

# New Accounting Standards and Interpretations – 30 June 2024

## Introduction

This document summarises the changes in Accounting Standards and Interpretations issued at 17 May 2024 applicable for entities with a **30 June 2024 financial year end**. The document contains 3 parts:

**Part A** - This table lists all the new and amended Accounting Standards and Interpretations that are applicable for the first time.

*AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* describes the disclosures required to be made in the financial statements when the initial application of a Standard has an effect on the current period or any prior period.

**Part B** - This table lists the IFRS Interpretations Committee (IFRIC) Agenda Decisions issued during the current reporting period that clarify the interpretation and application of applicable IFRS Standards.

IFRIC Agenda Decisions contain explanatory material that explains how the applicable principles and requirements in IFRS Standards apply to the transaction or fact pattern described in the agenda decision. Agenda Decisions derive their authority from the IFRS Standards themselves and, therefore, an entity is required to apply an IFRS Standard in a way that reflects the explanatory material in an Agenda Decision. An entity should revise its current accounting practice in accordance with AASB 108 where that practice is inconsistent with the conclusions on an identical fact pattern in an Agenda Decision.

**Part C** - This table lists all the new and amended Accounting Standards and Interpretations that have been issued but are not yet mandatorily effective.

Entities that claim compliance with IFRS must also consider new or amended standards that have been issued by the IASB but for which an Australian equivalent has not yet been issued by the AASB. Such Standards are separately identified in Part C of this document.

Entities may elect to early adopt all Standards (except where indicated). AASB 108 requires an entity to disclose the possible impact of new and amended Accounting Standards that have been issued but are not yet effective. Entities should disclose the full list of Standards and Interpretations issued but not yet effective and their impacts **unless that particular Standard or Interpretation is clearly not relevant for that type of entity**. For example, a for-profit private sector entity need not disclose those Standards relating to not-for-profit or public sector entities.

This document does not list all the amendments that have been made to AASB 1053 *Application of Tiers of Australian Accounting Standards* (i.e., Tier 2 Simplified Disclosure Standard).

## PART A – Current period changes to Accounting Standards

The following Standards and Interpretations will be applied for the first time by entities with financial years ending on or after **30 June 2024** (unless early adopted):

| Reference   | Summary of Change  | Application date of the standard <sup>1</sup> | Applies to financial year ended |
|-------------|--|---|---------------------------------|
| AASB 17     | <p><b><i>Insurance Contracts</i></b></p> <p>AASB 17 <i>Insurance Contracts</i> establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. AASB 17 replaces AASB 4, AASB 1023 and AASB 1038 for for-profit entities.</p> <p>NFP public sector entities are excluded from the scope of AASB 17 and continue to apply AASB 4, AASB 1023 and AASB 1038.</p> <p>AASB 2020-5 deferred the application date of AASB 17 to annual periods beginning on or after 1 January 2023 and made other amendments to AASB 17.</p> <p>Amendments are also made by AASB 2022-1 to add a transition option referred to as 'a classification overlay' relating to comparative information about financial assets if an entity first applies AASB 17 and AASB 9 <i>Financial Instruments</i> at the same time.</p> <p>AASB 2022-8 made consequential amendments to other Accounting Standards so that public sector entities (both for-profit and not-for-profit) are permitted to continue to apply AASB 4 and AASB 1023 to annual periods beginning on or after 1 January 2023 but before 1 July 2026.</p> | 1 January 2023                                | 30 June 2024                    |
| AASB 2021-2 | <p><b><i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i></b></p> <p>This Standard amends:</p> <ol style="list-style-type: none"> <li>AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;</li> <li>AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies;</li> <li>AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;</li> <li>AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and</li> </ol>  | 1 January 2023                                | 30 June 2024                    |

