



Project:	Updating AASB 1060 to Align with AASB 18 Classification and Presentation Requirements	Meeting:	AASB October 2026 (M223)
Topic:	Maintaining Alignment Between Tier 1 And Tier 2 Presentation Requirements: Feedback Analysis and Recommendations	Agenda Item:	3.1
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		Decision-Making:	High
		Project Status:	Consider stakeholder feedback and decide next steps on ED 341

The objective of this paper

- The objectives of this staff paper are for the Board to:
 - consider** an overview of stakeholder feedback obtained in response to questions in [ED 341](#) *Updating AASB 1060 to Align with AASB 18 Classification and Presentation Requirements*; and
 - decide** on whether to make an amending Standard that updates AASB 1060 to align with AASB 18 classification and presentation requirements.
- The abbreviations noted in the Cover Memo apply to this paper. Detailed stakeholder feedback is set out in Agenda Paper 3.5 in the Supplementary Folder.

Structure of this paper

- This staff paper is set out as follows:
 - Background and overview of ED 341 (paragraphs 4 to 8);
 - Summary of stakeholder feedback, staff analysis and recommendations (paragraphs 9 to 55);
 - [Section 1](#): Classification and presentation requirements, proposed approach for alignment and transition requirements (paragraphs 12 to 19);
 - [Section 2](#): Reliefs for NFP public sector entities (paragraphs 20 to 26);
 - [Section 3](#): Reliefs for NFP private sector entities (paragraphs 27 to 34);
 - [Section 4](#): Application date (paragraphs 35 to 49);
 - [Section 5](#): Other feedback (paragraphs 50 to 55);
 - [Appendix A](#): ED 341 Specific matters for comment and General matters for comment;
 - [Appendix B](#): Quantitative summary of stakeholder feedback;

- (e) [Appendix C](#): Reconciliation table of AASB 18 requirements to AASB 1060; and
- (f) [Appendix D](#): Linkage between AASB 2026-X and AASB 2026-4.

Background and overview of ED 341

- 4 As noted in the cover memo, following strong feedback to align Tier 1 and Tier 2 classification and presentation requirements during the [ITC 56](#) consultation, and the importance of progressing the amendments on a timely basis so that Tier 2 entities wishing to early adopt the new presentation requirements could do so concurrently with Tier 1 entities, the Board decided to fast-track the alignment of AASB 1060's classification and presentation requirements with those in AASB 18. The proposed alignment is also consistent with the Board's original intent for AASB 1060 that, as a general rule, the presentation requirements in full AAS be retained.¹
- 5 In June 2026, the AASB issued [ED 341](#) with a shortened 60-day comment period that closed on 24 August 2026. To support stakeholder participation within the shortened consultation period, staff contacted all participants from the earlier ITC 56 consultation, promoted the ED at various stakeholder events and provided a survey to give stakeholders an additional avenue for providing feedback.
- 6 ED 341 sought feedback on six SMCs and six GMCs.
 - (a) **SMCs 1-3** focused on maintaining alignment between the classification, presentation and transition requirements applying to Tier 1 and Tier 2 entities. Specifically, these questions sought feedback on:
 - (i) whether Tier 2 entities should apply the same classification, presentation and aggregation requirements as Tier 1 entities;
 - (ii) the proposed approach to incorporating the relevant AASB 18 main requirements and application guidance into AASB 1060; and
 - (iii) whether Tier 2 entities should be subject to the same transition requirements as Tier 1 entities.
 - (b) **SMC 4** sought feedback on whether reliefs provided to Tier 1 NFP public sector entities in AASB 18 and AASB 107 should also be extended to Tier 2 NFP public sector entities.
 - (c) **SMC 5** was a principle-based question that asked whether, if the AASB were to provide presentation reliefs to Tier 1 NFP private sector entities in relation to AASB 18 and AASB 107, those reliefs should also be extended to Tier 2 NFP private sector entities.²
 - (d) **SMC 6** invited any other comments on the proposals.

1 AASB 1060 paragraph B47 states:

As a general rule, the presentation requirements of full AAS have been retained, and the Board noted that it did not intend to make any changes to the presentation requirements or accounting treatments available under AAS.

2 At its May 2026 meeting, the Board decided to proceed to develop an exposure draft to address the following matters:

- (a) how the income and expense categorisation requirements in AASB 18 should be applied to NFP private sector entities and universities, including how income recognised under AASB 1058 Income of Not-for-Profit Entities should be categorised; and
- (b) whether, and in what circumstances, NFP private sector entities or universities might be considered to be investing in assets or providing financing as a specified main business activity.

As the outcome of that forthcoming exposure draft was not known at the time when ED 341 was issued, SMC 5 sought stakeholder views on whether any presentation reliefs provided to Tier 1 NFP private sector entities should also be extended to Tier 2 NFP private sector entities.

- (e) **GMCs 7-12** sought feedback on broader matters, including the application of the AASB's for-profit and not-for-profit standard-setting frameworks, Australian regulatory considerations, auditing and assurance implications, usefulness to users, economic impacts and cost-benefit considerations.

An extract of SMCs 1-6 and GMCs 7-12 is included in Appendix A.

- 7 Stakeholder feedback on ED 341 was gathered from the following:
- (a) a virtual roundtable event held in July 2026 (with more than 60 attendees);
 - (b) 10 written submissions, including three accounting body associations, five professional services firms, a group of auditor-generals and one regulator;
 - (c) 11 survey respondents; and
 - (d) other sources, including discussions with a representative from an audit office, a regulator and members of the Accounting Research Group.
- 8 This paper summarises the key themes arising from stakeholder feedback and presents staff analysis and recommendations.

Summary of stakeholder feedback, staff analysis and recommendations

- 9 Overall, significant majority of stakeholders who commented on the proposals supported the ED 341 objective of maintaining alignment between Tier 1 and Tier 2 presentation and classification requirements.³
- 10 While some stakeholders raised comments and concerns about particular aspects of the proposals, and a few disagreed, the ED 341 consultation did not reveal a material change in stakeholder sentiment since the ITC 56 consultation, which similarly indicated majority support for maintaining alignment between Tier 1 and Tier 2 presentation requirements.
- 11 Given the broad support for the proposals, many stakeholders who agreed with them provided limited commentary beyond indicating their agreement. Accordingly, the staff analysis in the following sections focuses primarily on stakeholder comments, concerns and alternative views, and explains how staff considered those matters in formulating the recommendations presented to the Board.

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- 3 Not all respondents commented on all questions in ED 341. To ensure consistent and proportionate language when summarising stakeholder views, this guide defines commonly used quantifiers—such as 'some,' 'many,' and 'most'—based on the number of stakeholders involved. Because the number of respondents differs from topic to topic, what qualifies as "most" or "many" can vary accordingly. The quantifier table below explains how these terms have generally been applied across all topics.

Term	Suggested Definition	Example Usage
A few	10% to < 30% stakeholders	"A few preparers commented ..."
Some	30% to < 50% stakeholders	"Some stakeholders observed. "
Many	50% to < 70% stakeholders	"Many stakeholders raised concerns ..."
Most	70% to < 100% stakeholders	"Most stakeholders supported ..."
All	100% stakeholders	"All stakeholders agreed ..."

Section 1: Classification and presentation requirements, proposed approach for alignment and transition requirements (SMC 1-3)

12 ED 341 proposed that:

- (a) *Classification and presentation requirements*: Tier 2 entities should be subject to the same classification and presentation requirements, including aggregation requirements, for the financial statements as Tier 1 entities, except for the current presentation concessions;⁴
- (b) *Approach to alignment*: Including all relevant classification and presentation requirements from the body of the AASB 18 into AASB 1060 and including a new Appendix B application guidance in AASB 1060, which is drawn from Appendix B of AASB 18; and
- (c) *Transition requirement*: The transition requirements in AASB 1060 should be the same as those for AASB 18 including retrospective amendment application; disclosures of reconciliation for each line item in the statement of profit or loss between the restated amounts and the amounts previously reported for the comparative period (relief from paragraph 106(b) of AASB 1060 disclosures); and an option to change the measurement election for associates and joint ventures on first-time application.

Stakeholder feedback

13 Stakeholder feedback provided strong support for the key ED 341 proposals relating to maintaining alignment between Tier 1 and Tier 2 presentation requirements. Across SMCs 1-3, 85% to 93% of respondents supported the proposed requirements, approach and transition provisions, as summarised in the table below:

	Overall support ⁵
SMC1 : Aligning Tier 1 and Tier 2 classification and presentation requirements	93% (57 of 61)
SMC 2 : Proposed approach to alignment	86% (49 of 57)
SMC 3 : Transition requirements	85% (44 of 52)

14 A few stakeholders disagreed with the proposal raised the following concerns:

- (A) *Increased complexity and compliance cost*: Four stakeholders stated that the proposed classification and presentation requirements would increase complexity and compliance cost, particularly for smaller organisations, without proportionate benefits to users.
- (B) *Increase maintenance effort from duplicating requirements*: One survey respondent agreed with the alignment proposal but disagreed with the proposed approach for alignment, commenting that duplicating the same requirements across AASB 18 and AASB 1060 adds unnecessary maintenance efforts.
- (C) *Burden from retrospective application on transition*: Three survey respondents stated that retrospective application makes additional compliance burden for no return from improved reporting.

