

**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 is applicable to all entities that are reporting GSF agencies within the meaning of section 7.3 of the *Government Sector Finance Act 2018*, and to the accountable authorities for those reporting GSF agencies. For the avoidance of doubt, this Circular does not apply to universities and their controlled entities, or to their accountable authorities. This Circular mandates that agencies shall apply the transition requirements set out in *AASB 1059.C3(b)*.**

**Summary:**

**Application**

This Circular is issued as a mandatory policy. Accordingly, this Circular is applicable to all entities that are reporting GSF agencies within the meaning of section 7.3 of the *Government Sector Finance Act 2018*, and to the accountable authorities for those reporting GSF agencies. For the avoidance of doubt, this Circular does not apply to universities and their controlled entities, or to their accountable authorities.

**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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