

Accounting Policy - Transition requirements for *AASB 1059 Service Concession Arrangements: Grantors*

Australian Accounting Standard *AASB 1059 Service Concession Arrangements: Grantors* is effective for annual financial reporting periods beginning on or after 1 January 2020. This Circular mandates that NSW public sector agencies, including State Owned Corporations, shall apply the transition requirements set out in *AASB 1059.C3(b)*.

Summary:

Application

This circular is mandatory and applies to all entities that are required to prepare general purpose financial statements under the *Public Finance and Audit Act 1983* (PFAA). Treasury may subsequently limit or vary application of this Circular.

Transition option

Agencies shall apply AASB 1059 retrospectively by recognising and measuring service concession assets and related liabilities at the date of initial application in accordance with *AASB 1059.C3(b)*. The date of initial application is the beginning of the earliest reporting period for which comparative information is presented in the financial statements. For financial years ending 30 June, the date of initial application is therefore 1 July 2019, being the beginning of the comparative period in financial reports prepared for FY2020/21.

In applying this transition option, Agencies must comply with *AASB 1059.C4-C7*.

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For

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