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|-------------|---|----------------|--------------|
|             | <p>e) AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.</p> <p>Additional conforming amendments to AASB 1049, AASB 1054, and AASB 1060 were made by AASB 2021-6.</p>  |                |              |
| AASB 2021-5 | <p><b><i>Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i></b></p> <p>The amendment narrowed the scope of the recognition exemption in paragraphs 15 and 24 of AASB 112 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendment applies to transactions that occur on or after the beginning of the earliest comparative period presented.</p> | 1 January 2023 | 30 June 2024 |
| AASB 2021-6 | <p><b><i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards</i></b></p> <p>Amends AASB 1060 to require entities to disclose their material accounting policy information rather than their significant accounting policies and to clarify that information about the measurement bases for financial instruments is expected to be material to an entity’s financial statements.</p> <p>Consequential amendments are made to other Accounting Standards.</p>               | 1 January 2023 | 30 June 2024 |
| AASB 2022-7 | <p><b><i>Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards</i></b></p> <p>This Standard repeals various Australian Accounting Standards superseded by another Standard or otherwise made redundant.</p> <p>This Standard has no effect on in-force Accounting Standards.</p>  | 1 January 2023 | 30 June 2024 |
| AASB 2023-2 | <p><b><i>Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules</i></b></p> <p>Amends AASB 112 to introduce:</p> <ul style="list-style-type: none"> <li>a) a mandatory temporary exception to accounting for deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD); and</li> <li>b) disclosures relating an entity’s exposure to income taxes arising from the reform.</li> </ul>                          | 1 January 2023 | 30 June 2024 |

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|-------------|--|----------------|--------------|
| AASB 2023-4 | <p><b><i>Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules: Tier 2 Disclosures</i></b></p> <p>Amends AASB 1060 to require a Tier 2 entity to disclose:</p> <ul style="list-style-type: none"> <li>a) that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes (see AASB 112 paragraph 4A); and</li> <li>b) its current tax expense (income) related to Pillar Two income taxes.</li> </ul> | 1 January 2023 | 30 June 2024 |
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## PART B – IFRIC Agenda Decisions

The following Agenda Decisions, in which IFRIC formed a conclusion on the fact pattern presented, have been recently issued and should be applied where appropriate on a timely basis. The time to implement any accounting policy change as a result of an Agenda Decision will depend on how close the Agenda Decision is to an entity's reporting date, the facts and circumstances of the accounting policy change, and its nature and effect on the entity. Unless previously adopted, Agenda Decisions relevant to the current reporting period are:

| Relevant Standard | Agenda Decision  | Issue Date      |
|-------------------|--|-----------------|
| IAS 37            | <p><b>Climate-related Commitments</b></p> <p>IFRIC was asked whether an entity's public statements, detailed plans, and other actions that publicly affirms its commitment to reduce or offset its greenhouse gas emissions in the future creates a constructive obligation and, if so, a provision under IAS 37.</p> <p>The Committee noted that neither stating a commitment nor taking actions that affirm the entity's future intention to fulfil that commitment are events that create a present obligation. The events that create a present obligation are the events to which the statement applies. Where those events have not occurred, a present obligation does not exist.</p> <p>The costs that the entity will incur to reduce its annual greenhouse gas emissions and to offset the greenhouse gases it emits in the future are costs that it will need to incur to operate in the future, not as the result of a past event. In the fact set presented, only when the entity has emitted the future greenhouse gases that it has committed to offset will it have a present obligation to offset those greenhouse gases.</p> | 29 April 2024   |
| IFRS 3            | <p><b>Payments Contingent on Continued Employment during Handover Period</b></p> <p>The Committee received a request about how an entity accounts for payments to the sellers of a business it has acquired if those payments are contingent on the sellers' continued employment during a post-acquisition handover period.</p> <p>The Committee noted that the entity would account for the payments as compensation for post-combination services rather than as additional consideration for the acquisition, unless the service condition is not substantive.</p>   | 29 April 2024   |
| IAS 27            | <p><b>Merger between a Parent and its Subsidiary in Separate Financial Statements</b></p> <p>The Committee considered whether a parent entity should account for a merger transaction with its subsidiary that contains a business (as defined by IFRS 3 <i>Business Combinations</i>) in its separate financial statements by applying either the acquisition method in IFRS 3 or by recognising the subsidiary's assets and liabilities at previous carrying amounts.</p>  | 23 January 2024 |

