



Project:	Post-implementation review of AASB 1060 and AASB 2020-2	Meeting:	AASB March 2026 (M219)
Topic:	Summary and analysis of feedback received from stakeholders	Agenda Item:	5.1
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		Decision-Making:	High
		Project Status:	Summary of feedback received from submissions, roundtables and targeted outreach

The objective of this paper

- 1 The objectives of this staff paper are for the Board to:
 - (a) **consider** an overview of stakeholder feedback obtained in response to **Section 1** of *ITC 56 Post-implementation Review of Tier 2 and the Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities and Further Update of Tier 2 only*;
 - (b) **consider** staff's views on the assessment of Step 4 of the Board's process for undertaking a Post-implementation Review (PIR) (Section 4); and
 - (c) **decide** whether sufficient feedback and evidence have been obtained to determine whether any action is required; and if so, decide on the appropriate next steps.
- 2 Section 1 of ITC 56 considers the PIR of:
 - (a) *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*; and
 - (b) *AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.

Structure of this paper

- 3 This Staff Paper is set out as follows:
 - (a) Summary of staff recommendations (paragraphs 4 and 5)
 - (b) Background (paragraphs 6 and 7)

- (c) Summary of stakeholder feedback (paragraphs 8 to 111)

Summary of staff recommendations

- 4 Staff recommend the Board:
 - (a) conclude that AASB 2020-2 is operating effectively and meeting its intended objectives;
 - (b) conclude that AASB 1060 is achieving its intended objective and is operating effectively;
 - (c) conclude that the transition relief (SPFS to GPFS and GPFS to AASB 1060) achieved its objective; and
 - (d) note strong stakeholder support for the existing approach to maintaining AASB 1060.
- 5 Staff recommend no immediate action is required in relation to stakeholder feedback:
 - (a) expressing concern about the costs for smaller entities and including whether they are well served by AASB 1060; staff will continue to monitor this topic through outreach and the AASB Agenda Consultation;
 - (b) the interim nature of AASB 1060 in the public sector, which is better addressed through the Public Sector Reporting Framework project;
 - (c) about the usefulness and availability of transition relief in future projects; staff will remain mindful of this feedback in future projects;
 - (d) about the need to enhance educational materials; staff will remain mindful of this feedback in future projects;
 - (e) about the absence of an explicit requirement to disclose individually material items of income and expense, given mixed stakeholder views and pending changes under AASB 18 and the updated *IFRS for SMEs* Accounting Standard; staff will monitor developments and revisit this matter as part of the Section 2 project; and
 - (f) about targeted drafting improvements to AASB 1060; staff consider these are best addressed as part of the Section 2 project.

Background

- 6 ITC 56 Section 1 seeks feedback on seven topics. Some topics are relevant only to certain for-profit private-sector entities that previously prepared special-purpose financial statements (SPFS), whereas other topics are relevant to all entities applying AASB 1060. The topics are:
 - (a) Topic 1: Overall objective and assessment of AASB 2020-2
 - (b) Topic 2: Overall objective and assessment of AASB 1060
 - (c) Topic 3: Transition relief for for-profit private sector entities transitioning from SPFS to AASB 1060
 - (d) Topic 4: Transition relief for entities transitioning from general purpose financial statements (GPFS) to AASB 1060

- (e) Topic 5: Educational materials
 - (f) Topic 6: Disclosure of individually material items
 - (g) Topic 7: Adequacy of disclosure requirements
 - (h) Topic 8: Maintaining AASB 1060
 - (i) Topic 9: Other matters
- 7 This Agenda Paper presents a high-level synthesis of stakeholder feedback; a detailed summary of feedback is provided in Agenda Paper 5.3.

Summary of stakeholder feedback

Topic 1: Overall objective and assessment of AASB 2020-2

- 8 This topic seeks feedback on whether AASB 2020-2 has improved the consistency, comparability, transparency and enforceability of the financial statements of certain for-profit private sector entities by removing their ability to prepare SPFS when compliance with Australian Accounting Standards is required.

Summary of stakeholders' feedback

Achievement of the overall objective

- 9 All respondents who commented on this topic (BDO, CA ANZ, CPA Australia, Deloitte, EY, Grant Thornton, IPA, KPMG, Moore, Pitcher Partners and PwC) agreed that AASB 2020-2 has largely achieved its objective.
- 10 Roundtable and outreach feedback supported this conclusion. In a polling question at the virtual roundtable, 89% (25 of 28) participants agreed that removing SPFS improved the quality and consistency of financial reporting.
- 11 Written submissions highlighted that removing SPFS:
- (a) reduced self-assessment and preparer–auditor debate (BDO, CA ANZ, CPA Australia, Deloitte, EY, Grant Thornton, IPA, Moore, Pitcher Partners and PwC);
 - (b) improved alignment and comparability across entities, including within corporate groups (some respondents, including Deloitte and Grant Thornton);
 - (c) was primarily disclosure-focused for entities already applying recognition and measurement requirements (Deloitte and EY); and
 - (d) had clear benefits for users, including increased transparency (CA ANZ survey results), and was welcomed in practice too (EY and PwC).
- 12 However, despite general support, it was noted that smaller entities do not necessarily experience the benefits of reporting reforms uniformly:

- (a) CA ANZ, CPA Australia and IPA noted that entities with limited or specialised user groups often face higher compliance burdens, compounded by misalignment between accounting standards and outdated legislative thresholds (i.e. they are required to prepare GPFS when it may exceed user needs). They also identified being required to apply complex recognition and measurement requirements, the need to apply multiple Standards for the first time and resource constraints as key challenges; and
 - (b) EY further observed that some preparers, such as small individual Australian Financial Services Licence (AFSL) holders, view initial and ongoing compliance costs as punitive. However, EY considers this primarily a legislative issue rather than a matter for the AASB to address.
- 13 In summary, feedback indicates that while AASB 2020-2 has largely met its objectives, cost-benefit concerns for smaller entities remain, with CA ANZ and CPA Australia suggesting the Board explore a Tier 3 GPFS framework to provide more proportionate recognition and measurement requirements that better align reporting effort with user needs. This suggestion is supported by survey evidence indicating continued concern about whether the current scope and cost-benefit balance are appropriate for smaller for-profit private sector entities.

