

New accounting standards and interpretations

31 December 2019



Introduction

This document is a supplement to *Good Group (Australia) Limited* (December 2019 edition) that describes changes in accounting policies from adopting new Accounting Standards and Interpretations ("pronouncements"), and potential changes in accounting policies that may arise due to new pronouncements issued but not yet effective. This publication lists all pronouncements issued as of 10 December 2019 that are effective for the first time for annual reporting periods ending on or after 31 December 2019.

This document has two parts, as follows:

Part A: New pronouncements issued

This table provides a listing of pronouncements that are effective for the first time for annual reporting periods ending on or after 31 December 2019.

Part B: Changes in accounting policies

This table describes pronouncements issued that are effective for the first time for annual reporting periods ending on or after 31 December 2019.

Mandatory application (M)

Pronouncements with year-ends denoted by "M" reflect those that are mandatory. These descriptions are designed to assist entities in developing relevant disclosures as set out in Note 2.4 of *Good Group (Australia) Limited*.

Paragraph 28 of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* states that when the initial application of a standard has an effect on the current period, or any prior period, an entity shall disclose:

- (a) The title of the Australian Accounting Standard
- (b) When applicable, that the change in accounting policy is made in accordance with the transitional provisions
- (c) The nature of the change in accounting policy
- (d) When applicable, a description of the transitional provisions
- (e) When applicable, the transitional provisions that might have an effect on future periods
- (f) For the current period and each prior period presented, to the extent practicable, the amount of the adjustment:
 - (i) For each financial statement line item affected
 - (ii) If AASB 133 *Earnings per Share* applies to the entity, for basic and diluted earnings per share
- (g) The amount of the adjustment relating to periods before those presented, to the extent practicable

- (h) If retrospective application is impracticable for a particular prior period, or for the periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.

Optional application (O)

Pronouncements with year-ends denoted by "O" reflect those that are optional for early adoption. These descriptions are designed to assist entities in developing relevant disclosures as set out in Note 36 of *Good Group (Australia) Limited*. The table is updated as at 10 December 2019, therefore any pronouncements issued afterwards (up until the date of authorisation of the financial report) will also need to be disclosed.

Paragraph 30 of AASB 108 requires disclosure of the possible impact of new and revised Australian Accounting Standards that have been issued but are not yet effective. If the effect of a pronouncement has not yet been determined, this fact should be disclosed. Disclosures should also cover pronouncements issued by the International Accounting Standards Board (IASB) but not yet adopted by the AASB as Australian Accounting Standards.

Reduced disclosure requirements

Entities applying the Reduced Disclosure Requirements (RDR) are not required to disclose the possible impact of Accounting Standards issued but not yet effective in their financial statements.

Part A: New pronouncements issued

New pronouncement	Page	Effective date [†]	First time applied in annual reporting period ending on the last day of this month*											
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
AASB 15 Revenue from Contracts with Customers [for Not-for-Profit (NFP) entities only]	5	1 Jan 2019 ^{‡§}	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2019
AASB 16 Leases	6	1 Jan 2019	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2019
AASB 1058 Income of Not-for-Profit Entities	7	1 Jan 2019 [§]	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2019
AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities	7	1 Jan 2019	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2019
AASB 2017-6 Amendments to Australian Accounting Standards - Prepayment Features with Negative Compensation	7	1 Jan 2019	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2019
AASB 2017-7 Amendments to Australian Accounting Standards - Long-term Interests in Associates and Joint Ventures	8	1 Jan 2019	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2019
AASB 2018-1 Amendments to Australian Accounting Standards - Annual Improvements 2015-2017 Cycle	8	1 Jan 2019	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2019
AASB 2018-2 Amendments to Australian Accounting Standards - Plan Amendment, Curtailment or Settlement	8	1 Jan 2019	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2019
AASB Interpretation 23 Uncertainty over Income Tax Treatments	9	1 Jan 2019	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2019
AASB 2018-4 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Public Sector Licensors	9	1 Jan 2019	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2019
AASB 2018-8 Amendments to Australian Accounting Standards - Right-of-Use Assets of Not-for-Profit Entities	9	1 Jan 2019	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2019
AASB 2019-4 Amendments to Australian Accounting Standards - Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements	10	1 Jul 2019	2021	2021	2021	2021	2021	2021	2020	2020	2020	2020	2020	2020

* Assumes that an entity has not early adopted the pronouncement

† Effective for annual reporting periods beginning on or after this date

‡ AASB 2016-7 amended the effective date of AASB 15 for NFP entities so that it is required to be applied by such entities for annual reporting periods beginning on or after 1 January 2019 instead of 1 January 2018.

