



**AADP 311**  
**ACT ACCOUNTING DISCLOSURE**  
**PAPER**  
**ON**  
**THE 2025-26 AASB STANDARDS**  
**ISSUED**  
**BUT YET TO BE APPLIED**  
**FOR THE REPORTING PERIOD**  
**ENDED**  
**30 JUNE 2026**

Chief Minister, Treasury and Economic  
Development Directorate

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# 1. INTRODUCTION

## 1.1 APPLICATION

### 1.1.1 Background

This disclosure paper covers Australian Accounting Standards and Interpretations which have been issued as at 30 June 2026 that are yet to be applied. These standards and interpretations will apply during the 2026-27 reporting period or later reporting periods.

### 1.1.2 Application Date

This disclosure paper applies to the preparation of financial statements for the financial year ended 30 June 2026.

### 1.1.3 Agencies Covered by this Paper

This disclosure paper applies to ACT Government agencies, that is, all directorates and territory authorities.

### 1.1.4 Contact

If you have any questions regarding this paper, please contact the Financial Reporting and Framework (FRF) Branch to receive further clarification. Contact details are listed on the Accounting in the ACT Government website: <https://www.treasury.act.gov.au/accounting/>.

### 1.1.5 Standards Issued that are Not Yet Applicable After the Release of this Disclosure Paper

Additional standards may be issued which are not yet applicable between 30 June 2026 and the date of signing of the financial statements and therefore these standards may need to be included in an agency's financial statements. As such, agencies should monitor for any further standards issued after the FRF Branch releases this paper in early July until their financial statements are signed. If there are any further standards issued during this time, agencies need to assess each standard issued but not yet applicable and disclose these standards in the 'Impact of Accounting Standards Issued But Yet to be Applied' Note (usually Note 3) of their financial statements if they are relevant and if their adoption is likely to have a material financial impact or their financial impact cannot be determined or reliably estimated.

### 1.1.6 Application of the Paper

Requirements of this paper are included in bold text, with un-bolded text being background information/commentary.

## 2. TREATMENT OF AASB STANDARDS ISSUED BUT YET TO BE APPLIED

### 2.1 DISCLOSURES REQUIRED FOR STANDARDS ISSUED BUT YET TO BE APPLIED

When a directorate or territory authority has not early adopted a new accounting standard, and the standard is mandatorily effective in a later reporting period, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* requires disclosure of details regarding the adoption of that standard. This includes the potential financial impact on the financial statements which may occur when the standard is applied. AASB 108 para 30 and 31 contain the disclosure requirements.

This disclosure paper has been developed to assist agencies in making these disclosures. It provides an indication of what changes have been made to standards which have been issued but are yet to be applied. This will assist agencies in identifying which of the standards may have a potential material financial impact on them when they are applied.

**Agencies are required to:**

- 1. identify those standards that will apply to their agency;**
- 2. assess whether there may be a material financial impact upon the agency's financial statements by reviewing the changes listed in this paper and referring directly to the standards and/or interpretations (this assessment should be clearly documented in financial statement work papers);**
- 3. only disclose details of the standards and interpretations which apply and are assessed as having a material financial impact on the agency's financial statements, or where their financial impact cannot yet be determined or reliably estimated. If the impact cannot be determined or reliably estimated, then this should be noted; and**
- 4. not disclose details of the standards and interpretations which either do not apply or which apply but are assessed as not having a material financial impact on the agency's financial statements.**

Agencies should refer to Section 3 and **Attachment A** of this Disclosure Paper which provide the disclosure guidance agencies should be aware of when preparing their 2025-26 Financial Statements.