4 Two existing concessions for Tier 2 entities include the exemption from presenting a third statement of financial position and the option to present a statement of income and retained earnings (See details in [ED 341](#) SMC Question 1)

5 Quantitative summary of stakeholder feedback is presented in Appendix B of this paper

- 15 Among those stakeholders who agreed with the proposals in ED 341, a few provided the following additional comments and suggestions:
- (a) *Concession removal*: A professional service firm agreed with alignment proposal but was of the view that the presentation concessions should be removed for Tier 2 entities as Tier 1 and Tier 2 should have same classification and presentation requirements.
 - (b) *Retaining selected guidance paragraphs in the main body of AASB 1060*: In one written submission from a group of auditor generals, one jurisdiction of the group suggested retaining selected application guidance paragraphs in the main body of AASB 1060, explaining that it will improve usability for Tier 2 preparers.⁶ A similar suggestion was also raised by a roundtable stakeholder, although no specific paragraphs were provided during the discussion.
 - (c) *Consideration of potential further transition relief*: A professional service firm suggested considering transition relief for smaller Tier 2 and NFP entities (e.g. relief from full restatement of comparative information or simplified initial application for smaller NFPs).
 - (d) *Reconciliation table of AASB 18 requirements to AASB 1060*: Two stakeholders suggested providing a reconciliation identifying which AASB 18 requirements are proposed to be incorporated into AASB 1060, which are proposed to be excluded, and which disclosure requirements remain subject to future assessment for inclusion in AASB 1060.
 - (e) *Future consideration of additional guidance*: A stakeholder suggested additional guidance may be needed to simplify implementation and avoid unnecessary complexity. Such guidance could be determined at a later stage once experience from Tier 1 application of AASB 18 becomes available

Staff analysis

- 16 Staff reviewed the concerns raised by stakeholders who disagreed with the proposals and noted that these concerns were not new. Staff note that these matters were either considered during the ITC 56 consultation or addressed by the Board in developing ED 341, they include:

- (a) *Increased complexity and compliance cost*

Staff note that similar concerns were raised by stakeholders during the ITC 56 consultation. However, the Board considered those concerns when deciding to proceed with ED 341, noting that the overall balance of feedback from ITC 56 strongly supported maintaining alignment between Tier 1 and Tier 2 presentation and classification requirements, with stakeholders citing enhanced comparability, improved consistency and clarity, reduced ambiguity and operational efficiencies as key benefits (see [Agenda paper 3.1](#), M218, paragraphs A10-A12).

The feedback received on ED 341 reflects a similar pattern of views, with 92% stakeholders continuing to support the alignment proposals despite concerns raised by

6 Specifically, the jurisdiction recommended following application guidance to be included in the main body of AASB 1060 (instead of the new Appendix B of AASB 1060):

- paragraphs B2-B5 (materiality guidance relevant to the existing paragraph 22 of AASB 1060);
- paragraphs B109-B111 (guidance relevant to the application of existing paragraph 36 of AASB 1060);
- paragraph B111 (illustrative statement of financial position line items relevant to proposed existing paragraph 44 of AASB 1060); and
- paragraph B112 (guidance on presenting notes in a systematic manner relevant to existing paragraph 92 of AASB 1060).

a small number of respondents. Accordingly, staff remain of the view that maintaining alignment between the Tier 1 and Tier 2 presentation requirements continues to be appropriate.

(b) *Increased maintenance effort from duplicating requirements*

Staff note that similar views were raised during the ITC 56 consultation, where some stakeholders preferred cross-referencing AASB 18 rather than incorporating the requirements into AASB 1060 (see [Agenda Paper 3.1](#), M218, paragraph A25). However, a greater number of stakeholders supported retaining AASB 1060 as a stand-alone Standard. Consistent with that feedback, the Board decided that retaining AASB 1060 as a “one-stop shop” for Tier 2 reporting requirements justified incorporating the relevant AASB 18 requirements and application guidance into AASB 1060 (see paragraph BC28 of ED 341).

The proposed approach continues to receive strong support, with 84% of respondents agreeing with the approach proposed in ED 341, staff share the view that the Board decision remains appropriate.

(c) *Burden from retrospective application on transition*

As noted in paragraph BC37 to ED 341, retrospective application and the restatement of comparative information are necessary to ensure that information presented in the statement of profit or loss is not misleading. As the proposals affect presentation and disclosure requirements only, entities are not required to consider periods before the start of the earliest comparative period.

Accordingly, staff remain of the view that the proposed transition requirements remain appropriate. Over the coming years, should the AASB receive implementation feedback (e.g. from Tier 1 entities) expressing concerns that the retrospective application requirements impose greater than expected burden, the AASB could at that time consider whether targeted modifications or reliefs for Tier 2 entities are warranted.

- 17 Staff reviewed the additional suggestions raised by stakeholders and made the following observations, including matters that could be explored in future work.

(a) *Concession removal*

AASB 1060 was developed on the basis that, as a general rule, Tier 2 entities would apply the same presentation requirements as Tier 1 entities, except for the two presentation concessions from *IFRS for SMEs Accounting Standard*. These concessions have formed part of AASB 1060 since its introduction in 2020 and have not been identified by stakeholders as giving rise to any significant issues. In staff’s view, updating AASB 1060 to align with the AASB 18 classification and presentation requirements achieves the objective of maintaining alignment between Tier 1 and Tier 2 presentation requirement. Accordingly, staff do not consider it necessary as part of this project to consider removing the existing Tier 2 presentation concessions.

As such, staff remain of the view that retaining the existing Tier 2 presentation concessions is appropriate. Consideration of removing presentation concessions would warrant broader stakeholder consultation and could be explored as part of a future post-implementation review of AASB 1060.

(b) *Retaining selected guidance paragraphs in the main body of AASB 1060*

At its [March 2026 meeting](#), the Board decided to remove guidance paragraphs from the main body of AASB 1060 and instead incorporate the equivalent AASB 18 guidance into new Appendix B. This principle was applied consistently throughout ED 341, except

where an existing AASB 1060 paragraph contains disclosure requirements, in which case those requirements were retained in the main body of the Standard.

Staff envisage that AASB 1060 (18) is to be understood and applied as a coherent whole. Relocating selected guidance paragraphs to their former locations may provide some short-term convenience to AASB 1060 (101) users, but that could detract from the consistency and navigability of the Standard.⁷ Staff also note that retaining application guidance paragraphs in Appendix B aligns the structure of AASB 1060 more closely with AASB 18, which may be particularly beneficial for stakeholders that work across both Tier 1 and Tier 2 reporting. Staff expect that, over time, users of the Tier 2 standard will become familiar with the new structure of AASB 1060 (18); and therefore, should retain the approach proposed in ED 341.

(c) *Consideration of potential further transition relief*

Consistent with paragraph 16(c), staff remain of the view that the proposed transition requirements are appropriate to ensure that the information presented is not misleading. Consideration of reliefs would be better informed once implementation experience is available (e.g. from Tier 1 entities).

(d) *Reconciliation table of AASB 18 requirements to AASB 1060*

Although the relevant information is available across our existing publications,⁸ staff understands that a single reconciliation table would assist stakeholders. Appendix C of this agenda paper therefore identifies whether each AASB 18 requirement has been included into AASB 1060 (as proposed in the pre-ballot draft in Agenda Paper 3.2), excluded, or is subject to future assessment.

(e) *Future consideration of additional guidance*

Staff concur that the consideration of additional guidance would be better informed once implementation experience from Tier 1 entities becomes available.

Staff recommendation

- 18 Consistent with the feedback themes received through ITC 56, the concerns raised by a small number of stakeholders regarding ED 341's proposals on classification and presentation requirements, the approach to alignment, and the proposed transition requirements represent minority views. Staff remains of the view that the Board's decisions arising from the ITC 56 consultation remain appropriate and that, on balance, the benefits of maintaining alignment between Tier 1 and Tier 2 presentation requirements outweigh the concerns raised.

7 AASB 1060 (18) is used to refer to the future version of AASB 1060 that incorporates the AASB 18-based presentation requirements. AASB 1060 (101) is used to refer to the current version of AASB 1060 with the AASB 101-based presentation requirements. Both abbreviations are included in Cover Memo Appendix A.

8 Information on the AASB 18 paragraphs proposed to be incorporated into AASB 1060 is identified in the square-bracket source references included in ED 341.

The remaining AASB 18 requirements for future consideration relate to the new disclosure requirements on:

- Items to be presented in the statement of profit or loss or disclosed in the notes (paragraphs 82(b), 83–85, B84(b));
- Notes (paragraph 114); and
- Management-defined performance measures (paragraphs 117–125, B113–B142 and the related defined term).

This is also consistent with the Board's original intent that AASB 1060 should generally align with Tier 1 presentation requirements.

- 19 Staff **recommends** that the Board proceed with the proposals in ED 341 relating to the alignment of the Tier 1 and Tier 2 classification and presentation requirements, the proposed approach to alignment, and the related transition requirements.

Question for Board members

- Q1 Do Board members have any questions or comments on stakeholder feedback, staff analysis and recommendation in paragraphs 13-19?
- Q2 Do Board members agree with the staff recommendation to proceed with the proposals in ED 341 regarding the alignment of the Tier 1 and Tier 2 classification and presentation requirements, the proposed approach to alignment, and the related transition requirements?

