

TREASURY ANALYSIS - AASB 1050

AASB 1050 *Administered Items* (December 2007) replaces paragraphs relating to administered items in AAS 29 *Financial Reporting by Government Departments* (June 1998)

Major impact of changes for 2008/09

- There are no major impacts as a result of the issue of AASB 1050. The AASB has relocated the disclosure requirements for administered items, substantially unamended, from AAS 29 into a new topic-based standard.

Key features of Standard

- There is no corresponding IFRS or IPSAS dealing specifically with administered items.
- AASB 1050 (December 2007) **applies only to government departments** 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 1050 substantially replicates the administered item requirements of AAS 29 (June 1998) (as applicable for 2007/08), with some exceptions discussed under 'main differences' below.
- The main requirements are for a government department to:
 - disclose administered income and expenses, showing separately each major class and the amounts reliably attributable to each of the government department's activities and the amounts not attributable (paragraphs 7(a)-7(b))
 - apply the principles of AASB 1052 *Disaggregated Disclosures* in disclosing administered income and expenses reliably attributable to activities (paragraph 8)
 - disclose administered assets and liabilities, showing separately each major class (paragraphs 7(c)-7(d))
 - disclose, for transfer payments not controlled by the department, details of the broad categories of recipients and the amounts transferred to those recipients (paragraph 22) and
 - report administered items on the same basis adopted for recognition of the elements of the financial statements (paragraph 24).

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

- AASB 1050 does not include the encouragement in AAS 29 at paragraph 5.2.5 to disclose items collected or distributed on behalf of another entity or held in legal custody that are neither administered nor controlled.
- AAS 29 at paragraph 12.9.4 encouraged disclosure of information about administered assets and liabilities on an activity basis. AASB 1050 does not contain such an encouragement.
- AASB 1050 at paragraph 8 requires departments to apply AASB 1052 *Disaggregated Disclosures* in disclosing administered income and expenses reliably attributable to activities. AAS 29 did not include such a specific requirement. However, in practice there is no difference in the requirements.

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 changes in substance compared with previous requirements.

Policy and Implementation issues

- There are no policy or implementation issues arising. However, departments should note that this Standard has been issued following a short-term review by the AASB. In the longer term, the AASB will consider accounting for administered items more fully.

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 1050	Relevant source paragraph/s in AAS 29
7	12.9
8	New paragraph
9	12.9.1
10	5.2.5
11	12.9.2
12	10.4.2
13	6.3.11
14	12.9.3 ¹ + last sentence 6.3.11
15	10.5.9
16	First two sentences of paragraph 10.5.10
17	6.3.12
18	10.5.11
19	10.5.12
20	10.5.13 ²
21 – 22	10.5.15
23	10.5.16
24	12.9.6
25	12.9.5

¹ Paragraph 12.9.4 deleted as it contained an encouragement rather than a requirement.

² Paragraph 10.5.14 deleted as content duplicates paragraph 10.5.13.