



<b>Project:</b>	<b>AASB Agenda Consultation</b>	<b>Meeting:</b>	AASB June 2026 (M221)
<b>Topic:</b>	<b>Summary and analysis of feedback received from stakeholders</b>	<b>Agenda Item:</b>	3.2
		<b>Date:</b>	4 June 2026
<b>Contact(s):</b>	Kim Carney <a href="mailto:kcarney@asb.gov.au">kcarney@asb.gov.au</a> Patrica Au <a href="mailto:pau@asb.gov.au">pau@asb.gov.au</a> Tom Frick <a href="mailto:tfrick@asb.gov.au">tfrick@asb.gov.au</a> Eric Lee <a href="mailto:elee@asb.gov.au">elee@asb.gov.au</a> Charis Halliday <a href="mailto:challiday@asb.gov.au">challiday@asb.gov.au</a> Lachlan McDonald-Kerr <a href="mailto:lmcdonaldkerr@asb.gov.au">lmcdonaldkerr@asb.gov.au</a> Justin Williams <a href="mailto:jwilliams@asb.gov.au">jwilliams@asb.gov.au</a>	<b>Project Priority:</b>	Medium
		<b>Decision-Making:</b>	Medium
		<b>Project Status:</b>	Summary of feedback received from submissions, roundtables and outreach

## The objective of this paper

- The objective of this paper is to:
  - summarise stakeholder feedback received through [Invitation to Comment ITC 57 AASB 2027–2031 Agenda Consultation](#) (ITC 57) relevant to projects that should be **‘stopped’**; and
  - provide staff recommendations on whether those projects should be removed from the AASB’s Work Plan.
- Consistent with the purpose of the Agenda Consultation, this paper does not analyse or resolve individual technical issues. Rather, it supports the AASB’s consideration of which existing projects should be stopped.

## STOP: Are there any projects we should stop?

- Stakeholder feedback identified a small number of projects for which there is limited support to continue work. These projects are considered below, together with staff analysis and recommendations, to inform the AASB’s consideration of whether they should be stopped.

## A. Service Performance Reporting (SPR)

- 4 The SPR project aims to develop a pronouncement suitable for the Australian context that specifies generic, scalable principles for not-for-profit (NFP) entities in reporting service performance information.
- 5 While stakeholders recognised the importance of SPR, a significant and consistent theme across feedback was that the SPR project should not proceed, or should only proceed following a fundamental reconsideration of its purpose, scope and the AASB's mandate. The feedback received is summarised below.
  - (a) Stakeholders questioned whether the SPR project addresses a clearly articulated problem or demonstrated user need, noting that existing accountability mechanisms already require entities to report service-related information, including regulator-mandated reporting, grant acquittals and other performance or outcome frameworks. They considered that an AASB Standard could duplicate existing requirements and provide limited incremental benefit to users.<sup>1</sup>
  - (b) Some stakeholders expressed concern that advancing the SPR project could result in additional reporting requirements without clear regulatory backing or demand from primary users of general purpose financial reports. Several stakeholders noted that public sector entities already publish a wide range of financial and non-financial measures, some of which are mandated by governments.<sup>2</sup>
  - (c) Cost–benefit and scalability concerns featured prominently particularly for small and medium-sized entities. Stakeholders noted that developing, implementing and assuring SPR information could impose disproportionate costs on the majority of the sector, notwithstanding that very large entities may have the capacity to produce more sophisticated reporting.<sup>3</sup>
  - (d) Feedback also questioned whether outcome and impact measures could be made sufficiently objective, comparable and verifiable to support assurance engagements, noting that the absence of clear criteria and mature measurement frameworks could undermine confidence in reported information.<sup>4</sup>
  - (e) Where further work was supported, stakeholders also generally favoured limiting this to research to clarify user needs, auditability and cost–benefit considerations, or to non-mandatory, principles-based guidance. Some feedback also suggested deferring any further work until other reforms, particularly the implementation of the Tier 3 NFP Standard, are embedded.<sup>5</sup>

### **Staff analysis and recommendation**

- 6 The [SPR Project Summary](#) sets out the history of the project, which the AASB has considered at a number of meetings. Most recently in November 2025 staff presented the AASB with

---

1 This includes comment letters from ACAG and HoTARAC and survey responses.

2 This includes comment letters from ACAG, CAANZ, CPA Australia and KPMG.

3 This includes feedback from roundtable participants and survey responses.

4 This includes feedback from roundtable participants and survey responses.

5 This includes feedback from roundtable participants and survey responses.

findings from research activities and targeted stakeholder outreach conducted between late 2024 and August 2025.

