



To:	AASB members	Date:	11 December 2014
From:	Glenn Brady and Nikole Gyles	Agenda Item:	7.1
Subject:	Service Concession Arrangements: Grantor's Perspective	File:	

Action for this meeting

To consider:

- (a) a number of issues that have been raised by constituents and Board members about the Board's decision to base an Australian pronouncement on IPSAS 32 *Service Concession Arrangements: Grantor* with a view to receive direction from the Board as to whether the Board would like staff to do further work in relation to these issues; and
- (b) alternative models for recognition of revenue or a liability in accounting for a service concession arrangement under the intangible model?

Attachments

- Agenda Paper 7.2 – AASB staff issues paper: Service concession arrangements (grantor) project – Potential issues for redeliberation
- Agenda Paper 7.3 – AASB staff issues paper: Should a grantor recognise revenue or a liability in accounting for a service concession arrangement under the intangible model?
- Agenda Paper 7.4 – Summary of decisions made to date on service concession arrangements project [**For information only**]
- Agenda Paper 7.5 – Current practice in relation to service concession arrangements (NSW, Victoria and GFS) [**For information only**]
- Agenda Paper 7.6 – Interpretation Advisory Panel: Service Concession Arrangements – Public Sector Grantors [**For information only**]

Overview of agenda papers

Agenda Paper 7.2 AASB staff issues paper: Service concession arrangements (grantor) project – Potential issues for redeliberation

Agenda Paper 7.2 considers a number of issues that have been raised by constituents and Board members about the Board's decision to base an Australian pronouncement on IPSAS 32. At a high-level, these issues are as follows:

- (a) The scope of the service concession arrangements project, including whether service concession arrangements are a licence;
- (b) Control of the service concession asset; and
- (c) Measurement of the service concession asset.

In addition, Agenda Paper 7.2 raises some broader issues for consideration of the Board relating to fair value in the public sector and accounting for government licences.

The agenda paper seeks views from the Board as to whether the Board would like staff to do further work in relation to these issues.

Agenda Paper 7.3 AASB staff issues paper: Should a grantor recognise revenue or a liability in accounting for a service concession arrangement under the intangible model?

Agenda Paper 7.3 responds to the Board's direction from the September 2014 Board meeting to analyse alternatives other than IFRS 15 for accounting for a grantor's rights and obligations. The Board noted that some aspects of IFRS 15 may not be particularly suitable for application to service concession arrangements, but other aspects could be suitable for application by analogy to a grantor's rights and obligations. In developing other alternatives, the Board directed the staff to consider aspects from other pronouncements, including IPSAS 32.

The agenda paper seeks the views from the Board on four models for the recognition of the corresponding entry to the service concession asset.

Agenda Paper 7.4 Summary of decisions made to date on service concession arrangements project

Agenda Paper 7.4 provides a summary of Board decisions made to date in relation to the project.

Agenda Paper 7.5 Current practice in relation to service concession arrangements (NSW, Victoria and GFS)

Agenda Paper 7.5 illustrates the current accounting treatments adopted by the jurisdictions, as well as providing a summary of the GFS treatment of service concession arrangements.