



# Disclosing new and future accounting standards – 2022/23 financial year

This fact sheet provides an overview of considerations for disclosures of new and future accounting standards for reporting units with financial reporting obligations under the *Fair Work (Registered Organisations) Act 2009* (the RO Act) and the *Fair Work (Registered Organisations) Regulations 2009* (the Regulations). It is designed to help reporting units, their officers and employees gain an understanding of potential disclosures within their financial reports that are required for the 2022/23 financial year.

## Pronouncements issued and effective at the reporting date



In accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (AASB 108), when the initial application of an Australian Accounting Standard (which might be a new accounting standard, an amendment to an accounting standard or an interpretation) has an effect on the current period or any prior period, or might have an effect on future periods, the reporting unit should disclose information including:

- the title of the Australian Accounting Standard
- the nature of the change in accounting policy
- a description of the transitional provisions applied (if any) by the reporting unit
- the amount of the adjustment for each financial statement line item affected for the current period and each prior period presented (to the extent practicable).

The new accounting standards, amendments to accounting standards and new interpretations that are effective for annual reporting periods ending 30 June 2023 are listed below:



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## **AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments**

The annual improvements amend the following standards:

- AASB 9 *Financial Instruments* to clarify that in applying the ‘10 per cent’ test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.
- AASB 16 *Leases* (AASB 16) to amend Illustrative Example 13 to remove the illustration of the reimbursement of leasehold improvements by the lessor.
- Amendments to AASB 116 *Property, Plant and Equipment* require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in the profit or loss, instead of deducting the amounts received from the cost of the asset.
- Amendments to AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* clarify which costs an entity can include when assessing whether a contract will be onerous.

*[Illustrative disclosure on impact: The amendments are not expected to have a material impact on [reporting unit].]*

## **AASB 2021-3 Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions beyond 30 June 2021**

This amendment provides relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under AASB 16, if the change were not a lease modification.



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The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the period of application of the practical expedient was extended to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

*[Illustrative disclosure on impact: The amendments are not expected to have a material impact on [reporting unit].]*

## Future Australian Accounting Standards Requirements



In accordance with AASB 108, a reporting unit should disclose the following information when it has not applied a new Australian Accounting Standard that has been issued but not yet effective:

- the title of the new Australian Accounting Standard
- the nature of the impending change or changes in accounting policy
- the date by which application of the Australian Accounting Standard is required
- the date as at which it plans to apply the Australian Accounting Standard initially
- a discussion of the impact that initial application of the Australian Accounting Standard is expected to have on the reporting unit's financial statements or, if the impact is not known or reasonably estimable, a statement to that effect.

This disclosure need not be provided if the standard, amendments or interpretations issued are not expected to have a material impact on the reporting unit.

The standard, amendments or interpretations that are issued but not yet effective for annual reporting periods ending 30 June 2023 that are more likely to be relevant to Reporting Units are as follows:

### **AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current**

This Standard amends AASB 101 *Presentation of Financial Statements* (AASB 101) to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the



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reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

*[The reporting unit does/does not expect the adoption of this amendment to have a material impact on its financial statements.]*

*[Delete only if not applicable to the reporting unit or expected not to have a material impact ]*

Below is a full list of Australian Accounting Standard that has been issued but not yet effective:

- *AASB 17 Insurance Contracts*
- *AASB 2014-10 Amendments to Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 2020-1 Amendments to Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- *AASB 2021-2 Amendments to Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
- *Amendments to AASB 7, AASB 101, AASB 134 and AASB Practice Statement 2*
- *Amendments to AASB 108*
- *AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- *AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*
- *AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- *AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information.*



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## Further resources

The ROC has a range of financial reporting resources to help reporting units achieve voluntary compliance:



### The reporting guidelines

Issued by the General Manager, the [reporting guidelines](#) set out specific disclosures that must be made in financial reports.



### Podcast: [Auditing in our jurisdiction - what auditors want you to know](#)

We speak with registered auditors about their experiences of working with reporting units to audit financial reports.



### E-learning module: Financial reporting

The [financial reporting e-learning module](#) explains each of the statements that form part of the general purpose financial report.



### Visit the Digital Classroom

The [financial reporting module](#) steps you through the legal obligations, and the resources that are available to help reporting units achieve compliance.

## Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Fair Work Commission on [regorgs@fwc.gov.au](mailto:regorgs@fwc.gov.au).

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This fact sheet is not intended to be comprehensive. The Fair Work Commission does not provide legal advice. Users must rely upon the relevant legislation, which is set out in the *Fair Work (Registered Organisations) Act 2009*, the *Fair Work Act 2009*, the *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009* and the *Fair Work (Registered Organisations) Regulations 2009*.