Australian Government
Australian Accounting Standards Board

Cover Memo

Project:	**Other Business – Public**	**Meeting:**	AASB August 2026 (M222)
Topic:	**Cover Memo**	**Agenda Item:**	9.1
		Date of the Agenda Paper:	5 August 2026
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Objective of this paper

1 The objective of this paper is to inform the Board about matters under Other Business – Public. **No action is required from the Board on the items in this memo, which are included for noting only – except where stated otherwise**. Please refer to the tables below for details.

AASB SUBMISSIONS

Paper No.	Title	Staff comments	Board action
N/A	AASB submission to the ISSB on SASB Standards and IFRS S2 Industry-based Guidance	The AASB submission to the ISSB SASB Standards and IFRS S2 Industry-based Guidance Exposure Draft was lodged on 6 July 2026.	Included for noting only. No action is required at this meeting.

IASB AND IFRS IC UPDATES

Paper No.	Title	Staff comments	Board action
N/A	IASB Update July 2026	The IASB has completed its Post-implementation Review (PIR) of IFRS 16 and concluded that the Standard is overall working as intended. As a result of the PIR, the IASB decided to: • undertake a combined project to explore ways to reduce lessee application costs	Included for noting only. No action is required at this meeting.

Paper No.	Title	Staff comments	Board action
		and clarify the accounting for rent concessions; and • consider the priority of the Sale and Leaseback in a Single-asset Entity project, together with other corporate-wrapper matters, in its next Agenda Consultation. Subject to due process approval, the IASB plans to publish a Project Summary and Feedback Statement in Q4 2026. Staff do not consider that there are any other matters to raise in relation to the July 2026 IASB update.	
N/A	IASB and IASB-FASB Update June 2026	Staff do not consider that there are any matters to raise in relation to the June 2026 IASB and IASB-FASB update.	Included for noting only. No action is required at this meeting.
N/A	IFRIC Update June 2026	Staff do not consider that there are any matters to raise in relation to IFRIC's agenda decisions.	Included for noting only. No action is required at this meeting.

ISSB UPDATES

Paper No.	Title	Staff comments	Board action
N/A	ISSB Update June 2026	The ISSB discussed its project on ***Nature-related Disclosures***, which is currently at the standard-setting phase. Following its April 2026 tentative decision to develop an IFRS Practice Statement on nature-related disclosures, the ISSB discussed key aspects of the proposed Practice Statement. *Update on terms and concepts essential to standard-setting on nature* The ISSB tentatively decided to use the term 'environmental resources' (in place of 'environmental assets') and define both 'nature-related transition risks' and 'nature-related physical risks'. *Sources of guidance for metrics* The ISSB tentatively decided to permit an entity to refer to and consider the applicability	Included for noting only. No action is required at this meeting.

Paper No.	Title	Staff comments	Board action
		of the Taskforce on Nature-related Financial Disclosures (TNFD) disclosure metrics to the extent that they meet specific criteria, and to retain the reference to the Climate Disclosure Standards Board Framework Application Guidance as a source of guidance in IFRS S1. *First application of the IFRS Practice Statement and statement of compliance* The ISSB tentatively decided: (a) that the Practice Statement would be available for application from its issuance date for entities applying IFRS S1 and IFRS S2; (b) to not require an entity to provide disclosures specified in the Practice Statement prior to the application date, and not require comparative information in the first year of reporting; (c) to require entities that comply with both IFRS Sustainability Disclosure Standards and the Practice Statement to make an explicit and unreserved statement of compliance; (d) to prohibit entities from claiming compliance with the Practice Statement unless they comply with both the Practice Statement and IFRS Sustainability Disclosure Standards; and (e) to include exemptions consistent with paragraph 73 of IFRS S1[1] for information otherwise required.	
N/A	[ISSB Update July 2026]()	The ISSB discussed the following two projects, both of which are at the standard-setting phase: ***Nature-related Disclosures*** The ISSB discussed the likely effects of the proposed Practice Statement but were not asked to make any decisions on this matter.	Included for noting only. No action is required at this meeting.

1 Paragraph 73 of IFRS S1 exempts an entity from disclosing information required by the Standard when disclosure is prohibited by law or regulation (paragraph B33), and exempts disclosure of sustainability-related opportunities that are commercially sensitive (paragraphs B34-B37). An entity applying these exemptions may still assert compliance with IFRS S1.

Paper No.	Title	Staff comments	Board action
		The ISSB plans to publish an exposure draft in October 2026. ISSB members set a 120-day comment period for the exposure draft. ***Enhancing the SASB Standards*** The ISSB decided to enhance the six SASB Standards in the Technology & Communications sector of the Sustainable Industry Classification System and will begin preparing the exposure draft.	

PUBLIC-SECTOR-SPECIFIC PROJECT UPDATES

Paper No.	Title	Staff comments	Board action
N/A	N/A	N/A	N/A

NEWS AND OTHER

Paper No.	Title	Content of item/Staff comments	Board action
9.2	*Going Concern and Related Assessments*	This joint AASB and AUASB publication was first published (then titled *The Impact of COVID-19 on Going Concern and Related Assessments*) in May 2020 in response to questions raised by stakeholders on the impact of COVID-19 on solvency and going concern assessments as well as other circumstances where solvency and/or going concern issues arise. The publication is relevant to for-profit and not-for-profit (NFP) entities, including public sector entities. The joint publication was revised and republished in June 2023 (by the AUASB) to remove references to COVID-19 and related materials. Since the 2023 edition of the publication, several developments indicate that the guidance should be revised again, including: (a) the requirements for assessing an entity's ability to continue as a going concern have been carried forward unchanged from AASB 101 to AASB 108 as a result of the issuance of AASB 18;	Included for noting. Board members are invited to provide any comments out of session. Board members are also invited to review an updated version as part of the finalisation process – at least one Board member is required for this review.

