



Accounting Standards Board

**ANALYSIS AND RESPONSES TO VERBAL COMMENT
RECEIVED ON**

**PROPOSED TRANSITIONAL PROVISIONS FOR THE
INITIAL ADOPTION OF THE STANDARD OF GRAP ON
*LIVING AND NON-LIVING RESOURCES***

(ED 154)



RESPONSES TO THE VERBAL COMMENT RECEIVED ON THE *PROPOSED TRANSITIONAL PROVISIONS OF THE STANDARD OF GRAP ON LIVING AND NON-LIVING RESOURCES (GRAP 110)*

The Accounting Standards Board (Board) approved the exposure of the *Proposed Transitional Provisions for the Initial Adoption of the Standard of GRAP on Living and Non-living Resources (GRAP 110)* (ED 154) in April 2017 for comment. A Notice was published in the Government Gazette on the 15th of May 2017 (Notice 40827). The comment period closed on 31 July 2017.

The proposed transitional provisions were discussed with preparers, auditors and consultants by way of workshops, roundtable discussions or other meetings as listed in the table on the next page. The results of these engagements are summarised in this document, and include the Board's responses to the comment received.



CLASSIFICATION OF VERBAL COMMENT RECEIVED ON THE *PROPOSED TRANSITIONAL PROVISIONS FOR THE INITIAL ADOPTION OF THE STANDARD OF GRAP ON LIVING AND NON-LIVING RESOURCES (ED 154)*

No.	Name/Organisation	Preparers	Users	Auditors	Other interested parties
1.	Public Sector Accounting Forum (June 2017)	√	√	√	√
2.	Project group meeting	√	√	√	√



**ANALYSIS AND RESPONSES TO COMMENTS ON THE PROPOSED
TRANSITIONAL PROVISIONS FOR THE INITIAL ADOPTION OF THE
STANDARD OF GRAP ON LIVING AND NON-LIVING RESOURCES (ED 154)**

COMMENTS ON ED 154 PROPOSED TRANSITIONAL PROVISIONS FOR THE INITIAL ADOPTION OF LIVING AND NON-LIVING RESOURCES (GRAP 110)		
No.	Comments	Board's response
GENERAL MATTERS FOR COMMENT		
1. Public Sector Accounting Forum		
1.1	Participants supported the proposal that GRAP 110 should be applied retrospectively to all living resources that an entity controls on the effective date of the Standard. They also supported the three year measurement relief for living resources on adoption.	Noted. No further action required.
1.2	Participants supported the proposed amendments to Directive 7 that will allow an entity to apply the deemed cost principles on the adoption of GRAP 110.	Noted. No further action required.
1.3	Participants questioned whether the new disclosure requirements introduced on adoption of GRAP 110, which require the disclosure of progress towards the full implementation of GRAP 110, would be included in existing transitional provisions for the other Standards, for example GRAP 103 <i>Heritage Assets</i> .	Noted. The existing transitional requirements in the Directives will not be amended as the Board plans to develop a Standard for the first time adoption of the Standards of GRAP. The Board will consider the disclosure requirements on progress towards the implementation of the Standards of GRAP as part of that project.
1.4	Participants noted a possible inconsistency in the measurement relief provided in the Exposure Draft. Even though the transitional period is meant to provide relief for the measurement of living resources only, the transitional provisions also require that new items identified during the transitional period should be recognised. This could be seen a prior period error as the relief relates to the measurement of the living resources, and not recognition.	Noted. The transitional arrangement has been amended to allow entities not to recognise and/or measure living resources for reporting periods beginning on or after a date within three years following the date of initial adoption of GRAP 110.



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2.	Roundtable discussion with preparers, users and auditors	
2.1	Participants supported the proposal that GRAP 110 should be applied retrospectively to all living resources that an entity controls on the effective date of the Standard. They also supported the three year measurement relief for living resources on adoption.	Noted. No further action required.
2.2	Participants supported the proposed amendments to Directive 7 that will allow an entity to apply the deemed cost principles on the adoption of GRAP 110.	Noted. No further action required.
2.3	Participants questioned whether an entity, that applies the three year transitional relief on adoption of GRAP 110, will be required to adjust the provisional amounts retrospectively where the entity has taken advantage of the full three year relief.	Noted. Retrospective adjustments should be made by adjusting the opening balance of the affected component of net assets for the earliest period presented, and any other comparative amounts disclosed.
2.4	In paragraph .02 "a" should be deleted in the last sentence.	Noted. Based on comment received from other respondents on this paragraph, the last part of the transitional provision was deleted to avoid misinterpretation. The transitional provision requires an entity to apply GRAP 110 retrospectively to those living resources it controls on the effective date of the Standard. Retrospective adjustments should be made by adjusting the opening balance of the affected component of net assets for the earliest period presented, and any other comparative amounts disclosed.