



Public Sector Long-term Discount and Inflation Rates

Project summary

Some stakeholders have requested the AASB to consider alternative rates to the spot rate in measuring long-term liabilities of public sector entities, in particular, in measuring defined benefit liabilities.

The AASB noted the requirements in Accounting Standards that involve the use of measurements based on the present value of future cash flows apply across both the public sector and the private sector. The AASB therefore decided to begin the project with an issues development phase to help identify a relevant standard-setting response. The issues development phase is intended to enable the AASB to gain a comprehensive understanding of:

- (a) the objectives of the discounting and inflating of cash flows under Accounting Standards; and
- (b) stakeholder concerns with the existing requirements in the public sector context.

Project contact

Patricia Au
Senior Manager
pau@asb.gov.au

Angus Thomson
Principal Fellow
athomson@asb.gov.au

Project status: Issues development

Issued documents

- n/a

AASB outreach

- n/a

Board deliberations

- AASB Action Alert Update and Board papers

Project news

Date	News
8-9 March 2023	March 2023 Action Alert

The staff of the AASB have prepared this summary for information purposes only. The Board decisions described are tentative and do not change current accounting pronouncements unless otherwise indicated. Official positions of the AASB are determined only after extensive due process and deliberations. While this summary is regularly updated, it does not provide a comprehensive review or statement of events and should not be treated as such.

AASB Action Alert Update, Minutes and Board Papers

Meeting Date	Update
March 2023	<p>The Board noted that the requirements in Accounting Standards that involve the use of measurements based on the present value of future cash flows apply across both the public sector and the private sector. The Board therefore decided to begin the project with an issues development phase to gain a comprehensive understanding of:</p> <ul style="list-style-type: none"><li data-bbox="371 555 1353 622">(a) the objectives of the discounting and inflating of cash flows under Accounting Standards; and<li data-bbox="371 640 1393 674">(b) stakeholder concerns with the existing requirements in the public sector context. <p>The Board approved a timetable for the issues development phase of the project, including the planned stakeholder outreach.</p> <p>The Board voted to make the following Accounting Standards:</p> <p><u>6.1</u> Draft project plan: Public Sector Long-term Discount and Inflation Rates</p>