Section 2: Relief for NFP public sector entities (SMC 4)

- 20 ED 341 proposed that the same reliefs relating to AASB 18 and AASB 107 provided to Tier 1 NFP public sector entities should also be extended to Tier 2 NFP public sector entities.

Stakeholder feedback

- 21 **98% (49 of 50)⁹** of respondents supported extending the reliefs granted to NFP public sector entities preparing Tier 1 GPFS to NFP public sector entities preparing Tier 2 GPFS.
- 22 One survey respondent (preparer) opposed providing any relief for NFP entities for both public and private sectors, commenting that applying the full Standard is not burdensome for NFP entities, could enhance internal reporting, and that the cash flow statement and income statement are fundamental to all entities. The stakeholder considered that principles used in for profit businesses should be the same across all not-for-profits including government enterprises, charities and not-for-profit businesses as understanding financial performance and whether a business is sustainable is critical for both for profit and NFP sectors.

Staff analysis and recommendation

- 23 Staff notes the stakeholder's opposition to providing presentation reliefs for NFP entities. Similar views were expressed by a minority of stakeholders in response to [ED 338](#). However, the majority of feedback received from both Tier 1 and Tier 2 NFP public sector stakeholders supported providing accounting policy choices to elect to apply certain AASB 18 requirements (see May 2026 [Agenda Paper 3.3](#)).
- 24 Following the [ED 338](#) process, in August 2026, the AASB published [AASB 2026-4 Amendments to Australian Accounting Standards – Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation](#) to provide accounting policy choices for NFP public sector Tier 1 entities that are not higher education providers to elect to apply certain AASB 18 requirements.¹⁰
- 25 Given the strong consensus in stakeholder feedback regarding the same presentation and classification requirements should be applied to Tier 1 and Tier 2 NFP public sector entities,

9 See Appendix B of this staff paper for a quantitative breakdown of stakeholder feedback

10 For the purposes of AASB 18, "higher education provider" is defined as "a body approved under Division 16 of the *Higher Education Support Act 2003*."

staff **recommend** that the Board extend to Tier 2 entities preparing GPFS the presentation reliefs provided to Tier 1 NFP public sector entities in AASB 2026-4.

- 26 Appendix D sets out staff's assessment of the amendments introduced by AASB 2026-4 and identifies whether each amendment is relevant for inclusion in AASB 2026-X to extend the corresponding Tier 1 presentation reliefs to Tier 2 NFP public sector entities.

Question for Board members

- Q3 Do Board members have any questions or comments on stakeholder feedback, staff analysis and recommendation in paragraphs 21-25?
- Q4 Do Board members agree with the staff recommendation to extend the presentation reliefs granted to NFP public sector entities preparing Tier 1 GPFS to NFP public sector entities preparing Tier 2 GPFS?
- Q5 Do Board members agree with edits staff made to the pre-ballot draft to reflect those relief for Tier 2 NFP public sector entities?

Section 3: Relief for NFP private sector entities (SMC 5)

- 27 ED 341 proposed that, if the AASB were to provide any relief to Tier 1 NFP private sector entities in relation to the new presentation requirements in AASB 18 and AASB 107, the same relief should be extended to Tier 2 NFP private sector entities.

Stakeholder feedback

- 28 **94% (46 of 49)¹¹** of respondents supported the proposal to extend any presentation reliefs granted to Tier 1 NFP private sector entities to Tier 2 NFP private sector entities.
- 29 One stakeholder (a regulator who did not respond directly to the question) proposed exempting charities, and potentially other private-sector NFPs, from AASB 18 presentation and classification requirements. They cited concerns about suitability, implementation costs, limited user need, inappropriate terminology, cumulative regulatory burden, and the need for simple, proportionate reporting.
- 30 One preparer considered that applying AASB 18 to NFP private sector entities could impose a significant burden. They commented that a single set of Tier 2 reporting requirements may not be appropriate across all sectors, noting that requirements should be driven by users' information needs. Conversely, there is another preparer commenting that the AASB 18 requirements are not a burden for all entities, advocating for no reliefs (refer to paragraph 22 of this staff paper).

Staff analysis and recommendation

- 31 In responding to ED 338, most of the comments received from NFP private sector Tier 1 entity stakeholders indicated that relief was not needed for NFP private sector entities, but that additional guidance on applying AASB 18 together with AASB 1058 would be helpful. However, in one of the three roundtables, polling feedback was divided on whether NFP private sector entities (both Tier 1 and Tier 2) should be required to present income and expenses in the AASB 18 categories and the related subtotals. No supporting comments were made during the roundtable to explain the views expressed in polling.

11 See Appendix B of this staff paper for a quantitative breakdown of stakeholder feedback

- 32 Following the ED 338 process, the AASB has published AASB 2026-4, which clarifies that NFP private sector Tier 1 entities are required to apply all AASB 18 requirements without any forms of relief. Accordingly, there are no Tier 1 reliefs that could be extended to Tier 2 entities if the Board were to proceed with the ED 341 notion that the application of AASB 18 should be the same for both Tiers. In response to stakeholder requests for additional guidance arising from ED 338 outreach, the Board decided at its August 2026 meeting to undertake consultation through a forthcoming Exposure Draft on the application of AASB 18 and AASB 1058 to both Tier 1 and Tier 2 NFP entities.
- 33 In September 2026, staff sought informal views from members of the Accounting Research Group organised by Chartered Accountants Australia and New Zealand. Members who commented on the issue did not support providing relief from the new classification and presentation requirements for NFP private sector Tier 2 entities. They noted that:
- (a) additional application guidance may be more helpful than exemptions, particularly in relation to the categorisation of income and expenses from investment activities;
 - (b) AASB 18 paragraph 6 already permits entities to use terminology that is more relevant to their circumstances, which may address concerns regarding NFP-specific terminology;¹²
 - (c) they also received mixed views on this matter, but on balance, while the implementation costs may be significant for certain charities and NFP entities, they considered these concerns could be monitored through future post-implementation activities rather than addressed through exemptions from the requirements;
 - (d) engagement from charities may be limited given the technical nature of the proposals;
 - (e) any attempt to distinguish between charities and those that are not charities for the purpose of providing relief may be challenging given the diversity of the sector, including some very large entities; and
 - (f) concerns regarding reporting burdens on smaller charities may be more appropriately addressed when determining the scope of the Tier 3 reporting framework, which does not involve applying AASB 18.
- 34 Staff **recommend** that the Board:
- (a) in the forthcoming Exposure Draft to include a specific matter for comment seeking stakeholder feedback on the costs and benefits of applying the AASB 18 requirements for Tier 1 and Tier 2 NFP entities. The Exposure Draft would provide a timely opportunity for targeted engagement with NFP private-sector preparers and other stakeholders, enabling the Board to gather additional evidence on whether any further guidance or other actions may be required to support NFP private-sector entities in applying the AASB 18 presentation requirements. The proposed drafting of the SMC question is set out in Agenda Paper 4.1; and
 - (b) proceed with the amendments as proposed in ED 341. Staff consider this is appropriate because the proposed 1 July 2030 effective date provides sufficient time for the Board to consider the outcomes of further Tier 2 NFP private-sector entity consultation before the amendments become effective. Staff will be seeking the Board's decision on the effective date in the next section of this paper.

12 AASB 18 paragraph 6 states:

This Standard uses terminology that is suitable for profit-oriented entities, including public sector business entities. If entities with not-for-profit activities in the private sector or the public sector apply this Standard, they may need to amend the descriptions used for particular line items, categories, subtotals or totals in the financial statements and for the financial statements themselves

Question for Board members

- Q6 Do Board members have any questions or comments on stakeholder feedback, staff analysis and recommendation in paragraphs 28-34?
- Q7 Do Board members agree with the staff recommendation in paragraph 34(b)?

Section 4: Application date

Stakeholder feedback

35 In ED 341, the Board proposed that the amendments be effective for annual periods beginning on or after 1 July 2030, with earlier application permitted. ED 341 did not include a specific question on the application date. Most stakeholders either expressly supported, or did not raise concerns with, the proposed effective date. A small number of stakeholders suggested an alternative effective date.

36 Alternative date suggestions included:

- (a) one stakeholder suggested applying the same effective date for both Tier 1 and Tier 2 entities;¹³
- (b) another stakeholder preferred an effective date of 1 July 2028 for Tier 2 for-profit entities and 1 July 2029 for Tier 2 not-for-profit entities; and
- (c) a few other stakeholders advocated for the application date of 1 July 2029 for the amendments proposed in ED 341 (i.e. for Tier 2 entities across all sectors).

These stakeholders generally cited the need to minimise the period of inconsistency between Tier 1 and Tier 2 entities as the main reason.