Initial (first-time) costs of preparing GPFS

- 14 The majority of respondents agreed that transitioning from SPFS to GPFS involved significant upfront costs, particularly for smaller entities (BDO, CA ANZ, CPA Australia, Deloitte, EY, IPA, KPMG, Moore and Pitcher Partners). Key cost drivers included increased disclosures, full recognition and measurement (especially deferred tax and leases), system/process changes, and first-time consolidation or equity accounting.
- 15 Despite these costs, many respondents (BDO, CA ANZ, CPA Australia, Deloitte, EY, Grant Thornton, Moore, Pitcher Partners and PwC) considered them broadly in line with expectations. Respondents noted that for many entities already applying recognition and measurement requirements, the transition was primarily about disclosures (Deloitte).
- 16 It was noted that costs varied considerably with entity complexity, with less complex entities facing minimal costs largely limited to preparing additional disclosures. In contrast, more complex entities incurred higher one-off costs due to factors such as first-time consolidation and intricate group structures. For private groups in particular, first-time consolidation was one of the most significant drivers of transition costs (Deloitte).
- 17 IPA and CA ANZ noted that smaller entities face significant learning and compliance burdens when applying multiple interrelated Standards for the first time, on top of initial costs such as those noted in paragraph 14. Some respondents agreed that these complexities disproportionately affect smaller entities.
- 18 Optional transition reliefs, particularly relief from providing certain comparative information, was viewed as instrumental in managing transition costs and effort, and some respondents (KPMG) supported extending similar relief in future projects such as the Not-for-Profit Private Sector Financial Reporting Framework (Tier 3) project (“Tier 3 NFP proposals”).

Ongoing costs of preparing GPFS

- 19 Most respondents (BDO, Deloitte, EY, Grant Thornton, IPA, Moore and Pitcher Partners) agreed that ongoing costs are broadly in line with expectations and generally not

unreasonably burdensome. After initial implementation, GPFS preparation became business-as-usual, with modest incremental cost increases generally associated with additional information gathering and audit effort.

- 20 CA ANZ and CPA Australia again highlighted that smaller entities continue to face significant ongoing cost pressures.
- 21 CPA Australia highlighted examples such as the Queensland and Victorian Minimum Financial Reporting regimes and Special Disability Trusts, where ongoing cost pressures stem from regulatory overlay and legislative interaction rather than from the accounting standards themselves.
- 22 Some respondents (CA ANZ and CPA Australia) consider that these issues reinforce the case for exploring a Tier 3 GPFS framework for smaller for-profit private sector entities to provide a more proportionate reporting option.

Staff analysis and recommendations

- 23 Feedback indicates that while the transition from SPFS to GPFS delivered the expected improvements in consistency, comparability, transparency and enforceability, it also imposed significant upfront costs, particularly for smaller and more complex entities. Respondents identified increased disclosure requirements, the need to apply full recognition and measurement (especially deferred tax and leases), system and process updates, and first-time consolidation or equity accounting. The Board largely anticipated these impacts during the development of the Standard.
- 24 Although these costs were generally in line with expectations, stakeholders highlighted that the burden varied substantially with entity complexity. The relationship between costs and complexity was also broadly anticipated during the Standard's development.
- 25 Notwithstanding that increased costs were expected, staff acknowledge feedback about the particular challenges faced by smaller entities. These included heightened learning and compliance burdens due to the need to interpret and apply multiple interrelated Standards for the first time, especially in complex areas such as deferred tax, leases and financial instruments.
- 26 From the feedback received, staff consider that the optional transition reliefs achieved their objective of reducing transition cost and effort. In particular, relief from presenting certain comparative information was viewed as highly effective, and some stakeholders suggested that similar forms of relief could be valuable in future standard-setting activities, including the Tier 3 NFP proposals.
- 27 While some increase in ongoing costs was anticipated when the Standard was developed, staff are pleased to note that preparing GPFS instead of SPFS has generally become business-as-usual. However, staff again acknowledge the ongoing challenges reported by smaller entities in areas requiring the application of multiple interrelated Standards and complex recognition and measurement requirements.
- 28 After considering all feedback, staff consider that:
 - (a) AASB 2020-2 has improved the consistency, comparability, transparency and enforceability of financial statements for affected for-profit private sector entities;

- (b) transition costs were generally in line with expectations, with some exceptions; and
 - (c) ongoing costs are also generally in line with expectations, again with some exceptions.
- 29 As such, staff **recommend** the Board conclude that AASB 2020-2 has achieved its objective and that there are no fundamental concerns about the overall effectiveness or efficiency of the Standard in meeting its original or intended objectives.
- 30 However, in response to feedback suggesting that ongoing costs may be disproportionate for smaller entities, and that the scope of for-profit private sector entities required to prepare GPFS may be too broad (i.e. the exceptions referred to in paragraphs 28(b) and 28(c)), staff consider that no immediate action is required. Staff will remain alert to feedback obtained through general outreach and through the AASB Agenda Consultation project. Subject to feedback received, staff recommend that the Board consider any possible next steps at that time.

Questions for Board members

- Q1 Do Board members have any questions or comments about the summary of feedback in response to Topic 1: Overall objective and assessment of AASB 2020-2?
- Q2 Do Board members agree with the staff recommendations in paragraphs 29 and 30? If not, what do Board members suggest?

Topic 2: Overall objective and assessment of AASB 1060

- 31 This topic seeks feedback on whether AASB 1060 has achieved an appropriate balance between meeting user needs and the costs for entities preparing Tier 2 GPFS.

Summary of stakeholders' feedback

Achievement of the overall objective

- 32 The majority of respondents who provided feedback on this topic (BDO, CPA Australia, Deloitte, Grant Thornton, IPA, Moore, Pitcher Partners and PwC) agree that AASB 1060 achieves an appropriate balance between meeting user needs and minimising preparer costs.
- 33 Roundtable and outreach feedback supported this conclusion. In a polling question at the virtual roundtable, 77% (17 of 22) of participants considered the overall balance to be "more or less right". In comparison, 18% indicated that some disclosures may be excessive or missing, and 5% considered disclosure requirements excessive in some areas.
- 34 Written submissions highlighted that:
- (a) AASB 1060 is considered a clear improvement over the previous Reduced Disclosure Requirements (RDR) framework, particularly due to its simplified and consolidated Tier 2 disclosure requirements (CA ANZ and Moore);
 - (b) AASB 1060 has been well received in practice, helped by simpler language and having all Tier 2 disclosures in one standard (Deloitte); and

(c) the overall balance of disclosures in AASB 1060 is appropriate but some areas could be improved (EY).

