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| **FRD 120** |  | **Accounting and reporting pronouncements applicable to the 2023-24 reporting period (April 2024)** |
| Purpose | 1.1 | To advise the accounting and reporting pronouncements that are applicable to departments and public bodies for the relevant reporting period. |
| **Application** | **2.1** | **Applies to any ‘department’ or ‘public body’ as defined under section 3 of the *Financial Management Act 1994.***  |
| **Operative date** | **3.1** | **Annual reporting periods commencing on or after 1 July 2023.****This FRD supersedes FRD 120 *Accounting and Reporting Pronouncements Applicable to 2022-23 Reporting Period (April 2023)*.** |
| **Requirements** | **4.1** | **Entities are required to apply all the relevant Australian accounting and reporting pronouncements listed in Appendix 1.****Each new or revised accounting standard is effective from its mandatory application date unless the Assistant Treasurer has directed or given written permission for early adoption as permitted under FRD 7 *Early Adoption of Authoritative Accounting Pronouncements*.****Appendix 1 lists the Conceptual Framework for Financial Reporting, Australian Accounting Standards, AASB Interpretations, Standing Directions and Financial Reporting Directions that are applicable to the 2023-24 reporting period.****Appendix 2 lists new accounting standards and interpretations that have been issued but not yet effective that could be significant for public sector entities. In accordance with paragraphs 30 and 31 of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, entities are required to disclose the nature and possible impact of newly issued but not yet effective pronouncements. This disclosure is only required for pronouncements that are particularly relevant and applicable to the entity.** |

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| **FRD 120** |  | **Accounting and reporting pronouncements applicable to the 2023-24 reporting period (April 2024)** |
| Guidance | 5.1 | When an entity has not applied a new accounting standard that has been issued but is not yet effective, paragraph 30 of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* requires the entity to disclose:1. this fact; and
2. known or reasonably estimable information relevant to assessing the possible impact that application of the new Australian Accounting Standard will have on the entity’s financial statements in the period of initial application.

AASB 108.31 provides further guidance on this requirement.Appendix 2 is provided to assist entities in preparing their disclosure of issued but not yet effective Australian accounting and reporting pronouncements in the note to their financial reports. Entities should assess and disclose the potential impact of these pronouncements on their own financial report based on their specific circumstances.The following guidance paper is published separately, and provides further assistance with the use of this Direction in specific circumstances:* + Guidance to FRD 120 *Australian Accounting Standards applicable for For-Profit and Not-for-Profit entities.*
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# Appendix 1

## Australian accounting and reporting pronouncements applicable for the reporting period 1 July 2023 to 30 June 2024

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| *Framework* | *Issued/Amended1* | *Conceptual framework title* |
| CF | Dec 2021 | Conceptual Framework for Financial Reporting |
| FPP  | Mar 2020 | Framework for the Preparation and Presentation of Financial Statements |
| SAC 1 | Mar 2020  | Definition of the Reporting Entity |

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| *AASB* | *Issued/Amended1* | *Title of Australian Accounting Standard* |
| 1 | Dec 2022 | First-time Adoption of Australian Accounting Standards |
| 2 | Dec 2021 | Share-based Payment1 |
| 3 | Dec 2022 | Business Combinations1, |
| 4 | Sep 2020 | Insurance Contracts1,2, |
| 5 | Dec 2022 | Non-current Assets Held for Sale and Discontinued Operations |
| 6 | Mar 2020 | Exploration for and Evaluation of Mineral Resources1 |
| 7 | June 2023 | Financial Instruments: Disclosures |
| 8 | Mar 2020 | Operating Segments1 |
| 9 | Dec 2022 | Financial Instruments |
| 10 | Dec 2021 | Consolidated Financial Statements |
| 11 | Feb 2018 | Joint Arrangements |
| 12 | Mar 2020 | Disclosure of Interests in Other Entities |
| 13 | Dec 2022 | Fair Value Measurement |
| 14 | Dec 2021 | Regulatory Deferral Accounts1 |
| 15 | Dec 2022 | Revenue from Contracts with Customers |
| 16 | Nov 2022 | Leases |
| 17 | Dec 2022 | Insurance Contracts1,2 |
| 101 | Dec 2022 | Presentation of Financial Statements |
| 102 | Dec 2021 | Inventories |
| 107 | June 2023 | Statement of Cash Flows |
| 108 | Mar 2021 | Accounting Policies, Changes in Accounting Estimates and Errors |
| 110 | Mar 2020 | Events after the Reporting Period |
| 112 | Sep 2023 | Income Taxes |
| 116 | Dec 2022 | Property, Plant and Equipment |
| 119 | Dec 2022 | Employee Benefits |
| 120 | Mar 2020 | Accounting for Government Grants and Disclosure of Government Assistance1 |
| 121 | Mar 2020 | The Effects of Changes in Foreign Exchange Rates1 |
| 123 | Mar 2020 | Borrowing Costs |
| 124 | Dec 2022 | Related Party Disclosures |
| 127 | Dec 2021 | Separate Financial Statements |
| 128 | Dec 2022 | Investments in Associates and Joint Ventures |
| 129 | Mar 2020 | Financial Reporting in Hyperinflationary Economies1  |