37 At the July roundtables, staff included an additional polling question about the application date. The results were:

- (a) 41% (12/19) voted in favour of a 1 July 2029 effective date; and
- (b) 59% (17/29) voted in favour of a 1 July 2030 effective date.¹⁴

38 Stakeholders that proposed an effective date earlier than 1 July 2030 also raised the following considerations:

- (a) *Transition implications for entities affected by AASB 2026-2:* Some NFP entities affected by AASB 2026-2 will be required to transition from special purpose financial statements to Tier 2 GPFS for annual periods beginning on or after 1 July 2029. If the amendments arising from ED 341 are not yet mandatory at that date, these entities would initially apply the existing AASB 1060 presentation requirements before transitioning to the AASB 18-aligned presentation requirements one year later. Stakeholders considered that aligning the effective date to 1 July 2029 would reduce the risk entities transitioning twice; and
- (b) *Practical challenges of early application:* One roundtable participant commented that although earlier adoption is available; in practice, smaller entities do not normally use the early adoption option. Another stakeholder expressed that early adoption would

13 For Tier 1 entities, AASB 18 is effective for reporting periods beginning on or after:

- (a) 1 January 2027 – for for-profit entities (other than superannuation entities applying AASB 1056); and
- (b) 1 January 2028 – for not-for-profit private sector entities, not-for-profit public sector entities and superannuation entities applying AASB 1056.

14 Only the 1 July 2029 and 1 July 2030 effective date options were included in the poll. The rationale for not including earlier effective dates is explained in footnote 15.

require users of the standards to refer to both AASB 1060 and the amending Standard, which is inconvenient and harder to navigate.

- 39 The AASB also received comments supporting the proposed effective date of 1 July 2030. The views expressed by these stakeholders included:
- (a) *Providing sufficient lead time to implement changes:* Providing sufficient lead time would help Tier 2 entities update systems, remap charts of accounts, redesign financial statement templates, and prepare restated comparative information without placing an undue burden on their normal reporting activities. This is particularly meaningful for Tier 2 entities, which typically have fewer financial reporting resources than Tier 1 entities;
 - (b) *Balancing implementation time and early adoption opportunities:* With an early application option available, the proposed effective date in ED 341 provides an appropriate transition period for Tier 2 entities while accommodates entities wishing to adopt the amendments sooner;
 - (c) *Implementing related amendments as a single package:* The 1 July 2030 effective date would allow the Board sufficient time to complete the remaining sub-projects arising from ITC 56 (i.e. including the consideration of new AASB 18 disclosure requirements, *IFRS for SMEs* updates, and any IFRS 19-related matters), so that related changes can be implemented together through a single package. This would reduce implementation costs and limiting change fatigue for preparers, auditors and users; and
 - (d) *Uncertainties regarding Tier 3 reporting:* A stakeholder who did not support an earlier application date of 1 July 2029, which would align with the Tier 3 effective date, was of the view that timing of Tier 3 reporting is still uncertain, which depends on when regulators permit entities to adopt the Tier 3 frameworks.

Staff analysis

Basis for the proposed application date

- 40 In developing the proposed effective date in ED 341, staff drew on feedback received during the ITC 56 consultation and considered the needs of a broad range of stakeholders affected by the proposed amendments. These stakeholders have differing levels of resources, reporting expertise, implementation capacity and priorities. They include not only Tier 2 preparers, which themselves vary significantly in size and sophistication, but also advisers, auditors and software providers that support Tier 2 reporting.
- 41 During the ITC 56 consultation, feedback included the following:
- (a) some Tier 2 entities wished to apply the new presentation requirements at the same time as Tier 1 entities and considered this achievable if early application were permitted; and therefore encouraged the AASB to finalise the presentation amendments as soon as practicable;
 - (b) other stakeholders were concerned that an accelerated timetable to issue the presentation amendments would disadvantage smaller Tier 2 entities that require sufficient time to implement the changes; and
 - (c) a provider of off-the-shelf accounting software commented that adequate lead time would be needed to update its software offerings to incorporate the proposed changes, as well as other forthcoming requirements, such as the sustainability-related reporting requirements.
- 42 Staff were also mindful that some stakeholders may have both Tier 2 and Tier 3 NFP entities for which they prepare financial statements or provide audit and advisory services. Having the ED 341 amendments and the Tier 3 framework become effective at the same time could

require these stakeholders to manage significant reporting changes arising from both frameworks concurrently.

- 43 As such, the proposed effective date of 1 July 2030 reflected a balance between the following considerations:
- (a) to fast-track this project so that the amending Standard could be issued to enable Tier 2 entities wishing to do so to apply the new presentation requirements at the same time as Tier 1 entities through early adoption;
 - (b) the AASB's usual due process, which would generally imply an effective date no earlier than 1 July 2029;¹⁵
 - (c) providing sufficient implementation lead time, particularly for smaller Tier 2 entities and software providers;
 - (d) avoiding significant reporting changes arising from the Tier 2 and Tier 3 frameworks being implemented concurrently; and
 - (e) providing adequate time to complete the remaining scope of ITC 56, thereby enabling all resulting amendments to AASB 1060 to have the same mandatory effective date.

Assessment of ED 341 feedback

- 44 Having considered the feedback discussed in paragraphs 35–39, staff observe an asymmetry between the consequences of adopting a mandatory effective date of 1 July 2029 and 1 July 2030:
- (a) **the key disadvantage of a 1 July 2030 effective date** is that some entities affected by AASB 2026-2 may need to transition twice. However, staff note that entities wishing to avoid this outcome may early adopt the amendments, and the AASB could provide relevant guidance and communication support closer to 1 July 2029; whereas
 - (b) **the key disadvantage of a 1 July 2029 effective date** is the loss of one year of implementation time for existing Tier 2 stakeholders. Staff consider this loss to be permanent and not capable of being addressed through subsequent implementation measures.

Staff therefore consider the latter consequence to be more significant, particularly given the project has already been fast-tracked. This analysis supports retaining the proposed effective date of 1 July 2030.

- 45 Moreover, as noted in subparagraphs 39(a)–(c), a number of stakeholders expressed support for the proposed application date and identified benefits that are consistent with the considerations that originally informed the proposed application date set out in paragraph 43. Staff consider this feedback particularly relevant, as it reflects many of the same considerations that led to the proposed application date of 1 July 2030.

15 Paragraph 7.9.2 of the [AASB Due Process Framework for Setting Standards](#) (09/2019) states:

When determining the effective date of Standards, the AASB seeks to ensure that stakeholders have adequate time to prepare for their implementation. Typically, the AASB will issue a Standard with at least 2 years before its effective date (eg a year before the beginning of the comparative reporting period) and generally permits entities to apply those requirements early should they wish to do so.

Therefore, an application date of 1 July 2029 would represent the earliest application date if the amending Standard arising from ED 341 is issued in H1 2027, in accordance with the current project timetable.

- 46 Staff also noted that the proposed 1 July 2030 effective date would provide sufficient time for the Board to consider the outcomes of further NFP private sector consultation before the amendments become effective, as noted in paragraph 34(b) of this agenda paper.
- 47 Overall, staff remain of the view that the proposed effective date of 1 July 2030 appropriately balances the competing considerations and stakeholder feedback discussed above.
- 48 To support entities transitioning to Tier 2 GPFS as a result of AASB 2026-2, staff suggests that, closer to 1 July 2029, the AASB could make available:
- (a) education materials, transition resources and AASB factsheets explaining the interaction between AASB 2026-2, AASB 1060 (101) as applicable from 1 July 2029, and the amendments to AASB 1060 (18) that will become effective from 1 July 2030. These materials could assist entities in identifying the most appropriate presentation requirements and transition pathway from 1 July 2029, including whether early adoption of the amendments may be appropriate for their circumstances;
 - (b) a compiled version of AASB 1060 (18), which would assist entities transitioning to Tier 2 GPFS as a result of AASB 2026-2 that wish to early adopt the new presentation requirements for annual periods beginning on or after 1 July 2029, without needing to refer separately to AASB 1060 and the amending Standard.

Staff recommendation

- 49 Staff **recommend** that the Board to proceed with the application date for annual periods beginning on or after 1 July 2030 with earlier application permitted (as proposed in ED 341).

Question for Board members

- Q8 Do Board members have any questions or comments on stakeholder feedback, staff analysis and recommendation in paragraphs 35-49?
- Q9 Do Board members agree with the staff recommendation to proceed with the application date for annual periods beginning on or after 1 July 2030 with earlier application permitted (as proposed in ED 341)?

Section 5: Other feedback

- 50 Section 5 summarises all other feedback received on ED 341, including comments provided in response to SMC 6 (excluding application date comments) and feedback on the General Matters for Comment (GMCs).

Other comments (SMC 6)

Stakeholder feedback

- 51 Outside the SMC questions 1-5 and the consideration of application date, stakeholders provided other comments to the AASB to encourage the Board to:
- (a) proceed with considering future AASB 1060 disclosure requirements, *IFRS for SMEs* and IFRS 19 developments,
 - (b) develop a Tier 3 reporting framework for for-profit entities, and
 - (c) continue monitoring IFRS 18 implementation and interpretation issues when finalising AASB 1060 amendments.

Staff analysis and recommendations

- 52 Staff note that these matters are already being addressed, or will be considered separately from the proposals in ED 341:
- (a) staff expect to resume work on the AASB 1060 disclosures project (remaining items in the ITC 56 scope) following completion of the classification and presentation amendments arising from ED 341;
 - (b) a Tier 3 reporting framework for for-profit entities was considered at the AASB recent [Agenda Consultation](#).¹⁶ The AASB will continue to monitor this as appropriate; and
 - (c) staff regularly monitor and report to the Board on relevant IASB developments, IFRS Interpretations Committee updates, tentative agenda decisions and other emerging international developments. Relevant matters are reported in publicly available agenda papers prepared for Board meetings.
- 53 Staff therefore do not consider these matters to require further consideration as part of ED 341. As they are already being addressed through existing activities or separate projects, staff **recommend** that no further action be taken in response to this feedback when finalising the proposals in ED 341.