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|--------------------|--|-----------------|
|                    | <p>The Committee noted that there was little diversity in practice and that parent entities generally do not apply the acquisition method (and related requirements) in IFRS 3 but recognise the subsidiary's assets and liabilities at previous carrying amounts.</p> <p>Consequently, the Committee decided not to add a standard-setting project to the work plan.</p>  |                 |
| IFRS 17 and IFRS 9 | <p><b>Premiums Receivable from an Intermediary</b></p> <p>The Committee received requests about whether insurance premiums paid by policyholders to an intermediary (eg broker) but not remitted to the insurer are future cash flows within the boundary of an insurance contract are and included by the insurer in the measurement of the group of insurance contracts applying IFRS 17 or are a separate financial asset applying IFRS 9.</p> <p>The Committee observed that the application of either View 1 or View 2 when accounting for premiums paid by a policyholder and receivable from an intermediary would provide users of financial statements with useful information based on the requirements in IFRS 17 or IFRS 9.</p>                                      | 26 October 2023 |
| IFRS 16            | <p><b>Definition of a Lease—Substitution Rights</b></p> <p>The Committee considered:</p> <ul style="list-style-type: none"> <li>i) the level at which to evaluate whether a contract contains a lease – by considering each asset separately or all assets together – when the contract is for the use of more than one similar asset; and</li> <li>ii) how to assess whether a contract contains a lease when the supplier has particular substitution rights – ie, the supplier: <ul style="list-style-type: none"> <li>a. has the practical ability to substitute alternative assets throughout the period of use; but</li> <li>b. would not benefit economically from the exercise of its right to substitute the asset throughout the period of use.</li> </ul> </li> </ul> | 27 April 2023   |

## PART C – Accounting Standards issued but not yet effective

The following Standards and Interpretations have been issued by the AASB but are not yet effective for the financial year ending 30 June 2024 (unless early adopted):

| Reference                   | Summary of Change  | Application date of the standard <sup>1</sup> | Applies to financial year ended |
|-----------------------------|--|---|---------------------------------|
| AASB 2020-1 and AASB 2022-6 | <p><b><i>Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants</i></b></p> <p>The amendments to AASB 101 specify that conditions (covenants) to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, an entity discloses information about these conditions in the notes to the financial statements.</p> <p>Where AASB 2022-6 is adopted before its mandatory application date, AASB 2020-1 must also be applied at the same date.</p>   | 1 January 2024                                | 30 June 2025                    |
| AASB 2022-5                 | <p><b><i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i></b></p> <p>The Standard amends AASB 16 <i>Leases</i> to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 <i>Revenue from Contracts with Customers</i> to be accounted for as a sale.</p> <p>AASB 16 already requires a seller-lessee to recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The amendments ensure that a similar approach is applied by also requiring a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that does not recognise any amount of the gain or loss related to the right of use it retains.</p> | 1 January 2024                                | 30 June 2025                    |
| AASB 2022-10                | <p><b><i>Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i></b></p> <p>The standard amends AASB 13 <i>Fair Value Measurement</i>, including adding authoritative implementation guidance and providing related illustrative examples, relating to the measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.</p>  | 1 January 2024                                | 30 June 2025                    |
| AASB 2023-1                 | <p><b><i>Amendments to Australian Accounting Standards – Supplier Finance Arrangements</i></b></p> <p>AASB 2023-1 requires the disclosure of information about an entity’s supplier finance arrangements (also known as supply chain finance, payables finance or reverse factoring arrangements).</p>   | 1 January 2024                                | 30 June 2025                    |

