



<b>Project:</b>	<b>Standard-Setting Due Process</b>	<b>Meeting:</b>	AASB September 2021 (M183)
<b>Topic:</b>	<b>Draft work plan for forthcoming Post-implementation Reviews of domestic Standards and Interpretations</b>	<b>Agenda Item:</b>	14.2
		<b>Date of Agenda Paper</b>	23 August 2021
<b>Contact(s):</b>	Kim Carney <a href="mailto:kcarney@asb.gov.au">kcarney@asb.gov.au</a> Mark Shying <a href="mailto:mshying@asb.gov.au">mshying@asb.gov.au</a> Nikole Gyles <a href="mailto:ngyles@asb.gov.au">ngyles@asb.gov.au</a>	<b>Project Priority:</b>	Medium
		<b>Decision-Making:</b>	Medium
		<b>Project Status:</b>	Initial deliberations

## OBJECTIVE OF THIS PAPER

1. Agenda paper 14.1 outlines a proposed Post-Implementation Review (PIR) process. The objective of this agenda paper is for the AASB to consider the application of that proposed process to the various Australian Accounting Standards, including Interpretations (Standards)<sup>1</sup> that will be subject to a PIR over the next 12-24 months.

## REASONS FOR BRINGING THIS PAPER TO THE BOARD

2. To date, most Standards issued by the AASB have not been subject to a formal PIR process, and as noted in paragraph 1, a number of PIRs are expected to begin over the next 12-24 months. This paper considers for each of the Standards currently on issue:
  - (a) whether undertaking a PIR is appropriate, and if so
  - (b) the expected timing.
3. Staff note that many of the AASB's Standards are interconnected, and cross-cutting issues often arise. Accordingly, the timing of PIRs is important to help ensure that the AASB is appropriately informed in relation to not only existing Standards, but also in relation to current projects. For example, one of the AASB's current high priority projects is examining the financial reporting framework for not-for-profit (NFP) private sector entities (the NFP FRF project). It is expected that a number of the proposed PIRs will help inform the NFP FRF project.
4. In addition, staff have identified several other Standards that will require a PIR to meet regulatory requirements.

<sup>1</sup> This paper and Agenda paper 14.1 only consider PIRs in respect of domestic Standards

## STRUCTURE

5. This Staff Paper is set out as follows:
  - (a) Background (paragraph 6)
  - (b) Forthcoming PIRs (paragraphs 7 to 10)
  - (c) Table 1 Domestic Standards currently on issue
  - (d) Table 2 Draft proposed PIR workplan (2022 – mid 2025)

## BACKGROUND

6. As outlined in Agenda paper 14.1, the AASB undertakes a PIR:
  - (a) because there is a regulatory requirement to do so; or
  - (b) to comply with AASB due process requirements.

## FORTHCOMING PIRS

7. In September 2019, the [AASB Due Process Framework for Setting Standards](#) (due process framework) was finalised. It replaced the previous [AASB Policies and Processes document](#) document. In relation to PIRs, the Policies and Process document noted that the AASB had a policy of reviewing its Standards in light of implementation experience on a case-by-case basis. The AASB also had a requirement to ensure its Standards that are legislative instrument are kept up to date and only remain in force as long as they are needed. Notwithstanding the existence of regulatory PIR requirements, the *AASB Policies and Processes* document did not specify a time period for when a PIR should be performed. The two year time period was introduced by the due process framework in September 2019.<sup>2</sup>
8. To date only a limited number of Standards have been subject to a formal PIR. Further, the due process framework does not address whether/how PIRs of Standards issued before the due process framework was finalised should be addressed (where there is no regulatory requirement for a PIR).
9. Staff has identified the Standards in *Table 1 Domestic Standards currently on issue* that might require a PIR. Whilst the due process framework states a PIR **normally** begins after the requirements have been applied for two years, as many of the identified Standards were issued prior to the finalisation of the due process framework and they have been applied for a significant period of time, staff have applied judgement to determine whether, when and to what extent a PIR might be required.
10. The Standards in *Table 1* are categorised as follows:

