RELIEF FROM CERTAIN FAIR VALUE DISCLOSURES FOR NOT-FOR-PROFIT PUBLIC SECTOR ENTITIES

The Australian Accounting Standards Board (AASB) recently issued AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures for Not-for-Profit Public Sector Entities* that provides relief to not-for-profit (NFP) public sector entities from certain fair value disclosures required by AASB 13 *Fair Value Measurement*.

The amendments, which apply to annual periods beginning on or after 1 July 2016, can be early adopted for 30 June 2015 financial statements.

Which disclosures are excluded?

The following fair value disclosures from AASB 13, paragraph 93 do not apply to NFP public sector entities:

- Recurring and non-recurring level 3 fair values – quantitative information about significant unobservable inputs used in fair value measurement (paragraph 93(d))
- Recurring level 3 fair values – total gains/loss included in profit or loss for the period that represent unrealised gains/losses relating to assets held at the end of the reporting period (paragraph 93(f))
- Recurring level 3 fair values – narrative description of sensitivity of fair values to changes in unobservable inputs if a change in those inputs might result in a significantly higher or lower fair value. Also excluded is a description of the interrelationships and how they might magnify or mitigate the effect of changes in the unobservable inputs (paragraph 93(h)(i)).

Only disclosures for property, plant and equipment excluded

These disclosures are only excluded for items of property, plant and equipment accounted for under AASB 116 *Property, Plant and Equipment* for which the future economic benefits are not primarily dependent on the asset's ability to generate net cash inflows. Examples of such assets include roads and infrastructure assets such as for water supply.