

TREASURY ANALYSIS - AASB 1052

AASB 1052 *Disaggregated Disclosures* (December 2007) replaces paragraphs relating to service costs and achievements and identifying major activities in AAS 29 *Financial Reporting by Government Departments* (June 1998)

Major impact of changes for 2008/09

- AASB 1052 *Disaggregated Disclosures* requires departments to disclose assets and liabilities reliably attributable to each of its major activities. However, in practice, it would not often be possible to reliably attribute all assets and liabilities to individual departmental activities.

Key features of Standard

- AASB 1052 (December 2007) **applies only to government departments** (and local governments) for annual reporting periods beginning on or after 1 July 2008 (i.e. years ending on or after 30 June 2009, for 30 June year-end entities).
- AASB 1052 substantially replicates the disaggregated disclosures requirements of AAS 29 (June 1998) (as applicable for 2007/08), with some minor exceptions discussed under 'main differences' below.
- The main requirements related to a government department are disclosure of:
 - financial information about service costs and achievements
 - in summarised form, the identity and purpose of each major activity undertaken
 - a summary of its objectives, if not otherwise disclosed in, or in conjunction with, the departments complete set of financial statements
 - expenses and income reliably attributable to each major activity, showing separately each major class of expenses and income and
 - assets deployed and liabilities incurred reliably attributable to each major activity.

Main differences applicable for 2008/09 compared to 2007/08

- AASB 1052 at paragraph 16 requires disclosure of the assets deployed and liabilities incurred that are reliably attributable to each of its activities. AAS 29 encouraged this disclosure but did not require it.
- AASB 1052 at paragraph 21 provides clarification by stating that its principles are used to satisfy the requirement in AASB 1050 *Administered Items* to disclose administered income and expenses attributable to a government department's activities. AAS 29 did not contain such a specific reference.

Impact on the public sector

- The Standard applies to government departments only. However, there is no impact on the public sector as there are no substantive changes to previous requirements.
- Although paragraph 16 now requires, rather than encourages, disclosure by a government department of assets deployed and liabilities incurred that are reliably attributable to each of its major activities, paragraph 19 acknowledges that this may not always be possible. The information is disclosed only if it can be reliably attributed to major activities. In practice, it would not often be possible to reliably attribute all assets and liabilities to individual departmental activities.

Policy and Implementation issues

- Departments will need to determine the extent to which they are able to reliably attribute assets and liabilities to major activities
- Departments should note that this Standard has been issued following a short-term review by the AASB. The AASB will consider accounting for disaggregated disclosures more fully at a later date.

This summary has been written in general terms and is intended for reference only. Agencies should review the contents of the AASB Standard to determine its application in particular circumstances.

Source References Table

Paragraph in AASB 1052	Relevant source paragraph/s in AAS 29
15-20	12.7 – 12.7.4
21	New paragraph