

OFFICE OF THE AUSTRALIAN ACCOUNTING STANDARDS BOARD

Section 1: Agency overview and resources	321
1.1 Strategic direction statement	321
1.2 Agency resource statement	323
1.3 Budget measures.....	323
Section 2: Outcomes and planned performance	324
2.1 Outcomes and performance information	324
Section 3: Explanatory tables and budgeted financial statements	328
3.1 Explanatory tables	328
3.2 Budgeted financial statements.....	328

OFFICE OF THE AUSTRALIAN ACCOUNTING STANDARDS BOARD

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Office of the Australian Accounting Standards Board (AASB) is an Australian Government agency under the *Australian Securities and Investments Commission Act 2001*.

The functions of the AASB are to:

- develop a conceptual framework for the purpose of evaluating proposed accounting standards and international standards;
- make accounting standards under section 334 of the *Corporations Act 2001* for the purposes of the corporations legislation;
- formulate accounting standards for other purposes;
- participate in and contribute to the development of a single set of accounting standards for world-wide use; and
- facilitate the Australian economy by reducing the cost of capital, enabling Australian entities to compete effectively overseas, leaving accounting standards that are clearly stated and easily to understand, and to maintain investor confidence in the Australian economy (including its capital markets).

The vision of the AASB is to build on its reputation as a leading national standard setter and be recognised as a global centre of excellence, delivering a truly distinctive contribution to the development of high quality financial reporting standards.

The mission of the AASB is to develop and maintain high quality financial reporting standards for all sectors of the Australian economy and contribute, through leadership and talent, to the development of global financial reporting standards and be recognised as facilitating the inclusion of the Australian community in the activity of global standard setting.

Key priorities during 2013-14 include:

- issue Australian consultative documents incorporating International Accounting Standards Board (IASB) exposure drafts and discussion papers to encourage

Office of the Australian Accounting Standards Board Budget Statements

Australian constituents to be involved in the process and provide the AASB with information for making its own comments to the IASB;

- ensure that changes to International Financial Reporting Standards (IFRS) are processed expeditiously and are communicated to Australian constituents;
- work closely with the New Zealand Financial Reporting Standards Board to converge reporting requirements across the Tasman, consistent with the Outcome Proposals agreed in August 2009 (as amended in 2011) by the Australian and New Zealand Prime Ministers;
- continue to implement the new differential reporting framework, (Reduced Disclosure Requirements);
- actively pursue an agenda relevant to the public sector and the not-for-profit private sector, whilst maintaining a transaction neutral approach;
- participate in ongoing projects of the International Public Sector Accounting Standards Board (IPSASB) with a view to promoting and improving the IPSASB's output;
- issue a revised Standard on financial reporting by superannuation plans; and
- work closely both in the Asia Oceania and global arenas to promote Australian thought leadership and influence.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources for AASB.

Table 1.1: Australian Accounting Standards Board resource statement — Budget estimates for 2013-14 as at Budget May 2013

	Estimate of prior year amounts available in 2013-14 ⁺ \$'000	Proposed at Budget 2013-14 ⁼ \$'000	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
Ordinary annual services				
Departmental				
Prior year departmental appropriation	1,485 ⁴	-	1,485	-
Departmental appropriation ³	-	3,815 ¹	3,815	3,810
Receipts from other sources (s31)	-	788 ²	788	808
Total ordinary annual services	A 1,485	4,603	6,088	4,618
Departmental non-operating				
Equity injections	3,188 ⁴	-	3,188	-
Total other services	B 3,188	-	3,188	-
Total net resourcing for AASB (A+B)	4,673	4,603	9,276	4,618

1. Appropriation Bill (No. 1) 2013-14.

2. Receipts under section 31 (s31) of the *Financial Management and Accountability Act 1997*.

3. Includes \$0.08 million in 2013-14 for the departmental capital budget (also refer to Table 3.2.5).

4. Estimated adjusted balance carried from previous year for annual appropriations.

1.3 Budget measures

Budget measures relating to the AASB are summarised below.

Table 1.2: Australian Accounting Standards Board 2013-14 Budget measures

Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Expense measures					
Targeted savings – public service efficiencies ¹	1.1 (17)	(26)	(23)	(22)	(20)
Total expense measures	(17)	(26)	(23)	(22)	(20)

1. This measure was included as a cross portfolio measure in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

The AASB's outcome is described below, specifying the strategy, program objective, program deliverables and program key performance indicators used to assess and monitor the performance of the AASB.

