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Dear Kris

Invitation to Comment - AASB Agenda Consultation 2017-2019

CPA Australia welcomes the opportunity to respond to the above Consultation. CPA Australia represents the diverse interests of more than 155,000 members in 118 countries. Our vision is to make CPA Australia the global accountancy designation for strategic business leaders. We make this submission on behalf of our members and in the broader public interest.

CPA Australia supports the five strategic directions the AASB is currently focussed on, as part of its 2015-2019 strategy. In our view the AASB should undertake research to identify the information needs of users of financial reports, currently prepared applying Australian Accounting Standards (AAS). The progression of some current projects, including the Australian financial reporting framework project, and the addition of future projects to the AASB work agenda will be better informed by obtaining empirical evidence that identifies the range of information needs of Australian users across multiple sectors. With this in mind, we have provided our specific responses to questions below.

1. What topics, including external reporting topics, do you think should be added to the AASB work program (research and standard-setting)? Please outline the reasons why you think the project(s) should be addressed by the AASB.

As stated above, we believe the AASB should undertake research to gather empirical evidence that identifies the information needs of Australian users that will inform the future direction of current and new AASB projects. In this context, we support the AASB's efforts in seeking to identify projects for external reporting that fall outside conventional financial reporting but we urge that they are based on the identification of users and their needs.

We also support the AASB liaising with other policy makers on other disclosures beyond the scope of AAS based financial reporting. This is critical to ensure that the objectives of different disclosure regimes are consistently developed to meet their intended objectives.

2. What priority should be ascribed to the project(s)? Please outline the reasons why you think the project(s) should be prioritised in this manner by the AASB.

Research projects

Highest priority should be given to the Australian financial reporting framework project as it is likely to have an impact on a range of entities that includes large and small corporates, private and public sector not-for-profit entities. The project's direction should be informed by empirical evidence on the identification of users and user information needs identified within the different sectors.

The role of tiers of reporting, including a possible third tier of reporting for smaller entities, particularly those in the not-for-profit sector, should be explored as part of this project. We also suggest the AASB explores the possibility of simplifying financial reporting recognition and measurement requirements for small to medium entities (SMEs) in the for-profit and not-for-profit sectors. We believe this consideration is necessary, particularly as complex new requirements for revenue recognition and leases come into effect in the near future.

Standard-setting projects

Highest priority should be given to the project on Income of not-for-profit entities. As AASB 15 *Revenue from Contracts with Customers* comes into effect for periods beginning on or after 1 January 2018, we consider the timely conclusion of this project and issuance of the final standard essential.

3. Are there any topics on the current AASB work program that you think should be removed from the work program? Please outline the reasons why you think the project(s) should be removed.

We do not think any of the topics should be removed from the current AASB work program.

If you require further information on any of our views expressed in this submission, please contact Ram Subramanian, CPA Australia by email at ram.subramanian@cpaaustralia.com.au.

Yours sincerely



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