- 7 Through ITC 57, the AASB sought stakeholder input to inform its consideration of the project's future direction.
- 8 In summary, staff consider that feedback obtained through the Agenda Consultation is broadly consistent with the feedback considered by the AASB in November 2025. While stakeholders generally acknowledge the importance of SPR, there remains limited support for progressing the SPR project as currently framed. Feedback continues to point to the absence of a clearly articulated problem or demonstrated information gap for users that would justify the development of a new domestic AASB Standard. Stakeholders also noted that, in parts of the public sector, service performance related information is already reported through existing regulatory, contractual and policy driven requirements. Staff do note that some stakeholders have emphasised previously that, in considering the connectivity of climate-related reporting in the NFP public sector, the AASB should reassess the relative priority of its work program and consider whether advancing the SPR project may better address broader information needs, with further targeted engagement recommended to clarify the SPR projects comparative importance and urgency.<sup>5A</sup> However, staff note that this view was less evident in the feedback received through the Agenda Consultation.
- 9 Concerns about duplication, cost and complexity were particularly prevalent among NFP preparers, including small and medium-sized entities. Stakeholders considered that an SPR Standard would be unlikely to deliver commensurate incremental benefits to users relative to the costs of development, implementation and assurance (if required).
- 10 Staff also note that stakeholder support for SPR remains limited and conditional, with views generally favouring a non-mandatory or guidance-based approach, or deferral until other reforms are more fully embedded.
- 11 Overall, staff consider that the feedback does not provide new or compelling evidence to support progressing the SPR project as currently framed. While stakeholders acknowledged the importance of SPR, support for further work remains limited and conditional. Accordingly, staff recommend that the AASB stop the SPR project and remove it from the Work Plan.

## **B. Comparison of the AASB and IPSASB requirements**

- 12 The AASB noted in its policy document, [The AASB's Approach to International Public Sector Accounting Standards](#), that, at least every five years, it would determine whether to begin a formal consultation process on adopting International Public Sector Accounting Standards (IPSAS). As part of this process, the AASB would periodically report on the differences between Australian Accounting Standards and Standards of the International Public Sector Accounting Standards Board (IPSASB) (paragraphs 16 and 19).
- 13 Consistent with this approach, a project comparing AASB and IPSASB requirements was included on the Work Plan before being removed in June 2023 when the AASB reprioritised its Work Plan to focus on sustainability reporting projects and high-priority financial reporting projects.<sup>6</sup>

---

5A This includes evidence from [AASB Working Paper AASB Research Forum – Applied Research - Connectivity \(11/25\) June 2023 \(M196\) Action Alert](#)

6

- 14 Feedback received through this Agenda Consultation indicated limited support for recommencing this work as a standalone project, with stakeholders questioning its incremental value relative to the resources required. Their feedback is summarised below.<sup>7</sup>
- (a) The previous AASB-IPSASB comparison exercise had already identified the key areas of difference between the two frameworks and that repeating this analysis would be unlikely to generate any new meaningful insights.<sup>8</sup>
  - (b) Targeted, problem-driven projects (e.g. PIRs and topic-specific work) are preferred over broad comparisons, with IPSASB developments used selectively only where relevant to domestic issues.
  - (c) The AASB's sector-neutral approach to standard-setting is supported – consideration of IPSASB Standards is not a priority, noting that IFRS Accounting Standards can generally be applied effectively in the NFP public sector with appropriate consideration of NFP concepts such as service potential.
  - (d) Detailed AASB-IPSASB comparison work could divert AASB resources away from higher-priority activities, including sustainability reporting implementation and public sector financial reporting framework reform.
- 15 Some stakeholders questioned the practical value of revisiting high-level framework comparisons when most issues arise from the application of particular Standards. These participants emphasised that preparers and auditors are more concerned with resolving identified application issues in existing Australian Accounting Standards than with understanding theoretical alignment or divergence from IPSASB requirements.<sup>9</sup>