Outcome 1: The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions

Outcome 1 strategy

The key strategies to achieve Outcome 1 are:

- to make accounting standards under section 334 of the *Corporations Act 2001* for the purposes of the financial reporting requirements of the Corporations legislation;
- to formulate accounting standards for the purposes of financial reporting by Australian entities that are not subject to the reporting requirements of the Corporations legislation; and
- to participate in, and contribute to, the development of a single set of accounting standards for world-wide use.

The AASB will continue its role in the development of legally enforceable accounting standards, the development of accounting standards for non Corporation's legislation entities and the development of global accounting standards.

Outcome expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: The formulation and making of accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 1.1: Australian Accounting Standards Board		
Departmental expenses		
Departmental appropriation	4,537	4,521
Expenses not requiring appropriation in the budget year	191	239
Total expenses for Outcome 1	4,728	4,760
	2012-13	2013-14
Average staffing level (number)	22	24

Contributions to Outcome 1

Program 1.1: Australian Accounting Standards Board

Program objective

The objectives of the AASB are to:

- ensure Australian for-profit entities complying with Australian Accounting Standards would also be complying with the IFRS;
- to the extent feasible, ensure transactions are accounted for in the same way by all entities – that is, to the extent feasible, ensure Australian Accounting Standards are transaction neutral, which requires consideration by the AASB of how each IFRS might affect not-for-profit entities in the public and private sectors;
- maintain and enhance Australia's reputation as a leading national accounting standard setter in the interests of making an important contribution to setting high-quality global standards. This also involves establishing and maintaining working relationships with other national standard setters (particularly in the Asia-Oceania region), the IASB and the IPSASB;
- drive improvements in financial reporting, particularly on issues not being dealt with internationally, including those relating to not-for-profit entities in the public and private sectors when a purely transaction neutral approach does not prove feasible;
- have consistent interpretations of requirements and encourage other jurisdictions to do the same through relationships with other standard setters;

- have an up-to-date and easy-to-use website and report on AASB decisions and projects on a timely basis; and
- develop staff with expertise in standard setting through ongoing education and graduate and secondment programs.

Program expenses

There are no significant changes to estimates across the forward years.

Table 2.2: Program expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses					
Departmental items	4,728	4,760	4,794	4,827	4,780
Total departmental expenses	4,728	4,760	4,794	4,827	4,780

Program deliverables

The AASB has the following deliverables:

- promulgate each IFRS and IFRS amendment developed by the IASB into Australian Law;
- promulgate each standard to apply on a transaction neutral basis to the extent feasible and develop specific standards to deal with not-for-profit entity issues where necessary;
- prepare and publish accounting standards, compiled versions of standards and exposure drafts;
- participate in international standard setting and other research projects;
- maintain close relationships with equivalent organisations in other jurisdictions; and
- develop personnel with experience in standard setting.

Program key performance indicators

The AASB has the following key performance indicators:

- accounting standard and standard amendments to be developed by the IASB are in accordance with Australian legislative drafting protocols and Federal Register of Legislative Instruments requirements;

Office of the Australian Accounting Standards Board Budget Statements

- regular consultation and liaison with a broad range of Australian constituents;
- accounting standards or compilations are lodged on the Federal Register of Legislative Instruments and are published on the AASB website within three days of finalisation;
- responses are made to all significant IASB and IPSASB exposure drafts;
- host and/or attendance at meetings of the IASB's Accounting Standards Advisory Forum, the International Forum of Accounting Standard-Setters and the Asian-Oceanian Standard-Setters Group and participate in the work of the Trans-Tasman Accounting and Auditing Standards Advisory Group; and
- develop opportunities for accounting professionals, including recent graduates and secondments.

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of the agency finances for the budget year 2013-14. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations, program expenses and special accounts.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

The AASB does not have any administered funds.

3.1.2 Special accounts

The AASB does not have any special accounts.

3.1.3 Australian Government Indigenous Expenditure

The AASB does not have any Australian Government Indigenous Expenditure.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There are no material differences between agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

The budgeted financial statements have been prepared on an Australian Accounting Standards basis.

The AASB is budgeting for a break-even operating result for 2013-14 after adding back non-appropriated depreciation and amortisation expenses.