§ On 21 November 2019, the AASB decided to defer AASB 15 and AASB 1058 in relation to their application by NFP entities to research grants from periods beginning on or after 1 January 2019 to periods beginning on or after 1 July 2019, with earlier application permitted, to provide further education to address the continuing divergent views on revenue recognition for research grants. Formal amendments to both standards have yet to be issued by the AASB to date.

Part A: New pronouncements issued

First time applied in annual reporting period ending on the last day of this month**														
New pronouncement	Page	Effective date ^{††}	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
AASB 1059 <i>Service Concession Arrangements: Grantors</i>	11	1 Jan 2020 ^{‡‡}	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2020
<i>Conceptual Framework for Financial Reporting</i> ^{§§}	12	1 Jan 2020	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2020
AASB 2019-1 <i>Amendments to Australian Accounting Standards - References to the Conceptual Framework</i>	12	1 Jan 2020	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2020
AASB 2018-6 <i>Amendments to Australian Accounting Standards - Definition of a Business</i>	12	1 Jan 2020	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2020
AASB 2018-7 <i>Amendments to Australian Accounting Standards - Definition of Material</i>	13	1 Jan 2020	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2020
AASB 2019-2 <i>Amendments to Australian Accounting Standards - Implementation of AASB 1059</i>	13	1 Jan 2020	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2020
AASB 2019-3 <i>Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform</i>	13	1 Jan 2020	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2020
AASB 2019-5 <i>Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia</i>	13	1 Jan 2020	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2020
AASB 17 <i>Insurance Contracts</i>	14	1 Jan 2021	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2021
AASB 2014-10 <i>Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	15	1 Jan 2022 ^{***}	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2022

** Assumes that an entity has not early adopted the pronouncement

†† Effective for annual reporting periods beginning on or after this date

‡‡ AASB 2018-5 deferred the effective date of AASB 1059 from 1 January 2019 to 1 January 2020.

§§ AASB 2019-1 currently limits the application of the Conceptual Framework to:

- (a) for-profit private sector entities that have public accountability and are required by legislation to comply with Australian Accounting Standards; and
- (b) other for-profit entities that voluntarily elect to apply the Conceptual Framework, which would permit compliance with Australian Accounting Standards (Tier 1) and IFRS Standards.

*** AASB 2017-5 deferred the effective date of AASB 2014-10 to from 1 January 2018 to 1 January 2022.

Part B: Changes in accounting policies

This table lists issued pronouncements that are effective for annual reporting periods ending on or after 31 December 2019:

Pronouncement	Title	Summary	Application date ^{†††}	Applicability at year end ^{†††} :				Further information
				31 Dec 2019	31 Mar 2020	30 Jun 2020	30 Sep 2020	
AASB 15	<i>Revenue from Contracts with Customers (for NFP entities only)</i>	<p>AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 <i>Construction Contracts</i>, AASB 118 <i>Revenue</i>, AASB Interpretation 13 <i>Customer Loyalty Programmes</i>, AASB Interpretation 15 <i>Agreements for the Construction of Real Estate</i>, AASB Interpretation 18 <i>Transfers of Assets from Customers</i> and AASB Interpretation 131 <i>Revenue – Barter Transactions Involving Advertising Services</i>) and applies to all revenue arising from contracts with customers.</p> <p>The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue by applying the following steps:</p> <ul style="list-style-type: none"> ▶ Step 1: Identify the contract(s) with a customer ▶ Step 2: Identify the performance obligations in the contract ▶ Step 3: Determine the transaction price ▶ Step 4: Allocate the transaction price to the performance obligations in the contract ▶ Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. 	1 January 2019 ^{§§§}	M	M	M	M	<p>AASB 15</p> <p>Applying IFRS</p> <p>Applying IFRS (Presentation and disclosure)</p>

^{†††} Designated the beginning of the applicable annual reporting period unless otherwise stated.

