



<b>To:</b>	<b>AASB members</b>	<b>Date:</b>	27 January 2015
<b>From:</b>	<b>Sean Hanley and Daen Soukseun</b>	<b>Agenda Item:</b>	5.1 (M143)
<b>Subject:</b>	<b>Service Concession Arrangements: Grantor's Perspective</b>	<b>Project Priority:</b>	High
<b>Project Status:</b>	<b>Drafting – ED Q1 2015</b>	<b>Decision-Making:</b>	High

### Action for this meeting

To make key decisions in relation to the content of the draft Exposure Draft (Agenda Paper 5.3).

### Link to project summary

[http://www.aasb.gov.au/admin/file/content102/c3/Service\\_Concession\\_Arrangements\\_Project\\_Summary.pdf](http://www.aasb.gov.au/admin/file/content102/c3/Service_Concession_Arrangements_Project_Summary.pdf)

### Attachments

- Agenda Paper 5.2 Staff Issues Paper: Service Concession Arrangements: Grantor Project – Potential issues for consideration
- Agenda Paper 5.2.1 Staff Issues Paper: Service Concession Arrangements: Grantor Project – Additional issues raised by Board members (to be tabled, if needed)
- Agenda Paper 5.3 AASB 10XY: draft Exposure Draft – Service Concession Arrangements: Grantor (marked-up version)
- Agenda Paper 5.4 AASB 10XY: draft Exposure Draft – Service Concession Arrangements: Grantor (clean version)

## Overview of agenda papers

*Agenda Paper 5.2 AASB staff issues paper: Service concession arrangements (grantor) project – Potential issues for consideration*

Agenda Paper 5.2 considers a number of issues have been identified that staff wish to raise to the Board for consideration at the February 2015 Board meeting. At a high-level, these issues are as follows:

- (a) concept of control; and
- (b) recognition of a liability.

In addition, the staff will provide any further issues identified by Board members in their review of the draft Exposure Draft prior to the February Board meeting (Agenda Paper 5.2.1 – to be tabled).

### **Agenda Paper 5.2 includes the following Questions to Board members:**

- Q1 Does the Board agree with the staff recommendation in paragraph 10 to adopt the ‘control or regulation’ approach for the Exposure Draft?
- Q2 Does the Board agree with the staff recommendation in paragraph 15 to retain the IPSAS 32 drafting for the ‘Recognition and Measurement of Liabilities’ section in the Exposure Draft?

*Agenda Paper 5.3 AASB 10XY: Exposure Draft of Service Concession Arrangements: Grantor (marked up version)[clean version at Agenda Paper 5.4]*

Staff have prepared a draft Exposure Draft reflecting the Board’s decisions to date on the project. The draft ED includes a number of specific matters staff would like to highlight to the Board and discuss at the February 2015 Board meeting, including:

- (a) whether amendments made to the list of defined terms (particularly the inclusion of public service) are clear and appropriate;
- (b) whether the proposed control approach has any consolidation implications in instances where a structured entity is developed for the service concession arrangement; and
- (c) whether there is any confusion about the appropriate recognition and measurement of service concession assets as a result of cross referencing AASB 116 and AASB 138 in AG20 and AG30

In addition, Board members are asked to forward any further issues not already identified by staff to Sean Hanley (shanley@asb.gov.au) by **5pm Monday 9 February 2015** to enable collation of any additional issues for discussion at the meeting.

## Next steps

Staff recommend the following steps to take place following the February 2015 Board meeting:

- (a) Circulate staff analysis of issues remaining subsequent to the February 2015 Board meeting to Board Advisers – 4 March 2015
- (b) Comments back from Board Advisers – 9 March 2015
- (c) Pre-ballot draft of revised draft ED sent to Board for review – 16 March 2015 for comment by 23rd March 2015
- (d) Ballot draft of ED sent to the Board – 27th March 2015 for vote by 31 March 2015 [or if significant sweep issues arise, these can be raised at the April Board meeting]