**It is important for each agency to verify that this assessment is correct for their circumstances.**

## 3. SUMMARY OF CHANGES TO STANDARDS AND INTERPRETATIONS ISSUED BUT YET TO BE APPLIED

The below are all standards and interpretations, currently issued by the AASB, which apply to reporting periods beginning on or after 1 July 2026:

AASB 17      *Insurance Contracts;*

AASB 2014-10	<i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;</i>
AASB 2022-9	<i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector;</i>
AASB 18	<i>Presentation and Disclosure in Financial Statements (Appendix D);</i>
AASB 2024-2	<i>Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments;</i>
AASB 2024-3	<i>Amendments to Australian Accounting Standards – Annual Improvements Volume 11;</i>
AASB 2024-4b	<i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128;</i>
AASB 2025-1	<i>Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity;</i>
AASB 2025-2	<i>Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures;</i>
AASB 2025-3	<i>Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity: Tier 2 Disclosures;</i>
AASB 2025-4	<i>Amendments to Australian Accounting Standards – Translation to a Hyperinflationary Presentation Currency; and</i>
AASB 2026-2	<i>Amendments to Australian Accounting Standards – Extending the Application of the Conceptual Framework and Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements.</i>

### **3.1 RELEVANT STANDARDS THAT ARE CONSIDERED NOT TO HAVE A MATERIAL FINANCIAL IMPACT ON MOST AGENCIES**

The following standards are considered relevant to most ACT Government agencies, however it is considered that they will not have a material financial impact on most ACT Government agencies.

### 3.1.1 AASB 18 Presentation and Disclosure in Financial Statements (appl. 1 January 2027 for for-profit entities however appl. 1 January 2028 for not-for-profit public sector entities)

#### Background

In April 2024, the International Accounting Standards Board issued IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 aims to improve how entities communicate in their financial statements, with a focus on information about financial performance in the operating statement. Better information will contribute to efficient and resilient capital markets by enabling financial statement users to make better decisions. The Standard responds to stakeholder feedback that:

- (a) operating statements varied in structure and content;
- (b) measures defined by management are useful to investors, but entities might not explain how these measures are calculated and why they are used; and
- (c) investors would like to see information more appropriately grouped (aggregated or disaggregated) in the financial statements.

AASB 18 *Presentation and Disclosure in Financial Statements* is the Australian equivalent of IFRS 18.

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

- (a) the presentation of newly defined subtotals in the operating statement. AASB 18 requires an agency to:
  - (i) classify income and expenses into operating, investing and financing categories in the operating statement – plus income taxes and discontinued operations; and
  - (ii) present two newly defined subtotals – operating profit and profit before financing and income taxes;
- (b) the disclosure of management-defined performance measures. Management-defined performance measures are alternative or non-GAAP performance measures (that is, measures that are not defined by Australian Accounting Standards) that are subtotals of income and expenses used in public communications. AASB 18 requires disclosure of reconciliation between those measures and the subtotals required by AASB Standards; and
- (c) enhanced requirements for grouping (aggregation and disaggregation) of information. AASB 18 provides guidance for agencies on grouping transactions and other events into the line items in the primary financial statements and information disclosed in the notes. These principles generally require agencies to:
  - (i) aggregate items that share characteristics and disaggregate items that have different characteristics;
  - (ii) group items in a way that does not obscure material information or reduce the understandability of the information presented; and
  - (iii) place items in the primary financial statements and the notes to fulfil their complementary roles.

In combination, these three key sets of requirements strike a balance by introducing defined subtotals that create a consistent structure in the operating statement to provide a starting point for analysis, while leaving room for agencies to report their own performance measures. The disclosure requirements for management-defined performance measures anchor agencies' own performance measures to the defined subtotals, increasing the transparency of these measures. Additionally, the principles for grouping information will help agencies provide more useful information.

AASB 18 replaces AASB 101 *Presentation of Financial Statements*. As a result, the requirements in AASB 101 have been:

- (a) replaced by new requirements in AASB 18;
- (b) transferred to AASB 18 with only limited wording changes; or
- (c) moved to AASB 108 *Basis of Preparation of Financial Statements* (Previously AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*) or AASB 7 *Financial Instruments: Disclosures* with only limited wording changes.

AASB 18 has also introduced changes to other Australian Accounting Standards, including AASB 107 *Statement of Cash Flows*, AASB 133 *Earnings per Share* and AASB 134 *Interim Financial Reporting*.

