

ACCOUNTING STANDARDS

The following table lists accounting standards made by the Australian Accounting Standards Board (AASB) and details the extent to which the Australian standards have been harmonised with international accounting standards (IAS). The Australian standards listed in the table have the force of law for the purposes of the Corporations Law and must be used by entities that are required to prepare financial statements in accordance with the requirements of the Corporations Law.

Disclosure standard: Private sector compliance with independently established and high quality national accounting standards.

AASB No.	Title	Purpose	Operative date	Harmonised with IAS?
1001	Accounting Policies	To prescribe the concepts that guide the selection, application and disclosure of accounting policies and to require specific disclosures to be made in relation to the accounting policies adopted in the preparation and presentation of the financial report.	In force; revised for years ending on or after 31 December 1999.	Compliance with AASB 1001 ensures compliance with IAS 1 (Presentation of Financial Statements) to the extent that IAS 1 deals with accounting policies.
1002	Events Occurring After Reporting Date	To prescribe the events occurring after reporting date for which the effects must be reflected in the financial report; to prescribe the events occurring after reporting date for which the effects must not be recognised in the financial report; and to require specific disclosures in respect of events occurring after reporting date.	In force	AASB 1002 covers the scope of IAS 10 (Contingencies and Events Occurring After Balance Sheet Date) to the extent that IAS 10 deals with events occurring after reporting date. Compliance with AASB 1002 ensures compliance with IAS 10 to the extent that IAS 10 deals with events occurring after reporting date, with one exception (details of which are set out in note (a)).
1003	Withdrawn — replaced by AASB 1012			

AASB No.	Title	Purpose	Operative date	Harmonised with IAS?
1004	Revenue	To prescribe the accounting treatment of revenues arising from various types of transactions or other events; and to require certain disclosures to be made in relation to revenues.	In force; revised for years ending on or after 30 June 1999.	Compliance with AASB 1004 ensures compliance with IAS 18 (Revenue). However, AASB 1004's treatment of contributions as revenues is not in conformity with IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance), which requires grants to be treated as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis, and specifically requires grants related to assets to be treated as deferred income or as deductions from the carrying amounts of the assets.
1005	Financial Reporting by Segments	To require disclosure of information about the material industry segments and material geographical segments in which a company operates.	In force	ED 90 (Segment Reporting), which proposes amendments to AASB 1005 for the purpose of harmonising it with IAS 14 (Segment Reporting), was issued for comment in March 1998.
1006	Interests in Joint Ventures	To prescribe the accounting treatment for a venturer's interests in joint ventures; and to require a venturer to make specific disclosures about its interests in joint ventures.	In force; revised for years ending on or after 31 December 1999.	Compliance with AASB 1006 ensures compliance with IAS 31 (Financial Reporting of Interests in Joint Ventures).

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AASB No.	Title	Purpose	Operative date	Harmonised with IAS?
1007	Withdrawn — replaced by AASB 1026			
1008	Leases	To prescribe the accounting treatment for leasing transaction; and to require specific disclosures about leasing transactions.	In force; revised for years ending on or after 31 December 1999.	Compliance with AASB 1008 ensures compliance with IAS 17 (Leases).
1009	Construction Contracts	To prescribe the accounting treatment of construction contracts by contractors; and to require specific disclosures to be made about construction contracts by contractors.	In force	Compliance with AASB 1009 ensures compliance with IAS 11 (Construction Contracts).
1010	Accounting for the Revaluation of Non-Current Assets	To prescribe the circumstances in which non-current assets may be revalued and the treatment of such revaluations in the accounting records.	In force	ED 92 (Revaluation of Non-Current Assets), which proposes amendments to AASB 1010 for the purpose of harmonising it with IAS 16 (Property, Plant and Equipment) to the extent that IAS 16 deals with revaluations of, and disclosures relating to, non-current assets, was issued for comment in June 1998.

AASB No.	Title	Purpose	Operative date	Harmonised with IAS?
1011	Accounting for Research and Development Costs	Requires the application of a method of accounting under which research and development costs are matched against related benefits when such benefits are expected beyond any reasonable doubt.	In force	Work on harmonisation of this topic delayed pending completion of IASC project on intangible assets (issued as IAS 38 in September 1998).
1012	Foreign Currency Translation	Ensures that the results of a company's exposure to foreign exchange currency movements are reflected in financial statements.	In force	ED 86 Foreign Currency Translation), which proposes amendments to AASB 1012 for the purpose of harmonising it with IAS 21 (The Effects of Changes in Foreign Exchange Rates), was issued for comment in December 1997.
1013	Accounting for Goodwill	To specify the manner of accounting for goodwill and discount on acquisition on the acquisition of an entity; and to require disclosure of information relating to goodwill.	In force	Work on harmonisation of this topic delayed pending completion of IASC project on intangible asset and the consequential changes needed to IAS 22. The new intangible assets standard (IAS 38) was issued in September 1998.
1014	Set-off and Extinguishment of Debt	To specify when a debt is to be accounted for as having been extinguished; and to prescribe the method of accounting for the extinguishment of debt.	In force	Compliance with AASB 1014 ensures compliance with the set-off criteria contained in IAS 32 (Financial Instruments: Disclosure and Presentation), except as outlined in note (b).