General matters for comments (GMCs 7–12)

Stakeholder feedback

- 54 Feedback on general matters mainly originates from submission letters as below:
- (a) **Appropriate application of standard-setting framework in ED 341:** Of the 10 comment letters received, five provided feedback on this matter. All respondents agreed that the AASB's standard-setting frameworks were appropriately applied in developing ED 341.
 - (b) **Regulatory issues:** Five respondents commented on this matter. Three were not aware of any regulatory or other issues in the Australian environment that would affect implementation of the proposals. Two highlighted challenges arising from Australia's fragmented reporting framework and regulatory requirements, recommending stronger impact analysis, engagement with regulators, ongoing monitoring of unintended consequences, and consideration of a new Tier 3 for-profit standard as a more holistic long-term solution to the financial reporting needs of smaller for-profit entities.
 - (c) **Audit and assurance:** Six respondents commented on this matter. Five respondents did not identify any auditing or assurance related challenges arising from the proposals. Some stakeholders acknowledged challenges in exercising of judgement (e.g. in classifying income and expenses into the operating, investing and financing categories) and called for clear implementation guidance and illustrative examples to support preparers and auditors to applying the requirements consistently, particularly during the transition period.
 - (d) **Usefulness and interest of Australian economy:** Six respondents commented on this matter. All respondents agreed that the proposal will result in financial statements that will be useful to users and are in the best interest of Australian economy.
 - (e) **Cost and benefit:** Six respondents commented on this matter. Stakeholders generally considered that the benefits outweigh the costs. While Tier 2 entities would incur implementation costs similar to Tier 1 adoption of AASB 18, stakeholders noted these costs would be mitigated by delayed implementation date, retained existing Tier 2

16 See [Agenda paper 3.0](#) M221 (June 2026)

concessions and the paragraph 106(b) transition relief. Benefits include improved comparability, consistency and understandability.

Staff analysis and recommendation

- 55 The feedback raised by respondents in the GMCs do not raise significant concerns about the process of developing ED 341. Overall, stakeholders indicated that the proposals are expected to result in information that is useful to users and that the expected benefits would outweigh the costs. Accordingly, staff **recommend** that no action be taken in response to the feedback on the GMCs.

Question for Board members

- Q10 Do Board members have any questions or comments on stakeholder feedback, staff analysis and recommendation in paragraphs 51-55?
- Q11 Do Board members agree with the staff recommendation that no action be taken in respect to the feedback on other comments and the GMCs? If not, what do Board members suggest?

Appendix A ED 341 Specific Matters for Comment and General Matters for Comment

This appendix provides an extract of the SMC and GMC questions in ED 341.

Specific matters for comment

The AASB would particularly value comments on the following:

- 1 Do you agree that Tier 2 entities should be subject to the same classification and presentation requirements, including aggregation requirements, for the financial statements as Tier 1 entities, except for the current concessions of:
 - (a) not having to present a third statement of financial position when the entity has applied an accounting policy retrospectively, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements; and
 - (b) the option to present a statement of income and retained earnings in place of a separate statement of comprehensive income and a statement of changes in equity under certain circumstances?

If you disagree, please explain why.

- 2 Do you agree with the approach proposed to achieve alignment of the classification and presentation requirements, including the consequential amendments proposed to guidance currently included in AASB 1060?

If you disagree, please explain why.

- 3 Do you agree that the transition requirements should be the same as those for AASB 18:
 - (a) the amendments should be applied retrospectively;
 - (b) entities should disclose a reconciliation for each line item in the statement of profit or loss between the restated amounts and the amounts previously reported for the comparative period, but not for the current period or earlier periods presented. Entities are not required to comply with paragraph 106(b) of AASB 1060; and
 - (c) when first applying the amendments, eligible entities may change their elections for measuring an investment in an associate or joint venture from the equity method to fair value through profit or loss (see paragraph BC42)?

If you disagree, please explain why.

- 4 In ED 338, the AASB sought stakeholder feedback on the suitability of applying AASB 18 and the revised AASB 107 *Statement of Cash Flows* requirements to not-for-profit (NFP) private and public sector entities preparing Tier 1 General Purpose Financial Statements (GPFS).

In May 2026, the AASB decided in respect of NFP public sector entities (excluding universities) preparing Tier 1 GPFS to:

- (a) require governments to continue presenting the GPFS of the Whole of Government and the General Government Sector in accordance with the formats specified in AASB 1049 *Whole of Government and General Government Sector Financial Reporting*, rather than the formats required by AASB 18;
- (b) provide accounting policy choices for NFP public sector entities to elect to apply certain AASB 18 requirements – such as the requirements for categorising income

and expenses into the operating, investing and financing categories and the requirements for identifying and disclosing information about management-defined performance measures – thereby allowing relevant regulators to continue prescribing presentation formats that best meet users' information needs;

- (c) require NFP public sector entities to apply the AASB 18 requirements on labelling and aggregation;
- (d) permit NFP public sector entities to reconcile cash flows from operating activities to the profit or loss total presented in the statement of profit or loss if the entity does not present the operating profit or loss subtotal; and
- (e) retain the existing accounting policy choice for classifying cash flows from dividends received and interest paid and received, for example as cash flows from operating activities.

Do you agree that the reliefs granted to NFP public sector entities preparing Tier 1 GPFS should also be provided to NFP public sector entities preparing Tier 2 GPFS?

If you disagree with this approach, please explain why.

- 5 ED 338 did not propose any specific reliefs for NFP private sector entities preparing Tier 1 GPFS but sought feedback on whether applying AASB 18 and the revised AASB 107 requirements is suitable for these entities. Do you agree with the approach that, should the AASB decide, in view of stakeholder feedback, to provide any relief to NFP private sector entities from complying with the new presentation requirements in AASB 18 and AASB 107, the same relief should also be provided to NFP private sector entities preparing Tier 2 GPFS?

If you disagree with this approach, please explain why.

- 6 Do you have any other comments on the proposals?

General matters for comment

The AASB would also particularly value comments on the following general matters:

- 7 Have the *AASB For-Profit Entity Standard-Setting Framework* and the *AASB Not-for-Profit Entity Standard-Setting Framework* been applied appropriately in developing the proposals in this Exposure Draft?
- 8 Are there any regulatory issues or other issues arising in the Australian environment that may affect the implementation of the proposals?
- 9 Do the proposals create any auditing or assurance challenges and, if so, please explain those challenges?
- 10 Overall, would the proposals result in financial statements that would be useful to users?
- 11 Are the proposals in the best interests of the Australian economy?
- 12 Unless already provided in response to specific matters for comment above, what are the costs and benefits of the proposals, whether quantitative (financial or non-financial) or qualitative, and are they appropriate relative to the existing requirements? In relation to quantitative financial costs, the AASB is particularly seeking to know the nature(s) and estimated amount(s) of any expected incremental costs, or cost savings, of the proposals relative to the existing requirements.

Appendix B Quantitative Summary of Stakeholder Feedback

Table B1 provides a quantitative breakdown of stakeholders that supported the proposals presented in SMCs 1-5 of ED 341. As not all respondents commented on every question in ED 341, the total number of respondents varies by question.

	Agree with the proposal of aligning the same classification and presentation requirements	Agree with the proposed approach for alignment	Agree with transition requirements	Agree with the proposal of extending the presentation reliefs granted to NFP public sector entities preparing Tier 1 GPFS to NFP public sector entities preparing Tier 2 GPFS	Agree with the proposal of extending the relief granted to NFP private sector entities preparing Tier 1 GPFS to NFP private sector entities preparing Tier 2 GPFS
Roundtables	40 out of 41	32 out of 37	27 out of 32	32 out of 32	32 out of 32
Written submissions	9 out of 9	9 out of 9	9 out of 9	8 out of 8	6 out of 7
Survey	8 out of 11	8 out of 11	8 out of 11	9 out of 10	8 out of 10
Total	57 out of 61	49 out of 57	44 out of 52	49 out of 50	46 out of 49

Appendix C Reconciliation Table of AASB 18 Requirements to AASB 1060

This appendix identifies whether each AASB 18 requirement has been incorporated into AASB 1060, excluded, or deferred for future consideration. The reconciliation covers AASB 18 paragraphs 1 to the end of Appendix C and does not extend to other parts of AASB 18.

There are various types of paragraphs in AASB 18. The main types include:

- **AASB 18 classification and presentation requirements:** These paragraphs fall within the scope of ED 341, which proposes including in the main body of AASB 1060 all relevant classification and presentation requirements from AASB 18;
- **AASB 18 disclosure requirements:** New AASB 18 disclosure will be subject for future assessment. Disclosure requirements carried forward from AASB 101 are outside the scope of the AASB 1060 review (ITC 56);
- **AASB 18 defined terms:** Updated defined terms relevant to presentation was considered in ED 341 meanwhile updated defined terms relevant to disclosure will be subject to future assessment;
- **AASB 18 application guidance:** Application guidance in Appendix B of AASB 18 relating to classification and presentation requirements falls within the scope of ED 341 and is proposed to be included in new Appendix B to AASB 1060. Application guidance relating to disclosure requirements will be subject to future assessment; and
- **AASB 18 transition requirements:** Only those transition requirements relevant to the Tier 2 are included in ED 341.

