



# AASB Action Alert

From the Australian Accounting Standards Board

Issue No. 247

15 May 2026

## Welcome to the AASB Action Alert

The AASB Board met in public and in private on 14 May 2026. At the meeting, the Board made key decisions in relation to:

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

The Board also discussed the following topics:

#### [Post-implementation Review – Leases](#)

#### [AASB Agenda Consultation](#)

#### [Risk Mitigation Accounting](#)

#### [Climate-related Financial Disclosure](#)

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

The Board commenced 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 considered the feedback on the proposals in ED 338 regarding the application of AASB 18 *Presentation and Disclosure in Financial Statements* and the revised AASB 107 *Statement of Cash Flows* by superannuation entities, not-for-profit (NFP) entities and for-profit public sector entities preparing Tier 1 general purpose financial statements (GPFS). The Board's decisions are summarised below.

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### ***Superannuation entities***

The Board decided to:

- (a) require superannuation entities applying AASB 1056 *Superannuation Entities* to present primary financial statements in accordance with that Standard, rather than the presentation formats in AASB 18, including identifying the statement of changes in member benefits as a primary financial statement and classifying and presenting income and expenses in accordance with AASB 1056;
- (b) require superannuation entities to apply the AASB 18 requirements on labelling, aggregation and management-defined performance measures;
- (c) require superannuation entities to reconcile cash flows from operating activities to the profit or loss total presented in the statement of profit or loss; and
- (d) 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.

### ***NFP public sector entities (excluding universities)***

The Board decided 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 it 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.



### ***NFP private sector entities and universities***

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.

### ***For-profit public sector entities***

The Board decided to require for-profit public sector entities to apply AASB 18 and the revised AASB 107 without modification.

### ***Amendments to Australian Accounting Standards***

To give effect to the above decisions regarding superannuation entities and NFP public sector entities, the Board agreed to add the following paragraphs (as proposed in ED 338, with refinements):

- (a) AASB 18 – paragraphs Aus23.1, Aus46.1, Aus78.1, Aus117.1 and AusB8.1;
- (b) AASB 107 – paragraphs Aus6.1 and Aus34D.1; and
- (b) AASB 1056 – paragraphs 10A, 12A and 22A.

The Board will consider feedback on the remaining topics in ED 338 at its next meeting.

## **Post-implementation Review – Leases**

The Board considered a summary of the feedback received from not-for-profit (NFP) and public sector stakeholders in response to Sections 1 and 2 of Invitation to Comment ITC 55 *Post-implementation Review of AASB 16 Leases*. The Board acknowledged the feedback received, including concerns about the cost, complexity and judgements involved in applying AASB 16, as well as sector-specific challenges faced by those stakeholders. The Board noted that, although many of the concerns raised by NFP and public sector stakeholders appear similar to those identified by for-profit private sector entities, the effect of those concerns on NFP and public sector entities may differ.

The Board directed staff to continue monitoring the IASB's Post-implementation Review (PIR) of IFRS 16 *Leases*. Once the IASB has concluded its PIR, the Board will revisit the feedback received from NFP and public sector stakeholders and consider whether any further action is required in relation to AASB 16.



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### AASB Agenda Consultation

The Board received an update on the AASB 2027–2031 Agenda Consultation work, including a high-level summary of stakeholder feedback received in response to Invitation to Comment ITC 57 AASB 2027–2031 *Agenda Consultation*.

A detailed summary of the feedback received will be considered by the Board at the next meeting.

### Risk Mitigation Accounting

The Board received an update on the recent AASB-hosted roundtable regarding the IASB’s Risk Mitigation Accounting (RMA) proposals, which was presented by senior IASB staff. The Board acknowledged the interest of stakeholders in participating in regular discussions on the proposed hedge accounting model and decided to establish an AASB RMA Discussion Group.

### Climate-related Financial Disclosure

The Board received an update on implementation support and awareness-raising activities related to AASB S2 *Climate-related Disclosures* undertaken from February to May 2026.

The Board also noted a subcommittee recommendation that no change was required to the Terms of Reference of the AASB S2 Implementation Advisory Panel and that membership composition would be finalised out-of-session by the Chair.

### Recently Approved Documents

Since last reported (Action Alert, 23 March 2026), the Board has approved the following Standards, Exposure Drafts or other proposal documents.

Date Approved	Document	Effective Date (Standards/Int’ns) or Due Date for Submissions (EDs)
21 April 2026	AASB 1061 <i>General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities</i>	1 July 2029
21 April 2026	AASB 2026-2 <i>Amendments to Australian Accounting Standards – Extending the Application of the Conceptual Framework and Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements</i>	1 July 2029



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### 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
AASB	ED 339 <a href="#">Risk Mitigation Accounting</a>	<a href="#">ED 339</a>	15 May 2026	31 July 2026
IPSASB	ED 95 <a href="#">Improvements to IPSAS Accounting Standards – Volume 10</a>	–	–	30 June 2026
IPSASB	ED 96 <a href="#">Definition of an Operation and Recognition of Acquired Liabilities and Contingent Liabilities</a>	–	–	30 June 2026
IPSASB	ED 97 <a href="#">IPSAS Practice Statement: Making Materiality Judgments</a>	–	–	28 August 2026
IASB	ED <a href="#">Consolidation Exception (IFRS for SMEs Accounting Standard)</a>	–	–	9 September 2026
IPSASB	Consultation Paper <a href="#">Presentation of Financial Statements</a>	–	–	14 September 2026

#### AASB Board Future Meeting Dates

18–19 June 2026

27 August 2026

29–30 October 2026

#### Next AASB Board Meeting

The Board is expected to address the following agenda items:

AASB 2027–2031 Agenda Consultation

Climate-related Financial Disclosure

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

Review of AASB 1060 Disclosures