Category 1	Standards affecting NFP entities – <b>highest priority</b> for PIR due to related NFP FRF project.
Category 2	Standards which been applied for many years – <b>medium priority</b> for PIR. As these Standards have been applied for many years staff suggest that some steps in the PIR process may not be as relevant. For example, if a Standard has been applied for many years and the AASB is not aware of any significant issues, it might not be necessary to request initial feedback from targeted stakeholders and a more general consultation document may be more appropriate (see step 4 <i>Table 2 Draft proposed PIR workplan (2022 – mid 2025)</i> and see also paragraph 30(c) in agenda paper 14.1.

<sup>2</sup> Paragraph 7.15.1 of the due process framework

	<p>It might also be unnecessary to perform general outreach where a Standard is narrow in scope, so targeted outreach may be sufficient (see step 9 <i>Table 2 Draft proposed PIR workplan (2022 – mid 2025)</i>).</p> <p>Finally, staff also suggest that the process for considering feedback and next steps (see steps 11-14 <i>Table 2 Draft proposed PIR workplan (2022 – mid 2025)</i>) might also be abbreviated if limited feedback is received.</p>
Category 3	<p>Recently issued Standards not yet due for a PIR – <b>lower priority</b> as not yet due.</p> <p>As these Standards have been applicable for less than two years, a PIR is not required yet. However, they have been included in the draft workplan as they are expected to commence in 2023.</p>
Category 4	<p>AASB 1048 and other Interpretations – <b>lowest priority</b> for PIR.</p> <p>Most Interpretations have been applicable for many years, however there is merit performing a PIR to ensure the objective of the Interpretation was met and the Interpretations remain relevant.</p> <p>Staff suggest an abbreviated PIR as suggested in Category 2 might be appropriate.</p>
Category 5	<p>Standards that staff suggest do not require a PIR at this time.</p>

**TABLE 1 DOMESTIC STANDARDS CURRENTLY ON ISSUE**

Standard	Initial application date (annual periods beginning on or after)	Is a PIR required? If yes, when is a PIR required?
Category 1 – Highest priority		
<p>(a) AASB 1058 <i>Income of Not-for-Profit Entities</i> and AASB 15 <i>Revenue from Contracts with Customers</i> Appendix F Australian Implementation Guidance for Not-for-Profit Entities</p> <p>AASB 1058 establishes principles for NFP entities that apply to:</p> <p>(i) transactions where the consideration to acquire an asset is significantly less than fair value principally to enable the NFP entity to further its objectives; and</p> <p>(ii) the receipt of volunteer services.</p> <p>Appendix F provides guidance to assist NFP entities to determine whether particular transactions or other events, or components thereof, are within the scope of AASB 15, in particular in relation to identifying a contract and identifying performance obligations.</p>	1 January 2019	<p>Yes – to meet regulatory requirements and the requirements of the due process framework. A PIR should commence after January 2022 and is required to be completed by 2024 in accordance with PIR requirements for OBPR.</p> <p>Staff note that since the issue of AASB 1058 and AASB 15, a number of implementation issues have been raised by stakeholders. A narrow scope short-term project was added to the workplan and staff expect this short-term project may affect the PIR. See staff paper 5.1 for this meeting for information on the short-term project.</p> <p>See Table 2 Draft proposed PIR workplan (2022 – mid 2025) below.</p>
<p>(b) AASB 10 – Appendix E Australian Implementation Guidance for Not-for-Profit Entities<sup>3</sup></p> <p>Appendix E explains and illustrates how the principles in AASB 10 apply to NFP entities in the private and public sectors. In particular to address circumstances where a for-profit perspective does not readily translate to a NFP perspective (e.g. the terms investor and investee).</p>	1 January 2014	<p>Yes – to meet the requirements of the due process framework.</p> <p>Whilst the amendments have been applicable for many years and as stakeholders provided some feedback in relation to NFP FRF project during its development, staff suggest a PIR of the AASB 10 and AASB 12 NFP amendments as it may help further inform the NFP FRF project about the information</p>

