



Project:	Application of AASB 18 and AASB 107 by Superannuation Entities and Not-for-profit Entities	Meeting:	AASB May 2026 (M220)
Topic:	Consider ED 338 feedback	Agenda Item:	3.0
		Date:	30 April 2026
Contact(s):	Patricia Au pau@asb.gov.au Angus Thomson athomson@asb.gov.au Claire Thomson cthomson@asb.gov.au	Project Priority:	High
		Decision-Making:	High
		Project Status:	Consider ED 338 feedback

Objective of this agenda item

- The objectives of this agenda item are for the Board to **consider** stakeholder feedback received on [ED 338](#) and **decide** how [AASB 18](#) and the revised AASB 107 should be applied by the following entities preparing Tier 1 GPFS:
 - superannuation entities;
 - NFP public sector entities (excluding universities);
 - NFP private sector entities;
 - universities;¹ and
 - for-profit public sector entities.
- The [Appendix](#) outlines the abbreviations used in this Cover Memo and Agenda Papers 3.1–3.11.

Topics addressed in this agenda item

- ED 338 included 31 Specific Matters for Comment and six General Matters for Comment, which staff have grouped into nine overarching topics for ease of reference. This agenda item addresses the first four topics, with the remaining topics planned for the June meeting. The table below outlines the nine topics.

1 The Australian Government's Department of Education treats most universities as NFP public sector entities for the purposes of financial reporting.

Topic	ED question numbers
<i>To be discussed at this meeting</i>	
Topic 1: Application of AASB 18 and AASB 107 by superannuation entities	3–10
Topic 2: Application of AASB 18 and AASB 107 by NFP public sector entities	16–17, 20–23, 25–26
Topic 3: Application of AASB 18 and AASB 107 by NFP private sector entities and universities	14
Topic 4: Application of AASB 18 and AASB 107 by for-profit public sector entities	29–31
<i>To be discussed at the June meeting</i>	
Topic 5: Operating cash flow reconciliation with respect to for-profit entities preparing Tier 1 GPFS	1–2
Topic 6: NFP guidance regarding users of GPFS	12–13 & 18–19
Topic 7: Amendments to AASB 1049 arising from the FRC’s PIR of AASB 1049	27–28
Topic 8: General Matters for Comment	32–37
Topic 9: Effective date	11, 15, 24
Sweep issues, including the following: (a) the use of the labelling of “operating profit” when not categorising income and expenses into the AASB 18 categories; (b) the NFP public sector entities that would be permitted to apply the proposed relief from certain AASB 18 requirements; (c) comments from Richard Swarchz, regarding a perceived lack of transparency in reporting by superannuation entities; and (d) comments from Professor Pinnuck from University of Melbourne, regarding requiring universities to classify operating expenses by function to separate expenses associated with teaching and research activities.	N/A

Papers for this agenda item

- 4 In addition to this Cover Memo, there are five papers in the combined pack for discussion at the May meeting. The following table provides an overview of the staff recommendations in each paper (where relevant).

Agenda paper	Overview of staff recommendations
Agenda Paper 3.1: Project background	N/A – this paper is for information only. It does not contain staff recommendations or matters requiring Board decisions.
Agenda Paper 3.2: Superannuation entities	Proceed with the ED proposals to: (a) require superannuation entities to present primary financial statements in accordance with AASB 1056, rather than the presentation formats in AASB 18; and (b) retain the existing accounting policy choice for classifying dividend and interest cash flows.

Agenda paper	Overview of staff recommendations
Agenda Paper 3.3: NFP public sector entities (excluding universities)	<p>Proceed with the ED proposals to:</p> <p>(a) require governments to continue presenting the GPFS of Whole of Government and General Government Sector in accordance with the formats specified in AASB 1049, rather than the formats required by AASB 18; and</p> <p>(b) provide accounting policy choices for NFP public sector entities preparing Tier 1 GPFS to elect to apply certain AASB 18 requirements, thereby allowing relevant regulators to continue prescribing presentation formats that best meet users' information needs.</p>
Agenda Paper 3.4: NFP private sector entities and universities	<p>Confirm the Board's position, as set out in ED 338, to require NFP private sector entities and universities preparing Tier 1 GPFS to apply AASB 18 and the revised AASB 107 without providing any forms of relief.</p> <p>Proceed to develop an Exposure Draft to consider additional guidance to clarify:</p> <p>(a) how income recognised under AASB 1058 should be categorised; and</p> <p>(b) whether, and in what circumstances, an NFP private sector entity or university might be considered to be investing in assets or providing financing as a main business activity.</p>
Agenda Paper 3.5: For-profit public sector entities	<p>Proceed with the ED proposals to require for-profit public sector entities preparing Tier 1 GPFS to apply AASB 18 and the revised AASB 107 without modification.</p>

5 Seven supporting materials are included in the supplementary folder for the Board's reference. They are:

Agenda Paper 3.6 Comment letters received on ED 338

Agenda Paper 3.7 Notes of the 18 February 2026 virtual roundtable

Agenda Paper 3.8 Notes of the 27 February 2026 virtual roundtable

Agenda Paper 3.9 Notes of the 16 April 2026 virtual roundtable

Agenda Paper 3.10 Consultation document and comment letters relating to the additional consultation on the application of the AASB 18 statement of profit or loss presentation requirements by NFP private sector entities and universities

Agenda Paper 3.11 Collation of survey responses

Agenda Paper 3.12 *Financial Statement Guidelines for Australian Higher Education Providers for the 2025 financial period*, published by the Australian Government Department of Education **(Board only)**

Appendix: Abbreviations

The following table outlines the abbreviations used in this Cover Memo and Agenda Papers 3.1–3.11.

AASB 18	AASB 18 <i>Presentation and Disclosure in Financial Statements</i>
AASB 107	AASB 107 <i>Statement of Cash Flows</i>
AASB 1049	AASB 1049 <i>Whole of Government and General Government Sector Financial Reporting</i>
AASB 1054	AASB 1054 <i>Australian Additional Disclosures</i>
AASB 1056	AASB 1056 <i>Superannuation Entities</i>
AASB 1058	AASB 1058 <i>Income of Not-for-Profit Entities</i>
AASB 1060	AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i>
ACNC	The Australian Charities and Not-for-profits Commission
ED 338	ED 338 <i>Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation</i>
GMC	General Matters for Comment as set out in ED 338
GPFS	General purpose financial statements
IFRS 18	IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>
ITC 56	ITC 56 <i>Post-implementation Review of Tier 2 and the Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities and Further Update of Tier 2</i>
NFP	Not-for-profit
PIR	Post-implementation Review
Revised AASB 107	AASB 107 <i>Statement of Cash Flows</i> after incorporating changes made by AASB 18
SMBA	Specified main business activity as described in AASB 18.49
SMC	Specific Matters for Comment as set out in ED 338