



Thursday, 26 March 2026

Dr Keith Kendall  
Chair  
Australian Accounting Standards Board  
PO Box 204  
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Victoria 8007

Online submission: <https://aasb.gov.au/current-projects/open-for-comment/submit-comment-letter>

Dear Keith

### **Invitation to Comment 57: AASB Agenda Consultation 2027–2031**

Chartered Accountants Australia and New Zealand (CA ANZ) welcomes the opportunity to respond to the Australian Accounting Standards Board's (AASB) Invitation to Comment 57: Agenda Consultation 2027–2031 ("the ITC"). We support the AASB's initiative to review its work program for 2027 and beyond, to better understand stakeholders' greatest needs and how these can be addressed. We make this submission on behalf of our members and in the public interest.

Our members are key AASB stakeholders who utilise the work of the AASB daily and so, in formulating our response, we have actively engaged with them through roundtables and regular local forums. We also engaged with them through the [2025 Chartered Accountants IFRS Survey](#), canvassing more than 348 Chartered Accountants working across practice, corporate, education, government and the not-for-profit (NFP) sectors.

We also note that the proposals currently before Parliament to create External Reporting Australia (ERA) will alter the responsibilities of the AASB, devolving the creation of sustainability standards to a new board. However, regardless of how the responsibilities are allocated, it will remain vital that the priorities of the ERA and the allocation of its resources remain focused on the timely development and maintenance of comprehensive, principles-based sets of high-quality financial reporting and sustainability reporting standards for the Australian market.

In achieving this objective, it is essential that the new boards remain mindful of their important obligations as international standard adopters. Their 2027-2031 work programmes will need sufficient flexibility to ensure they can actively engage with both the IASB and ISSB on projects that are driven by international timelines to ensure our domestic perspectives are effectively fed into any new international requirements we will be required to adopt. We note that the IASB and ISSB are due to complete a joint agenda consultation in 2027 and

therefore expect that the outcomes of this will impact on priorities and resource allocation for the domestic boards in the 2027-2031 period.

It is also critical for our stakeholders that the new boards can complete their existing projects in a timely manner before commencing new projects. To this end, it is important to recognise that “completion” of a project does not necessarily end with the release of a standard but includes the need for staff resources to support the ongoing implementation and production of essential educational materials once these standards are issued, particularly if the standards are Australian specific.

### **Project priorities – Accounting Standards**

We recommend that the following key projects be prioritised by the board charged with developing accounting standards, with sufficient resources allocated to ensure their timely completion and successful implementation.

- AASB 18 alignment for Tier 2, NFP private sector, and NFP public sector entities
- AASB financial reporting framework reform project, particularly:
  - NFP private sector financial reporting framework reform (Stage 2) involving issue of the Tier 3 accounting standard and implementation work with regulators and other stakeholders
  - Public sector financial reporting framework reform (Stage 3)

The consideration of other new projects arising from this consultation should occur only after these priorities, as well as our vital obligations to the development of the international standards referred to above, have been addressed.

### **Project priorities – Sustainability Standards**

We recommend that the current AASB project addressing sustainability reporting implementation and support (Group 1, 2 and 3 implementation) remains a high priority for the board charged with developing sustainability standards. A particular focus of this project needs to be to ensure that the implementation support needed for Group 3 entities to meet their reporting obligations is available in a timely manner.

Further, we recommend the elevation of the project on AASB S2: Proportionality to a high priority. We understand that the Board has not yet determined whether a different tier of reporting is needed within the mandatory disclosure regime. However, we consider it critical that this determination occurs late in 2026 to ensure sufficient time for an appropriate response, if required, prior to the commencement of reporting for Group 3 entities.

### **Conclusion**

Appendix A contains our responses to the specific questions raised in the ITC, distinguishing between accounting and sustainability standards projects in line with the planned ERA proposals referred to above. Appendix B provides more information about CA ANZ. Should you have any questions about the matters raised in this submission or wish to discuss them

further, please contact Amir Ghandar at [Amir.Ghandar@charteredaccountantsanz.com](mailto:Amir.Ghandar@charteredaccountantsanz.com) for financial reporting projects or Karen McWilliams at [Karen.McWilliams@charteredaccountantsanz.com](mailto:Karen.McWilliams@charteredaccountantsanz.com) for sustainability reporting projects.