^{†††} M = application is mandatory; O = application is optional.

^{§§§} AASB 2016-7 amended the effective date of AASB 15 for NFP entities so that it is required to be applied by such entities for annual reporting periods beginning on or after 1 January 2019 instead of 1 January 2018. On 21 November 2019, the AASB decided to defer AASB 15 and AASB 1058 in relation to their application by NFP entities to research grants from periods beginning on or after 1 January 2019 to periods beginning on or after 1 July 2019, with earlier application permitted, to provide further education to address the continuing divergent views on revenue recognition for research grants. Formal amendments to both standards have yet to be issued by the AASB to date.

Part B: Changes in accounting policies

Pronouncement	Title	Summary	Application date ^{†††}	Applicability at year end ^{†††} :				Further information
				31 Dec 2019	31 Mar 2020	30 Jun 2020	30 Sep 2020	
AASB 16	<i>Leases</i>	<p>AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 <i>Leases</i>. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).</p> <p>Lessees will separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.</p> <p>Lessees remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.</p> <p>Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.</p>	1 January 2019	M	M	M	M	<p>AASB 16</p> <p>Applying IFRS</p> <p>Applying IFRS (Impairment)</p> <p>Applying IFRS (Presentation and disclosure)</p>

Part B: Changes in accounting policies

Pronouncement	Title	Summary	Application date ^{†††}	Applicability at year end ^{†††} :				Further information
				31 Dec 2019	31 Mar 2020	30 Jun 2020	30 Sep 2020	
AASB 1058 ^{****} AASB 2016-8	<i>Income of Not-for-Profit Entities</i> <i>Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities</i>	AASB 1058 and AASB 2016-8 will defer income recognition in some circumstances for not-for-profit entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately. The Standard also provides guidance on when to recognise income for goods and services received in exchange for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases. Consequently AASB 1004 <i>Contributions</i> is also amended, with its scope effectively limited to address issues specific to government entities and contributions by owners in a public sector entity context.	1 January 2019 ^{†††}	M	M	M	M	AASB 1058 AASB 2016-8 Accounting Update
AASB 2017-6	<i>Amendments to Australian Accounting Standards - Prepayment Features with Negative Compensation</i>	This Standard amends AASB 9 <i>Financial Instruments</i> to permit entities to measure at amortised cost or fair value through other comprehensive income particular financial assets that would otherwise have contractual cash flows that are solely payments of principal and interest but do not meet that condition only as a result of a prepayment feature. This is subject to meeting other conditions, such as the nature of the business model relevant to the financial asset. Otherwise, the financial assets would be measured at fair value through profit or loss. The Standard also clarifies in the Basis for Conclusion that, under AASB 9, gains and losses arising on modifications of financial liabilities that do not result in derecognition should be recognised in profit or loss.	1 January 2019	M	M	M	M	AASB 2017-6 IFRS Developments

^{****} Only applicable to not-for-profit entities

^{†††} On 21 November 2019, the AASB decided to defer AASB 15 and AASB 1058 in relation to their application by NFP entities to research grants from periods beginning on or after 1 January 2019 to periods beginning on or after 1 July 2019, with earlier application permitted, to provide further education to address the continuing divergent views on revenue recognition for research grants. Formal amendments to both standards have yet to be issued by the AASB to date.