#### Impact

The changes resulting from this standard relate to disclosures and are not expected to have a material financial impact for most directorates and territory authorities. However, given the standard contains some major presentation/disclosure changes, it is considered appropriate that agencies outline these changes in their Note 3 disclosure.

Directorates and territory authorities should note that the Australian Accounting Standards Board has issued Exposure Draft (ED) 338 *Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation* which provides relief from many of AASB 18 most significant new presentation requirements. The proposed modifications to AASB 18 for Not-for-Profit agencies allow them:

- not to have to categorise income and expenses into operating, investing and financing categories and to present subtotals for 'operating profit or loss' and 'profit or loss before financing and income taxes';
- not to have to classify and present operating-category expenses in line items in a way that provides the most useful structured summary of its expenses. Instead, agencies can continue to present an analysis of expenses using a classification based on either their nature or their function within the agency;
- not to have to disclose information about all measures that meet the definition of 'management-defined performance measures' (MPMs);
- retain the current accounting policy choice to permit Not-for-Profit public sector entities to elect to classify dividends received and interest paid and received as operating cash flows; and
- to continue using the 'profit or loss' total as the starting point in the Cashflow Reconciliation where the indirect method is used and where an agency does not present the 'operating profit or loss' subtotal in its operating statement.

If the above mentioned modifications in ED 338 are adopted, there will not be a significant change to the current disclosure requirements for most directorates and territory authorities.

### 3.1.2 AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments (appl. 1 January 2026)

#### Background

This Standard amends AASB 7 and AASB 9 in response to feedback from the 2022 Post-implementation Review of the classification and measurement requirements in AASB 9 and related requirements in AASB 7 and the subsequent 2023 Exposure Draft. This Standard amends requirements related to:

- (a) settling financial liabilities using an electronic payment system; and
- (b) assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features.

This Standard also amends disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and adds disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs.

#### Impact

The changes resulting from this standard are not expected to have a material financial impact for most directorates and territory authorities.

This is because, even though the standard requires that financial liabilities settled using an electronic payment system be derecognised on settlement date, it does provide an exemption allowing financial liabilities to be derecognised before settlement date when the following criteria are met:

- the agency has no practical ability to withdraw, stop or cancel the payment instruction;
- the agency has no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

It is anticipated that ACT Government agencies will meet these criteria, and as such they can continue to derecognise financial liabilities before settlement date (e.g. for items like accounts payable that are currently derecognised before settlement date).

Also, it is considered that most agencies are not going to have financial assets which have contractual cash flow characteristics with environmental, social and corporate governance (ESG) and similar features. For example, most ACT Government agencies do not have financial assets with carbon emission linked adjustments to interest rates (e.g. where interest rates of a loan are decreased where pre-determined carbon emission reductions are met). Therefore, these changes will not impact on most agencies.

### 3.1.3 AASB 2024-3 Presentation Amendments to Australian Accounting Standards – Annual Improvements Volume 11 (appl. 1 January 2026)

#### Background

This Standard amends:

- a) AASB 1 *First-time Adoption of Australian Accounting Standards* to improve consistency between paragraphs B5–B6 of AASB 1 and the requirements for hedge accounting in AASB 9 *Financial Instruments* and improve the understandability of AASB 1;
- b) AASB 7 *Financial Instruments: Disclosures* to:
  - i. replace a cross-reference in paragraph B38 of AASB 7 to a deleted AASB 7 paragraph with a reference to AASB 13 *Fair Value Measurement*; and
  - ii. improve consistency in the language used in AASB 7 with the language used in AASB 13;
- c) AASB 9 to:
  - i. clarify how a lessee accounts for the derecognition of a lease liability when it is extinguished; and
  - ii. address an inconsistency between paragraph 5.1.3 of AASB 9 and the requirements in AASB 15 *Revenue from Contracts with Customers* in relation to the term ‘transaction price’;
- d) AASB 10 *Consolidated Financial Statements* to amend paragraph B74 in relation to determining de facto agents of an agency; and
- e) AASB 107 *Statement of Cash Flows* to replace the term ‘cost method’ with ‘at cost’ as the term is no longer defined in Australian Accounting Standards.