For the purposes of Table C1 below, each AASB 18 requirement has been assigned to one of the following categories:

- **Included:** Relevant AASB 18 classification and presentation requirements, related defined terms and application guidance, and transition requirements relevant to Tier 2 entities;
- **Subject to future assessment:** New AASB 18 disclosure requirements to be considered for inclusion in AASB 1060, including the defined terms and application guidance related to those new disclosure requirements;
- **Excluded/Out of scope of AASB 1060 review (ITC 56):** these paragraphs include
 - AASB 18 requirements that are Tier 1 specific and not applicable to AASB 1060 because AASB 1060 already has its requirements specific to Tier 2 entities (e.g. scope, objective, complete set of financial statements requirements, etc.); and
 - AASB 18 requirement that are out of scope of AASB 1060 Review (ITC 56): Section 2, Topic 2 of ITC 56 considered only the implications of the new AASB 18 classification, presentation and disclosure requirements for AASB 1060. Therefore, AASB 18 requirements that are substantively unchanged from AASB 101 are out of scope.

Table C1 shows whether each AASB 18 requirement has been incorporated into AASB 1060, excluded, or deferred for future consideration.

AASB 18 paragraph	Reference to AASB 1060
1-10	Excluded/Out of scope of AASB 1060 review (ITC56)
11	Included AASB 1060 para 30 (Ballot Draft 2026-X, para 16)

AASB 18 paragraph	Reference to AASB 1060
Aus11.1	Included AASB 1060 para 30A (Ballot Draft 2026-X, para 16)
12	Included AASB 1060 para 49 (Ballot Draft 2026-X, para 23)
13	Excluded/Out of scope of AASB 1060 review (ITC56)
14	Included AASB 1060 para 29 (Ballot Draft 2026-X, para 16)
15	Included AASB 1060 para 30B (Ballot Draft 2026-X, para 17)
16	Included AASB 1060 para 30C (Ballot Draft 2026-X, para 17)
17	Included AASB 1060 para 30D (Ballot Draft 2026-X para 17)
18	Included AASB 1060 para 30E (Ballot Draft 2026-X para 17)
19	Included AASB 1060 para 22A (Ballot Draft 2026-X para 14)
20	Excluded/Out of scope of AASB 1060 review (ITC56)
21	Included AASB 1060 para 30F (Ballot Draft 2026-X para 17)
22	Included AASB 1060 para 30G (Ballot Draft 2026-X para 17)
23	Included AASB 1060 para 30H (Ballot Draft 2026-X para 17)
24	Included AASB 1060 para 30I (Ballot Draft 2026-X para 17)
25	Included AASB 1060 para 31 (Ballot Draft 2026-X para 18)
26	Included AASB 1060 para 32A (Ballot Draft 2026-X para 18)
27	Included AASB 1060 para 31 (Ballot Draft 2026-X para 18)
28	Excluded/Out of scope of AASB 1060 review (ITC56)
29	Included AASB 1060 para 16A (Ballot Draft 2026-X para 11)

AASB 18 paragraph	Reference to AASB 1060
30	Included AASB 1060 para 17 (Ballot Draft 2026-X para 12)
31	Included AASB 1060 para 20 (Ballot Draft 2026-X para 13)
32	Excluded/Out of scope of AASB 1060 review (ITC56)
33	Included AASB 1060 para 18 (Ballot Draft 2026-X para 12)
34	Excluded/Out of scope of AASB 1060 review (ITC56)
35	Included AASB 1060 para 19A (Ballot Draft 2026-X para 12)
36	Included AASB 1060 para 19B (Ballot Draft 2026-X para 12)
37	Excluded/Out of scope of AASB 1060 review (ITC56)
38	Excluded/Out of scope of AASB 1060 review (ITC56)
39	Excluded/Out of scope of AASB 1060 review (ITC56)
40	Excluded/Out of scope of AASB 1060 review (ITC56)
41	Included AASB 1060 para 21 (Ballot Draft 2026-X para 14)
42	Included AASB 1060 para 22 (Ballot Draft 2026-X para 14)
43	Included AASB 1060 para 22A (Ballot Draft 2026-X para 15)
44	Included AASB 1060 para 24 (Ballot Draft 2026-X para 14)
45	Included AASB 1060 para 24A (Ballot Draft 2026-X para 15)
46	Excluded/Out of scope of AASB 1060 review (ITC56)
47	Included AASB 1060 para 57A (Ballot Draft 2026-X para 25)
Aus47.2	Included AASB 1060 para 57B (Ballot Draft 2026-X para 25)
48	Included AASB 1060 para 57C (Ballot Draft 2026-X para 25)

AASB 18 paragraph	Reference to AASB 1060
49	Included AASB 1060 para 57D (Ballot Draft 2026-X para 25)
50	Included AASB 1060 para 57E (Ballot Draft 2026-X para 25)
51	Included AASB 1060 para 57F (Ballot Draft 2026-X para 25)
52	Included AASB 1060 para 57G (Ballot Draft 2026-X para 25)
53	Included AASB 1060 para 57H (Ballot Draft 2026-X para 25)
54	Included AASB 1060 para 57I (Ballot Draft 2026-X para 25)
55	Included AASB 1060 para 57J (Ballot Draft 2026-X para 25)
56	Included AASB 1060 para 57K (Ballot Draft 2026-X para 25)
57	Included AASB 1060 para 57L (Ballot Draft 2026-X para 25)
58	Included AASB 1060 para 57M (Ballot Draft 2026-X para 25)
59	Included AASB 1060 para 57N (Ballot Draft 2026-X para 25)
60	Included AASB 1060 para 57O (Ballot Draft 2026-X para 25)
61	Included AASB 1060 para 57P (Ballot Draft 2026-X para 25)
62	Included AASB 1060 para 57Q (Ballot Draft 2026-X para 25)
63	Included AASB 1060 para 57R (Ballot Draft 2026-X para 25)
64	Included AASB 1060 para 57S (Ballot Draft 2026-X para 25)
65	Included AASB 1060 para 57T (Ballot Draft 2026-X para 25)

AASB 18 paragraph	Reference to AASB 1060
66	Included AASB 1060 para 57U (Ballot Draft 2026-X para 25)
67	Included AASB 1060 para 57V (Ballot Draft 2026-X para 25)
68	Included AASB 1060 para 57W (Ballot Draft 2026-X para 25)
69	Included AASB 1060 para 57X (Ballot Draft 2026-X para 25)
70	Included AASB 1060 para 57Y (Ballot Draft 2026-X para 25)
71	Included AASB 1060 para 57Z (Ballot Draft 2026-X para 25)
72	Included AASB 1060 para 57AA (Ballot Draft 2026-X para 25)
73	Included AASB 1060 para 57AB (Ballot Draft 2026-X para 25)
74	Included AASB 1060 para 57AC (Ballot Draft 2026-X para 25)
75	Included AASB 1060 para 57AD (Ballot Draft 2026-X para 25)
76	Included AASB 1060 para 57AE (Ballot Draft 2026-X para 25)
77	Included AASB 1060 para 57AF (Ballot Draft 2026-X para 25)
78	Included AASB 1060 para 58 (Ballot Draft 2026-X para 26)
Aus78.2	Included AASB 1060 para 58A (Ballot Draft 2026-X para 26)
79	Included AASB 1060 para 58B (Ballot Draft 2026-X para 26)
80	Included AASB 1060 para 58C (Ballot Draft 2026-X para 26)
81	Included AASB 1060 para 58D (Ballot Draft 2026-X para 26)

AASB 18 paragraph	Reference to AASB 1060
82(a)	Included AASB 1060 para 58E (Ballot Draft 2026-X para 26)
82(b)	Subject to future assessment
83	Subject to future assessment
84	Subject to future assessment
85	Subject to future assessment
86	Included AASB 1060 para 58F (Ballot Draft 2026-X para 26)
87	Included AASB 1060 para 58G (Ballot Draft 2026-X para 26)
88	Included AASB 1060 para 58H (Ballot Draft 2026-X para 26)
89	Included AASB 1060 para 58I (Ballot Draft 2026-X para 26)
90	Excluded/Out of scope of AASB 1060 review (ITC56)
91	Excluded/Out of scope of AASB 1060 review (ITC56)
92	Excluded/Out of scope of AASB 1060 review (ITC56)
93	Excluded/Out of scope of AASB 1060 review (ITC56)
94	Excluded/Out of scope of AASB 1060 review (ITC56)
95	Excluded/Out of scope of AASB 1060 review (ITC56)
96	Included AASB 1060 para 37 (Ballot Draft 2026-X para 20)
97	Excluded/Out of scope of AASB 1060 review (ITC56)
98	Included AASB 1060 para 37A (Ballot Draft 2026-X para 20)
99	Included AASB 1060 para 38 (Ballot Draft 2026-X para 20)
100	Included AASB 1060 para 39 (Ballot Draft 2026-X para 20)
101	Included AASB 1060 para 40 (Ballot Draft 2026-X para 20)
102	Excluded/Out of scope of AASB 1060 review (ITC56)