Part B: Changes in accounting policies

Pronouncement	Title	Summary	Application date ^{†††}	Applicability at year end ^{†††} :				Further information
				31 Dec 2019	31 Mar 2020	30 Jun 2020	30 Sep 2020	
AASB 2017-7	<i>Amendments to Australian Accounting Standards - Long-term Interests in Associates and Joint Ventures</i>	This Standard amends AASB 128 <i>Investments in Associates and Joint Ventures</i> to clarify that an entity should account for long-term interests in an associate or joint venture, which in substance forms part of the net investment in the associate or joint venture but to which the equity method is not applied, using AASB 9 <i>Financial Instruments</i> before applying the loss allocation and impairment requirements in AASB 128.	1 January 2019	M	M	M	M	AASB 2017-7
AASB 2018-1	<i>Australian Amendments to Australian Accounting Standards - Annual Improvements 2015-2017 Cycle</i>	The amendments clarify certain requirements in: <ul style="list-style-type: none"> ▶ AASB 3 <i>Business Combinations</i> and AASB 11 <i>Joint Arrangements</i> - previously held interest in a joint operation ▶ AASB 112 <i>Income Taxes</i> - income tax consequences of payments on financial instruments classified as equity ▶ AASB 123 <i>Borrowing Costs</i> - borrowing costs eligible for capitalisation. 	1 January 2019	M	M	M	M	AASB 2018-1 IFRS Developments
AASB 2018-2	<i>Amendments to Australian Accounting Standards - Plan Amendment, Curtailment or Settlement</i>	This Standards amends AASB 119 <i>Employee Benefits</i> to specify how an entity accounts for defined benefit plans when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments: <ul style="list-style-type: none"> ▶ Require entities to use the updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after such an event occurs ▶ Clarify that when such an event occurs, an entity recognises the past service cost or a gain or loss on settlement separately from its assessment of the asset ceiling. 	1 January 2019	M	M	M	M	AASB 2018-2 IFRS Developments

Part B: Changes in accounting policies

Pronouncement	Title	Summary	Application date ^{†††}	Applicability at year end ^{†††} :				Further information
				31 Dec 2019	31 Mar 2020	30 Jun 2020	30 Sep 2020	
AASB Interpretation 23	<i>Uncertainty over Income Tax Treatments</i>	<p>The Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 <i>Income Taxes</i> when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following:</p> <ul style="list-style-type: none"> ▶ Whether an entity considers uncertain tax treatments separately ▶ The assumptions an entity makes about the examination of tax treatments by taxation authorities ▶ How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates ▶ How an entity considers changes in facts and circumstances. 	1 January 2019	M	M	M	M	AASB Interpretation 23 IFRS Developments Applying IFRS
AASB 2018-4 ^{††††}	<i>Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Public Sector Licensors</i>	<p>This Standard amends AASB 15 to add requirements and authoritative implementation guidance for application by not-for-profit public sector licensors to transactions involving the issue of licences.</p> <p>This Standard also amends AASB 16 to clarify that licences that are in substance leases or contain leases, except intellectual property, fall within the scope of AASB 16.</p>	1 January 2019	M	M	M	M	AASB 2018-4
AASB 2018-8 ^{§§§§}	<i>Amendments to Australian Accounting Standards - Right-of-Use Assets of Not-for-Profit Entities</i>	<p>This Standard amends AASB 1, AASB 16, AASB 117, AASB 1049 and AASB 1058 to provide a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such right-of-use assets at cost rather than fair value) to include additional disclosures in the financial statements to ensure users understand the effects on the financial position, financial performance and cash flows of the entity arising from these leases.</p>	1 January 2019	M	M	M	M	AASB 2018-8

†††† Only applicable for not-for-profit public sector entities

§§§§ Only applicable for not-for-profit entities

Part B: Changes in accounting policies

Pronouncement	Title	Summary	Application date ^{†††}	Applicability at year end ^{†††} :				Further information
				31 Dec 2019	31 Mar 2020	30 Jun 2020	30 Sep 2020	
AASB 2019-4	<i>Amendments to Australian Accounting Standards - Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements</i>	<p>This Standard amends AASB 1054 to require not-for-profit private sector entities that are mandated to apply AASB 1054 (including those required by legislation to do so) and are preparing special purpose financial statements to disclose information that enables users to understand whether the material accounting policies applied in the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards. Among others, an NFP private sector entity is required to disclose the following:</p> <ul style="list-style-type: none"> ▶ The basis on which the decision to prepare special purpose financial statements was made ▶ Whether an entity's interests in other entities have been accounted in a manner consistent with the requirements set out in AASB 10 <i>Consolidated Financial Statements</i> or AASB 128 ▶ Details of each material accounting policy that does not comply with the recognition and measurement requirements in Australian Accounting Standards (except for requirements set out in AASB 10 or AASB 128) ▶ Whether the financial statements overall comply with all the recognition and measurement requirements in Australian Accounting Standards (except for requirements set out in AASB 10 or AASB 128) 	1 July 2019	O	O	M	M	AASB 2019-4