- 35 Similar to the feedback in paragraphs 12 and 13, CA ANZ and CPA Australia reiterated that the cost–benefit balance remains challenging for some smaller for-profit private sector entities where legislative frameworks require GPFS that, in their view, exceed user needs for those entities. Although the CA ANZ survey results show that around 60% of respondents agreed that AASB 1060 reduced the reporting burden and it improved consistency and comparability, concerns persist about the suitability of the requirements for smaller entities, leading both CA ANZ and CPA Australia to support exploring a Tier 3 GPFS framework for smaller for-profit private sector entities analogous to the Tier 3 NFP proposals.
- 36 Public-sector views were mixed. HoTARAC considers AASB 1060 only partially effective for smaller public-sector entities and suggested exploring a Tier 3 GPFS framework for this cohort too. ACAG observed that jurisdictional requirements, including “Tier 2-plus” frameworks, influence the extent of relief and cost reduction achieved in practice.

Initial (first-time) costs of preparing GPFS

- 37 Respondents, including Deloitte, EY, Grant Thornton and Moore, agreed that first-time application costs were broadly in line with expectations. However, the impacts varied depending on entity complexity and its previous reporting framework. However, IPA noted that its members incurred significant costs when preparing Tier 2 GPFS for the first time.
- 38 Transitioning from RDR to AASB 1060 was generally straightforward, with most effort focused on updating and restructuring disclosures, and as expected, costs were significantly lower than for entities previously preparing SPFS (BDO, Deloitte and Pitcher Partners). CA ANZ’s survey supported this, noting that the main challenges were identifying disclosure changes (46%) and restructuring financial statements (41%), although most preparers had enough internal capability or required only limited external support to implement the changes.
- 39 Public-sector respondents reported that first-time adoption costs were broadly as expected, with only modest first-year impacts.

Ongoing costs of preparing GPFS

- 40 Most respondents (BDO, Deloitte, EY, Grant Thornton, IPA, Moore and Pitcher Partners) agreed that ongoing costs are broadly in line with expectations. After the initial transition period, AASB 1060 became routine to apply, with incremental effort focused mainly on additional disclosure and audit requirements.
- 41 However, CA ANZ survey evidence and CPA Australia feedback again noted that for some smaller for-profit entities private sector, concerns remain about the ongoing cost–benefit of Tier 2 reporting relative to the needs of users. IPA shared a similar view.
- 42 Public-sector respondents (ACAG and HoTARAC) considered ongoing costs broadly in line with expectations, although some jurisdictions noted additional administrative effort in maintaining separate Tier 2 models and reassessing tier distinctions. ACAG also cautioned that ongoing costs could increase if additional *IFRS for SMEs* Accounting Standard disclosure requirements are incorporated into AASB 1060.

Staff analysis and recommendations

- 43 Feedback indicates that AASB 1060 generally achieves an appropriate balance between meeting user needs and minimising preparer costs. Respondents highlighted AASB 1060 as a clear improvement over the previous RDR framework, particularly because of its simplified and consolidated Tier 2 disclosure requirements, simpler language and clearer structure. Roundtable polling also supported this conclusion.
- 44 However, staff note feedback suggesting that:
- (a) in some areas there may be too few or too many disclosures, and concerns were raised about possibly incorporating additional disclosures into AASB 1060 following the recent amendments to the *IFRS for SMEs* Accounting Standard. This feedback is considered in Topic 7: Adequacy of disclosure requirements and will also be considered as part of the separate project to consider updates to AASB 1060 covered in Section 2 of ITC 56;
 - (b) the ongoing cost–benefit balance for smaller entities in both the private and public sectors may be disproportionate to user needs. This feedback is discussed in paragraph 30; and
 - (c) AASB 1060 has only partially met its objective in the public sector, given it was intended as an interim measure whilst the Public Sector Financial Reporting Framework project progressed.
- 45 In relation to transition and ongoing costs, staff note that some transition costs were expected and that variations are reasonable given differences in complexity and prior reporting frameworks. However, for most entities, particularly those transitioning from RDR, the transition was straightforward. Staff acknowledge feedback that identifying disclosure changes was one of the most common challenges for entities transitioning from RDR and that a reconciliation of RDR requirements and AASB 1060 disclosures would have been helpful. This feedback is considered in Topic 5: Education materials.
- 46 On balance, and after considering all feedback, staff consider that:
- (a) AASB 1060 is generally operating as intended and has achieved an appropriate balance between meeting user needs and preparer costs; and
 - (b) both initial and ongoing costs are broadly in line with expectations, with some challenges observed for smaller entities.
- 47 Staff therefore **recommend** that the Board conclude that AASB 1060 has achieved its objective and that there are no fundamental concerns about the overall effectiveness or efficiency of the Standard in meeting its intended purpose.
- 48 With respect to public-sector concerns about the interim nature of AASB 1060, staff consider this feedback reflects structural features of the public-sector reporting environment, including jurisdiction-specific adoption models, the absence of a Tier 3 GPFS framework and interactions with Treasury policy settings. Staff therefore consider that these matters are more appropriately addressed through the AASB’s Public Sector Reporting Framework project rather than through amendments to AASB 1060 as part of this PIR. Staff will continue to

monitor feedback through general outreach and the AASB's Agenda Consultation project and will bring any recommended next steps to the Board if required.

Questions for Board members

- Q3 Do Board members have any questions or comments about the summary of feedback in response to Topic 2: Overall objective and assessment of AASB 1060?
- Q4 Do Board members agree with the staff recommendations in paragraphs 47 and 48? If not, what do Board members suggest?

Topic 3: Transition relief for for-profit private sector entities transitioning from SPFS to AASB 1060

- 49 This topic seeks feedback on the optional transition relief that was available to for-profit private sector entities that transitioned from SPFS to AASB 1060. The relief primarily provided:
- (a) relief from restating comparatives (including when presenting consolidated financial statements for the first time) ("comparative information relief");
 - (b) relief from providing comparative disclosures where information was not previously required ("not previously disclosed relief"); and
 - (c) relief from distinguishing between a change in accounting policy and the correction of a prior period error ("accounting policy relief").

