



AASB Action Alert

From the Australian Accounting Standards Board

Issue No. 248

23 June 2026

Welcome to the AASB Action Alert

The AASB Board met in public and in private on 18–19 June 2026. At the meeting, the Board made key decisions in relation to:

[Review of AASB 1060](#)

[Presentation and Disclosure in Financial Statements of Superannuation and Not-for-Profit Entities](#)

[Agenda Consultation](#)

The Board also discussed the following topics:

[Post-implementation Review of AASB 1060 and AASB 2020-2](#)

[Climate-related Financial Disclosures](#)

[Research Update](#)

Review of AASB 1060

Proposed amendments to AASB 1060's classification and presentation requirements

The Board decided that the forthcoming Exposure Draft (ED 341) proposing to align the classification and presentation requirements of AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* with AASB 18 *Presentation and Disclosure in Financial Statements* will have a 60-day comment period. The ED will be issued shortly.

Proposed disclosure requirements

Following the consideration of stakeholder feedback on the proposed amendments to AASB 1060 arising from the third edition of the *IFRS for SMEs Accounting Standard*, the Board decided to consider only the additional disclosure requirements that the Board has not specifically considered previously.

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In maintaining AASB 1060 in the future, the Board decided not to consider *IFRS for SMEs* updates explicitly but instead to apply a gap analysis to determine whether any disclosures warrant consideration. The Board also decided to review and update its principles for the maintenance of AASB 1060.

Presentation and Disclosure in Financial Statements of Superannuation and Not-for-Profit Entities

The Board continued deliberations on the feedback received in response to Exposure Draft ED 338 *Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation*.

The Board decided to proceed with the proposals in ED 338 to:

- (a) modify AASB 1054 *Australian Additional Disclosures* (paragraph 16) and AASB 1039 *Concise Financial Reports* (paragraph 21) to align with AASB 107 *Statement of Cash Flows* to use the 'operating profit or loss' subtotal as the starting point for reconciling net cash flows from operating activities;
- (b) include guidance in AASB 18 *Presentation and Disclosure in Financial Statements* on users of not-for-profit (NFP) entities' general purpose financial statements (GPFS) – adding paragraphs Aus9.1, AusB5.1 and AusB80.1;
- (c) make editorial amendments to AASB 1049 *Whole of Government and General Government Sector Financial Reporting* to align terminology with recent Accounting Standards; and
- (d) retain the existing effective date of AASB 18 for superannuation entities and NFP entities – annual reporting periods beginning on or after 1 January 2028 (with earlier application permitted) – including for these modifications to AASB 18.

Sweep issues

The Board also considered sweep issues arising from feedback received on ED 338 and decided to:

- (a) clarify in AASB 18 that superannuation entities and NFP public sector entities that do not classify income and expenses into the operating, investing and financing categories may use the term 'operating profit or loss' for a subtotal even if it does not meet the definition of that term in AASB 18 Appendix A, provided the label faithfully represents the characteristics of the items included in the subtotal as required by paragraph 43;
- (b) clarify in AASB 18 and AASB 107 that the proposed accounting policy choices for NFP public sector entities to elect to apply certain AASB 18 requirements – such as the requirements for



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categorising income and expenses into the operating, investing and financing categories – apply to all NFP public sector entities, with the exception of universities; and

- (c) in respect to NFP public sector entities, clarify that the relevant disclosure requirements for expenses classified by function apply irrespective of whether an entity elects to categorise expenses into the operating, investing and financing categories.

The Board will consider a draft of the amending Standard at its next meeting.

Agenda Consultation

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. The Board noted strong stakeholder support for continued international engagement and confirmed it remains integral to the AASB's activities.

The Board's decisions are summarised below.

Stop

The Board decided to stop the following projects:

- (a) service performance reporting;
- (b) the comparison of AASB and IPSASB Standards. The Board also decided to reassess its policy in *The AASB's Approach to International Public Sector Accounting Standards* requiring periodic consideration of whether to adopt International Public Sector Accounting Standards for NFP public sector entities; and
- (c) public sector long-term discount and inflation rates.