Paper No.	Title	Content of item/Staff comments	Board action
		(b) AASB 1061 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities* requires Tier 3 entities to make going concern assessments similar to those required to Tier 1 or Tier 2 entities; (c) the Auditing and Assurance Standards Board issued ASA 570 *Going Concern* (May 2025); and (d) the IASB revised its educational material *Going concern – A focus on disclosure* in May 2025. Staff note that the External Reporting Board in New Zealand issued similar guidance, *Supporting high-quality going concern assessment and disclosure in uncertain times*, to support implementation of the revised NZ going concern auditing standard in May 2026. The publication will be updated jointly by AASB and AUASB staff. AASB staff have considered updates required to reflect changes to Australian Accounting Standards and related IASB guidance. AUASB staff will consider updating the publication in relation to the *Corporations Act 2001*, Australian Auditing Standards and related auditing guidance. Agenda Paper 9.2 provides the tracked changes that AASB staff intend to include in the revised version, excluding formatting changes. Changes to be made by AUASB staff are not included in paper 9.2. Under the *AASB Due Process Framework for Setting Standards*, educational material must be approved by the AASB Technical Director. Where the material includes a significant new example demonstrating how the requirements might apply to a particular fact pattern, it must also be reviewed, at a minimum, by the AASB Chair and at least one other Board member.	

Paper No.	Title	Content of item/Staff comments	Board action
N/A	Winding up of Service Performance Reporting (SPR) and NFP Project Advisory Panels	**SPR Project Advisory Panel** At its June 2026 meeting, the Board considered stakeholder feedback on Invitation to Comment ITC 57 *AASB 2027–2031 Agenda Consultation*, which sought views on the future 2027–2031 Work Plan, including which projects to stop, keep or consider starting. Following consideration of stakeholder feedback, the Board decided to discontinue the SPR project (AASB Action Alert No. 248). **NFP Project Advisory Panel** The NFP Project Advisory Panel was established to support the NFP Private Sector Financial Reporting Framework Project. This project was completed with the issuance in April 2026 of two pronouncements: • 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*; and • AASB 1061 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities*. The Terms of Reference for AASB Project Advisory Panels require the winding up of a panel to be approved by the Board via a simple majority vote of the members. In accordance with the Terms of Reference, staff recommend that both the SPR Project Advisory Panel and the NFP Project Advisory Panel be wound up as the respective projects are either discontinued or completed.	Board members are asked to vote on the winding up of: (a) the SPR Project Advisory Panel; and (b) the NFP Project Advisory Panel.
N/A	ASIC proposes to consolidate financial reporting and auditing relief instruments	ASIC is seeking further feedback on a proposal to streamline 17 financial reporting and auditing relief instruments into two, as part of its ongoing commitment to regulatory simplification. The two draft instruments are:	Included for noting only. No action is required at this meeting.

Paper No.	Title	Content of item/Staff comments	Board action
		• *ASIC Corporations (Annual and Half-year Reporting) Instrument 2026/XXX* (the draft Financial Reporting Instrument), and • *ASIC Corporations (Auditing) Instrument 2026/XXX* (the draft Auditing Instrument). The new instruments are intended to make it easier for users to understand available relief and reduce the number of legislative instruments dealing with financial reporting and auditing.	
N/A	ASIC proposes to remake financial reporting relief for wholly-owned companies	ASIC is seeking feedback on its proposal to remake a legislative instrument that provides financial reporting relief for wholly-owned companies, which is scheduled to expire on 1 October 2026. This will maintain existing relief while the Australian Government progresses law reform for simplified reporting relief for group entities, announced as part of the Whole-of-Government Regulatory Reform Agenda in the 2026/27 Budget. Under ASIC's proposal, the relief in *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* will be extended for five years. ASIC will also make minor, technical changes to the instrument and related documents, such as *Pro Forma 24 Deed of cross guarantee* (PF 24).	Included for noting only. No action is required at this meeting.
N/A	Climate-related disclosures: A series of Information Guides	Chartered Accountants Australia and New Zealand (CA ANZ), in collaboration with industry experts, has developed a series of information guides to assist finance professionals with climate-related disclosures. These guides are designed with members in Australia in mind, but the core topics are applicable to organisations in other jurisdictions preparing climate-related disclosures.	Included for noting only. No action is required at this meeting.
N/A	Reporting Essential Guides	CA ANZ published its biannual Reporting Essentials Guides. These publications highlight the impact of new and amending	Included for noting only. No

Paper No.	Title	Content of item/Staff comments	Board action
		standards and legislative developments on the preparation of financial statements, performance reports and other external reporting for June 2026. Both the Australia and New Zealand specific publications discuss the newly effective standards and amendments as well as those standards and amendments that have been issued but are not yet mandatory. Other areas covered include: • Impending changes to presentation and disclosure in financial statements • NFP reporting • Updated ASIC reporting instruments and guides (AU) • Regulator focus areas.	action is required at this meeting.