Some respondents acknowledged that the IASB might add a project on intangible assets to its work program. They suggested the Board conduct further outreach and research on intangible assets to provide the IASB with rigorous evidence and feedback.	All sectors	Medium to high
Audit remuneration disclosures	Several respondents suggested that the Board revisit the audit remuneration disclosure requirements. They commented that the Board should consider providing better clarity on the appropriate period to be included for such disclosures, the treatment of agreed fee adjustments in subsequent periods and whether disclosures should be made on an accrued or cash basis.	All sectors	Medium
Imputation franking credits	Several stakeholders suggested that the Board consider developing more disclosure guidance on imputation franking credits, such as developing guidance requiring additional narrative or other disclosure to allow users to understand the future impacts of deferred franking debits on the level of franking credits available.	Listed entities	Medium
Superannuation entities	While acknowledging the Board will be conducting a PIR on AASB 1056 <i>Superannuation Entities</i> , a respondent requested that the Board develop guidance for interim reporting by superannuation entities.	Superannuation entities	High

⁴ As part of the IASB's *Third Agenda Consultation*, the IASB is in the process of deciding whether going concern disclosures and intangible assets projects would be added to its 2022 to 2026 work plan.

Definition of NFP	Some respondents suggested that the Board revisit the definition of NFP as the current definition in various Australian Accounting Standards is difficult to apply.	NFP sector	There are mixed views.
Tax transparency disclosures	Several respondents suggested that the Board: <ul style="list-style-type: none"> • finalise its tax transparency disclosure guidance;⁵ • work closely with the ATO and the Board of Taxation when developing further guidance; and • work in conjunction with the sustainability reporting project. 	For-profit sector	Medium to high
Globalisation disclosures	A respondent suggested that information related to globalisation would be useful for its work, such as: <ul style="list-style-type: none"> • information about international flows of intra-company services of multinationals; • transactions related to outsourcing activities; • identification and measurement of non-financial and financial assets and liabilities for the global operation activities of multinational enterprises; • royalties transactions with affiliates by country; • transfers of intellectual property on the balance sheet by country; and • interest paid and received with affiliates by country. 	All sectors	Low
Other public sector topics			
Specialised assets in the public sector	A few respondents suggested that the Board develop guidance for cultural assets, heritage assets and natural assets.	Public sector	Low
	HoTARAC in its comment letter provided a list of topics for the Board to consider.	Public sector	In order of descending priority

⁵ https://www.aasb.gov.au/admin/file/content102/c3/taxtransparencycode_faq_sep2017.pdf

Appendix B: Project timeline and milestones of PIRs

CATEGORY 1 – Highest priority (NFP) NFP domestic PIRs addressing NFP topics: <ul style="list-style-type: none"> Income; Control/consolidation; Definition of a structure entity; Related party disclosures; and SPFS basis of accounting – compliance with Australian Accounting Standards. 	CATEGORY 2 – Medium priority (public sector) PART A <ul style="list-style-type: none"> AASB 1050 AASB 1051 AASB 1052 AASB 1004 Interpretation 1038 	CATEGORY 2 – Medium priority PART C <ul style="list-style-type: none"> AASB 1056 Interpretation 1019 	CATEGORY 3 – Lower priority <ul style="list-style-type: none"> AASB 2020-2* AASB 1060* <p>* Staff note that this timing may change, subject to the IASB's Subsidiaries without Public Accountability: Disclosures project</p>	BM = Board meeting** TOR = targeted outreach only ** Staff note that the timing of Board meetings is yet to be decided. As such, indicative timing may change slightly.
PART B <ul style="list-style-type: none"> AASB 1059 				

Suggested activities	Completed	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Planning														
1. Review of original project documentation (e.g. RIS and Basis for Conclusions).	RP and SPFS topics only	All remaining topics except income												
2. Collation of issues the Board are aware of.	RP and SPFS topics only	All remaining topics except income												
3. Academic research:														
<ul style="list-style-type: none"> Identify potential researchers to review existing academic literature and assist with new research. 														
<ul style="list-style-type: none"> Collate relevant research and summarise. 														
4. Seek preliminary feedback from targeted stakeholders (e.g. regulators, professional bodies, advisory panels, preparers and practitioners). Review feedback received.	Income topic only													
5. Prioritise issues from the planning phase to determine the scope of the consultation document.														

Suggested activities	Completed	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
6. Discuss steps 1-5 with the Board.		BM (May)	BM (Sept)		BM	BM			BM					
Outreach														
7. Draft consultation document.														
8. Discuss consultation document with the Board and the Board approve for issue.			BM (Aug)	Approve OOS (Oct) ⁶		BM				BM				
9. Undertake general and targeted outreach to seek stakeholder feedback.						TOR	TOR							
Consideration of feedback and next steps														
10. Consultation comment period closes.														
11. Review and summarise responses received from consultation document and outreach. Perform follow-up procedures where appropriate.														
12. Identify possible 'next steps' to respond to findings in conjunction with the AASB Evidence-Informed Standard-Setting Framework .														
13. Discuss feedback and possible next steps with the Board.					BM		BM		BM	BM			BM	
14. Prepare a feedback statement, discuss it with the Board and publish the feedback statement.						BM		BM		BM				BM

6 The NFP FRF project discussion paper is expected to be issued in September 2022, with a six-month comment period. Although the NFP PIRs consultation paper is expected to be issued in October 2022, staff intend to align the outreach for both consultation documents where possible as the consultation periods overlap.