



Cover Memo

Project:	Service Concession Arrangements	Meeting:	21 June 2016 (M152)
Topic:	Cover memo	Agenda Item:	4.0
		Date:	6 June 2016
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		Decision-Making:	High
		Project Status:	Redeliberations

Introduction and objective of the meeting

- 1 The objectives of this meeting are to:
 - (a) obtain Board decisions to address issues raised by constituents on the proposed accounting for service concession arrangements with respect to:
 - (i) which liability recognition model should be applied for an arrangement where the operator charges the grantor based on the third-party usage of the service concession asset;
 - (ii) the scope of the final Standard; and
 - (iii) the definition of ‘public service’;
 - (b) provide the Board with mark-up changes to ED 261 *Service Concession Arrangements: Grantor* reflecting tentative decisions made to date (refer to Appendix A)¹; and
 - (c) provide the Board with a project update (refer to Appendix B).

Link to project summary

http://www.aasb.gov.au/admin/file/content102/c3/Service_Concession_Arrangements_Project_Summary.pdf

¹ Appendix will be distributed to Board members as part of second mail-out.

Attachments

Agenda Paper 4.1 Staff Paper – Service Concession Arrangements – Liability Recognition Model

Agenda Paper 4.2 Staff Paper – Service Concession Arrangements – Scope

Agenda Paper 4.3 Staff Paper – Service Concession Arrangements – Public Service Definition

Overview of agenda papers

- 2 Agenda Paper 4.1 considers which liability recognition model should be applied to account for an arrangement where the operator charges a grantor based on the third-party usage of the asset.
- 3 Agenda Paper 4.2 considers whether the final Standard should apply to both for-profit and not-for-profit public sector entities.
- 4 Agenda Paper 4.3 considers the proposed definition of ‘public service’.

Appendix B: Service Concession Arrangements Project Plan (Updated for June 2016 Board Meeting)

The table below summarises the main topic areas for Board consideration and deliberations in order of Board meeting dates.

Board meeting	Board actions	Status
2–3 Sep 2015	Board to consider comments received from ED 261 and approve draft Project Plan	Completed
21–22 Oct 2015	Board to: (a) redeliberate the proposed application to all public sector entities; and (b) consider the proposal for a ‘field test’	(a) To be considered at June 2016 Board meeting (b) Completed
2–3 Dec 2015	Board to redeliberate the proposed: (a) concept of control; (b) asset measurement at fair value; and (c) liability recognition and measurement	(a) Completed (at December 2015 Board meeting) (b) and (c) Completed (at February and April 2016 Board meeting)
23–24 Feb 2016	Board to redeliberate: (a) asset and liability recognition and measurement; and (b) its rationale and decision of adopting the grant of the right to the operator model for inclusion in the Basis for Conclusion	Completed
19–20 Apr 2016	Board to redeliberate the remaining areas of asset and liability recognition and measurement not dealt with at the February 2016 Board meeting Present preliminary findings of field test	Completed except for liability recognition model to be redeliberated in June 2016 Board meeting
21–22 Jun 2016	Board to redeliberate the proposed: (a) liability recognition model; (b) defined term of ‘public service’; and (c) scope of the final Standard for application to all public sector entities; Board to consider marked-up changes to ED 261 reflecting the Board’s tentative decisions to date.	
30–31 Aug 2016	Board to redeliberate the proposed: (a) remaining defined terms; (b) other revenues, lifecycle costs and GAAP/GFS implications; (c) application date and transitional provisions; and (d) disclosures Board to consider the draft outline of examples and guidance from the field test on service concession arrangements.	
18–19 Oct 2016	Board to consider: (a) the draft outline of examples and guidance from the field test on service concession arrangements. (b) any sweep issues	
13–14 Dec 2016	Board to review pre-ballot draft Standard	
Jan/Feb 2017	Board to vote on Ballot Standard	