Part B: Changes in accounting policies

Pronouncement	Title	Summary	Application date ^{†††}	Applicability at year end ^{†††} :				Further information
				31 Dec 2019	31 Mar 2020	30 Jun 2020	30 Sep 2020	
AASB 1059 ^{*****}	<i>Service Concession Arrangements: Grantors</i>	<p>This Standard addresses the accounting for a service concession arrangement by a grantor that is a public sector entity. The Standard is based on the International Public Sector Accounting Standard IPSAS 32 <i>Service Concession Arrangements: Grantor</i> and is broadly consistent with AASB Interpretation 12 <i>Service Concession Arrangements</i>, which sets out the accounting for the operator of such arrangements, in relation to its principles for recognising service concession assets.</p> <p>The Standard requires a grantor to:</p> <ul style="list-style-type: none"> ▶ recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset ▶ reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset ▶ initially measure a service concession asset at current replacement cost in accordance with the cost approach to fair value in AASB 13 <i>Fair Value Measurement</i>. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with AASB 116 <i>Property, Plant and Equipment</i> or AASB 138 <i>Intangible Assets</i>, as appropriate, except as specified in this Standard ▶ recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator, using either (or both) the financial liability model or the grant of a right to the operator model. 	1 January 2020	0	0	0	0	AASB 1059 Accounting Update

^{*****} Only applicable to public sector entities. AASB 2018-5 deferred the effective date of AASB 1059 from 1 January 2019 to 1 January 2020.

Part B: Changes in accounting policies

Pronouncement	Title	Summary	Application date ^{†††}	Applicability at year end ^{†††} :				Further information
				31 Dec 2019	31 Mar 2020	30 Jun 2020	30 Sep 2020	
Conceptual Framework AASB 2019-1	<i>Conceptual Framework for Financial Reporting Amendments to Australian Accounting Standards - Reference to the Conceptual Framework^{†††††}</i>	<p>The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. It is arranged in eight chapters, as follows:</p> <ul style="list-style-type: none"> ▶ Chapter 1 - The objective of financial reporting ▶ Chapter 2 - Qualitative characteristics of useful financial information ▶ Chapter 3 - Financial statements and the reporting entity ▶ Chapter 4 - The elements of financial statements ▶ Chapter 5 - Recognition and derecognition ▶ Chapter 6 - Measurement ▶ Chapter 7 - Presentation and disclosure ▶ Chapter 8 - Concepts of capital and capital maintenance <p>AASB 2019-1 has also been issued, which sets out the amendments to other pronouncements for references to the revised Conceptual Framework. The changes to the Conceptual Framework may affect the application of accounting standards in situations where no standard applies to a particular transaction or event. In addition, relief has been provided in applying AASB 3 and developing accounting policies for regulatory account balances using AASB 108, such that entities must continue to apply the definitions of an asset and a liability (and supporting concepts) in the <i>Framework for the Preparation and Presentation of Financial Statements</i> (July 2004), and not the definitions in the revised Conceptual Framework.</p>	1 January 2020	0	0	0	0	Conceptual Framework AASB 2019-1 Applying IFRS
AASB 2018-6	<i>Amendments to Australian Accounting Standards - Definition of a Business</i>	<p>The Standard amends the definition of a business in AASB 3 <i>Business Combinations</i>. The amendments clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.</p>	1 January 2020	0	0	0	0	AASB 2018-6 IFRS Developments

^{†††††} AASB 2019-1 currently limits the application of the Conceptual Framework to:

- (a) for-profit private sector entities that have public accountability and are required by legislation to comply with Australian Accounting Standards; and
- (b) other for-profit entities that voluntarily elect to apply the Conceptual Framework, which would permit compliance with Australian Accounting Standards (Tier 1) and IFRS Standards.