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AASB No.	Title	Purpose	Operative date	Harmonised with IAS?
1015	Accounting for the Acquisition of Assets	To specify the accounting treatment to be applied in respect of all acquisitions of assets by reflecting the economic substance of the exchange transaction that led to the acquisition, so that such acquisitions are accounted for on a consistent basis in the accounts and group accounts.	In force	ED 84 (Acquisition of Assets), which proposes amendments to AASB 1015 for the purpose of harmonising it with IAS 22 (Business Combinations), was issued for comment in October 1997.
1016	Accounting for Investments in Associates	To prescribe the circumstances in which investors must use the equity method of accounting for investments in associates; to prescribe how the equity method is to be applied; and to require certain disclosures in respect of investments in associates.	In force; revised for years ending on or after 30 June 1999.	Compliance with AASB 1016 ensures compliance with IAS 28 (Accounting for Investments in Associates), with the exceptions set out in note (c).
1017	Related Party Disclosures	To require disclosure in the financial report of information relating to relationships, transactions and balances with related parties of the reporting entity, including the remuneration and retirement benefits of directors, loans received by directors and other director-related transactions.	In force	An exposure draft which is expected to propose amendments to AASB 1017 for the purpose of harmonising it with the requirements of IAS 24 (Related Party Disclosures) is still being developed.

AASB No.	Title	Purpose	Operative date	Harmonised with IAS?
1018	Profit and Loss Accounts	To require the inclusion in the determination of the profit or loss of all items of revenue and expense (including adjustments relating to prior financial years); and to require disclosure in the profit and loss account of information about the profit or loss.	In force	ED 93 (Statement of Financial Performance and Ancillary Amendments), which proposes amendments to AASB 1018 for the purpose of harmonising it with IAS 8 (Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies) to the extent that IAS 8 deals with the matters covered by AASB 1018, was issued for comment in July 1998.
1019	Inventories	To specify the method of measuring inventories, including the manner in which costs are to be assigned to inventories; to specify the recognition of expenses relating to inventories; and to require specific disclosures to be made in respect of inventories.	In force; revised for years ending on or after 30 June 1999.	Compliance with AASB 1019 ensures compliance with IAS 2 (Inventories), with the exception noted in note (d).
1020	Accounting for Income Tax (Tax-effect Accounting)	To specify the method for determining income tax expense, provision for income tax, provision for deferred income tax and future income tax benefit; and to require appropriate disclosure in the accounts and group accounts.	In force	ED 87 (Income Taxes), which proposes amendments to AASB 1020 for the purpose of harmonising it with IAS 12 (Income Taxes), was issued for comment in December 1997.

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AASB No.	Title	Purpose	Operative date	Harmonised with IAS?
1021	Depreciation	To require the recognition of assets with physical substance that are expected to be used during more than one financial year and which meet specified criteria; to require the consumption or loss of future economic benefits embodied in non-current assets with limited useful lives to be recognised; and to require disclosure in the financial report of information in relation to depreciable non-current assets and the allocation of the depreciable amount.	In force	Compliance with AASB 1021 ensures compliance with: IAS 4 (Depreciation Accounting); and IAS 16 (Property, Plant and Equipment) to the extent that IAS 16 deals with the recognition and depreciation of physical non-current assets which are expected to be used during more than one financial year.
1022	Accounting for the Extractive Industries	To specify the accounting treatments for particular transactions and events relating to extractive industry operations; and to require disclosure of information relating to extractive industry operations.	In force	No equivalent IAS standard.
1023	Financial Reporting of General Insurance Activities	To specify the manner of accounting for the general insurance activities of an entity and for the investment activities of the entity integral to those general insurance activities; and to require disclosure of information relating to general insurance activities.	In force	No equivalent IAS standard.