#### Impact

This standard is not expected to have a material financial impact on most directorates and territory authorities.

### 3.1.4 AASB 2026-2 Amendments to Australian Accounting Standards – Extending the Application of the Conceptual Framework and Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements (appl. 1 July 2029)

#### Background

This Standard makes amendments to the *Conceptual Framework for Financial Reporting (Conceptual Framework)* and AASB 1057 *Application of Australian Accounting Standards* to:

- a) extend the application of the Conceptual Framework and Australian Accounting Standards to not-for-profit entities (both private sector and public sector) that:

- i. are required by legislation to comply with either Australian Accounting Standards or accounting standards;
  - ii. are required only by their constituting document or another document to prepare financial statements that comply with Australian Accounting Standards, subject to an exemption if the relevant document was created and last amended before 1 July 2029; or
  - iii. elect to prepare general purpose financial statements; and
- b) introduce 'Aus' paragraphs to the *Conceptual Framework* to add Australian-specific guidance for not-for profit entities.

This Standard also consequentially amends AASB 1054 *Australian Additional Disclosures* to revise the set of not-for-profit private sector entities required to provide specified disclosures in special purpose financial statements, where prepared, and to amend the extent of disclosure required.

When the amendments are applicable, some not-for-profit entities might need to prepare general purpose financial statements for the first time. This Standard amends AASB 1053 *Application of Tiers of Australian Accounting Standards* to make transitional relief available for those entities preparing general purpose financial statements complying with Tier 2: Australian Accounting Standards – Simplified Disclosures reporting requirements for the first time following these amendments.

In addition, this Standard also makes consequential amendments to various Australian Accounting Standards resulting from the amendments above, and to the *Framework for the Preparation and Presentation of Financial Statements*, Statement of Accounting Concepts SAC 1 *Definition of the Reporting Entity* and AASB Practice Statement 2 *Making Materiality Judgements*.

#### Impact

Amendments this standard makes to the Conceptual Framework and AASB 1057 *Application of Australian Accounting Standards* are not expected to have a material financial impact on most directorates and territory authorities. Amendments this standard makes to AASB 1054 *Australian Additional Disclosures* and AASB 1053 *Application of Tiers of Australian Accounting Standards* are not applicable to directorates and territory authorities.

## 3.2 STANDARDS THAT ARE NOT CONSIDERED APPLICABLE TO MOST AGENCIES

It is considered that the following Standards do not apply to most ACT Government agencies.

### 3.2.1 AASB 17 Insurance Contracts (originally appl. 1 January 2021 then delayed to appl. 1 January 2023 due to issue of AASB 2020-5 however now appl. 1 July 2026 due to issue of AASB 2022-8/AASB 2022-9)

#### Background

AASB 17 *Insurance Contracts* establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. The objective is to ensure that agencies provide relevant information in a way that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that contracts within the scope of the standard have on the financial position, financial performance and cash flows of the agency.

AASB 17 combines AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts* into one standard.

The information in this section regarding AASB 17 should be read in conjunction with Section 3.2.3 *AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*.

#### Impact

Most directorates and territory authorities do not issue insurance contracts, reinsurance contracts and investment contracts with discretionary participation features and as such this standard will not apply to most agencies. Directorates and territory authorities that have these types of contracts will need to assess the impacts of this standard. Agencies should also assess the applicability of AASB 2022-9 discussed in Section 3.2.3 below.

### 3.2.2 AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (originally appl. 1 January 2016, then delayed to appl. 1 January 2018 through AASB 2015-10, then delayed to appl. 1 January 2025 due to issue of AASB 2021-7c, however now appl. 1 January 2028 due to issue of AASB 2024-4b)

#### Background

AASB 2014-10 amends AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* to address an inconsistency between the requirements in these two

standards, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require:

- a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and
- a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

This Standard also makes an editorial correction to AASB 10.