Summary of stakeholders' feedback

- 50 Feedback suggests that although the use of the optional relief was constrained because some reliefs were available only to early adopters, stakeholders who applied the relief generally found it to be helpful and considered that it reduced transition effort.
- 51 Many respondents, including BDO, Deloitte, Grant Thornton, KPMG and Pitcher Partners, stated that the relief achieved its objective when used. However, some also noted that the optional reliefs did not meaningfully encourage early adoption.
- 52 Roundtable and outreach feedback supported these findings. In response to a polling question at the virtual roundtable, of the eight respondents who had transitioned from SPFS, 6 (75%) used the relief and found it helpful, 1 (12.5%) used it but did not find it helpful and 1 (12.5%) did not use it.
- 53 Written submissions highlighted that:
- (a) for some, early adoption was not common practice (EY, CA ANZ, IPA and Pitcher Partners), although for others (BDO, KPMG and Grant Thornton) there was extensive use of the relief;
 - (b) when used, the most common reliefs were the comparative information relief and the accounting policy relief, although this latter relief raised practical challenges because it

did not override auditors' obligations under section 311 of the Corporations Act (CPA Australia, Deloitte, Moore and Pitcher Partners); and

- (c) most respondents did not propose additional transition reliefs. However, a few (EY and KPMG) suggested that similar optional relief might be useful in future projects, including the Tier 3 NFP proposals. EY also suggested that relief should be available during the mandatory application period and not just limited to early adoption.

Staff analysis and recommendations

- 54 Feedback indicated that the usefulness of the transition relief was limited because some of the reliefs were available only to early adopters, a practice which is uncommon in Australia. This feedback is consistent with the staff analysis (Agenda Paper 5.2), which indicates that early adoption occurred but was limited. Staff consider that, for future standard-setting projects, the Board could increase the usefulness of similar reliefs by making them available to both early adopters and entities applying new requirements at the mandatory application date.
- 55 Staff note is consistent with the Board's decision to make the Tier 3 NFP proposal reliefs, which are consistent with those in AASB 2020-2, available to both early adopters and entities adopting the proposals from the mandatory application date.
- 56 Staff also note feedback that the accounting policy relief was sometimes difficult to apply in practice, as it did not override the auditors' statutory obligations under section 311 of the Corporations Act 2001 to report instances of non-compliance with Australian Accounting Standards to ASIC. Staff consider that this highlights the importance of assessing whether proposed transition reliefs may interact with statutory or regulatory obligations in ways that reduce their usefulness.
- 57 Staff also considered evidence from the staff analysis (Agenda Paper 5.2) indicating that, within the limited sample examined, not all early adopters utilised transition relief. Of the 140 entities that early adopted AASB 1060, 26% (37 entities) disclosed that they applied some form of transition relief, while 73% did not use (or possibly not disclose) of any relief. Among those that applied transition relief, the most commonly used was the not previously disclosed relief.¹
- 58 On balance, and after considering all feedback, staff conclude that the optional transition relief for entities transitioning from SPFS to AASB 1060 did achieve their intended objective of reducing transition effort. However, they could have been more beneficial in practice if they were not limited only to early adoption.
- 59 Staff therefore **recommend** that the Board:
 - (a) conclude that the transition relief achieved its objective;

¹ 1% (1 entity) had no relief available as it is a NFP entity. Staff acknowledge that this entity was inadvertently included in the sample, as it is a NFP entity. This was identified during the later stages of the analysis. Staff consider that its inclusion does not affect the overall findings.

- (b) consider in future standard-setting projects making transition relief or other incentive-style relief available up to the mandatory application date; and
- (c) consider any proposed transition relief in the context of statutory or regulatory obligations that might affect its usefulness in practice.

Questions for Board members

- Q5 Do Board members have any questions or comments about the summary of feedback in response to Topic 3: Transition relief for for-profit private sector entities transitioning from SPFS to AASB 1060?
- Q6 Do Board members agree with the staff recommendations in paragraph 59? If not, what do Board members suggest?

Topic 4: Transition relief for entities transitioning from GPFS to AASB 1060

- 60 This topic seeks feedback on the optional transition relief that was available to entities that transitioned from GPFS (Tier 1 or Tier 2 (RDR)) to AASB 1060.

Summary of stakeholders' feedback

- 61 Similar to Topic 3: Transition relief for for-profit private sector entities transitioning from SPFS to AASB 1060, respondents reported varied use of the optional transition relief when entities moved from Tier 1 or RDR to AASB 1060.
- 62 In response to a polling question at the virtual roundtable, of eight respondents that transitioned from RDR to AASB 1060, seven (87.5%) used the transition relief and found it helpful, and one (12.5%) did not use the relief.
- 63 Written submissions highlighted that the not previously disclosed relief was commonly applied by for-profit private sector entities (BDO, CA ANZ and Moore), while Pitcher Partners observed little uptake among its RDR clients because the relief offered limited practical benefit. Grant Thornton, however, reported that relief was widely utilised in the entities they observed.
- 64 In the public sector, ACAG noted only limited application of the not previously disclosed relief across jurisdictions, although the relief did reduce effort where it was applied. However, they also reported that in at least one jurisdiction, a regulator requires entities to adjust comparative information or obtain written approval if it is impracticable to do so, which limits the extent to which entities could apply the available transition relief.
- 65 That said, across all sectors, respondents generally agreed that the relief was effective when used, with BDO, Grant Thornton and Moore highlighting that it simplified transitions. At the same time, Deloitte and IPA cautioned that early adoption is uncommon and therefore limits the usefulness of relief that is only available on early adoption.
- 66 None of the respondents suggested additional relief, although similar to paragraph 53(c), CA ANZ proposed that future standard-setting projects consider making not previously disclosed relief available beyond early adoption to increase consistency across financial statements and reduce transition effort.

Staff analysis and recommendations

- 67 Staff note that stakeholder feedback on the not previously disclosed relief is thematically similar to the feedback discussed in Topic 3: Transition relief for for-profit private sector entities transitioning from SPFS to AASB 1060.
- 68 In summary:
- (a) use of the optional relief was generally limited because early adoption was uncommon. However, where the relief was applied, respondents consistently reported that it reduced transition effort, particularly by avoiding the need to recreate comparative disclosures in some cases; and
 - (b) in the public sector, ACAG noted that at least one regulator required entities to restate comparative information unless impracticable and to obtain written approval when comparatives were not restated, which limited practical use of the relief for affected entities.
- 69 On this basis, staff consider that although the relief functioned as intended when used, its overall impact was constrained by the limited instances of early adoption and interactions with audit and regulatory requirements. Staff consider that this feedback highlights the need in future standard-setting projects to assess whether any proposed relief should remain available until the mandatory application date and to consider whether statutory or regulatory obligations may constrain any proposed relief.
- 70 Staff therefore **recommend** that the Board:
- (a) conclude that the optional transition relief was effective in reducing transition effort where applied;
 - (b) consider in future standard-setting projects making transition relief or other incentive-style relief available up to the mandatory application date; and
 - (c) consider any proposed transition relief in the context of statutory or regulatory obligations that might affect its usefulness in practice.

