

Australian Accounting Standard

**AAS 29A**  
December 1999

# **Amendments to the Transitional Provisions in AAS 29**

Prepared by the  
**Public Sector Accounting Standards Board** of the  
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on behalf of the **Australian Society of Certified  
Practising Accountants** and **The Institute of  
Chartered Accountants in Australia**

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Standards are printed in <b>bold</b> type and commentary in light type.
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## **MAIN FEATURES OF THE STANDARD**

The Standard amends the transitional provisions in Australian Accounting Standard AAS 29 “Financial Reporting by Government Departments”.

## **AUSTRALIAN ACCOUNTING STANDARD**

### **AAS 29A “AMENDMENTS TO THE TRANSITIONAL PROVISIONS IN AAS 29”**

#### **1 Application**

- 1.1 This Standard applies to general purpose financial reports of each government department that is a reporting entity and to which Accounting Standards operative under the Corporations Law or the equivalent Australian Accounting Standards do not apply.**
- 1.2 This Standard also applies to financial reports that are held out to be general purpose financial reports by a government department which is not a reporting entity.**

#### **2 Operative Date**

- 2.1 This Standard applies to reporting periods ending on or after 31 December 1999.**
- 2.2 This Standard may be applied to reporting periods ending before 31 December 1999.**

#### **3 Amendments to AAS 29**

- 3.1 This Standard amends the transitional provisions in Australian Accounting Standard AAS 29 “Financial Reporting by Government Departments” issued in June 1998 as set out in paragraphs 3.2 to 3.4.1 of this Standard.**
  - 3.1.1 Cross-references in AAS 29 issued in June 1998 to the transitional provisions in that Standard are effectively updated for the changes made to those transitional provisions by this Standard.**
- 3.2 Paragraphs 15.1 to 15.4, 15.4.2, 15.4.4 and 15.4.5 are replaced with the following paragraphs:**

## **“Recognition of Certain Assets and Liabilities**

- 15.1** A government department is encouraged to apply all of the provisions of this Standard from the date it is first adopted. However, the following transitional provisions apply and a government department may elect until the end of the first reporting period ending on or after 31 December 2002 not to recognise land under roads as assets.
- 15.2** Where a government department elects not to recognise land under roads in accordance with paragraph 15.1, it must disclose that policy in the summary of accounting policies in the financial report.
- 15.3** Where a government department:
- (a) elects not to recognise land under roads in accordance with paragraph 15.1 and then subsequently recognises that asset; or
  - (b) before 30 June 2000, recognises a pre-existing but previously unidentified asset or liability for the first time or makes a correction to an amount previously recognised as an asset or liability; or
  - (c) derecognises land under roads in order to adopt the transitional provision in paragraph 15.1
- the corresponding adjustment must be made against accumulated surplus (deficiency).**
- 15.4** The nature and net amount of each adjustment made during the reporting period in accordance with paragraph 15.3 must be disclosed.
- 15.4.1** The transitional provision for land under roads in paragraph 15.1 has been provided because a number of practitioners and members of the valuation profession have expressed concerns about whether land under roads can be measured reliably. Its purpose is to provide an adequate period within which interested parties can address concerns about the reliable measurement of land under roads.

15.4.2 Notwithstanding the transitional provision in this Standard, government departments are encouraged to recognise land under roads as an asset wherever it can be measured reliably (for example, where land under roads has been acquired at a cost of acquisition).”

3.2.1 The amendments to the paragraphs referred to in paragraph 3.2 of this Standard extend the transitional provisions for the recognition of land under roads until the end of the first reporting period ending on or after 31 December 2002. The superseded transitional provision in AAS 29 ran to reporting periods beginning on or after 1 July 1999.

**3.3 Paragraphs 15.4.1 and 15.4.3 are deleted.**

3.3.1 Paragraphs 15.1(a) and 15.4.2(b) in AAS 29 are effectively deleted by the manner in which paragraph 3.2 of this Standard replaces paragraphs 15.1 and 15.4.2. These paragraphs and paragraphs 15.4.1 and 15.4.3 allowed government departments to elect not to recognise certain assets (other than land under roads) that are difficult to measure reliably until reporting periods beginning on or after 1 July 1998. They are deleted because their transitional period has lapsed.

**3.4 Paragraphs 15.5 and 15.5.1 are deleted.**

3.4.1 These deleted paragraphs concerned transitional provisions extending until the end of the first reporting period ending on or after 30 June 2004, which allowed government departments to elect to revalue assets within a class of property, plant and equipment progressively over a five-year period rather than over the three-year period previously allowed by Australian Accounting Standard AAS 10 “Accounting for the Revaluation of Non-Current Assets”. These transitional provisions are superseded by similar provisions for public sector entities set out in Australian Accounting Standard AAS 38 “Revaluation of Non-Current Assets” issued in December 1999. The AAS 38 transitional provisions allow public sector entities to revalue assets within a class of property, plant and equipment progressively over a five-year period until reporting periods beginning no later than 30 June 2005.

## **4 Definitions**

**4.1 The defined terms in Australian Accounting Standard AAS 29 “Financial Reporting by Government Departments” are applicable to this Standard.**

## **DEVELOPMENT OF THE STANDARD**

This section does not form part of the Standard. It is a summary of the development of the Standard and the reasons the Public Sector Accounting Standards Board (the Board) has issued the Standard.

The Standard amends Australian Accounting Standard AAS 29 “Financial Reporting by Government Departments” issued in June 1998.

These amendments to AAS 29 are the result of a review of the Standard’s transitional provisions prompted by the need to extend the transitional provisions for land under roads, and accordingly reflect a limited review of AAS 29.

The transitional provisions in AAS 29 (issued in June 1998) permitting a government department to elect not to recognise land under roads as assets are extended because the Board’s project on land under roads is progressing more slowly than originally scheduled, and consequently, a reliable method of measuring land under roads is unlikely to be identified and accepted before those transitional provisions expire.

The other amendments to the transitional provisions are the withdrawal of the provisions that have lapsed due to the passage of time, or have been superseded by Australian Accounting Standard AAS 38 “Revaluation of Non-Current Assets” issued in December 1999.