



Disclosing new and future accounting standards – 2024/25 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 2024/25 financial year. This list of accounting standards for disclosure encompasses new and future accounting standards considered relevant to registered organisations only, it does not include all accounting and disclosure requirements issued by the Australian Accounting Standards Board (AASB).



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 2025 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 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 reporting period to defer settlement of the liability for at least 12 months after the reporting period.

The amendments to AASB 101 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right



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- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. See AASB 2022-6 below for details.

This Standard applies to annual reporting periods beginning on or after 1 January 2024. 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.]

AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

This amends AASB 101 to improve the information an entity provides in its financial statements about long-term liabilities with covenants where the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity's complying with conditions specified in the loan arrangement.

The right to defer settlement of liabilities might be subject to the entity complying with covenants within twelve months after the reporting date. In such cases, AASB 2022-6 requires entities with liabilities classified as non-current to disclose information to enable users to understand the risk of liabilities becoming repayable within twelve months after the reporting period. Entities must disclose information about the covenants. In addition, if facts and circumstances indicate that the entity may have difficulty complying with the covenants, they must be disclosed. To meet this requirement, factors entities must consider include whether it has acted to avoid or mitigate a potential breach, either during or after the reporting period, and whether it would have complied with future covenants, had they been tested at the end of the reporting period.

This Standard applies to annual reporting periods beginning on or after 1 January 2024. 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.]



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AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback

This Standard amends AASB 16 *Leases* (AASB 16) to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 *Revenue from Contracts with Customers* (AASB 15) to be accounted for as a sale. 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 made by this Standard 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.

The amendment to AASB 16 is applied retrospectively to sale and leaseback transactions entered into after the beginning of the annual reporting period in which an entity first applied AASB 16. This Standard applies to annual reporting periods beginning on or after 1 January 2024. 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.]

In addition to the above, the below lists additional Australian Accounting Standard that are **effective for reporting periods ending 30 June 2025 but are not expected to be relevant** for reporting units:

- AASB 2023-1 *Amendments to Australian Accounting Standards – Supplier Finance Arrangements*
- AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*



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Future Australian Accounting Standards Requirements



In accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (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 2025 that are more likely to be relevant** to reporting units are as follows:

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



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AASB 2014-10 Amendments to AASs – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture,

AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections and

AASB 2024-4B Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]

The amendments to AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

This Standard applies to annual reporting periods beginning on or after 1 January 2028. 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.]



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AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements (Appendix D) [for not-for-profit and superannuation entities]

AASB 18 Presentation and Disclosure in Financial Statements has been issued to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss.

The key presentation and disclosure requirements established by AASB 18 are:

- The presentation of newly defined subtotals in the statement of profit or loss
- The disclosure of management-defined performance measures (MPM)
- Enhanced requirements for grouping information (i.e., aggregation and disaggregation)

AASB 18 is accompanied with limited consequential amendments to the requirements in other accounting standards, including AASB 107 *Statement of Cash Flows*.

AASB 18 introduces three new categories for classification of all income and expenses in the statement of profit or loss: operating, investing and financing. Additionally, entities will be required to present subtotals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

For the purposes of classifying income and expenses into one of the three new categories, entities will need to assess their main business activity, which will require judgement. There may be more than one main business activity.

AASB 18 also requires several disclosures in relation to MPMs, such as how the measure is calculated, how it provides useful information and a reconciliation to the most comparable subtotal specified by AASB 18 or another standard.

AASB 18 will replace AASB 101 *Presentation of Financial Statements*.

This Standard applies to annual reporting periods beginning on or after 1 January 2028 for NFP entities. These amendments are applied retrospectively.

[The adoption of this amendment is expected to have a material impact on the presentation and disclosure of items within the statement of profit or loss. Specifically [describe the potential impact to the extent known.]



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AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments

This amends AASB 7 and AASB 9 Financial Instruments to:

- Clarify that a financial liability is derecognised on the ‘settlement date’, i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition.
- Introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before the settlement date if certain conditions are met
- For the purpose of classifying a financial asset, clarify how to assess contractual cash flow characteristics that include environmental, social and governance (ESG)-linked features and other similar contingent features
- Clarify how non-recourse features and contractually linked instruments are assessed for the purpose of applying the SPPI test when determining the measurement basis of financial assets.
- Require additional disclosures in AASB 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income

The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.

This Standard applies to annual reporting periods beginning on or after 1 January 2026.

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



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AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11 – Amendments to AASB 107

This amendment replaces the term ‘cost method’ in paragraph 37 of AASB 107 with the phrase ‘at cost’, following deletion of the definition of ‘cost method’.

This amendment is effective for annual reporting periods beginning on or after 1 January 2026. 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.]

AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11 – Amendments to AASB 7

The AASB has made the following narrow-scope amendments to AASB 7:

- **Gain or loss on derecognition (B 38)** – updated the language on unobservable inputs, adding a cross reference to AASB 13 *Fair Value Measurement*.
- **Introduction to implementation guidance (IG 1)** – clarified that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of AASB 7, nor does it create additional requirements.
- **Disclosure of deferred difference between fair value and transaction price (IG 14)** – amended mainly to make the wording consistent with requirements in AASB 7 and with the terminology used in AASB 9 and AASB 13.
- **Credit risk disclosures (IG 20B)** – amended to simplify the explanation of which aspects of the AASs are not illustrated in the example.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. 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.]



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AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11 – Amendments to AASB 9

The AASB has made the following narrow-scope amendments to AASB 9:

- **Derecognition of lease liabilities** – clarified that, when a lessee has determined that a lease liability has been extinguished in accordance with AASB 9, the lessee is required to apply AASB 9.3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in AASB 16 and an extinguishment of a lease liability in accordance with AASB 9.
- **Transaction price** – to avoid confusion, replaced the reference to ‘transaction price as defined by AASB 15 *Revenue from Contracts with Customers*’ with ‘the amount determined by applying AASB 15’.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. 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.]

In addition to the above, the below lists additional Australian Accounting Standard that have been **issued but are not yet effective that are not expected to be relevant to reporting units:**

- *AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*
- *AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability*
- *AASB 18 (FP) Presentation and Disclosure in Financial Statements (Appendix D) [for for-profit entities]*
- *AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11 – Amendments to AASB 1*
- *AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11 – Amendments to AASB 10*



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Further resources

The Commission 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.

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.

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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*.