Questions for Board members

- Q7 Do Board members have any questions or comments about the summary of feedback in response to Topic 4: Transition relief for entities transitioning from GPFS to AASB 1060?
- Q8 Do Board members agree with the staff recommendations in paragraph 70? If not, what do Board members suggest?

Topic 5: Education materials

- 71 This topic seeks feedback on the educational materials relating to the:
- (a) removal of SPFS for certain for-profit private sector entities; and
 - (b) implementation of AASB 1060.

Summary of stakeholders' feedback

- 72 Most respondents expressed strong support for the usefulness of the AASB's educational materials, including webinars, fact sheets, key-facts documents and implementation guidance. These resources were viewed as particularly valuable for preparers implementing the reforms and for smaller audit and advisory firms with limited technical capacity (ACAG, BDO, CA ANZ, EY, Grant Thornton, IPA, Moore and Pitcher Partners). However, some feedback indicated that stakeholders, including those in the public sector, were unaware of the materials and therefore did not use them.
- 73 Outreach and roundtable feedback was similar. In a polling question at the virtual roundtable, of the 23 attendees who responded, 57% found the materials very helpful, 30% somewhat helpful, and 13% were not aware of the materials.
- 74 Written submissions also highlighted some limitations, gaps and suggestions for future education activities:
- (a) IPA noted the available guidance was fragmented across individual Standards even though many entities needed to refer to multiple Standards to determine their reporting requirements under the new reporting regime. In the absence of integrated guidance, they noted that they and other parties developed their own tools, leading to duplication of effort and inefficiency, particularly for smaller entities. CA ANZ and CPA Australia similarly observed gaps in support materials for certain types of entities and where that was the case developed their own supplementary materials;
 - (b) Clearer cross-referencing and reconciliation tools for transitions across frameworks (ACAG, Deloitte, EY and HoTARAC);
 - (c) Moore noted that some non-mandatory material (e.g. paragraphs in the Basis for Conclusions), were relied on heavily during transition and may have been more useful if incorporated into the body of the Standard;
 - (d) Pitcher Partners observed that, given the importance of AASB 1 *First-time Adoption of Australian Accounting Standards* during transition and its limited recent use in practice, additional educational material on its application would have been helpful;
 - (e) Earlier and more proactive engagement with regulators may have reduced some of the regulatory issues that were observed (CA ANZ and CPA Australia); and
 - (f) Greater collaboration with industry bodies in developing non-authoritative guidance may improve the depth and usefulness of guidance material (Grant Thornton).

Staff analysis and recommendations

- 75 Staff note that while feedback was generally supportive of the educational materials, stakeholders identified opportunities to improve the Board's approach in future standard-setting projects in addition to continuing to produce similar materials for major changes to support consistent implementation, suggestions included increasing awareness by improving the visibility and accessibility of resources, providing more holistic and integrated guidance across related Standards, and where possible, developing clearer tools for comparing disclosure requirements across tiers, engaging with regulators and industry bodies earlier and more collaboratively,

- 76 Staff **recommend** that the Board remain mindful of this feedback in future projects and consider opportunities to enhance educational materials to better meet stakeholder needs in the future.

Questions for Board members

- Q9 Do Board members have any questions or comments about the summary of feedback in response to Topic 5: Education materials?
- Q10 Do Board members agree with the staff recommendation in paragraph 76? If not, what do Board members suggest?

Topic 6: Disclosure of individually material items

- 77 This topic seeks feedback on whether a specific requirement to disclose individually material items of income and expense is needed in AASB 1060.

Summary of stakeholders' feedback

- 78 Feedback indicated that the absence of an explicit requirement to disclose individually material items of income and expense in AASB 1060 has not led to significant issues in practice.
- 79 Most respondents, including ACAG, CA ANZ, CPA Australia, Deloitte, Grant Thornton, HoTARAC, IPA, Pitcher Partners and PwC, noted that in their experience entities appropriately disclose material line items by applying existing materiality principles and professional judgement.
- 80 Some respondents, however, including BDO, EY and Moore, noted practical challenges in audit settings where preparers may be reluctant to disclose information without a specific requirement to do so, which can create tension during audit discussions. Public-sector respondents similarly shared that there is a potential risk that some preparers may interpret the Standard narrowly by focusing only on items explicitly listed.
- 81 Stakeholders expressed mixed views on whether AASB 1060 should introduce an explicit requirement:
- (a) Supporters of an explicit requirement (ACAG, BDO, Deloitte, Grant Thornton, IPA and Moore) considered that it would reduce disputes with preparers, improve consistency and enforceability and provide clearer expectations about when disclosure is required;
 - (b) Respondents preferring not to add an explicit requirement (CA ANZ, CPA Australia, HoTARAC and Pitcher Partners) believe it is not needed as existing materiality and disaggregation principles are sufficient. However, CA ANZ noted that a list of “usually material” items could help address differences in judgement; and
 - (c) Many respondents (ACAG, BDO, EY, Pitcher Partners and PwC) also observed that the new presentation and disaggregation requirements in AASB 18 *Presentation and Disclosure in Financial Statements* and related amendments to the *IFRS for SMEs* Accounting Standard may address concerns around individually material items and remove the need for incorporating any amendments into AASB 1060 on this specific point.

82 Similarly, responses to a polling question at the virtual roundtable showed mixed views: 10 of the 21 participants (48%) considered an explicit requirement unnecessary, another 48% supported the Board considering explicit requirements and the remaining participants were unaware of any issues.