AASB 18 paragraph	Reference to AASB 1060
103	Included AASB 1060 para 35 (Ballot Draft 2026-X para 19)
104	Included AASB 1060 para 35A (Ballot Draft 2026-X para 19)
105	Included AASB 1060 para 36 (Ballot Draft 2026-X para 19)
106	Included AASB 1060 para 42 (Ballot Draft 2026-X para 21)
107	Excluded/Out of scope of AASB 1060 review (ITC56)
108	Included AASB 1060 para 61A (Ballot Draft 2026-X para 27)
109-110	Excluded/Out of scope of AASB 1060 review (ITC56)
111	Included AASB 1060 para 61B (Ballot Draft 2026-X para 27)
112	Included AASB 1060 para 61C (Ballot Draft 2026-X para 27)
113	Included AASB 1060 para 91 (Ballot Draft 2026-X para 31)
114, first three sentences	Included AASB 1060 para 92 (Ballot Draft 2026-X para 31)
114, final sentence	Subject to future assessment
115	Included AASB 1060 para 94 (Ballot Draft 2026-X para 31)
116	Excluded/Out of scope of AASB 1060 review (ITC56)
117-125	Subject to future assessment
126	Subject to future assessment
127	Subject to future assessment
128	Subject to future assessment
129	Subject to future assessment
130	Included AASB 1060 para 45 (Ballot Draft 2026-X para 22)
131	Subject to future assessment
132	Subject to future assessment

AASB 18 paragraph	Reference to AASB 1060
B1-B13 B16-B84(a) B85-B87 B90-B112 (except for B93 and B106)	Included AASB 1060 Appendix B paras: B1-B13 B16-B84(a) B85-B87 B90-B112 (except for B93 and B106)
B14-B15	Excluded/Out of scope of AASB 1060 review (ITC56)
B84(b)	Subject to future assessment
B88-B89	Excluded/Out of scope of AASB 1060 review (ITC56)
B93	Excluded/Out of scope of AASB 1060 review (ITC56)
B106	Included AASB 1060 para 47A (Ballot Draft 2026-X para 22)
B113-B142	Subject to future assessment
Appendix A - aggregation	Included AASB 1060 Appendix A
Appendix A - classification	Included AASB 1060 Appendix A
Appendix A - disaggregation	Included AASB 1060 Appendix A
Appendix A - general purpose financial reports	Included AASB 1060 Appendix A
Appendix A - general purpose financial statements	Included AASB 1060 Appendix A
Appendix A - IFRS Accounting Standards	Included AASB 1060 Appendix A
Appendix A - management-defined performance measure	Subject to future assessment
Appendix A - material information	Included AASB 1060 Appendix A
Appendix A - notes	Included AASB 1060 Appendix A
Appendix A - operating profit or loss	Included AASB 1060 Appendix A
Appendix A - other comprehensive income	Included AASB 1060 Appendix A

AASB 18 paragraph	Reference to AASB 1060
Appendix A - owners	Included AASB 1060 Appendix A
Appendix A - primary financial statements	Included AASB 1060 Appendix A
Appendix A - profit or loss	Included AASB 1060 Appendix A
Appendix A - profit or loss before financing and income taxes	Included AASB 1060 Appendix A
Appendix A - reclassification adjustments	Included AASB 1060 Appendix A
Appendix A - total comprehensive income	Included AASB 1060 Appendix A
Appendix A - useful structured summary	Included AASB 1060 Appendix A
Appendix A – Australian defined terms	Excluded/Out of scope of AASB 1060 review (ITC56)
C1 and AusC1.1	Excluded/Out of scope of AASB 1060 review (ITC56)
C2-C3	Included AASB 1060 paras C2-C3
C4-C6	Excluded/Out of scope of AASB 1060 review (ITC56)
C7	Included AASB 1060 para C4
C8 and AusC8.1	Excluded/Out of scope of AASB 1060 review (ITC56)

Appendix D Linkage between AASB 2026-X and AASB 2026-4

This appendix sets out staff's assessment of the amendments introduced by AASB 2026-4. For each amendment, staff considered whether the amendment is relevant for inclusion in AASB 2026-X to extend the corresponding presentation reliefs to Tier 2 NFP public sector entities. The six tables below summarise the outcome of that assessment.

AASB 18 paragraphs from AASB 2026-4 included in AASB 2026-X

Table D1 includes the AASB 18 paragraphs from AASB 2026-4 that **have** been included in this Standard because they are relevant to the amended presentation requirements for NFP public sector entities preparing Tier 2 GPFS.

AASB 18 Paragraph	AASB 1060 Paragraph	Original Text	Amended Text
Aus11.1	30A	A superannuation entity applying AASB 1056 <i>Superannuation Entities</i> , or a not-for-profit public sector entity (that is not a <i>higher education provider</i>) applying the relief set out in paragraph Aus47.2, may use the label of a total or subtotal defined in this Standard with a meaning that differs from the defined meaning in Appendix A, provided the label faithfully represents the amounts included in the total or subtotal, as required by paragraphs 43 and 74. For example, a not-for-profit public sector entity that does not classify income and expenses into the operating, investing and financing categories in its statement of profit or loss may use the term 'operating profit or loss' as the label for a total or subtotal of income and expenses that does not meet the definition of that term in Appendix A.	~~A superannuation entity applying AASB 1056 <i>Superannuation Entities</i>, or a~~ not-for-profit public sector entity (that is not a higher education provider) applying the relief set out in paragraph ~~Aus47.2~~ 57B, may use the label of a total or subtotal defined in this Standard with a meaning that differs from the defined meaning in Appendix A, provided the label faithfully represents the amounts included in the total or subtotal, as required by paragraphs ~~43~~ 22A and ~~74~~ 57AC. For example, a not-for-profit public sector entity that does not classify income and expenses into the operating, investing and financing categories in its statement of profit or loss may use the term 'operating profit or loss' as the label for a total or subtotal of income and expenses that does not meet the definition of that term in Appendix A.
Aus47.2	57B	For the purposes of paragraph 46 and notwithstanding paragraph 47, a not-for-profit public sector entity that is not a higher education provider is not required to classify income and expenses into the operating, investing and financing categories in its statement of profit or loss. An entity that elects to apply this relief: (a) is not required to apply paragraphs 48–66, 69(a), 69(b), 70–71, 73–74 and B29–B77; and	~~For the purposes of paragraph 46 and notwithstanding~~ ~~Notwithstanding~~ paragraph ~~47~~ 57A, a not-for-profit public sector entity that is not a higher education provider is not required to classify income and expenses into the operating, investing and financing categories in its statement of profit or loss. An entity that elects to apply this relief: (a) is not required to apply paragraphs ~~48–66~~ 57C–57U, ~~69~~ 57X(a), ~~69~~ 57X(b), ~~70–71~~ 57Y–57Z, ~~73–74~~ 57AB–57AC and B29–B77; and

AASB 18 Paragraph	AASB 1060 Paragraph	Original Text	Amended Text
		(b) shall treat references in this Standard to ‘operating expenses’ (and related terms) as expenses presented in the statement of profit or loss, in particular for the purposes of paragraphs 75(a)(ii) and 79–85.	(b) shall treat references in this Standard to ‘operating expenses’ (and related terms) as expenses presented in the statement of profit or loss, in particular for the purposes of paragraphs ~~75~~ 57AD (a)(ii) and ~~79–85~~ 58B–58E .
Aus78.2	58A	Notwithstanding paragraph 78, a not-for-profit public sector entity that is not a higher education provider is permitted to classify and present expenses in line items in the statement of profit or loss based on either their nature or their function within the entity, whichever provides information that is reliable and more relevant. An entity that elects to apply this classification and presentation basis is not required to apply paragraphs 78 and B80–B82.	Notwithstanding paragraph ~~78~~ 58 , a not-for-profit public sector entity that is not a higher education provider is permitted to classify and present expenses in line items in the statement of profit or loss based on either their nature or their function within the entity, whichever provides information that is reliable and more relevant. An entity that elects to apply this classification and presentation basis is not required to apply paragraphs ~~78~~ 58 and B80–B82.
Appendix A	Appendix A – Below the ‘general purpose financial statements’ definition under the heading ‘Presentation of the financial statements’	Higher education provider definition A body approved under Division 16 of the <i>Higher Education Support Act 2003</i> .	Higher education provider is a body approved under Division 16 of the <i>Higher Education Support Act 2003</i> .
AusB5.1	AusB5.1	Among the users of financial information about a not-for-profit reporting entity are existing and potential resource providers (such as donors and other funders, taxpayers, lenders and other creditors, and investors), recipients of goods and services (such as beneficiaries, for example members of the community) and parties performing a review or oversight function on behalf of other users (such as advisers and members of parliament). In relation to not-for-profit entities, where pertinent, all references in this Standard to ‘existing and potential investors, lenders and other creditors’ (and related terms) should be read as a reference to this broader range of users.	Among the users of financial information about a not-for-profit reporting entity are existing and potential resource providers (such as donors and other funders, taxpayers, lenders and other creditors, and investors), recipients of goods and services (such as beneficiaries, for example members of the community) and parties performing a review or oversight function on behalf of other users (such as advisers and members of parliament). In relation to not-for-profit entities, where pertinent, all references in this Standard to ‘existing and potential investors, lenders and other creditors’ (and related terms) should be read as a reference to this broader range of users.