AASB No.	Title	Purpose	Operative date	Harmonised with IAS?
1024	Consolidated Accounts	To identify for financial reporting purposes parent entities and subsidiaries; and to prescribe the circumstances in which consolidated accounts are to be prepared and the financial information to be included in those accounts.	In force	An exposure draft which is expected to propose amendments to AASB 1024 for the purpose of harmonising it with the requirements of IAS 27 (Consolidations) is still being developed.
1025	Application of the Reporting Entity Concept and Other Amendments	To amend the citation, interpretation provisions, application provisions and definitions in certain approved accounting standards.	In force	No equivalent IAS standard.
1026	Statement of Cash Flows	To require a statement of cash flows to be included in financial reports; and to specify the manner in which a statement of cash flows is to be prepared.	In force	Compliance with AASB 1026 ensures compliance with IAS 7 (Cash Flow Statements).
1027	Earnings per Share	To prescribe the method of calculation of basic earnings per share and diluted earnings per share; and to require disclosure of basic earnings per share and diluted earnings per share and other related information.	In force	ED 85 (Earnings per Share), which proposes amendments to AASB 1027 for the purpose of harmonising it with the requirements of IAS 33 (Earnings per Share), was issued for comment in October 1997.

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AASB No.	Title	Purpose	Operative date	Harmonised with IAS?
1028	Accounting for Employee Entitlements	To prescribe the methods to be used when accounting for employee entitlements in the preparation of the accounts and consolidated accounts; and to establish requirements for the disclosure of information about employee entitlements in the accounts and consolidated accounts.	In force	ED 97 (Employee Benefits), which proposes amendments to AASB 1028 for the purpose of harmonising it with the requirements of IAS 19 (Employee Benefits) other than the recognition and measurement of superannuation and post-employment medical benefits, was issued for comment in October 1998.
1029	Half-year Accounts and Consolidated Accounts	To prescribe reporting requirements for half-yearly accounts or consolidated accounts of disclosing entities.	In force	ED 96 (Interim Financial Reporting), which proposes amendments to AASB 1029 for the purpose of harmonising it with IAS 34 (Interim Financial Reporting) was issued for comment in October 1998.
1030	Application of Accounting Standards to Financial Year Accounts and Consolidated Accounts of Disclosing Entities other than Companies	To prescribe requirements for the preparation and presentation of financial year accounts or consolidated accounts required by the Corporations Law of disclosing entities which are not companies.	In force	No equivalent IAS standard.

AASB No.	Title	Purpose	Operative date	Harmonised with IAS?
1031	Materiality	To define materiality; to explain the role of materiality in making judgements in the preparation and presentation of the financial reports; and to require the standards specified in other accounting standards to be applied where information resulting from their application is material.	In force	No equivalent IAS standard.
1032	Specific Disclosures by Financial Institutions	To require specified disclosures in the financial report of a financial institution.	In force	Compliance with AASB 1032 ensures compliance with IAS 30 (Disclosures in the Financial Statements of Banks and Similar Financial Institutions), with the exceptions detailed in note (e).
1033	Presentation and Disclosure of Financial Instruments	To prescribe certain financial report presentation requirements for financial instruments and to require disclosure in the financial report of information concerning financial instruments.	In force	Compliance with AASB 1033 ensures compliance with IAS 32 (Financial Instruments: Disclosure and Presentation), with the exceptions detailed in note (f).
1034 1035	Information to be Disclosed in Financial Reports	To prescribe the information to be included in profit and loss accounts and balance sheets prepared in accordance with the requirements of the Corporations Law. (Note: 1035 makes a technical amendment to 1034.)	In force	No IAS standard that is directly equivalent.

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AASB No.	Title	Purpose	Operative date	Harmonised with IAS?
1036	Borrowing Costs	To prescribe the accounting treatment of borrowing costs; to prescribe the methods to be used to allocate borrowing costs to individual qualifying assets; and to require certain disclosures to be made about borrowing costs.	In force	Compliance with AASB 1036 ensures compliance with IAS 23 (Borrowing Costs).
1037	Self-Generating and Regenerating Assets	To prescribe rules for the valuation of SGARAs; to specify the manner in which changes in valuation are to be treated in the accounts; and to specify the disclosures to be made in respect of SGARAs.	Applies to years ending on or after 30 June 2000.	No equivalent IAS standard.
1038	Life Insurance Business	To prescribe the methods to be used for reporting on life insurance business in the financial report; and to require disclosures about life insurance business in the financial report.	Applies to years ending on or after 31 December 1999.	No equivalent IAS standard.
1039	Concise Financial Reports	To specify the minimum content of a concise financial report.	In force	No equivalent IAS standard.