<sup>3</sup> Amendments made by AASB 2013-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities

Standard	Initial application date (annual periods beginning on or after)	Is a PIR required? If yes, when is a PIR required?
Category 1 – Highest priority		
<p>(c) AASB 12 – Appendix E Australian Implementation Guidance for Not-for-Profit Entities<sup>4</sup></p> <p>Appendix E explains the application of the definition of ‘structured entity’ by NFP entities.</p>	1 January 2014	<p>consolidated financial statements provide to users as well as any other implementation issues.</p> <p>Further, a PIR of the requirement to disclose information about relationships with other entities (AASB 1054) may also provide evidence about whether such disclosures are helpful in place of consolidated financial statements.</p>
<p>(d) AASB 1054 – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements<sup>5</sup></p> <p>These disclosures were added to AASB 1054 and apply to certain NFP private sector entities that are preparing special purpose financial statements (SPFS). In-scope entities are required to disclose information about the extent of their compliance with recognition and measurement requirements as well as information about whether/how they have accounted for their relationships with other entities.</p>	(ending) 30 June 2020	<p>See Table 2 Draft proposed PIR workplan (2022 – mid 2025) below.</p>
<p>(e) AASB 124 – Australian Implementation Guidance for Not-for-Profit Public Sector Entities<sup>6</sup></p> <p>The requirement to disclose related party information was extended to NFP public sector entities. Historically such entities were excluded from the scope of AASB 124 on the grounds of</p>	1 January 2016	<p>Yes – to meet the requirements of the due process framework.</p> <p>Whilst the amendments extended the scope of related party disclosures to public sector entities (as NFP private sector entities were already within the scope of AASB 124) staff</p>

<sup>4</sup> Amendments made by AASB 2013-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities

<sup>5</sup> Amendments made by AASB 2019-4 Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements

<sup>6</sup> Amendments made by AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities

Standard	Initial application date (annual periods beginning on or after)	Is a PIR required? If yes, when is a PIR required?
Category 1 – Highest priority		
practicability, including the number of intra-government transactions. Australian implementation guidance was also added.		suggest a PIR of these amendments may help inform the AASB’s public sector financial reporting framework project (see below at (f) for additional information about this project).  See Table 2 Draft proposed PIR workplan (2022 – mid 2025) below.

Standard	Initial application date (annual periods beginning on or after)	Is a PIR required? If yes, when is a PIR required?
Category 2 – Medium priority		
(f) AASB 1050 <i>Administered Items</i> AASB 1050 specifies requirements for government departments relating to administered items. Disclosures made in accordance with this Standard provide users with information relevant to assessing the performance of a government department, including accountability for resources entrusted to it.	1 January 2008	Yes – to meet the requirements of the due process framework.  The AASB have a <a href="#">project on the work program</a> that will clarify and simplify the financial reporting framework for public sector entities. The aim is to develop objective criteria to determine which entities should be required to prepare and lodge financial statements and the financial reporting requirements that would apply to the financial statements.
(g) AASB 1051 <i>Land Under Roads</i> AASB 1051 specifies the requirements for financial reporting of land under roads by local governments, government departments, General Government Sectors and whole of governments.	1 January 2008	It is possible that the requirements in AASB 1050 may be affected by this project which may reconsider the boundary of the reporting entity. This may in turn affect the reporting