AASB 18 Paragraph	AASB 1060 Paragraph	Original Text	Amended Text
AusB80.1	AusB80.1	For the purposes of paragraph B80(a), consistent with paragraph Aus9.1, a not-for-profit entity applying paragraph 78 shall consider what line items provide the most useful information to users of financial statements about its operations or principal activities.	For the purposes of paragraph B80(a), ~~consistent with paragraph Aus9.1,~~ a not-for-profit entity applying paragraph ~~78~~ <u>58</u> shall consider what line items provide the most useful information to users of financial statements about its operations or principal activities.

AASB 18 from AASB 2026-4 that are not included in AASB 2026-X

Table D2 includes the AASB 18 paragraphs from AASB 2026-4 that **have not** been included in this Standard because they are not relevant to AASB 1060.

AASB 18 Paragraph	Text
Aus9.1	In respect of not-for-profit entities, users (such as certain existing and potential resource providers) are generally not concerned with obtaining a financial return on an investment in the entity. Rather, they are concerned with the ability of the entity to achieve its objectives (whether financial or non-financial), which in turn may depend, at least in part, on the entity's prospects for future net cash inflows and management's stewardship of the entity's economic resources. Accordingly, where pertinent, references in this Standard to 'assessing prospects for future net cash inflows to the entity' and 'assessing management's stewardship of the entity's economic resources' (and related terms) should be read in the context of the common information needs of users of general purpose financial reports of not-for-profit entities described in the <i>Conceptual Framework for Financial Reporting</i> (as identified in AASB 1048 <i>Interpretation of Standards</i>).
Aus23.1	Notwithstanding paragraph 23, a superannuation entity applying AASB 1056 shall present all relevant line items required by that Standard in its primary financial statements, including the statement of changes in member benefits.
Aus23.2	Notwithstanding paragraph 23, a government applying AASB 1049 <i>Whole of Government and General Government Sector Financial Reporting</i> shall present all relevant line items required by that Standard in its primary financial statements.
Aus47.1	For the purposes of paragraph 46 and notwithstanding paragraph 47, a superannuation entity applying AASB 1056 shall not classify income and expenses into the operating, investing and financing categories in its statement of profit or loss. A superannuation entity shall: (a) not apply paragraphs 48–66, 69(a), 69(b), 70–71, 73–74 and B29–B77; and (b) treat references in this Standard to 'operating expenses' (and related terms) as expenses presented in the statement of profit or loss.
Aus78.1	Notwithstanding paragraph 78, a superannuation entity applying AASB 1056 classifies and presents expenses in accordance with AASB 1056 and shall not apply paragraphs 78 and B80–B82.

AASB 18 Paragraph	Text
AusB8.1	Notwithstanding paragraph B8, consistent with paragraph Aus23.1, a superannuation entity applying AASB 1056 shall present all relevant line items required by that Standard in its primary financial statements, including the statement of changes in member benefits.
AusB8.2	Notwithstanding paragraph B8, consistent with paragraph Aus23.2, a government applying AASB 1049 shall present all relevant line items required by that Standard in its primary financial statements.
Amendment to AusC1.1 in Appendix C	Notwithstanding paragraph C1, the following entities shall apply this Standard for annual reporting periods beginning on or after 1 January 2028: (a) not-for-profit private sector entities; (b) not-for-profit public sector entities; and (c) superannuation entities applying AASB 1056 <i>Superannuation Entities</i> . Earlier application is permitted. If such an entity applies this Standard for an earlier period, it shall disclose that fact in the notes.

AASB 18 Paragraphs from AASB 2026-4 that will be considered in future amendments to AASB 1060

Table D3 includes the AASB 18 paragraphs from AASB 2026-4 that will be considered in a future amendment to AASB 1060 as they relate to disclosure requirements.¹⁷

AASB 18 Paragraph	Text
Aus123.1	A not-for-profit public sector entity that is not a higher education provider is not required to identify and disclose information about management-defined performance measures. An entity that elects to apply this relief is not required to apply paragraphs 117–123, 124–125 and B113–B142.

¹⁷ Management-defined performance measures (MPMs) disclosure requirements will be considered as part of the Board's separate project to consider whether AASB 1060 should be amended to incorporate new disclosure requirements arising from AASB 18, updates from the *IFRS for SMEs* Accounting Standard, and other matters relating to IFRS 19. Consideration of paragraph Aus123.1 will depend on whether the Board decides to require MPM disclosures for Tier 2 entities.

AASB 107 paragraphs from AASB 2026-4 included in AASB 2026-X

Table D4 includes the AASB 107 paragraphs from AASB 2026-4 that **have** been included in this Standard because they are relevant to the amended presentation requirements for NFP public sector entities preparing Tier 2 GPFS.

AASB 107 Paragraph	AASB 1060 Paragraph	Original Text	Amended Text
Aus6.1	Appendix A – Below ‘investing activities’ definition under the Statement of Cash Flows heading in Appendix A	Notwithstanding the definition of ‘investing activities’ in paragraph 6, a superannuation entity applying AASB 1056 Superannuation Entities, or a not-for-profit public sector entity that is not a higher education provider, is permitted by paragraph Aus34D.1 to classify the receipt of interest and dividends as operating activities rather than investing activities.	Notwithstanding the definition of ‘investing activities’ ~~in paragraph 6, a superannuation entity applying AASB 1056 Superannuation Entities, or~~ a not-for-profit public sector entity that is not a higher education provider, is permitted by paragraph ~~Aus34D.1~~ ^{84E} to classify the receipt of interest and dividends as operating activities rather than investing activities.
Aus20.1	72A	Notwithstanding paragraphs 18(b) and 20, an entity that is: (a) a superannuation entity applying AASB 1056; or (b) a not-for-profit public sector entity (that is not a higher education provider) applying the relief set out in paragraph Aus47.2 of AASB 18 that does not present an operating profit or loss subtotal as defined in AASB 18; shall, when determining the net cash flow from operating activities under the indirect method, adjust the profit or loss total presented in its statement of profit or loss for: (c) the effects of transactions of a non-cash nature, such as depreciation, provisions, deferred taxes and unrealised foreign currency gains and losses; (d) any deferrals or accruals of past or future operating cash receipts or payments, including changes during the period in inventories and operating receivables and payables; and (e) items of income or expense associated with investing or financing cash flows.	Notwithstanding paragraphs ~~18(b) and 20~~ ^{70(a), 71 and 72} , an entity that is: ~~(a) a superannuation entity applying AASB 1056; or~~ ~~(b) a not-for-profit public sector entity (that is not a higher education provider) applying the relief set out in paragraph Aus47.2 of AASB 18~~ ^{57B} that does not present an operating profit or loss subtotal as defined in ~~AASB 18~~ ^{Appendix A} ; shall, when determining the net cash flow from operating activities under the indirect method, adjust the profit or loss total presented in its statement of profit or loss for: (~~e~~ ^a) the effects of transactions of a non-cash nature, such as depreciation, provisions, deferred taxes and unrealised foreign currency gains and losses; (~~d~~ ^b) any deferrals or accruals of past or future operating cash receipts or payments, including changes during the period in inventories and operating receivables and payables; and

AASB 107 Paragraph	AASB 1060 Paragraph	Original Text	Amended Text
			(ec) items of income or expense associated with investing or financing cash flows.
Aus34D.1	84E	Notwithstanding paragraphs 34A–34D, an entity that is: (a) a superannuation entity applying AASB 1056; or (b) a not-for-profit public sector entity that is not a higher education provider; is permitted to classify interest paid and received and dividends received as cash flows from operating activities.	Notwithstanding paragraphs ~~34A–34D~~ <u>84A–84D</u> , an entity that is: ~~(a) a superannuation entity applying AASB 1056; or~~ ~~(b) a not-for-profit public sector entity that is not a higher education provider;~~ is permitted to classify interest paid and received and dividends received as cash flows from operating activities.

AASB 107 paragraphs from AASB 2026-4 not included in AASB 2026-X

Table D5 includes the AASB 107 paragraphs from AASB 2026-4 that **have not** been included in this Standard because they are not relevant to AASB 1060.

AASB 107 Paragraph	Text
Preamble text of the Illustrative examples accompanying AASB 107	<i>The examples are relevant to entities classifying income and expenses into the operating, investing and financing categories as set out in AASB 18.</i>

AASB 107 paragraphs from AASB 2026-4 that will be considered in future amendments to AASB 1060

Table D6 includes the AASB 107 paragraphs from AASB 2026-4 that will be considered in a future amendment to AASB 1060 as they relate to disclosure requirements.

AASB 107 Paragraph	Text
Aus20.2	<u>Notwithstanding paragraph Aus20.1, not-for-profit</u> ~~Not for profit~~ entities that use the direct method and that highlight the net cost of services in their statement of ~~comprehensive income for the reporting period~~ <u>profit or loss</u> shall disclose in the complete set of financial statements a reconciliation of cash flows arising from operating activities to net cost of services as reported in the statement of ~~comprehensive income~~ <u>profit or loss</u> .