Sincerely

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# Appendix A

## Responses to consultation questions

### 1. Which projects do you think we should continue prioritising?

#### Accounting Standards

AASB Project	Existing Priority	Comments
AASB Agenda Consultation 2027–2031	High	We strongly support the AASB Agenda Consultation project as it is critical to aligning standard setting priorities with stakeholder needs, international developments and implementation capacity. Given the scale of current and forthcoming reforms, the project is essential to ensuring confidence, consistency and relevance in Australian financial and sustainability reporting.
PIR of AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and AASB 2020-2 Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities	High	We support the AASB's efforts to bed down the framework reform project in the for-profit sector and promptly address the issues raised by the recently concluded PIR of AASB 1060 and AASB 2020-2, including dealing with the challenges posed by the IASB's release of IFRS 18, IFRS 19 and the 3 <sup>rd</sup> edition of the IFRS for SMEs Accounting Standard. We also support the February 2026 <a href="#">board decision</a> to fast track the AASB 18 update of AASB 1060 while continuing to work on the remaining feedback to this project.
Review of AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	High	Given the significance of a simplified disclosure regime to the reporting cost-benefit equation for Tier 2 entities, we support the review of AASB 1060. In our <a href="#">recent submission to AASB ITC 56</a> we encouraged the AASB to issue an Exposure Draft aligning the presentation

		requirements of AASB 18 and AASB 1060 as soon as possible.
<p>AASB 18 application by the following entities preparing Tier 1 GPFS:</p> <ul style="list-style-type: none"> <li>▪ NFP private sector entities</li> <li>▪ NFP public sector entities</li> <li>▪ Superannuation entities</li> </ul>	High	The significant changes being introduced for Tier 1 entities by AASB 18 need a considered but proportionate response for Tier 2 and potential Tier 3 entities in the private, public and NFP sectors. We recognise that this work is already underway for Tier 1 entities and support expediting exposure drafts with proposals for Tier 2 entities to ensure timely consistent adoption of these reforms.
<p>Not-For-Profit Private Sector Financial Reporting Framework Reform</p> <p>Conceptual Framework: Not-for-Profit Amendments</p>	High	The removal of special purpose reporting and the implementation of a Tier 3 accounting standard is a critical improvement to the quality of reporting in Australia. However, the release of the standard and the supporting conceptual framework revisions in 2026 will then require active engagement by the AASB with both regulators and preparers as the standard moves into implementation phase. Educational materials and other support resources will be essential, as will significant engagement with all key regulators to ensure the impact of the new standard on regulated populations is clearly identified and communicated in a timely manner.
<p>PIR of AASB 16 Leases: NFP and Public Sector Entities</p>	High	We support the AASB conducting a PIR into the application of IFRS 16 in the NFP and public sectors. Our <a href="#">2025 IFRS Survey</a> (page 39) identified dealing with issues raised in the PIR of IFRS 16 as a high priority for 21% of our respondents and a medium priority for a further 47%. Our <a href="#">response to the IASB PIR IFRS 16 Leases</a> reveals that there is significant concern

		amongst stakeholders about the cost/benefit of applying IFRS 16.
PIR of AASB 1059 Service Concession Arrangements: Grantors	Medium	We are aware of concerns in the public sector about the application of this standard and support the AASB's decision to conduct a PIR to resolve them.
Intangible Assets	Low	It is important that when the IASB commences work on the planned revision of IAS 38 Intangible Assets that the AASB has the capacity to allocate resources to ensure that it can actively support the IASB in its work on this project by providing the Australian domestic perspective. Our <a href="#">2025 IFRS survey</a> (page 39) identified the updating of IAS 38 to address cryptocurrencies and related transactions as a high priority for 39% of respondents and a medium priority for a further 38%.
Statement of Cash Flows and Related Matters	Low	Cash flows did not appear as an issue of concern on our <a href="#">2025 IFRS Survey</a> . However, resources will need to be allocated to allow participation in the new IASB <a href="#">standard setting project</a> on this topic that was approved in January 2026.
Monitoring IASB Projects	Monitor/comment	Active monitoring of major IASB projects is important given their subsequent application and adequate resources need to be allocated to ensure this occurs and stakeholders are provided with sufficient time and information to be able to provide an Australian perspective to the board.
Monitoring IPSASB Projects	Monitor/comment	The growing international alignment of both IPSAS® Accounting Standards with IFRS Accounting Standards and IPSASB SRS™ Standards with IFRS Sustainability Disclosure Standards, and the resultant improvements in public sector reporting globally will be an important source of