Standard	Initial application date (annual periods beginning on or after)	Is a PIR required? If yes, when is a PIR required?
Category 2 – Medium priority		
<p>(h) <i>AASB 1052 Disaggregated Disclosures</i></p> <p>AASB 1052 specifies principles for reporting:</p> <ul style="list-style-type: none"> <li>(i) financial information by function or activity by local governments; and</li> <li>(ii) financial information about service costs and achievements by government departments.</li> </ul> <p>Disclosures made in accordance with this Standard provide users with information relevant to assessing the performance of a local government or government department, including accountability for resources entrusted to it.</p>	1 January 2008	<p>of income and expenses that are not attributable to a government department.</p> <p>The project is not expected to affect the requirements of AASB 1051, AASB 1052, AASB 1004 or Interpretation 1038.</p> <p>Notwithstanding this possible affect, staff suggest a general public consultation document that considers the suite of historical public sector Standards (e.g. AASB 1050, AASB 1051, AASB 1052, AASB 1004 and Interpretation 1038) is warranted.</p> <p>See Table 2 Draft proposed PIR workplan (2022 – mid 2025) below.</p>
<p>(i) <i>AASB 1004 Contributions</i><sup>7</sup></p> <p>AASB 1004 sets requirements for:</p> <ul style="list-style-type: none"> <li>(i) Government departments in respect of parliamentary appropriations, liabilities of government departments assumed by other entities, contributions by owners and distributions to owners and the restructure of administrative arrangements.</li> <li>(ii) Other government controlled NFP entities in respect of the restructure of administrative arrangements.</li> <li>(iii) Local governments and whole of governments in respect of contributions by owners and distributions to owners.</li> </ul>	1 July 2008	

<sup>7</sup> AASB 1004 previously contained revenue recognition requirements for NFP private sector entities. These requirements were superseded by the requirements in AASB 15 and AASB 1058.

Standard	Initial application date (annual periods beginning on or after)	Is a PIR required? If yes, when is a PIR required?
Category 2 – Medium priority		
<p>(j) Interpretation 1038 <i>Contributions by Owners Made to Wholly-Owned Public Sector Entities</i></p> <p>This Interpretation applies to certain transfers of assets, or assets and liabilities, to wholly-owned public sector entities from other entities within the same group of entities. It applies where AASB 1004 is applied.</p>	1 July 2008	
<p>(k) AASB 1056 <i>Superannuation Entities</i></p> <p>AASB 1056 specifies requirements for the general purpose financial statements of superannuation entities. The objective is to provide users with information that is useful for decision making in a superannuation entity context.</p>	1 July 2016	<p>Yes – to meet the requirements of the due process framework.</p> <p>Staff note that entities within the scope of AASB 1056 are not subject to external regulation (e.g. they are outside the remit of APRA and ASIC) and that AASB 1056 was subject to extensive consultation and outreach during development.</p>
<p>(l) Interpretation 1019 <i>The Superannuation Contribution Surcharge</i></p> <p>This Interpretation addresses whether the surcharge is a liability and an expense of a superannuation plan and, if so, when the liability and expense should be recognised.</p>	1 January 2005	<p>Staff also note that when finalising AASB 1056, the AASB concluded that it would reconsider the status of Interpretation 1019 and whether it might need to address the surcharge on superannuation contributions for high income earners introduced in 2013, once the impact of the implementation of that surcharge is clear.<sup>8</sup></p> <p>However, staff suggest there may merit in a PIR to ensure both AASB 1056 and Interpretation 1019 remain relevant.</p> <p>See Table 2 Draft proposed PIR workplan (2022 – mid 2025) below.</p>

<sup>8</sup> AASB 1056.CB99



Standard	Initial application date (annual periods beginning on or after)	Is a PIR required? If yes, when is a PIR required?
Category 3 – Lower priority		
<p>(m) <i>AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities</i></p> <p>This amending Standard removed the ability for certain for-profit private sector entities to prepare SPFS where:</p> <p>(i) they are required by legislation to prepare financial statements that comply with either Australian Accounting Standards or accounting standards; or</p> <p>(ii) they are required only by their constituting document or another document to prepare financial statements that comply with Australian Accounting Standards, and that the relevant document was created or amended on or after 1 July 2021.</p>	1 July 2021	<p>Yes – to meet regulatory requirements and the requirements of the due process framework. A PIR should commence after July 2023 and is required to be completed before July 2026 in accordance with PIR requirements for OBPR.</p> <p>See Table 2 Draft proposed PIR workplan (2022 – mid 2025) below.</p>
<p>(n) <i>AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i></p> <p>This is a separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in <i>AASB 1053 Application of Tiers of Australian Accounting Standards</i>.<sup>9</sup> It replaces the existing RDR framework.</p>	1 July 2021	