Staff analysis and recommendations

- 83 Staff note that stakeholder feedback on whether AASB 1060 should include an explicit requirement to disclose individually material items of income and expense was mixed. Most respondents indicated that the absence of such a requirement has not caused significant practical issues, as existing materiality principles and paragraph 91(c) generally result in appropriate disclosure outcomes.² This feedback is consistent with the evidence from AASB's commissioned research (Agenda Paper 5.2), which does not suggest that entities failing to present individually material line items on the face of the financial statements. However, some respondents, particularly auditors, noted challenges where preparers resist separate disclosure in the absence of an explicit requirement, creating audit-efficiency and enforceability concerns.
- 84 Respondents were similarly divided on whether AASB 1060 should be amended. Some supported adding an explicit requirement to improve consistency, clarify expectations and assist auditability, while others preferred to continue relying on materiality principles and professional judgement.
- 85 Staff also note feedback that the forthcoming presentation and disaggregation requirements in AASB 18, together with updates to the *IFRS for SMEs Accounting Standard*, may address concerns regarding individually material items and reduce the need for amendments to AASB 1060 at this time.
- 86 On balance, staff consider that stakeholder feedback does not suggest there is a systemic deficiency in the current requirements of AASB 1060. As such, staff suggest monitoring the possible incorporation of AASB 18 and the updated *IFRS for SMEs Accounting Standard* disclosures in AASB 1060 to determine whether they adequately address concerns raised, and revisiting the issue only if consistent feedback emerges or if broader minor improvements are considered.
- 87 Therefore, staff **recommend** that the Board:
- (a) note that stakeholder feedback does not indicate widespread or systemic issues arising from the absence of an explicit requirement in AASB 1060;
 - (b) note the mixed views regarding whether such a requirement should be introduced, including audit-enforceability and clarity concerns raised by some respondents and the preference of others to continue relying on materiality and professional judgement; and
 - (c) agree that, given possible amendments to AASB 1060 for AASB 18 and the updated *IFRS for SMEs Accounting Standard*, it is appropriate to monitor these projects before considering any specific amendments to AASB 1060, with the option to revisit the issue as part of a broader package of minor improvements if warranted.

² AASB 1060 paragraph 91(c) states that the notes shall "provide information that is not presented elsewhere in the financial statements but is relevant to an understanding of any of them."

Questions for Board members

- Q11 Do Board members have any questions or comments about the summary of feedback in response to Topic 6: Disclosure of individually material items?
- Q12 Do Board members agree with the staff recommendations in paragraph 87? If not, what do Board members suggest?

Topic 7: Adequacy of disclosure requirements

- 88 This topic seeks feedback on the overall appropriateness of the disclosures required by AASB 1060.

Summary of stakeholders' feedback

- 89 As noted in Topic 2: Overall objective and assessment of AASB 1060, the majority of respondents (ACAG, BDO, CA ANZ, CPA Australia, Deloitte, EY, Grant Thornton, IPA, Moore, Pitcher Partners and PwC) agreed that AASB 1060 strikes an appropriate balance between providing useful information to users and reducing disclosure burden. Respondents described AASB 1060 as clearer, more proportionate, and more practical than the former RDR regime, and as more workable and practicable for Tier 2 entities.
- 90 However, written submissions identified some areas where enhancements could improve disclosure usefulness or reduce burden for Tier 2 entities:
- (a) Some respondents (BDO, Deloitte, Moore, CPA Australia, EY and Grant Thornton) highlighted specific gaps in the Standard, including:
 - (i) the absence of a reconciliation for financing liabilities and a comprehensive maturity analysis for entities with multiple debt facilities (BDO);
 - (ii) inconsistent requirements for comparative movement schedules across different asset and liability categories (CPA Australia, Deloitte and Moore);
 - (iii) a lack of specific disclosures for expected credit losses (BDO);
 - (iv) limited impairment disclosures, with EY suggesting that IFRS 19 *Subsidiaries without Public Accountability*-style disclosures and clearer guidance on paragraph 9(a) would be helpful;³

3 AASB 1060 paragraph 9 states:

“Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the Conceptual Framework for Financial Reporting:

- (a) The application of the recognition and measurement requirements in Australian Accounting Standards and the disclosures in this Standard, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation of the financial position, financial performance and cash flows of Tier 2 entities.”

- (v) inconsistency in disclosing individually material items, where some preparers rely only on mandated items (Grant Thornton) (see Topic 6: Disclosure of individually material items);
- (b) **Proportionality and sensitivity of disclosures:** Some respondents raised concerns that AASB 1060 may not be sufficiently proportionate for smaller for-profit private sector entities, whose user needs may be limited (CA ANZ and CPA Australia). Pitcher Partners also highlighted that certain disclosures, such as key management personnel (KMP) disclosures involving only a few individuals, related party disclosures and business combination information for family-owned groups, can be sensitive in privately held entities. They also cautioned that adopting some of the *IFRS for SMEs* Accounting Standard updates could move AASB 1060 closer to Tier 1, increasing the disclosure burden. From the public sector perspective, ACAG reported mixed views on KMP disclosures across jurisdictions, and HoTARAC observed that AASB 1060 is only partially effective in balancing user needs and preparer effort for smaller public sector entities (see paragraph 36). Moore and CPA Australia also noted that revenue disaggregation under paragraph 157(b) is often not meaningful for Tier 2 entities as they have only a single revenue stream;⁴
- (c) **Clarity and consistency issues:** Some respondents, particularly ACAG, identified areas where the Standard could be clearer, including:
 - (i) the presentation of contract assets (paragraph 44);⁵
 - (ii) uncertainty around lease payment disclosures in paragraph 144(b), especially for payments for leases not yet commenced;⁶

4 AASB 1060 paragraph 157(b) states that an entity shall disclose “the amount of each category of revenue recognised during the period, disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. An entity applies the guidance in AASB 15 Revenue from Contracts with Customers paragraphs B87–B89 when selecting the categories to use to disaggregate revenue.”

5 AASB 1060 paragraph 44 states:

“An entity shall disclose, either in the statement of financial position or in the notes, further subclassifications of the line items presented, classified in a manner appropriate to the entity’s operation. This includes for example:

- (a) property, plant and equipment in classifications appropriate to the entity;
- (b) trade and other receivables showing separately amounts due from related parties, amounts due from other parties and contract assets from contracts with customers;
- (c) inventories, showing separately amounts of inventories:
 - i. held for sale in the ordinary course of business;
 - ii. in the process of production for such sale; and
 - iii. in the form of materials or supplies to be consumed in the production process or in the rendering of services.
- (d) trade and other payables, showing separately amounts payable to trade suppliers, amounts payable to related parties, contract liabilities from contracts with customers and accruals;
- (e) provisions for employee benefits and other provisions; and
- (f) classes of equity, such as paid-in capital, share premium, retained earnings and items of income and expense that, as required by Australian Accounting Standards, are recognised in other comprehensive income and presented separately in equity.”