Note that this application date has been extended to 1 January 2028 by AASB 2024-4b (see Section 3.2.4).

#### Impact

Directorates and territory authorities do not generally have any investments in subsidiaries, joint ventures and associates and as such this standard will not apply to most agencies. Directorates and territory authorities that do have investments in subsidiaries, joint ventures and associates will need to assess the impacts of this standard.

### 3.2.3 AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector (appl. 1 July 2026)

#### Background

This Standard amends AASB 17 *Insurance Contracts* to include modifications that apply to public sector entities. Those modifications relate to providing public sector entities with:

- a) pre-requisites, indicators and other considerations that need to be judged to identify arrangements that fall within the scope of AASB 17 in a public sector context;
- b) an exemption from sub-grouping onerous versus non-onerous contracts at initial recognition;
- c) an exemption from sub-grouping contracts issued no more than a year apart;
- d) an amendment to the initial recognition requirements so that they do not depend on when contracts become onerous;
- e) guidance on coverage periods in a public sector context, which has consequences for determining the cash flows used to measure insurance liabilities and the pattern of revenue recognition;
- f) an accounting policy choice to measure liabilities for remaining coverage applying the premium allocation approach; and
- g) a transition requirement grandfathering the existing classification of arrangements constituting a liability for settlement of claims incurred before the liability was acquired in a transfer as either a liability for incurred claims within the scope of AASB 17 or a provision within the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

This Standard also amends AASB 1050 *Administered Items* to provide an accounting policy choice for directorates to apply either AASB 17 or AASB 137 in determining the information to be disclosed about administered captive insurer activities.

Because AASB 17 applies to all entities for annual periods beginning on or after 1 July 2026, this Standard also:

- a) repeals AASB 4 *Insurance Contracts* and AASB 1023 *General Insurance Contracts*; and
- b) reverses the temporary consequential amendments set out in AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* that amended various Standards to permit public sector entities to continue applying AASB 4 and AASB 1023 to annual periods beginning on or after 1 January 2023 but before 1 July 2026.

#### Impact

This standard will not apply to most directorates and territory authorities. Directorates and territory authorities that have insurance contracts or reinsurance contracts will need to assess the impacts of this standard. Agencies should also assess the applicability of AASB 17 discussed in Section 3.2.1 above.

### **3.2.4 AASB 2024-4b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 (originally appl. 1 January 2025 but further deferred to appl. 1 January 2028)**

#### Background

This Standard defers the mandatory effective date (application date) of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2028 instead of 1 January 2025.

The amendments in AASB 2014-10 originally applied to annual reporting periods beginning on or after 1 January 2016, but were later deferred by the International Accounting Standards Board (IASB) indefinitely. Due to legal requirements, the Australian Accounting Standards Board is unable to defer the amendments indefinitely, and instead deferred the amendments to apply to annual reporting periods beginning on or after 1 January 2018 through AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*.

The amendments were further deferred to apply to annual periods beginning on or after 1 January 2022 through AASB 2017-5 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* and then again to annual reporting periods beginning on or after 1 January 2025 through AASB 2021-7c *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*.

Consistent with the IASB's approach, the amendments can still be applied by an agency in advance of the new mandatory application date.

Impact

This standard will not apply to most directorates and territory authorities. This is because, as set out in Section 3.2.2 above, most directorates and territory authorities do not have investments in subsidiaries, joint ventures and associates and therefore AASB 2014-10 will not be applicable.

### **3.2.5 AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity (appl. 1 January 2026)**

Background

Nature-dependent electricity contracts help entities to secure their electricity supply from sources such as wind and solar power. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions. This Standard amends AASB 7 and AASB 9 to allow entities to better reflect these contracts in the financial statements. The amendments:

- (a) clarify the application of the 'own-use' criteria to nature-dependent electricity contracts;
- (b) permit hedge accounting if these contracts are used as hedging instruments; and
- (c) add new disclosure requirements to enable users of financial statements to better understand the effect of these contracts on an agency's financial performance and cash flows.

