



Project:	Research Centre	Meeting:	M188
Topic:	Research update	Agenda Item:	7.1
		Date:	6 June 2022

Contact(s): Eric Lee
elee@asb.gov.au

Project Priority: N/A
Decision-Making: N/A
Project Status: Report to Board

Objective of this paper

- The objective of this agenda item is to provide the Board with updates on:
 - the recent key AASB Research Centre activities that have occurred since the February 2022 Board meeting; and
 - ongoing and upcoming research projects.
- There are no decisions that need to be made by the Board as part of this update.

Summary of recent research activities

2022 AASB Dialogue Series

- The AASB, jointly with the CPA Australia and CA ANZ, host the *2022 AASB Dialogue Series* to provide stakeholders with insightful discussion and education on emerging accounting and external reporting topics that are most relevant to AASB work. It is a new initiative that aligns with AASB strategic objectives 3, 4, 6 and 7.¹ The *AASB Dialogue Series* sessions are run via a virtual platform so that international stakeholders may attend the sessions.
- Staff conducted the following *AASB Dialogue Series* sessions since February 2022:

Date (2022)	Topic	Speakers	Number of attendees
23 March	TCFD Implementation	Professor Wai-Fong Chua (University of Sydney) Adrian King (KPMG) Ramana James (IAG) Professor Naomi Soderstrom (University of Melbourne)	87
9 May	Intangible Assets	Professor Baljit K Sidhu (University of Sydney)	139

¹ See [Appendix A](#) for the AASB strategic objectives.

Date (2022)	Topic	Speakers	Number of attendees
		Matt Tilling (<i>UK Endorsement Board</i>) Nicolas Konialidis (<i>EverEdge</i>) Stephen Reid (<i>Deloitte</i>)	

5 The recordings are available on the [AASB webpage](#).

6 An upcoming dialogue series session will be held on 17 August 2022 (Wednesday) 4 –5.30 pm AEST. The topic is Digital Financial Reporting.

AASB SSRN Working Papers Series

7 Staff launched the [AASB's SSRN Working Paper Series](#) in April 2022. It is a new initiative to encourage researchers to work on research projects relevant to AASB work. This initiative aligns with AASB strategic objectives 3, 4, 6 and 7.

8 The following papers have been published at the SSRN:

Title	Authors
Earnings management in Australian not-for-profit disability services	David Gilchrist (<i>The University of Western Australia – UWA Business School</i>) Dane Rees Etheridge (<i>Curtin University</i>) Zhangxin Frank Liu (<i>The University of Western Australia Business School</i>)
Presentation prominence: Does it matter to non-professional investors?	Daifei (Troy) Yao (<i>Queensland University of Technology – QUT Business School</i>) Xin Qu (<i>Queensland University of Technology</i>) Tyge Kummer (<i>Queensland University of Technology</i>)
How important are semi-annual earnings announcements? An information event perspective	Stephen Taylor (<i>University of Technology Sydney</i>) Alex Tong (<i>University of Technology Sydney</i>)

Staff Paper on Intangible Assets

9 A staff paper titled [Intangible Assets: Reducing the Financial Statements Information Gap through Improved Disclosures](#) was published in March 2022.

10 Following publication of the Staff Paper, staff have requested stakeholders to provide feedback.

11 Staff presented the paper at the May 2022 CPA Australia Centre of Excellence meeting. Feedback received about recommendations provided in the staff paper is mixed, however members generally agree that IAS 38 *Intangible Assets* needs to be reviewed and improved.

March 2022 AASB Academic Advisory Panel meeting

- 12 The AASB Academic Advisory Panel met on 28 March 2022. Panel members received updates on recent research activities and the progress made on the AASB Research Forum.
- 13 Staff also proposed setting up working groups within the panel. These working groups will provide members with better opportunities to provide input to AASB work in accordance with their research interests. The Panel will form working groups based on the needs of current and future IASB/AASB projects, such as an intangibles working group, going concern disclosures working group, or group reporting working group.