International accounting standards for which there are no equivalent Australian standards

No.	Title	Issues not covered in an Australian standard	Comments
IAS 15	Information Reflecting the Effects of Changing Prices	Whole topic.	Not listed for harmonisation.
IAS 19	Employment Benefits	The recognition and measurement of superannuation and post-employment medical benefits.	Equivalent requirements to be included in an Australian standard.
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Whole topic.	Falls outside the scope of the Corporations Law and, accordingly, is not currently listed for harmonisation. However, there is an accounting profession standard (AAS 25 — Financial Reporting by Superannuation Plans) which is consistent with IAS 26.
IAS 29	Financial Reporting in Hyperinflationary Economies	All issues except those addressed in ED 86 (Foreign Currency Translations), which proposes amendments to AASB 1012.	Except to the extent that the topic will be covered by AASB 1012, this matter is not listed for harmonisation.
IAS 35	Discontinuing Operations	Whole topic.	ED 95 (Discontinuing Operations) was issued for comment in October 1998.
IAS 36	Impairment of Assets	Whole topic.	An exposure draft proposing harmonisation to be prepared.

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No.	Title	Issues not covered in an Australian standard	Comments
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Whole topic.	ED 88 (Provisions and Contingencies) was issued for comment in December 1997.
IAS 38	Intangible Assets	Whole topic (except to the extent that it is covered by AASB 1011).	Scheduled for harmonisation.
IAS 39	Financial Instruments: Recognition and Measurement	Whole topic.	The AASB has not set a timetable for the harmonisation of this topic.

Notes:

- (a) The exception relates to an event occurring after reporting date that provides evidence that the going concern basis is not appropriate after the reporting date. IAS 10 requires the financial effect of the event to be recognised in the financial report, whereas AASB 1002 requires the financial effect of the event to be disclosed. (The different approach in AASB 1002 is to ensure that the requirements of the standard do not conflict with the provisions of the Corporations Law, which require a financial report to provide a true and fair view of the financial position of an entity as at the reporting date and of the results of the entity for the period ending on that date.)
- (b) IAS 32 does not allow set-off when financial assets are set aside in a trust by a debtor for the purpose of discharging an obligation if the assets have not been accepted by the creditor in settlement of the obligation. AASB 1014 treats in-substance defeasances as extinguishing the liability when the prescribed conditions are satisfied.
- (c) There are two areas of difference between AASB 1016 and IAS 28:
- (i) IAS 28 requires the equity method to be applied in the investor's own financial report where the equity method is applied in the consolidated financial report. AASB 1016 requires the cost method to be applied in the investor's own financial report except where a consolidated financial report is not required to be prepared.
 - (ii) IAS 28 requires the carrying amount of an investment to be written down to its recoverable amount which is determined as the higher of its value in use and net selling value. AASB 1016 provides that the carrying amount of the investment must not exceed its recoverable amount but does not specify how the recoverable amount is to be determined.
- (d) IAS 2 requires the disclosure of the cost of inventories recognised as an expense during the reporting period; or the operating costs applicable to revenues, recognised as an expense during the reporting period, classified by their nature. This disclosure requirement will be included in a forthcoming AASB standard that harmonises with the requirements of IAS 1 (Presentation of Financial Statements).
- (e) There are two areas of difference between AASB 1032 and IAS 30:
- (i) Where there are differences between the requirements of IAS 30 and IAS 32, AASB 1032 and other standards conform with the requirements of IAS 32, rather than with the requirements of IAS 30.
 - (ii) A parent entity need comply with only the basic profit and loss account and balance sheet disclosure requirements of AASB 1032 when the parent entity's financial report is presented with the economic entity's financial report, and the economic entity applies AASB 1032. In contrast, IAS 30 does not require the preparation of parent entity financial reports or contain any exemption for parent entity reports when they are prepared. There is no difference in the scope of AASB 1032 and IAS 30 in application to economic entity financial reports, which are the focus of the AASB's harmonisation policy.
- (f) There are two areas of difference between AASB 1033 and IAS 32:
- (i) The requirement to classify component parts of compound instruments separately does not apply to instruments issued prior to 1 January 1998. IAS require retrospective application of component part accounting only when initial adjustments are reasonably determinable. The AASB considers that in many cases it would be difficult to determine the initial adjustments required for retrospective application. Accordingly, AASB 1033 does not require (but does allow) retrospective application. The significance of this exception will diminish over time.
 - (ii) A parent entity need not comply with the disclosure requirements of AASB 1033 when the parent entity's financial report is presented with the economic entity's financial report, and

the economic entity applies AASB 1033. In contrast, IAS 32 does not require the preparation of parent entity financial reports or contain any exemption for parent entity reports when they are prepared. There is no difference in the scope of AASB 1033 and IAS 32 in application to economic entity financial reports, which are the focus of the AASB's harmonisation policy.

Acknowledgement

This table has been compiled by Treasury staff using information contained in:

- (a) AASB-series accounting standards made by the Australian Accounting Standards Board (AASB);
- (b) draft accounting standards (referred to as exposure drafts or EDs) prepared by the AASB and the Public Sector Accounting Standards Board;
- (c) information on the web site of the Australian Accounting Research Foundation; and
- (d) information on the web site of the International Accounting Standards Committee.