information as the AASB progresses its NFP public sector financial reporting framework reform project referred to in our response to Question 3.

### Sustainability Standards

AASB Project	Existing Priority	Comments
AASB S2: Implementation Support and Awareness Raising	High	We support the ongoing work of the AASB to develop and support the implementation of the new sustainability reporting standards and produce education and other material. Our <a href="#">2025 IFRS Survey</a> (page 39) identified this as a high priority for 34% of our respondents and a medium priority for a further 31%. It will also be important to ensure that learnings from Group 1 implementation are communicated to both Group 2 and 3 stakeholders, and to the ISSB, as part of the refinement process for S2 and to inform the post-implementation review of the legislation.
AASB S2: Proportionality	Medium	We believe the priority of this project needs to be elevated to “high”. We understand that the AASB has not yet determined whether a different tier of climate-related disclosures is needed within the mandatory reporting regime. However, we consider it critical that this determination occurs before the end of 2026 to ensure sufficient time for an appropriate response, if required, prior to the commencement of reporting for Group 3 entities.
AASB S2: Industry-based Information	Medium	Treasury have indicated that industry metrics will be considered by 2030. This project will provide input into the ISSB project on enhancing the SASB Standards and inform related domestic considerations.

ISSB: Nature-related Disclosures	Monitor	The ISSB have moved this project from the research phase to the standard setting phase. We consider the priority for this should be elevated accordingly to ensure appropriate engagement from Australian stakeholders. We also understand that there is some uncertainty as to the AASB's remit to consider standard setting beyond climate, which we recommend be resolved as a matter of urgency.
Monitoring ISSB Projects	Monitor/ Comment	Active monitoring of major ISSB projects is important given their subsequent application and to ensure that the Australian perspective on any reforms is adequately considered.
Climate-related Financial Disclosure Requirements for NFP Public Sector Entities	Low	There is a need to address climate-related financial disclosures in NFP public sector entities. However, we believe this could be addressed in collaboration as part of the wider Not-For-Profit Public Sector Financial Reporting Framework Reform project (see our response to Question 3 below) and through the AASB S2 Proportionality project above rather than as a standalone project.

## 2. Are there any projects currently on our Work Plan that you believe should be discontinued?

### Accounting Standards

AASB Project	Existing Priority	Comments
Service Performance Reporting (SPR)	Medium	Our stakeholders recognise that non-financial information is important for accountability and decision making, as well as telling the story of how value is created by the entity and there is a need for a consistent standard for such reporting. However, we are concerned that the AASB does not have a legislated mandate to introduce a standard on this topic. Therefore, imposing costs on the NFP sector

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without a supporting government policy decision is inappropriate.

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**3. Are there any projects or ideas that are not currently on our Work Plan that you believe we should begin exploring?**

**Accounting Standards**

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Proposed Project	Proposed Priority	Comments
Going Concern Disclosures	High	<p>There remains a significant need for the disparity between the accounting standard and auditing standards relating to going concern disclosures (detailed below) to be removed. Our <a href="#">2025 IFRS Survey (page 39)</a> identified this as a high priority for 45% of our respondents and a medium priority for a further 42%.</p> <p>While this project would preferably be an international one (see our <a href="#">submission to the IASB's Third Agenda Consultation</a>), the demonstrated lack of interest by the IASB is such that we believe the AASB should address this issue itself. This would be consistent with the NZASB approach, which has added such disclosure requirements to FRS-44 New Zealand Additional Disclosures, and so would promote trans-Tasman harmonisation.</p> <p>Our concerns relate to <a href="#">paragraph 19</a> of extant ASA 570 Going Concern, which remain in <a href="#">paragraph 33</a> of ASA 570 (Revised), coming into force in December 2026. They prescribe financial statement disclosure requirements when a material uncertainty exists. However, preparers are not required to comply with auditing standards which puts auditors in an untenable position.</p>
Audit Fee Disclosures	High	<p>There is a need to improve the transparency of the disclosure of audit and non-audit fees. Comparison with overseas jurisdictions shows</p>