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| *AASB* | *Issued/Amended1* | *Title of Australian Accounting Standard* |
| 132 | Dec 2022 | Financial Instruments: Presentation |
| 133 | Mar 2020 | Earnings per Share1 |
| 134 | Dec 2022 | Interim Financial Reporting1, |
| 136 | Dec 2022 | Impairment of Assets |
| 137 | Dec 2022 | Provisions, Contingent Liabilities and Contingent Assets |
| 138 | Dec 2022 | Intangible Assets |
| 140 | Dec 2022 | Investment Property |
| 141 | Jun 2020 | Agriculture |
| 1004 | Mar 2020 | Contributions |
| 1023 | Dec 2022 | General Insurance Contracts1,2 |
| 1038 | Dec 2021 | Life Insurance Contracts1,2 |
| 1039 | Dec 2021 | Concise Financial Reports1 |
| 1048 | Dec 2020 | Interpretation of Standards |
| 1049 | Dec 2021 | Whole of Government and General Government Sector Financial Reporting |
| 1050 | Mar 2020 | Administered Items |
| 1051 | Mar 2020 | Land Under Roads |
| 1052 | Dec 2021 | Disaggregated Disclosures |
| 1053 | May 2022 | Application of Tiers of Australian Accounting Standards |
| 1054 | Dec 2022 | Australian Additional Disclosures |
| 1055 | Mar 2020 | Budgetary Reporting |
| 1056 | Dec 2023 | Superannuation entities1 |
| 1057 | Dec 2022 | Application of Australian Accounting Standards |
| 1058 | Dec 2022 | Income of Not-for-Profit Entities |
| 1059 | Dec 2021 | Service Concession Arrangements: Grantors |
| 1060 | Sep 2023 | General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities, |

Notes:

1. This standard may not be relevant to some or all Victorian public sector entities.
2. AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts* will continue to be applicable until AASB 17 *Insurance Contracts* becomes effective for the public sector on or after 1 July 2026

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| *Interpretation* | *Issued/Amended1* | *Title of AASB Interpretation* |
| 1 | Feb 2016 | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| 2 | Dec 2021 | Members’ Shares in Co-operative Entities and Similar Instruments2 |
| 5 | Dec 2021 | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds2 |
| 6 | Aug 2015 | Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment2 |
| 7 | Aug 2015 | Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies2 |
| 10 | Aug 2015 | Interim Financial Reporting and Impairment |
| 12 | May 2019 | Service Concession Arrangements |
| 14 | Aug 2015 | AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |
| 16 | Dec 2021 | Hedges of a Net Investment in a Foreign Operation2 |

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| *Interpretation* | *Issued/Amended1* | *Title of AASB Interpretation* |
| 17 | Dec 2021 | Distributions of Non-cash Assets to Owners |
| 19 | May 2019 | Extinguishing Financial Liabilities with Equity Instruments |
| 20 | May 2019 | Stripping Costs in the Production Phase of a Surface Mine2 |
| 21 | Aug 2015 | Levies |
| 22 | May 2019 | Foreign Currency Transactions and Advance Consideration2 |
| 23 | Dec 2021 | Uncertainty over Income Tax Treatments2 |
| 107 | Aug 2015 | Introduction of the Euro2 |
| 110 | Aug 2015 | Government Assistance – No Specific Relation to Operating Activities |
| 125 | Aug 2015 | Income Taxes – Changes in the Tax Status of an Entity or its Shareholders |
| 129 | Dec 2021 | Service Concession Arrangements: Disclosures |
| 132 | Dec 2021 | Intangible Assets – Web Site Costs |
| 1003 | May 2019 | Australian Petroleum Resource Rent Tax2 |
| 1019 | May 2019 | The Superannuation Contributions Surcharge2 |
| 1030 | Dec 2013 | Depreciation of Long-Lived Physical Assets: Condition-Based Depreciation and Related Methods |
| 1031 | May 2019 | Accounting for the Goods and Services Tax (GST) |
| 1038 | May 2019 | Contributions by Owners Made to Wholly-Owned Public Sector Entities |
| 1047 | May 2019 | Professional Indemnity Claims Liabilities in Medical Defence Organisations2 |
| 1052 | Dec 2021 | Tax Consolidation Accounting2 |
| 1055 | Dec 2013 | Accounting for Road Earthworks |

Notes:

1. The issued/amended dates incorporate compilations and amendments (including editorial changes) made to the Accounting Standards/Conceptual Framework.
2. This Interpretation may not be relevant to some or all Victorian public sector entities.