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|--------------|---|----------------|--------------|
|              | The new disclosures are designed to enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.  |                |              |
| AASB 2023-3  | <p><b><i>Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier 2</i></b></p> <p>AASB 2023-3 amends the Tier 2 financial reporting requirements for the classification of loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with specified conditions.</p> <p>Earlier application is permitted, provided AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i> is also applied at the same time.</p>  | 1 January 2024 | 30 June 2025 |
| AASB 2024-1  | <p><b><i>Amendments to Australian Accounting Standards – Supplier Finance Arrangements: Tier 2 Disclosures.</i></b></p> <p>Amends AASB 1060 to require a Tier 2 entity to disclose information about an entity's supplier finance arrangements (also known as supply chain finance, payables finance or reverse factoring arrangements).</p>  | 1 January 2024 | 30 June 2025 |
| AASB 2023-5  | <p><b><i>Amendments to Australian Accounting Standards – Lack of Exchangeability</i></b></p> <p>The Standard amends AASB 121 and AASB 1 to require entities to apply a consistent approach to determining whether a currency is exchangeable into another currency and the spot exchange rate to use when it is not exchangeable.</p> <p>The Standard also amends AASB 121 to extend the exemption from complying with the disclosure requirements of AASB 121 for entities that apply AASB 1060 for Tier 2 financial statements.</p>   | 1 January 2025 | 30 June 2026 |
| AASB 2014-10 | <p><b><i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to AASB 10 and AASB 128)</i></b></p> <p>Amends AASB 10 and AASB 128 to remove the inconsistency in dealing with the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.</p> <p>The mandatory application date of AASB 2014-10 has been amended and deferred to annual reporting periods beginning on or after 1 January 2025 by AASB 2021-7c.</p> | 1 January 2025 | 30 June 2026 |



|             |   |             |              |
|-------------|---|-------------|--------------|
| AASB 2022-9 | <p><b><i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i></b></p> <p>The Standard amends AASB 17 to include modifications that apply to public sector entities.</p> <p>It also amends AASB 1050 to provide an accounting policy choice for government departments to apply either AASB 17 or AASB 137 in determining the information to be disclosed about administered captive insurer activities.</p> | 1 July 2026 | 30 June 2027 |
|-------------|---|-------------|--------------|

***New or amended Standards issued by the International Accounting Standards Board (IASB) but for which an Australian equivalent standard has not yet been issued by the AASB.***

*AASB 1054 requires that in order to claim compliance with International Financial Reporting Standards (IFRS) under AASB 101.16 (for Tier 1 GPFR), an entity should identify and disclose the impacts of those new IFRS that have been issued but are not yet effective for which there is not yet an Australian equivalent.*

*The following is a list of such pronouncements:*

|         |   |                |              |
|---------|---|----------------|--------------|
| IFRS 18 | <p><b><i>Presentation and Disclosure in Financial Statements</i></b></p> <p>IFRS 18 will replace IAS 1 <i>Presentation of Financial Statements</i>. IFRS 18 will:</p> <ul style="list-style-type: none"> <li>a) Better align the presentation of the statement of profit or loss to the categories in the statement of cash flows by introducing two new defined subtotals — operating profit and profit before financing and income taxes (EBIT).</li> <li>b) require disclosure of management-defined performance measures — subtotals of income and expenses not specified by IFRS Accounting Standards that are used in public communications to communicate management’s view of an aspect of a company’s financial performance (such as funds from operations, cash profit, etc); and</li> <li>c) enhance the requirements for aggregation and disaggregation to help a company to provide useful information.</li> </ul> | 1 January 2027 | 30 June 2028 |
| IFRS 19 | <p><b><i>Subsidiaries without Public Accountability: Disclosures</i></b></p> <p>IFRS 19 introduces a reduced tier of disclosures for an entity that is a subsidiary that does not have public accountability and whose ultimate or intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.</p>  | 1 January 2027 | 30 June 2028 |

**Key:** <sup>1</sup> Designates the beginning of the applicable annual reporting period unless otherwise stated.

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