Impact

Directorates and territory authorities do not generally have any nature-dependent electricity contracts and as such this standard will not apply to most agencies. Any directorates and territory authorities that do have nature-dependent electricity contracts will need to assess the impacts of this standard.

### **3.2.6 AASB 2025-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures (appl. 1 January 2026)**

Background

*AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments* amended *AASB 7 Financial Instruments: Disclosures* and *AASB 9 Financial Instruments* in response to feedback from the 2022 Post-implementation Review of the classification and measurement requirements in AASB 9 and related requirements in AASB 7 and the subsequent 2023 Exposure Draft. For the amendments contained in AASB 2024-2 see Section 3.1.2 above.

This Standard (AASB 2025-2) amends AASB 1060 to require a Tier 2 agency to disclose information about financial instruments with contingent features that do not relate directly to basic lending risks and costs so that financial statement users can better understand the effect of contractual terms that could change the amount of contractual cash flows. However, the Standard does not add further specific disclosure requirements about investments in equity instruments designated at fair value through other comprehensive income.

This Standard also amends AASB 1060 to renumber the supplier finance arrangement disclosures (currently in paragraphs 119A–119C) and relocate them and their related heading from the “Basic Financial Instruments” section of the Standard to the “Statement of Cash Flows” section.

#### Impact

This standard will not apply to most directorates and territory authorities. This is because the changes in AASB 1060 relate to Tier 2 reporting, and it is ACT Disclosure Policy that agencies which are consolidated into the Whole-of-Government financial statements are not allowed to adopt Tier 2 reporting.

### **3.2.7 AASB 2025-3 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity: Tier 2 Disclosures (appl. 1 January 2026)**

#### Background

AASB 2025-1 *Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity* amended AASB 7 *Financial Instruments: Disclosures* and AASB 9 *Financial Instruments* to allow agencies to better reflect nature-dependent electricity contracts in the financial statements. Nature-dependent electricity contracts help agencies to secure their electricity supply from sources such as wind and solar power. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions.

AASB 2025-1 amended requirements to:

- a) clarify the application of the ‘own-use’ criteria to nature-dependent electricity contracts;
- b) permit hedge accounting if these contracts are used as hedging instruments; and
- c) add new disclosure requirements to enable users of financial statements to better understand the effect of these contracts on an agency’s financial performance and cash flows.

AASB 2025-3 amends AASB 1060 to require a Tier 2 entity to disclose information about nature-dependent electricity contracts that meet the ‘own-use’ criteria and are recognised as procurement contracts. Only some of the disclosure requirements added by AASB 2025-1 to AASB 7 for Tier 1 entities are extended to Tier 2 entities.

#### Impact

This standard will not apply to most directorates and territory authorities. This is because the changes in AASB 1060 relate to Tier 2 reporting, and it is ACT Disclosure Policy that agencies which are consolidated into the Whole-of-Government financial statements are not allowed to adopt Tier 2 reporting.

### 3.2.8 AASB 2025-4 Amendments to Australian Accounting Standards – Translation to a Hyperinflationary Presentation Currency (appl. 1 January 2027)

#### Background

This Standard amends AASB 121 and AASB 129 to clarify the translation procedures for an agency whose presentation currency is that of a hyperinflationary economy, in the following circumstances:

- a) the agency's functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; and
- b) the agency is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

The amendments include the translation procedures for comparatives in the agency's financial statements and also address the effect of the agency's presentation currency ceasing to be the currency of a hyperinflationary economy.

#### Impact

This standard will not apply to most directorates and territory authorities. This is because directorates and territory authorities do not need to translate their results and financial position into hyperinflationary currencies.