<sup>9</sup> AASB 1053 outlines that Australian Accounting Standards consist of two Tiers of reporting requirements for preparing general purpose financial statements:

(a) Tier 1: Australian Accounting Standards; and (b) Tier 2:

(b) Australian Accounting Standards – Simplified Disclosures (for annual periods beginning on or after 1 July 2021).

Standard	Initial application date (annual periods beginning on or after)	Is a PIR required? If yes, when is a PIR required?
Category 3 – Lower priority		
<p>(o) AASB 1059 <i>Service Concession Arrangements: Grantors</i></p> <p>AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor’s perspective.</p> <p>AASB 2021-4 <i>Amendments to Australian Accounting Standards – Modified Retrospective Transition Approach for Service Concession Grantors</i> amends the modified retrospective transition method for service concession grantors measuring the Grant of a Right to the Operator liability when implementing AASB 1059.</p>	<p>1 January 2020</p> <p>(ending) 30 June 2021</p>	<p>Yes – to meet the requirements of the due process framework.</p> <p>The application date of AASB 1059 was deferred from 1 January 2019 to 1 January 2020 and public sector entities predominantly have June year ends.</p> <p>Therefore, a PIR should commence after June 2023, which is two years after initial application and would also allow for two years of application AASB 2021-4.</p> <p>See Table 2 Draft proposed PIR workplan (2022 – mid 2025) below.</p>

Standard	Initial application date (annual periods beginning on or after)	Is a PIR required? If yes, when is a PIR required?
Category 4 – Lowest priority		
<p>(p) AASB 1048 <i>Interpretation of Standards</i></p> <p>AASB 1048 is a Service Standard that provides Australian Interpretations with authoritative status. Issuing a service Standard preserves the status of Australian Interpretations as ‘external documents’ referred to in a Standard, with the contents fixed in time to that existing when the Standard is made by the AASB.</p>	<p>(ending) 31 December 2020</p>	<p>Staff note that domestic Interpretations provide guidance to Australian stakeholders on the application of pronouncements when:</p> <p>(a) an issue is widespread, and there is diversity in practice;</p>

Standard	Initial application date (annual periods beginning on or after)	Is a PIR required? If yes, when is a PIR required?
<p>(q) Interpretation 1003 <i>Australian Petroleum Resource Rent Tax</i></p> <p>This Interpretation addresses whether Australian Petroleum Resource Rent Tax is an income tax within the scope of AASB 112 <i>Income Taxes</i>.</p>	(ending) 30 June 2008	<p>(b) it is not necessary to change or amend an existing pronouncement to address the issue; and</p> <p>(c) the issue can be resolved efficiently within the confines of the existing pronouncements (including the Conceptual Framework).<sup>10</sup></p>
<p>(r) Interpretation 1030 <i>Depreciation of Long-Lived Physical Assets: Condition-Based Depreciation and Related Methods</i></p> <p>This Interpretation addresses what, if any, characteristics of condition-based depreciation and similar methods of depreciation contravene the requirements of Accounting Standards. Condition-based depreciation usually requires the condition of an asset to be assessed periodically and the cost of restoring the asset from its current condition to a predetermined service level is then estimated. Any increase in the restoration cost beyond that estimated in the prior reporting period is recognised as depreciation expense.</p>	1 January 2005	<p>For this reason, a PIR to assess whether an Interpretation reduced diversity in practice and efficiently resolved the issue is expected to meet the requirements of the Due Process Framework.</p> <p>However, if the outcome of a PIR supported that the Interpretation reduced diversity in practice, that does not mean it is no longer relevant. For example, if a stakeholder was looking to support why a treatment is 'GAAP' when Standards are not sufficiently clear, if the Interpretation had been withdrawn this would not be helpful.</p>
<p>(s) Interpretation 1031 <i>Accounting for the Goods and Services Tax (GST)</i></p> <p>This Interpretation addressed how to account for GST in general purpose financial statements (e.g. that revenue, expenses and assets are shown net of GST, with some exceptions and how GST should be included in the Statement of Cash Flows).</p>	1 January 2005	<p>For this reason, whilst staff do not consider a PIR of AASB 1048 to be necessary as it is a service Standard, staff suggests there might be merit in performing a PIR of each domestic Interpretation prior to the issue of a new Principal version of AASB 1048.</p>
<p>(t) Interpretation 1052 <i>Tax Consolidation Accounting</i></p>	(ending) 31 December 2005	