3.2.3 Budgeted financial statements tables

Table 3.2.1: Comprehensive income statement (Showing Net Cost for Services) (for the period ended 30 June)

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
EXPENSES					
Employee benefits	3,398	3,697	3,742	3,818	3,930
Supplier	1,169	854	841	805	740
Depreciation and amortisation	157	205	207	199	105
Finance costs	4	4	4	5	5
Total expenses	4,728	4,760	4,794	4,827	4,780
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	308	288	295	302	309
Other revenue	500	500	500	500	500
Total revenue	808	788	795	802	809
Gains					
Other gains	34	34	34	34	34
Total gains	34	34	34	34	34
Total own-source income	842	822	829	836	843
Net cost of (contribution by) services	3,886	3,938	3,965	3,991	3,937
Appropriation revenue	3,729	3,733	3,758	3,792	3,832
Surplus (deficit) attributable to the Australian Government	(157)	(205)	(207)	(199)	(105)
Note: Impact of Net Cash Appropriation Arrangements					
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations	(157)	(205)	(207)	(199)	(105)
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(157)	(205)	(207)	(199)	(105)

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet
(as at 30 June)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
ASSETS					
Financial assets					
Cash and equivalents	402	402	402	402	402
Trade and other receivables	4,213	4,066	3,941	3,886	3,903
Total financial assets	4,615	4,468	4,343	4,288	4,305
Non-financial assets					
Infrastructure, plant and equipment	421	334	196	74	99
Inventories	13	34	39	34	12
Intangibles	3	3	3	3	3
Other	23	23	23	23	23
Total non-financial assets	460	394	261	134	137
Total assets	5,075	4,862	4,604	4,422	4,442
LIABILITIES					
Provisions					
Employees	1,380	1,403	1,380	1,438	1,498
Other	141	145	149	154	158
Total provisions	1,521	1,548	1,529	1,592	1,656
Payables					
Suppliers	81	63	63	62	51
Other	428	329	216	89	77
Total payables	509	392	279	151	128
Total liabilities	2,030	1,940	1,808	1,743	1,784
Net assets	3,045	2,922	2,796	2,679	2,658
EQUITY					
Contributed equity	281	363	444	526	610
Asset Revaluation Reserve	33	33	33	33	33
Retained surpluses or accumulated deficits	2,731	2,526	2,319	2,120	2,015
Total equity	3,045	2,922	2,796	2,679	2,658
Current assets	4,641	4,494	4,369	4,314	4,331
Non-current assets	434	368	235	108	111
Current liabilities	886	892	869	927	974
Non-current liabilities	1,144	1,048	939	816	810

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	308	288	295	302	309
Appropriations	3,783	3,790	3,752	3,781	3,857
Other	731	573	632	565	500
Total cash received	4,822	4,651	4,679	4,648	4,666
Cash used					
Employees	3,431	3,675	3,766	3,760	3,870
Suppliers	1,223	919	919	899	718
Other	-	-	-	-	53
Total cash used	4,654	4,594	4,685	4,659	4,641
Net cash from (used by) operating activities	168	57	(6)	(11)	25
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	135	139	75	71	109
Total cash used	135	139	75	71	109
Net cash from (used by) investing activities	(135)	(139)	(75)	(71)	(109)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	81	82	81	82	84
Total cash received	81	82	81	82	84
Net cash from (used by) financing activities	81	82	81	82	84
Net increase (decrease) in cash held	114	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	286	400	400	400	400
Cash and cash equivalents at the end of the reporting period	400	400	400	400	400

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2013-14)

	Retained surpluses \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2013					
Balance carried forward from previous period	2,731	33	-	281	3,045
Adjusted opening balance	2,731	33	-	281	3,045
Comprehensive income					
Surplus (deficit) for the period	(205)	-	-	-	(205)
Total comprehensive income recognised directly in equity	(205)	-	-	-	(205)
Transactions with owners					
<i>Contributions by owners</i>					
Appropriation (departmental capital budget)	-	-	-	82	82
Total transactions with owners	-	-	-	82	82
Estimated closing balance as at 30 June 2014	2,526	33	-	363	2,922

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget (DCB) statement

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 - DCB	81	82	81	82	84
Total new capital appropriations	81	82	81	82	84
Provided for:					
Purchase of non-financial assets	81	82	81	82	84
Total Items	81	82	81	82	84
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB	135	139	75	71	109
TOTAL	135	139	75	71	109
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	135	139	75	71	109
Total cash used to acquire assets	135	139	75	71	109

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — departmental

	Buildings \$'000	Other infrastructure, plant & equipment \$'000	Intangibles \$'000	L&B, IP&E held for sale \$'000	Total \$'000
As at 1 July 2013					
Gross book value	-	1,204	99	-	1,303
Accumulated depreciation/amortisation and impairment	-	783	86	-	869
Opening net book balance	-	421	13	-	434
Capital asset additions					
By purchase - appropriation ordinary annual services	-	94	45	-	139
Total asset additions	-	94	45	-	139
Other movements					
Depreciation/amortisation expense	-	181	24	-	205
Total other movements	-	181	24	-	205
As at 30 June 2014					
Gross book value	-	1,298	144	-	1,442
Accumulated depreciation/amortisation and impairment	-	964	110	-	1,074
Closing net book balance	-	334	34	-	368

Prepared on Australian Accounting Standards basis.

