

Circular Details	Circular No 18-20 / 02 August 2018 / A600437
Previous Circular	NA
Who should read this	General Managers / Financial accounting business areas
Contact	Laura Love / (02) 4428 4178 / code@olg.nsw.gov.au
Action required	Information / Council to Implement

Guidance to councils on transitioning to the new Australian Accounting Standards

What's new or changing

- The Australian Accounting Standards Board (AASB) is making a number of options available to entities on transition to the new standards:
 - AASB 9 Financial Instruments
 - AASB 15 Revenue from Contracts with Customers
 - AASB 16 Leases
 - AASB 1058 Income of Not-for-Profit Entities

What this will mean for your council

- The Office of Local Government has prepared a Guidance Paper, which provides councils with specific direction on adopting the new standards.
- Further guidance material and information on the new standards will be provided in 2018-19.

Key points

- In order to achieve consistency and comparability OLG has elected a position on AASB options, which all councils must adopt on transition to the new standards.
- The new standards must be adopted on their respective mandatory effective dates, i.e. councils are not permitted to early adopt any of the standards.
- Councils should refer to the Guidance Paper when preparing their transition arrangements.

Where to go for further information

- The Guidance Paper and further information regarding the new Standards can be found at:
<http://www.olg.nsw.gov.au/strengthening-local-government/supporting-and-advising-councils/accounting-practice>



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