<sup>10</sup> Due Process Framework, paragraphs 8.4.1 and 8.4.2

Standard	Initial application date (annual periods beginning on or after)	Is a PIR required? If yes, when is a PIR required?
This Interpretation outlines how tax consolidation accounting should be applied, how tax funding (or contribution) arrangements should be accounted for and what disclosures are appropriate.		
<p>(u) Interpretation 1055 <i>Accounting for Road Earthworks</i></p> <p>This Interpretation addresses whether particular road earthworks may be assessed as not having a limited useful life, similar to land, and therefore not subject to depreciation, and whether it is possible to reliably estimate a useful life over which particular road earthworks with a limited useful life should be depreciated. Interpretation 1055 applies where AASB 116 <i>Property, Plant and Equipment</i> is applied.</p>	1 January 2005	

Standard	Initial application date (annual periods beginning on or after)	Is a PIR required? If yes, when is a PIR required?
Category 5 — a PIR is not required at this time.		
<p>(v) AASB 1023 <i>General Insurance Contracts</i></p> <p>From 1 January 2023 (the application date of AASB 17 <i>Insurance Contracts</i>), AASB 1023 will apply only to NFP public sector entities.</p> <p>AASB 1023 applies to:</p> <p>(i) general insurance contracts (including general reinsurance contracts) that a general insurer issues and to general reinsurance contracts that it holds;</p>	1 January 2005	<p>Whilst a PIR might be required to meet the requirements of the due process framework, in staffs' view it is not appropriate at this time. This is because the AASB is undertaking a <a href="#">joint project</a> with the NZASB to consider how AASB 17/PBE IFRS 17 <i>Insurance Contracts</i> should be applied to NFP public sector entities.</p> <p>Whilst the AASB decided to temporarily exclude NFP public sector entities from the scope of AASB 17, AASB 17 is</p>

Standard	Initial application date (annual periods beginning on or after)	Is a PIR required? If yes, when is a PIR required?
Category 5 — a PIR is not required at this time.		
<ul style="list-style-type: none"> <li>(ii) certain assets backing general insurance liabilities,</li> <li>(iii) financial liabilities and financial assets that arise under non-insurance contracts; and</li> <li>(iv) certain assets backing financial liabilities that arise under non-insurance contracts.</li> </ul>		<p>expected to supersede AASB 1023, AASB 1038 and Interpretation 1047 (as well as AASB 4) for NFP public sector entities pending the outcome of this project.</p> <p>This project is also expected to address public-sector-specific issues regarding insurance contracts.</p>
<p>(w) <i>AASB 1038 Life Insurance Contracts</i></p> <p>From 1 January 2023 (the application date of AASB 17), AASB 1023 will apply only to NFP public sector entities.</p> <p>AASB 1038 applies to:</p> <ul style="list-style-type: none"> <li>(i) life insurance contracts (including life reinsurance contracts) that a life insurer issues and to life reinsurance contracts that it holds;</li> <li>(ii) certain aspect of accounting for life investment contracts that a life insurer issues or in the case of a life investment contract that is reinsurance, that it holds; and</li> <li>(iii) certain assets backing life insurance liabilities or life investment contract liabilities.</li> </ul>	1 January 2005	
<p>(x) <i>Interpretation 1047 Professional Indemnity Claims Liabilities in Medical Defence Organisations</i></p> <p>This Interpretation outlines the accounting for liabilities for professional indemnity claims.</p>	1 January 2005	