6 AASB 1060 paragraph 144(b) states that a lessee shall make the following disclosures for leases:

“the total of future lease payments at the end of the reporting period, for each of the following periods:

- i. not later than one year;
- ii. later than one year and not later than five years; and
- iii. later than five years;”

- (iii) the use of certain terminology (e.g., “business unit”);
 - (iv) the need for improved structure and navigation, with all topic-specific requirements grouped rather than dispersed across cross-references; and
- (d) **Alignment with IFRS for SMEs Accounting Standard and other developments:** Some respondents (CA ANZ, IPA and PwC) supported updating AASB 1060 to reflect substantive amendments to the *IFRS for SMEs Accounting Standard* and developments such as AASB 18, to maintain the relevance of AASB 1060. Pitcher Partners supported alignment in principle but emphasised the need to evaluate the cost–benefit of each proposed amendment rather than adopting all changes wholesale. HoTARAC shared a similar view.

Staff analysis and recommendations

- 91 Staff note that while respondents generally considered AASB 1060 to be workable and proportionate overall, some stakeholders identified areas where the clarity and consistency of the Standard could be improved. Feedback indicated that some requirements may lack precision or could be interpreted inconsistently in practice, some requirements may be of limited relevance (e.g. revenue disclosures) and there are disclosure inconsistencies among assets of a similar nature (e.g. movement schedules).
- 92 Taken together, staff consider this feedback to indicate there could be opportunities for targeted drafting improvements to enhance clarity, reduce interpretative uncertainty and support consistent application. Staff do not consider the feedback to indicate systemic issues with the overall disclosure framework, but suggest that these matters could be addressed as part of a future package of minor improvements to AASB 1060, or when updating the Standard to reflect possible amendments as a result of AASB 18 and the recently updated *IFRS for SMEs Accounting Standard*.
- 93 As such, staff **recommend** that the Board:
- (a) note stakeholder feedback identifying areas where targeted drafting improvements could enhance clarity and consistency in AASB 1060; and
 - (b) consider addressing these matters as part of the AASB’s response to Section 2 of ITC 56, which proposes amendments to AASB 1060 to reflect AASB 18 and the revised *IFRS for SMEs Accounting Standard*.

Questions for Board members

- Q13 Do Board members have any questions or comments about the summary of feedback in response to Topic 7: Adequacy of disclosure requirements?
- Q14 Do Board members agree with the staff recommendations in paragraph 93resp? If not, what do Board members suggest?

Topic 8: Maintaining AASB 1060

- 94 This topic seeks feedback on the AASB’s approach to maintaining AASB 1060.

Summary of stakeholders' feedback

- 95 Overall, the majority of stakeholders who provided feedback on this topic are comfortable with the AASB's current approach to maintaining AASB 1060.
- 96 For example:
- (a) Responses to a virtual roundtable polling question reflect that 78% (21 of 27) of participants agreed that the current maintenance approach is working, with 22% preferring a more stable Standard with less frequent amendments; and
 - (b) Written submissions from almost all respondents (BDO, IPA, CA ANZ, EY, Moore, Pitcher Partners, HoTARAC and ACAG) reinforced this view.
- 97 Stakeholders that prefer the current approach to maintaining AASB 1060 preferred this approach because it helps maintain timely alignment between Tier 1 and Tier 2 requirements, provides preparers with up-to-date disclosure guidance, smaller incremental changes are easier to manage and whilst they might happen more frequently they are often narrower in scope and therefore easier to manage.
- 98 From a public-sector perspective, there is general support for the current approach. However, ACAG noted that frequent or ad hoc updates could increase complexity and workload for public-sector preparers, particularly given that AASB 1060 is an interim standard for the sector. ACAG also noted that recent sequences of changes, including the transition from RDR and possible updates to align with the third edition of the *IFRS for SMEs* Accounting Standard, have resulted in the removal and proposed reintroduction of disclosures over a short timeframe.
- 99 Deloitte noted that the IASB's ongoing maintenance of IFRS 19 will be relevant for AASB 1060. It recommended that the Board clarify how future IFRS 19 amendments will be assessed and incorporated, given IFRS 19 contains more extensive disclosure requirements than AASB 1060.

Staff analysis and recommendations

- 100 Staff observe the strong and consistent support for the AASB's current approach to maintaining AASB 1060, namely, updating the Standard when new or amended Standards or Interpretations are issued.
- 101 Staff also note ACAG's concerns about updates to AASB 1060 given the Standard's interim nature in the public sector and the removal and possible reintroduction of some disclosure requirements.
- 102 On balance, staff consider that the feedback supports continuing the current approach to maintaining AASB 1060, while recognising the need to remain mindful of update frequency and sequencing, particularly for public-sector stakeholders and resource-constrained preparers, when implementing future changes.
- 103 Staff **recommend** that the Board:
- (a) note the strong stakeholder support for continuing the current approach to maintaining AASB 1060, whereby the Standard is updated when new or amended Australian Accounting Standards or Interpretations are issued;

- (b) remain mindful, when planning future amendments, of stakeholder feedback on the frequency and sequencing of updates, particularly for public-sector preparers and entities operating across multiple reporting tiers, to ensure that change timing remains practical and does not impose unnecessary complexity or burden; and
- (c) consider how IFRS 19 might inform further amendments to AASB 1060 including drafting specific principles to encourage consistent decision making.

Questions for Board members

- Q15 Do Board members have any questions or comments about the summary of feedback in response to Topic 8: Maintaining AASB 1060?
- Q16 Do Board members agree with the staff recommendations? If not, what do Board members suggest?

Topic 9: Other matters

- 104 This topic provides stakeholders with the opportunity to provide feedback on any relevant matters not specifically addressed in Topics 1–8, including the AASB’s general matters for comment.