Keep

The Board decided to keep the following projects on the Work Plan:

- (a) AASB 18 *Presentation and Disclosure in Financial Statements* implementation and related Tier 1 and Tier 2 alignment projects;
- (b) NFP private sector financial reporting framework (Tier 3) and related NFP conceptual framework amendments;
- (c) AASB 1059 *Service Concession Arrangements: Grantors*;
- (d) post-implementation review (PIR) of AASB 16 *Leases* for NFP and public sector entities;



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- (e) intangible assets (research and monitoring);
- (f) projects related to AASB S2 *Climate-related Disclosures*, including implementation support and awareness-raising, industry-based information and proportionality;
- (g) monitoring the implementation outcomes of initiatives by the Australian Government and State governments to introduce mandatory climate-related disclosures for their public sector entities;
- (h) research related to the statement of cash flows and related matters; and
- (i) monitoring the activities of the International Accounting Standards Board, the International Sustainability Standards Board and the International Public Sector Accounting Standards Board.

Start

The Board decided not to add new projects to the 2027–2031 Work Plan at this stage. However, the Board decided to:

- (a) continue to monitor the following topics as appropriate:
 - (i) AASB 1049 *Whole of Government and General Government Sector Financial Reporting* and AASB 1055 *Budgetary Reporting* – in respect of Whole of Government and General Government Sectors;
 - (ii) transfer expenses of NFP public sector entities;
 - (iii) reporting requirements for climate-related outcomes of public policies;
 - (iv) a possible Tier 3 financial reporting framework for for-profit private sector entities;
 - (v) potential future projects arising from the PIRs of AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* in relation to NFP entities;
 - (vi) digital financial reporting;
 - (vii) artificial intelligence; and
 - (viii) going concern disclosures; and
- (b) take the following actions:
 - (i) public sector financial reporting framework – develop a project proposal to inform a future decision on whether to add this topic to the Work Plan;



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- (ii) PIR of selected public sector-specific Standards – undertake targeted research to inform the Public Sector Financial Reporting Framework project, without committing to a PIR at this stage;
- (iii) concessionary leases in the NFP public sector – separate this topic (the option to initially measure the right-of-use asset at cost or fair value) from the broader AASB 16 PIR and consider it at the next Board meeting; and
- (iv) audit engagement disclosures – continue to monitor developments in relation to the disaggregation of audit and non-audit fee disclosures and commence a short-term, narrow-scope project to address disclosure of AASB S2-related sustainability assurance fees.

The Board also decided not to undertake targeted outreach and information-gathering on a small number of additional topics identified by limited stakeholder feedback.

Post-Implementation Review of AASB 1060 and AASB 2020-2

The Board considered Step 5 of the Post-implementation Review (PIR) of AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*, which involves preparing and publishing the Feedback Statement. The Feedback Statement presents the findings of the PIR and the next steps decided by the Board. This will conclude the PIR.

The Feedback Statement is expected to be published in the second half of 2026.

Climate-Related Financial Disclosures

Update on implementation monitoring activities

The Board received an update on implementation monitoring activities relating to AASB S2 *Climate-related Disclosures*, including observations gathered from the AASB S2 Implementation Advisory Panel, other stakeholder engagement, market commentary and a review of the first wave of climate-related disclosures. The monitoring indicates that reporting practices are expected to continue to develop over time, reflecting the current early stage of implementation. The observations, together with Board feedback, will inform future implementation activities.

The Board directed staff to continue prioritising implementation support and monitoring activities to support entities in providing comparable, decision-useful information over time.



Responding to the SASB Exposure Draft

The Board received an update on the ISSB's Enhancing the SASB Standards project and its Exposure Draft SASB/ED/2026/1 *Proposed Amendments to the SASB Standards and IFRS S2 Industry-based Guidance* (March 2026), which proposes amendments to three SASB Standards.