Standard	Initial application date (annual periods beginning on or after)	Is a PIR required? If yes, when is a PIR required?
Category 5 —a PIR is not required at this time.		
<p>(y) <i>AASB 1039 Concise Financial Reports</i></p> <p>AASB 1039 specifies the minimum content of a concise financial report prepared in accordance with paragraph 314(2)(a) in Part 2M.3 of the <i>Corporations Act 2001</i>.</p> <p>Concise financial statements are an extract of an entity’s full financial statements used for reporting to members.</p>	1 January 2009	<p>Whilst a PIR might be required to meet the requirements of the due process framework, in staffs’ view it is not necessary at this time. This is because this Standard was issued many years ago and the AASB recently reviewed the requirements of GPFS reporting for for-profit private sector entities reporting under the <i>Corporations Act 2001</i>.</p> <p>In addition, concise financial reports are not expected to apply to NFP private and public sector entities.</p>
<p>(z) <i>AASB 1049 Whole of Government and General Government Sector Financial Reporting</i></p> <p>AASB 1049 specifies requirements for whole of government GPFS and General Government Sector financial statements of each government. AASB 1049 also requires disclosure of additional information such as reconciliations to key fiscal aggregates determined in accordance with the ABS GFS Manual and, for the whole of government, sector information.</p>	1 July 2008	No —a PIR of these Standards is already in progress.
<p>(aa) <i>AASB 1055 Budgetary Reporting</i></p> <p>AASB 1055 specifies budgetary disclosure requirements for the whole of government, General Government Sector and NFP entities within the General Government Sector of each government. Disclosures made in accordance with AASB 1055 provide users with information relevant to assessing performance of an entity, including accountability for resources entrusted to it.</p>	1 July 2014	

Standard	Initial application date (annual periods beginning on or after)	Is a PIR required? If yes, when is a PIR required?
Category 5 —a PIR is not required at this time.		
(bb) <i>AASB 1053 Application of Tiers of Australian Accounting Standards</i> AASB 1053 sets out the application of Tiers of Australian Accounting Standards to different categories of entities preparing GPFS.	1 July 2013	Whilst a PIR might be required to meet the requirements of the due process framework, in staffs' view it is not necessary at this time. This is because a PIR of RDR was completed in October 2017 and from 1 July 2021 RDR is replaced by AASB 1060 (the simplified disclosures standard). A PIR of AASB 1060 will also be performed in due course.
(cc) <i>AASB 1054 Australian Additional Disclosures</i> AASB 1054 sets out Australian-specific disclosure requirements that are in addition to disclosure requirements in IFRS Standards.	1 July 2011	Whilst a PIR might be required to meet the requirements of the due process framework, in staffs' view it is not necessary to perform a PIR of AASB 1054 at this time. <sup>11</sup> This is because when AASB 1060 was developed the AASB considered the Australian-specific disclosures included in AASB 1054 that were relevant to GPFS. Staff note that all GPFS disclosures in AASB 1054 were retained with the exception of disclosures about the cash flow reconciliation (AASB 1054.16).
(dd) <i>AASB 1057 Application of Australian Accounting Standards</i> AASB 1057 specifies the types of entities and financial statements to which Australian Accounting Standards (including Interpretations) apply.	1 January 2016	Whilst a PIR might be required to meet the requirements of the due process framework, in staffs' view it is not necessary to perform a PIR of AASB 1057 at this time. This is because the types of entities required to comply with Standards in the for-profit private sector was recently considered by the AASB as part of the application of the revised conceptual framework and the removal of SPFS. A PIR of AASB 2020-2 will be performed in due course.

