# Guidance to Financial Reporting Direction 120

**AASB reporting requirements for for-profit and not-for-profit entities in the Victorian Public sector**

|  |  |
| --- | --- |
|  | Standard is applicable |
| 🗴 | Standard is not applicable |
| NR | Standard is applicable but is not relevant to the entity |

The following table provides guidance on reporting requirements under Australian Accounting Standards applicable for for-profit entities (FP) and not-for-profit entities (NFP).

| *AASB* | *Description* | *For-profit* | *Not-for-profit* |
| --- | --- | --- | --- |
| 1 | First-time Adoption of Australian Accounting Standards |  |  |
| 2 | Share-based Payment | NR | NR |
| 3 | Business Combinations |  |  |
| 4 | Insurance Contracts[[1]](#endnote-1) |  | NR |
| 5 | Non-current Assets Held for Sale and Discontinued Operations |  |  |
| 6 | Exploration for and Evaluation of Mineral Resources | 🗴 | 🗴 |
| 7 | Financial Instruments: Disclosures |  |  |
| 8 | Operating Segments | 🗴 | 🗴 |
| 9 | Financial Instruments |  |  |
| 10 | Consolidated Financial Statements |  |  |
| 11 | Joint Arrangements |  |  |
| 12 | Disclosure of Interests in Other Entities |  |  |
| 13 | Fair Value Measurement |  |  |
| 14 | Regulatory Deferral Accounts | NR | NR |
| 15 | Revenue from Contracts with Customers |  |  |
| 16 | Leases |  |  |
| 17 | Insurance Contracts1 | Applicable from reporting  periods beginning on or after  1 July 2026 | Applicable from reporting  periods beginning on or after  1 July 2026 |
| 101 | Presentation of Financial Statements |  |  |
| 102 | Inventories |  |  |
| 107 | Statement of Cash Flows |  |  |
| 108 | Accounting Policies, Changes in Accounting Estimates and Errors |  |  |
| 110 | Events after the Reporting Period |  |  |
| 112 | Income Taxes | A deferred tax asset can arise on non-taxable government grant related to an asset. | A deferred tax asset does not arise on a non-taxable government grant related to an asset. |
| 116 | Property, Plant and Equipment | Revaluation increments and decrements are offset by individual asset. | Revaluation increments and decrements are offset by class of assets. |
| 119 | Employee Benefits | Employee benefit obligations shall be determined using market yields on high quality corporate bonds. | Employee benefit obligations shall be determined using market yields on government bonds. |
| 120 | Accounting for Government Grants and Disclosure of Government Assistance |  | 🗴 |
| 121 | The Effects of Changes in Foreign Exchange Rates | NR | NR |
| 123 | Borrowing Costs |  | [[2]](#footnote-1) |
| 124 | Related Party Disclosures |  |  |
| 127 | Separate Financial Statements |  |  |
| 128 | Investments in Associates and Joint Ventures |  |  |
| 129 | Financial Reporting in Hyperinflationary Economies | NR | NR |
| 132 | Financial Instruments: Presentation |  |  |
| 133 | Earnings per Share | NR | NR |
| 134 | Interim Financial Reporting |  | 🗴 |
| 136 | Impairment of Assets | Value in use is determined by the present value of future cash flows associated with asset. | Value in use shall be determined by current replacement cost. |
| Impairment loss on a revalued asset can be applied against revaluation reserve for the same asset. | Impairment loss on a revalued asset can be applied against revaluation reserve by class of assets. |
| 137 | Provisions, Contingent Liabilities and Contingent Assets |  |  |
| 138 | Intangible Assets | Revaluation increments and decrements are offset by individual asset. | Revaluation increments and decrements are offset by class of assets. |
| 140 | Investment Property |  |  |
| 141 | Agriculture |  |  |
| 1004 | Contributions | NR |  |
| 1023 | General Insurance Contracts1 |  |  |
| 1038 | Life Insurance Contracts1 |  | 🗴 |
| 1039 | Concise Financial Reports | 🗴 | 🗴 |
| 1048 | Interpretation of Standards |  |  |
| 1049 | Whole of Government and General Government Sector Financial Reporting |  |  |
| 1050 | Administered Items | NR |  |
| 1051 | Land Under Roads |  |  |
| 1052 | Disaggregated Disclosures |  |  |
| 1053 | Application of Tiers of Australian Accounting Standards2 |  |  |
| 1054 | Australian Additional Disclosures |  |  |
| 1055 | Budgetary Reporting | 🗴 |  |
| 1056 | Superannuation Entities | 🗴 | 🗴 |
| 1057 | Application of Australian Accounting Standards |  |  |
| 1058 | Income of Not-for-Profit Entities | 🗴 |  |
| 1059 | Service Concession Arrangements: Grantors |  |  |
| 1060 | General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities[[3]](#endnote-2) |  |  |

1. 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. [↑](#endnote-ref-1)
2. [↑](#footnote-ref-1)
3. As per FRD 101 *Application of Tiers of Australian Accounting Standards*, DTF approved the implementation of tiered financial reporting within the Victorian public sector in May 2024. Entities that do not meet the definition of a ‘significant entity’ under FRD 101 shall prepare Tier 2 financial statements in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. [↑](#endnote-ref-2)