### ***Staff analysis and recommendation***

- 16 Feedback indicates limited stakeholder support for reinstating a standalone project comparing AASB and IPSASB requirements. Staff also note feedback that repeating a broad comparative exercise would be unlikely to generate incremental insights commensurate with the staff resources required and that targeted topic-based analysis would be more beneficial.
- 17 As noted above, this project was previously removed from the Work Plan, which reflected a deprioritisation of the project, rather than a formal decision by the AASB to stop the project. From the feedback obtained in response to ITC 57, staff consider that there is insufficient evidence of stakeholder demand to support reinstating the project on the Work Plan. Accordingly, staff recommend that the AASB formally decide to stop the project. This recommendation would not preclude the AASB from continuing to consider IPSASB Standards on a case-by-case basis where they are relevant to analysing specific issues or developing proposals to modify Australian Accounting Standards for application in the public sector.
- 18 Furthermore, since finalising the policy document, the AASB has not progressed consideration of whether to initiate a formal consultation on the adoption of IPSAS. This reflects the project's deprioritisation and the AASB's focus on higher-priority matters, rather than an

---

7 This includes comment letters from ACAG and HoTARAC.

8 [AASB Staff Report: Australian Accounting Standards Board and International Public Sector Accounting Standards Board Pronouncements – A Comparison](#) (May 2017)

9 This includes public sector roundtable participants.

explicit decision to cease consideration of IPSAS adoption. In light of the feedback received, the proposed cessation of the project and the proposed transition to External Reporting Australia (ERA), staff recommend that the AASB reconsider whether the policy expectation to undertake this process remains appropriate, having regard to ERA's strategic priorities and resource constraints.

### **C. Long-term public sector discount rates**

- 19 The long-term public sector discount rates project was added to the Work Plan in 2017 following feedback on ITC 34 *AASB Agenda Consultation 2017-2019*. However, progress was limited due to other priorities. Feedback received from ITC 46 *AASB Agenda Consultation 2022-2026* raised this issue, with some stakeholders requesting that the AASB consider alternative rates to the spot rate for measuring long-term liabilities of public sector entities, particularly defined benefit liabilities. At its March 2023 meeting, the AASB decided to commence the project with an issues development phase to help identify a relevant standard-setting response. The project was subsequently removed from the Work Plan in June 2023 as part of the AASB's reprioritisation to focus on sustainability reporting and other high-priority financial reporting projects.
- 20 Stakeholders noted that they have not identified any significant concerns on this topic and suggested that if a project were commenced, it should be a low priority<sup>10</sup>

#### ***Staff analysis and recommendation***

- 21 As noted above, this project was previously removed from the Work Plan, which reflected a deprioritisation of the project, rather than a formal decision by the AASB to stop the project.
- 22 Given the limited progress on this topic, the absence of stakeholder feedback identifying significant concerns and the passage of time since the project was first added to the Work Plan, staff recommend that the AASB stop this project, and only reconsider this project if circumstances change or substantive concerns are identified in the future.

#### **Questions for Board members**

In respect of the projects that should be stopped:

- Q1 Do Board members have any questions or comments about the feedback summarised in this Agenda Paper?
- Q2 Do Board members agree with the staff recommendations to:
- (a) stop the SPR project and remove it from the Work Plan (see paragraph 11)?
  - (b) stop the project comparing AASB-IPSASB requirements (see paragraph 17)?
  - (c) assess whether *The AASB's Approach to International Public Sector Accounting Standards* policy document remains appropriate (see paragraph 18)?
  - (d) stop the project on long-term public sector discount rates (see paragraph 22)?

---

10 This includes a comment letter from HoTARAC and feedback from ACAG FRAC members.

If not, what do Board members suggest?