<sup>11</sup> Staff note that a PIR of certain disclosures added to AASB 1054 by AASB 2019-4 relating to relationships with other entities is suggested above in Category 1.

Standard	Initial application date (annual periods beginning on or after)	Is a PIR required? If yes, when is a PIR required?
Category 5 —a PIR is not required at this time.		
		In addition, the types of entities required to comply with Standards in the NFP private and public sector will be considered as part of the respective financial reporting framework projects.

**Question 1 to Board members:**

- (a) Do Board members agree with the approach adopted by staff in categorising the PIRs? If not, what do Board members suggest?
- (b) Do Board members have any other comments on Table 1?



**TABLE 2 DRAFT PROPOSED PIR WORKPLAN (2022 – MID 2025)**

Legend:

<p><b>CATEGORY 1 – Highest priority</b></p> <ul style="list-style-type: none"> <li>AASB 1058</li> <li>AASB 15 Appendix F</li> <li>AASB 10 NFP Appendix E</li> <li>AASB 12 NFP Appendix E</li> <li>AASB 1054 (NFP requirements)</li> <li>AASB 124 (NFP implementation guidance)</li> </ul> <p>* These PIRs are conducted concurrently as they are interlinked with the NFP FRF project.</p>	<p><b>CATEGORY 2 – Medium priority</b></p> <ul style="list-style-type: none"> <li>AASB 1050</li> <li>AASB 1051</li> <li>AASB 1052</li> <li>AASB 1004</li> <li>Interpretation 1038</li> </ul>	<p><b>CATEGORY 2 – Medium priority</b></p> <ul style="list-style-type: none"> <li>AASB 1056</li> <li>Interpretation 1019</li> </ul>	<p><b>CATEGORY 3 – Lower priority</b></p> <ul style="list-style-type: none"> <li>AASB 2020-2*</li> <li>AASB 1060*</li> <li>AASB 1059 (and AASB 2021-4)</li> </ul> <p>* Staff note that this timing may change, subject to the IASB’s Subsidiaries without Public Accountability: Disclosures project</p>	<p>BM = Board meeting**</p> <p>TOR = targeted outreach only</p> <p>** Staff note that the timing of Board meetings are yet to be decided. As such indicative timing may change slightly</p>
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Suggested activities	Q4 2021	Q1 2022	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).															
2. Collation of issues the AASB are aware of.															
3. Academic research:															
• Identify potential researchers to review existing academic literature and assist with new research.															
• Collate relevant research and summarise.															
4. Request initial feedback from targeted stakeholders (e.g. regulators, professional bodies, advisory panels, preparers and practitioners). Review feedback received.															
5. Prioritise issues from planning the phase to determine the scope of the consultation document.															
6. Discuss steps 1-5 with the AASB.															
Fieldwork															
7. Draft consultation document.															
8. Discuss consultation document with the AASB and AASB approve for issue.															
9. Undertake general and targeted outreach to seek stakeholder feedback.															
Consideration of feedback and next steps															
10. Consultation comment period closes.															

<sup>12</sup> This timing is consistent with the expected issue of the NFP FRF project discussion paper. Refer to agenda paper 4.1 from the August 2021 meeting for more information.

Suggested activities	Q4 2021	Q1 2022	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
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 <a href="#">AASB Evidence-Informed Standard-Setting Framework</a> .															
13. Discuss feedback and possible next steps with the AASB.															
14. Prepare feedback statement, discuss with the AASB and publish feedback statement.															

**Question 2 to Board members:**

(a) Subject to Board member decisions on Question 1, do Board members agree with the draft proposed PIR workplan outlined in Table 2? If not, what do Board members suggest?

(b) Do Board members have any other comments on Table 2?