Summary of stakeholders’ feedback

- 105 Feedback received through roundtables and targeted outreach on “other matters” was limited. Issues raised related primarily to regulatory interactions, auditing considerations, and views on whether AASB 1060 and AASB 2020-2 remain in the best interests of the Australian economy.
- 106 Written submissions provided further detail and highlighted the following themes:
- (a) **Regulatory and legislative interaction:** Many respondents to this question (ACAG, Deloitte, HoTARAC, IPA and Moore) reported no systemic regulatory issues affecting the application of AASB 1060 or AASB 2020-2. However, some respondents identified specific regulatory interactions that continue to create challenges for smaller for-profit private sector entities:
 - (i) **Grandfathering provisions:** BDO noted that some for-profit private sector entities are required by constitutions, trust deeds or banking agreements to comply with Australian Accounting Standards. Where such documents have not been amended since 1 July 2021, entities may be grandfathered and continue preparing SPFS, creating a two-tier outcome. EY noted that minor editorial amendments to constituting documents can inadvertently remove grandfathering, making monitoring difficult for auditors and governance staff;
 - (ii) **Fragmented regulatory settings and outdated reporting thresholds:** CA ANZ and CPA Australia highlighted that inconsistencies across regulatory frameworks and outdated thresholds continue to pose challenges for smaller entities. CPA Australia cited unresolved issues in the QBCC and forthcoming Victorian Minimum Financial Reporting regimes and emphasised the need for earlier and ongoing engagement by the AASB with regulators;

- (iii) **Need for a Tier 3 GPFS framework:** CA ANZ and CPA Australia reiterated that these regulatory issues reinforce the need to consider a Tier 3 GPFS framework for smaller for-profit private sector entities;
- (b) **Auditing and assurance considerations:** Many respondents (ACAG, BDO, Deloitte, HoTARAC and IPA) reported no major auditing or assurance challenges. Moore noted that, while AASB 1060 itself has not created significant audit issues, AASB 2020-2 has, due to the requirement in Aus 1.1(b) to identify “another document” requiring compliance with Australian Accounting Standards. This can make scoping difficult, and auditors are often relied upon to help entities determine whether GPFS or SPFS is required. CA ANZ and CPA Australia observed that early audit challenges largely reflected expectation gaps, particularly when explaining the reforms and associated costs to clients, but these issues were transitional and have diminished over time. Both noted that AASB educational materials helped resolve implementation questions;
- (c) **Best interests of the Australian economy:** Most respondents, including BDO, HoTARAC, IPA, and Moore, agreed that AASB 1060 and AASB 2020-2 remain in the best interests of the Australian economy, improving consistency, comparability, transparency and enforceability of financial statements and better balancing user needs and preparer costs when compared with the RDR framework. CA ANZ and CPA Australia again cautioned that some smaller for-profit private sector entities may now be subject to full recognition and measurement requirements that exceed user needs, again reinforcing the case for developing a Tier 3 reporting framework for smaller for-profit private sector entities option and broader regulatory reform;
- (d) **Other matters raised:** Most respondents (BDO, Deloitte, CA ANZ, CPA Australia, IPA, Moore and Pitcher Partners) stated they had no additional matters to raise. HoTARAC suggested that the Board consider whether very small entities required to prepare GPFS are adequately served by AASB 1060, particularly in sectors without access to a Tier 3 reporting framework. ACAG urged the AASB to prioritise its work on the broader public sector financial reporting framework project; and
- (e) **Matters related to the NFP sector (outside the scope of this PIR):** One respondent (Jason Cleasby) advocated for retaining SPFS in the not-for-profit sector and raised issues relating to thresholds and funding volatility. As the Board is already progressing reforms for NFP reporting, including the removal of SPFS and the development of Tier 3 NFP, staff note that this feedback is outside the scope of this PIR.

Staff analysis and recommendations

107 Staff note that overall feedback on other matters was limited, and respondents did not identify systemic issues affecting the application of AASB 1060 or AASB 2020-2. Most respondents who addressed regulatory interactions stated they were unaware of any matters adversely affecting the application. However, some submissions highlighted specific areas of regulatory complexity that continue to affect smaller for-profit private sector entities, including grandfathering arrangements, fragmented legislative frameworks and outdated reporting thresholds. Staff consider these matters primarily reflect broader regulatory concerns rather than deficiencies in AASB 1060 itself, though they reinforce the importance of ongoing engagement with regulators. Staff also note stakeholder views that these issues strengthen the case for a future Tier 3 GPFS framework for smaller for-profit private sector entities.

- 108 Feedback on auditing and assurance matters indicates that AASB 1060 and AASB 2020-2 have generally not created significant assurance challenges. Challenges noted by some stakeholders are largely related to the application of AASB 2020-2 (for example, scoping issues associated with paragraph Aus 1.1(b))⁷ and to early-stage expectation gaps, which have diminished over time. Staff consider that these matters do not indicate systemic auditing difficulties arising from either standard.
- 109 Most respondents agreed that AASB 1060 and AASB 2020-2 are in the best interests of the Australian economy, noting improvements in consistency, comparability, transparency and enforceability relative to the former RDR framework. Staff acknowledge, however, the concern raised by some stakeholders that compliance with the full recognition and measurement requirements may impose costs on certain smaller for-profit private sector entities in excess of their users' needs.
- 110 Finally, staff note that most respondents raised no additional matters, except for ACAG and HoTARAC. HoTARAC suggested that the Board consider whether very small entities required to prepare GPFS are adequately served by AASB 1060, particularly where a Tier 3 GPFS option is not available. Staff consider this feedback consistent with the broader cost-benefit issues raised for smaller entities and suggest monitoring these matters through ongoing consultation and regulatory engagement. ACAG suggest the Board prioritise the broader public sector financial reporting framework project. Staff also suggest monitoring this matter, especially in light of the AASB's Agenda Consultation project.
- 111 Staff **recommend** that the Board note:
- (a) that respondents did not identify systemic regulatory, auditing or assurance issues arising from the application of AASB 1060 or AASB 2020-2, with most challenges relating instead to broader regulatory settings (including grandfathering arrangements and outdated reporting thresholds) rather than deficiencies in the Standards themselves;
 - (b) stakeholder feedback that these regulatory interactions continue to affect some smaller for-profit private sector entities, and that this reinforces the importance of ongoing engagement with regulators and the Board's broader consideration of reporting tiers, and the view of some about potentially developing a Tier 3 GPFS framework for smaller for-profit private sector entities;
 - (c) HoTARAC's suggestion that the Board consider whether very small entities required to prepare GPFS are adequately served by AASB 1060, an issue staff propose to monitor through future the AASB's Agenda Consultation project and stakeholder outreach; and
 - (d) ACAG's suggestion to prioritise the broader Public Sector Financial Reporting Framework project, an issue staff propose to monitor through the AASB's Agenda Consultation project and stakeholder outreach.

7 AASB 2020-2 paragraph Aus 1.1(b) that this Conceptual Framework applies to "other for-profit private sector entities that are required only by their constituting document or another document to prepare financial statements that comply with Australian Accounting Standards, provided that the relevant document was created or amended on or after 1 July 2021;"

Questions for Board members

Q17 Do Board members have any questions or comments about the summary of feedback in response to Topic 9: Other matters?

Q18 Do Board members agree with the staff recommendations in paragraph 111? If not, what do Board members suggest?