# ATTACHMENT A – 2025-26 MODEL FINANCIAL STATEMENT DISCLOSURES FOR STANDARDS ISSUED BUT YET TO BE APPLIED

## Background

**Agencies should adopt the below example Note 3 disclosure in this paper, where applicable.**

Note that it is anticipated that all standards which have been issued but are yet to be applied are either not applicable or will not have a material financial impact on most directorates and territory authorities. However, it is anticipated that if AASB 18 is adopted in its current form, it will have a major impact on most agencies' disclosures and as such this has also been included in the Note 3 disclosure below. Although, the Australian Accounting Standards Board is currently considering the application of the disclosure requirements in AASB 18 to not-for-profit public sector entities. Exposure Draft 338 *Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation* is proposing amendments to AASB 18 that relieve Not-for-Profit public sector entities preparing Tier 1 general purpose financial statements from certain requirements. This may result in ACT Government not-for-profit agencies being able to continue to apply the existing disclosure requirements in AASB 101 *Presentation of Financial Statements* (see Section 3.1.1 above for more details).

**Where an agency has assessed that there is one or more applicable standards issued but yet to be applied that will have a material financial impact, then the below Note 3 disclosure must be tailored to include the details of the standard(s) that is applicable to that agency and its expected impact.**

If there are any standards whose financial impact cannot be determined or cannot yet be reliably estimated, this should also be included in that agency's Note 3 disclosure.

The disclosure below is applicable to 'Burley Griffin Agency'. A complete list of standards for the consideration of each agency can be found in Section 3 of this paper.

## EXAMPLE DISCLOSURE 'BURLEY GRIFFIN AGENCY'

### Reference

AASB 101.10(e)

AASB 108.30 & 31

### NOTE 3. IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

The information below applies to both the Controlled and Territorial financial statements.

All Australian Accounting Standards and Interpretations issued but yet to be applied are applicable to future reporting periods and will be adopted from their application date.

Standards and Interpretations issued but yet to be applied have been assessed as not being relevant to 'Burley Griffin Agency' or will have an immaterial financial impact on 'Burley Griffin Agency'. However, AASB 18 *Presentation and Disclosure in Financial Statements* (applicable 1 January 2027 for for-profit public sector agencies or applicable 1 January 2028 for not-for-profit public sector agencies) does contain some major presentation/disclosure changes that may impact on 'Burley Griffin Agency' including:

- that operating, investing and financing categories as well as additional subtotals have to be included in the agency's operating statement;

## Reference

- the disclosure of management-defined performance measures and reconciliations of these measures with the subtotals required by AASB Standards; and
- enhanced requirements for the grouping (aggregation and disaggregation) of information in the financial statements and in the notes.

The AASB has issued an exposure draft (ED 338 *Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation*) that outlines modifications to AASB 18 for not-for-profit public sector entities. If these modifications in the exposure draft are adopted, they will effectively enable 'Burley Griffen Agency' to continue to broadly apply the existing disclosure requirements contained in AASB 101 *Presentation of Financial Statements*. However, as this exposure draft is not yet finalised, the impact on 'Burley Griffen Agency's' financial statements from the adoption of AASB 18 cannot be determined at this time.

### Commentary – Note 3: Impact of Accounting Standards Issued but yet to be Applied

Agencies can use the example wording included in Note 3 above where it is applicable to their circumstance. Where it is not applicable to their circumstance, adjustments to the wording must be made.

Agencies are required to review all the standards issued but yet to be applied to determine whether they are applicable to the agency and if they are applicable whether they have a material financial impact on the agency. This then determines the information to be included in this note disclosure. To assist agencies reviewing standards issued but yet to be applied, they should consider the information outlined in this ACT Accounting Disclosure Paper (Section 3). Using the guidance included in this document, agencies should assess the impact and relevance of the standards, bearing in mind that they should only disclose those standards and amending standards that are expected to have a material financial impact on them or the financial impact cannot be determined or cannot yet be reliably estimated.

Where 'Standards Issued but Yet to be Applied' are not applicable to agencies (e.g. AASB 129 *Financial Reporting in Hyperinflationary Economies*), or if applicable, will not have a material financial effect, these standards do not have to be individually listed in this note.



**ACT**  
Government

Chief Minister, Treasury and Economic  
Development Directorate

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