The Board decided:

- (a) not to issue a domestic AASB wraparound for this ED;
- (b) to conduct limited domestic outreach activities on the proposed amendments to the SASB Standards to support and facilitate ISSB-led outreach and to encourage stakeholders to submit written comments directly to the ISSB; and
- (c) to submit a comment letter in response to the ED, reinforcing the feedback the Board submitted in response to the previous 2025 SASB Exposure Draft.

Research Update

The Board noted AASB Research Centre activities, including:

- (a) progress on key research projects aligned with Board priorities, including:
 - (i) public sector climate-related disclosures;
 - (ii) statement of cash flows and related matters;
 - (iii) intangible assets; and
 - (iv) post-implementation reviews;
- (b) progress on commissioned and published research supporting the Board's work plan, including:
 - (i) outputs relating to service performance reporting, connectivity of financial and non-financial information, sustainability reporting and investor decision-making; and
 - (ii) the publication of the following AASB SSRN Working Papers:
 - 26-01 Connectivity of Non-financial and Financial Information;
 - 26-02 Service Performance Reporting for Private Sector Not-for-Profits;
 - 26-03 Service Performance Reporting: Insights from Domestic and International Experience; and
 - 26-04 Do Superannuation Funds Adequately Disclose the Risks Associated with Estimating the Fair Value of Unlisted Investments?;



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- (c) stakeholder engagement and knowledge-sharing activities, including:
- (i) AASB Research Fellowships;
 - (ii) AFAANZ Insights Series *AASB Financial Reporting Updates for Academics* (March 2026) and *Shaping Not-for-Profit Reporting Standards Together* (April 2026); and
 - (iii) AASB Dialogue Series sessions *Fair Value in Focus: A Conversation on Measurement and Reporting* (March 2026) and *R&D Reporting under IFRS: Evidence, Insights and Implications* (May 2026). The next session *Accounting for grants: What might be missing?* is scheduled for 24 June 2026; and
- (d) the 2026 AASB Research Forum is to be held in Sydney on 26–27 October 2026. The theme focuses on technology and the digital economy in the context of financial reporting.

Recently Approved Documents

Since last reported (Action Alert, 15 May 2026), the Board has not approved any Standards, Exposure Drafts or other proposal documents.

Documents Open for Comment

The following documents are open for comment. AASB submissions to the IASB, the ISSB, the IFRS Interpretations Committee, the IFRS Foundation, the IPSASB and other organisations are published on the AASB website.

Issuer	Document	AASB No.	AASB Due Date	Other Organisation Due Date
IPSASB	ED 95 Improvements to IPSAS Accounting Standards – Volume 10	–	–	30 June 2026
IPSASB	ED 96 Definition of an Operation and Recognition of Acquired Liabilities and Contingent Liabilities	–	–	30 June 2026
ISSB	SASB ED/2026/1 Proposed Amendments to the SASB Standards and IFRS S2 Industry-based Guidance	–	–	24 July 2026
IPSASB	ED 97 IPSAS Practice Statement: Making Materiality Judgments	–	–	28 August 2026
IASB	ED Consolidation Exception (IFRS for SMEs Accounting Standard)	–	–	9 September 2026



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Issuer	Document	AASB No.	AASB Due Date	Other Organisation Due Date
IPSASB	Consultation Paper Presentation of Financial Statements	–	–	14 September 2026
AASB	ED 339 Risk Mitigation Accounting	ED 339	18 September 2026	30 November 2026

AASB Board Future Meeting Dates

27 August 2026

29–30 October 2026

Next AASB Board Meeting

The Board is expected to address the following agenda items:

Concessionary Leases in the NFP Public Sector – initial measurement of right-of-use assets

Presentation and Disclosure in Financial Statements of Superannuation and Not-for-Profit Entities