Ongoing and upcoming research activities

2022 AASB Research Forum

- 14 The 2022 AASB Research Forum will be held jointly with Royal Melbourne Institute of Technology (RMIT) on Monday 5 December 2022. A hybrid model (i.e. face-to-face and virtual model) will be used. More details will be provided when closer to the event.
- 15 The table below provides some details of the research topics expected to be presented at the 2022 AASB Research Forum:

Research title	Research team	Academic consultants
Exploring the Horizons of Financial Reporting	Michael Davern (<i>University of Melbourne</i>) Dean Hanlon (<i>Monash University</i>) Ram Subramanian (<i>CPA Australia</i>) Nikole Gyles (AASB) Brad Potter (<i>University of Melbourne</i>) Janice Gu (<i>University of Melbourne</i>)	Bryan Howieson Karen Handley
AASB Practice Statement 2 <i>Making Material Judgements</i> : Its impact on firms' reporting and assurance practice on climate-related risk within and beyond financial statements, and capital markets	Kevin Thai (RMIT) Yang Xu (<i>University of Queensland</i>) Kathleen Herbohn (<i>University of Queensland</i>)	Baljit Sidhu Tom Scott
Improving the Visibility of Soil Health in Corporate Reporting	Nick Pawsey (<i>Charles Sturt University</i>) Francisco Ascu (<i>Federation University</i>) Ben Wills (<i>Federation University</i>)	Brad Potter Lee Moerman

IASB call for research on Making Materiality Judgements

- 16 In April 2022, the IASB approached national standard-setters (NSS) to seek whether any NSS is interested to be involved in conducting research about materiality judgements with academics.²
- 17 If the AASB is selected to participate the IASB initiative, the AASB will invite Australian academics to express interests for collaboration. The scope of the project will be determined in discussion with IASB. The project is expected to commence in Q3 2022 and a final research report will be delivered by Q3 2023.

² See <https://www.ifrs.org/news-and-events/news/2022/04/iasb-call-for-research-on-making-materiality-judgements/>

Research in progress

18 The table below summarises the progress of current research projects:

Project	Staff comment
Joint research with the Malaysian Accounting Standards Board (MASB) on transition requirements and practical expedients	<p>The AASB and the MASB are working jointly on a project to examine the choices made by lessees when transitioning from IAS 17 <i>Leases</i> to IFRS 16 <i>Leases</i> and for the ongoing application of IFRS 16.</p> <p>A report is expected to be published in H3 2022.</p>
Understandability of accounting standards	<p>This is a joint research project with the following academics from University of Adelaide: Associate Professor Janice Loftus, Associate Professor Bryan Howieson and Dr Sabine Schuhrer.</p> <p>The objective of the study is to investigate the problems of understandability of IFRS from the perspective of national standard setters.</p> <p>Preliminary findings are expected to be delivered by H4 2022.</p>
Common transactions of Tier-3 NFP entities	<p>The objective of this project is to provide evidence that support the NFP Financial Reporting Framework project. Staff are developing a project plan.</p>

Question to the Board

Do Board members have any comments or questions?

Appendix A: AASB Strategic Objectives

1. Develop, issue and maintain principles-based, Australian accounting and reporting standards and guidance that meet the needs of external report users (including financial reports) and are capable of being assured and enforced. For 'publicly accountable' entities maintain IFRS compliance; for others, use IFRS Standards (where they exist), and transaction neutrality (modified as necessary), or develop Australian-specific standards and guidance.
2. With the AUASB, play a leading role in reshaping the Australian external reporting framework by working with regulators to develop objective criteria on:
 - who prepares external reports (including financial reports)
 - the nature and extent of assurance required on these external reports.
3. Actively influence IASB, IPSASB standards and other international accounting and external reporting standards and guidance, by demonstrating thought leadership and enhancing key international relationships.
4. Attain significant levels of key stakeholder engagement, through collaboration, partnership and outreach.
5. Influence initiatives to develop standards and guidance that meet user needs for external reporting integral to financial reporting.
6. Monitor and respond to, or lead on, emerging issues impacting the development of accounting and external reporting standards and guidance, including changing technologies.
7. Develop guidance and education initiatives, or promote development by others, to enhance consistent application of accounting and external reporting standards and guidance.