Part B: Changes in accounting policies

Pronouncement	Title	Summary	Application date ^{†††}	Applicability at year end ^{†††} :				Further information
				31 Dec 2019	31 Mar 2020	30 Jun 2020	30 Sep 2020	
AASB 2018-7	<i>Amendments to Australian Accounting Standards - Definition of Material</i>	This Standard amends AASB 101 <i>Presentation of Financial Statements</i> and AAS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.	1 January 2020	0	0	0	0	AASB 2018-7 IFRS Developments
AASB 2019-2	<i>Amendments to Australian Accounting Standards - Implementation of AASB 1059</i>	This Standard amends AASB 16 and AASB 1059 mainly to provide practical expedient to grantors of service concession arrangements so that AASB 16 need not be applied to assets that would be recognised as service concession assets under AASB 1059 and to clarify measurement requirements of the liability of grantors that use the modified retrospective approach upon initial adoption of AASB 1059.	1 January 2020	0	0	0	0	AASB 2019-2
AASB 2019-3	<i>Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform</i>	These amendments were issued in response to the effects of Interbank Offered Rates reform on financial reporting and provide mandatory temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate.	1 January 2020	0	0	0	0	AASB 2019-3 IFRS Developments
AASB 2019-5	<i>Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia</i>	This Standard amends AASB 1054 by adding a disclosure requirement for an entity intending to comply with IFRS Standards to disclose the information specified in paragraphs 30 and 31 of AASB 108 on the potential effect of an IFRS Standard that has not yet been issued by the AASB so that such entity complying with Australian Accounting Standards can assert compliance with IFRS Standards.	1 January 2020	0	0	0	0	AASB 2019-5

Part B: Changes in accounting policies

Pronouncement	Title	Summary	Application date ^{†††}	Applicability at year end ^{†††} :				Further information
				31 Dec 2019	31 Mar 2020	30 Jun 2020	30 Sep 2020	
AASB 17	<i>Insurance Contracts</i>	<p>AASB 17 replaces AASB 4 <i>Insurance Contracts</i>, AASB 1023 <i>General Insurance Contracts</i> and AASB 1038 <i>Life Insurance Contracts</i> for for-profit entities.^{††††} AASB 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.</p> <p>The core of AASB 17 is the General (building block) Model, supplemented by:</p> <ul style="list-style-type: none"> ▶ A specific adaptation for contracts with direct participation features (Variable Fee Approach) ▶ A simplified approach mainly for short-duration contracts (Premium Allocation Approach). <p>The main features of the new accounting model for insurance contracts are:</p> <ul style="list-style-type: none"> ▶ A measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows) ▶ A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profitability of the insurance contract to be recognised in profit or loss over the service period (i.e., coverage period) ▶ Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contract service period ▶ The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice. 	1 January 2021	0	0	0	0	<p>AASB 17</p> <p>Insurance Accounting Alert</p> <p>Applying IFRS</p>

††††† AASB 17 currently does not apply to NFP public sector entities. The AASB is conducting a project to determine the applicability of AASB 17 to NFP public sector entities. As part of that, in November 2017, the AASB issued Discussion Paper *Australian-specific Insurance Issues - Regulatory Disclosures and Public Sector Entities*.

Part B: Changes in accounting policies

Pronouncement	Title	Summary	Application date ^{†††}	Applicability at year end ^{†††} :				Further information
				31 Dec 2019	31 Mar 2020	30 Jun 2020	30 Sep 2020	
AASB 2014-10	<i>Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	The amendments 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 <i>Business Combinations</i> . 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. ^{§§§§§}	1 January 2022 *****	0	0	0	0	AASB 2014-10

^{§§§§§} In December 2015, the IASB postponed the effective date of the amendments to IFRS 10 and IAS 28 indefinitely pending the outcome of its research project on the equity method of accounting.

***** AASB 2017-5 deferred the effective date of AASB 2014-10 to from 1 January 2018 to 1 January 2022.

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