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24 August 2026

Dr Keith Kendall
Chair
Australian Accounting Standards Board
Level 20, 500 Collins Street
Melbourne VIC 3000
Australia

Via email: standard@aasb.gov.au

Dear Keith,

**Exposure Draft ED 341 *Updating AASB 1060 to Align the Classification and Presentation Requirements with AASB 18***

Deloitte welcomes the opportunity to comment on Exposure Draft ED 341 *Updating AASB 1060 to Align the Classification and Presentation Requirements with AASB 18* ("ED 341").

Overall, we support the Board's proposal to align AASB 1060 with the classification and presentation requirements in AASB 18 *Presentation and Disclosure in Financial Statements*. We also support the speed with which the project is being progressed. In our view, it is important that entities applying AASB 1060 *General Purpose financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities* have the ability to align the presentation of their financial statements with a parent entity reporting under Tier 1 Australian Accounting Standards or IFRS Accounting Standards, where relevant. Without the proposals in ED 341, groups with a mix of Tier 1 Australian Accounting Standards (or IFRS Accounting Standards) and Tier 2 reporters would face significant challenges and cost in maintaining their accounting records.

In addition, consistent presentation between Tiers of reporting enhances understandability and comparability of financial reporting more generally. It also supports transition between Tiers by entities that are considering, for example, an initial public offering (IPO).

We support the proposed effective date of annual periods beginning on or after 1 July 2030, with earlier application permitted. This appears to provide an appropriate transition period for Tier 2 entities while preserving the ability for earlier alignment where that is beneficial.

We also support retaining AASB 1060 as a stand-alone Standard by incorporating the relevant classification and presentation requirements, and related application guidance, into AASB 1060 rather than requiring Tier 2 entities to refer separately to AASB 18.

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Our detailed comments on the questions raised in ED 341 are further outlined in the Appendix.

Please contact me at cwarden@deloitte.com.au if you wish to discuss any of our comments.

Yours sincerely

**Carol Warden**
Partner

Deloitte.

**Appendix – Responses to the specific AASB questions for respondents in ED 341**

| Question | Response |
|---|---|
| **Specific matters for comment** | |
| 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:<br><br>(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<br>(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?<br><br>If you disagree, please explain why. | Agree |
| 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. | Agree |
| 3. Do you agree that the transition requirements should be the same as those for AASB 18:<br><br>(a) the amendments should be applied retrospectively;<br>(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<br>(c) when first applying the amendments, eligible entities may change their elections for | Agree |

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| Question | Response |
| --- | --- |
| measuring an investment in an associate or joint venture from the equity method to fair value through profit or loss (see paragraph BC42)?<br><br>If you disagree, please explain why. | |
| 4. 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. | Agree |
| 5. 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. | Agree |
| 6. Do you have any other comments on the proposals? | No further comments except for those expressed in the cover letter<br>. |
| **General matters for comment** | |
| 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? | Agree |
| 8. Are there any regulatory issues or other issues arising in the Australian environment that may affect the implementation of the proposals? | We are not aware of any regulatory or other issues. |
| 9. Do the proposals create any auditing or assurance challenges and, if so, please explain those challenges? | We are not aware that the proposals would create any auditing or assurance challenges. |

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| Question | Response |
| --- | --- |
| 10. Overall, would the proposals result in financial statements that would be useful to users? | Yes |
| 11. Are the proposals in the best interests of the Australian economy? | Yes |
| 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. | We do not have a specific estimate of the costs. However, we would anticipate that Tier 2 entities would be subject to a similar amount of effort as Tier 1 entities in terms of implementing AASB 18.<br><br>However, given the delayed implementation date, this effort may be offset by the available experience and reference materials developed through the Tier 1 implementation journey. |