*Standard Directions*

*Standard Directions 2018* was last revised in September 2023. Further detail on the changes is included in the amended Standing Directions.

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| FRD | Issued/Amended*1* | Financial Reporting Directions |
| 3 | Apr 2022 | Accounting for Dividends |
| 7 | Apr 2022 | Early adoption of authoritative accounting pronouncements |
| 8 | Apr 2024 | Consistency of budget and departmental reporting |
| 9 | Apr 2022 | Departmental disclosure of administered assets and liabilities by activity |
| 10 | Apr 2022 | Disclosure index |
| 11 | Apr 2022 | Disclosure of ex-gratia expenses |
| 12 | Apr 2022 | Disclosure of major contracts |
| 13 | Apr 2024 | Disclosure of Parliamentary Appropriations |
| 15 | Apr 2022 | Executive officer disclosures in the Report of Operations by departments |
| 17 | Apr 2022 | Wage Inflation and Discount Rates for Employee Benefits |

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| --- | --- | --- |
| FRD | Issued/Amended*1* | Financial Reporting Directions |
| 21 | Apr 2022 | Disclosures of responsible persons and executive officers in the financial report |
| 22 | Apr 2024 | Standard disclosures in the Report of Operations |
| 24 | June 2022 | Reporting of environmental data by government entities |
| 25 | Apr 2022 | Local Jobs Disclosures in the Report of Operations |
| 27 | Apr 2022 | Presentation and reporting of performance information |
| 29 | Apr 2022 | Workforce data disclosures in the Report of Operations – public service employees |
| 30 | Apr 2024 | Standard requirements for the publication of annual reports |
| 100 | Apr 2022 | Financial Reporting Directions – framework |
| 102 | Apr 2022 | Inventories |
| 103 | Apr 2022 | Non-financial physical assets |
| 104 | Apr 2024 | Leases |
| 105 | Apr 2022 | Borrowing costs |
| 106 | Apr 2022 | Impairment of assets |
| 107 | Apr 2022 | Investment properties |
| 108 | Aug 2022 | Classification of entities as for-profit |
| 109 | Apr 2022 | Intangible assets |
| 110 | Apr 2022 | Cash flow statements |
| 112 | Apr 2022 | Defined Benefit Superannuation Obligations |
| 113 | Apr 2022 | Investments in Subsidiaries, Joint Ventures and Associates  |
| 114 | Apr 2022 | Financial instruments |
| 117 | Apr 2022 | Contributions of existing non-financial assets to third parties |
| 118 | Apr 2022 | Land under declared roads |
| 119 | Apr 2022 | Transfers through contributed capital |
| 120 | Apr 2024 | Accounting and reporting pronouncements applicable to the 2023-24 reporting period |
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Note:

* 1. The issued/amended dates incorporate the removal of the alphabetic designations and editorial changes made to the Directions.
	2. In April 2024, four transitional FRD’s were retired. This was because the transitional provisions were no longer required for the current reporting period.

# Appendix 2

## Issued but not yet effective Australian accounting and reporting pronouncements

The table below is provided to assist entities in updating their disclosure in relation to the Australian Accounting Standards that have been issued but not yet effective for 2023-24 in accordance with paragraph 30 of AASB 108. This disclosure needs to be included in the notes to financial statements where the impact of the new accounting standard(s) is expected to be material. Entities need to review the relevance of the proposed disclosure below based on their specific circumstances.

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| --- | --- | --- | --- |
| *Standard/ Interpretation* | *Summary* | *Applicable for annual reporting periods beginning on* | *Impact on public sector entity financial statements* |
| AASB 2022-10*Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* | AASB 2022-10 amends AASB 13 *Fair Value Measurement* by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.The Standard:* specifies when entities need to consider if an asset’s highest and best use differs from its current use. It also clarifies when an asset’s use is considered financially feasible;
* specifies when an entity shall use its own assumptions and data to develop unobservable inputs. It also clarifies when these assumptions and judgements shall be adjusted;
* provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in the reference asset and identification of economic obsolescence.
 | 1 January 2024 | (Insert entity’s impact statement) |

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| *Applicable for annual reporting**periods beginning Impact on public sector**Standard/ Interpretation Summary on entity financial statements* |

AASB 17 *Insurance Contracts*

AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments*

AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*

AASB 17 replaces AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts* for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-9 amends AASB 17 to make public sector-related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after

1 July 2026.

AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026

1 July 2026 (Insert entity’s impact statement

In addition to the new standards and amendments above, the AASB has issued a number of other amending standards that are not effective for the 2023-24 reporting period. These standards are not expected to have any significant impact on public sector entities and thus have not been included in the table.