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		<p>Australia currently requires disclosure of a relatively low level of disaggregation of auditor remuneration by type of allowed service. For example, New Zealand requires fees for ‘non-audit’ services to be disaggregated into four categories in FRS-44 New Zealand Additional Disclosures. Without clarity on what ‘non-audit’ services fees relate to, auditor independence can be perceived to be threatened. The Final Report of the Parliamentary Joint Committee on Corporations and Financial Services on the Regulation of Auditing in Australia, Recommendation 3, was to introduce defined categories and associated fee disclosure requirements in relation to audit and non-audit services by the end of the 2020–21 financial year.</p>
Public Sector Financial Reporting Framework Reform	High	<p>IPSAS developments in dealing with IFRS 16 and 18, along with challenges arising from the current Tier 2 framework, continue to make this project essential. It will be important to monitor progress of the IPSASB’s work as its alignment with IFRS Accounting Standards continues to improve.</p>
For-Profit Financial Reporting Framework Reform – Tier 3 For-Profit Standard	Medium	<p>Our members continue to express concerns that the full recognition and measurement requirements of IFRS Accounting Standards are inappropriate for many smaller for-profit entities who are required to report in accordance with accounting standards. As noted in our <a href="#">submission to AASB ED 335</a>, the work done to develop the Tier 3 NFP standard could be used to develop a simplified standard that results in a general purpose financial report for smaller for-profit entities.</p>
Review of Aus Paragraphs and Aus Specific Standards for Ongoing Relevance	Medium	<p>Reviewing whether Australia-specific additions to international standards are still relevant is important to ensuring our standards are easily</p>

understandable, internationally aligned but not unnecessarily complex.

### Sustainability Standards

Proposed Project	Proposed Priority	Comments
Roadmap to Broader Sustainability Reporting	Medium	When introducing mandatory climate-related disclosures, Government’s messaging clearly indicated climate first, not climate only. Whilst we appreciate this is a matter for Government, we encourage the AASB to share the feedback received during this consultation which indicates market demand for a clearer roadmap for broader sustainability reporting. We also understand that there is some uncertainty as to the AASB’s remit to consider standard setting beyond climate, which we recommend be resolved as a matter of urgency.
Connectivity between Sustainability Reporting and Financial Reporting	Medium	Part of the rationale for the IFRS Foundation establishing the ISSB was to facilitate connectivity between sustainability reporting and financial reporting. We encourage the AASB to engage with the ISSB and IASB to advocate for prioritisation of a joint project to provide guidance and implementation support on how and when disclosures between sustainability reporting and financial reporting should be connected.
A Conceptual Framework of Principles to Support Sustainability Reporting	Medium	There is a need for an overarching conceptual framework as other sustainability topics that are material are brought into the reporting regime. Our preference is for a conceptual framework for sustainability reporting to be integrated into the conceptual framework for financial reporting. This would help organisations understand their dependencies and impacts on natural, social, and human capital, leading to more holistic, value-driven decisions that benefit society, nature, and the

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economy. We encourage the AASB to engage with the IASB and the ISSB to prioritise this project.

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# Appendix B

## About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand (CA ANZ) represents more than 140,000 financial professionals, supporting them to build value and make a difference to the businesses, organisations and communities in which they work and live.

Around the world, Chartered Accountants are known for their integrity, financial skills, adaptability and the rigour of their professional education and training.

CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long education to members and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.

Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.

We actively engage with governments, regulators and standard-setters on behalf of members and the profession to advocate in the public interest. Our thought leadership promotes prosperity in Australia and New Zealand.

Our support of the profession extends to affiliations with international accounting organisations.

We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 13 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents more than 870,000 current and next generation accounting professionals across 179 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications.