Australian Government
Australian Accounting Standards Board

Minutes

Subject:	Minutes of the 222nd meeting of the AASB
Venue:	Videoconference
Held:	Thursday, 27 August 2026, 10.00 am – 12.30 pm

Agenda items were discussed in public, except for items 1 and 10.

Attendance

Members	Keith Kendall (Chair) Stephen Taylor (Deputy Chair) Carolyn Cordery Dean Hanlon David Holland Adrian King Toby Langley (part of meeting) Liza Maimone (part of meeting) Mathew Nelson Sean Osborn Moana Overton
Apologies	Rebecca Gordon Toby Langley (12:00 pm –12:30 pm) Liza Maimone (10:00 am – 11:30 am) Mathew Nelson Caroline Spencer
Staff	Clark Anstis Patricia Au Mikhail Bhatia Jack Bisset Jamie Cattell Tom Frick Charis Halliday Kathleen John Eric Lee Lan Lu Maggie Man Lachlan McDonald-Kerr Sophie Peirson Angus Thomson Hang Tran Jia Wei Justin Williams
Other	Claire Thomson – Agenda items 4 and 5

Agenda and Chair's Report

Agenda Item 1 – discussed in private

The Chair noted the significant items on the agenda and provided the Board with an update on recent and future activities.

Apologies, Declarations of Interests, Minutes, Approvals

Agenda Item 2

Apologies

An apology for the meeting was noted from Rebecca Gordon, Mathew Nelson and Caroline Spencer and for part of the meeting from Toby Langley and Liza Maimone.

Declarations of Interests

Members indicated that they deal with a broad range of financial reporting issues in the normal course of their day-to-day professional responsibilities. Members have adopted the standing policy in respect of declarations of interests that a specific declaration will be made where there is a particular interest in an issue before the Board.

Sean Osborn noted a particular interest in relation to agenda items 4 and 7.

Minutes

The Board approved the minutes of the two hundred and twenty-first meeting, held on 18-19 June 2026.

Approvals Out of Session

The Board noted the out-of-session approval of the following AASB documents since the previous meeting:

- Exposure Draft ED 341 *Updating AASB 1060 to Align the Classification and Presentation Requirements with AASB 18*
- AASB 2026-3 *Amendments to Australian Accounting Standards – Fair Value Option for Investments in Associates and Joint Ventures*.

ERA Transition

Agenda Item 3

Justin Williams, Managing Director, provided an update on the current status of the merger of the AASB, the AUASB and the FRC to create External Reporting Australia (ERA), which commences on 1 December 2026.

A Board member who is not a current or former partner of a major accounting firm noted the inestimable input and assistance, during the tenure of their membership, of members of the Board who were or are

partners of the major accounting firms, who will now be ineligible to serve as members of the new standard-setting Boards under the financial reporting system reforms.

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

Agenda Item 4

The Board voted to make Australian Accounting Standard AASB 2026-4 *Amendments to Australian Accounting Standards – Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation* and approved the accompanying Explanatory Statement.

The principal amendments in AASB 2026-4 specify:

(a) various relief measures regarding how AASB 18 *Presentation and Disclosure in Financial Statements* and the related amendments to AASB 107 *Statement of Cash Flows* are to be applied by superannuation entities and not-for-profit (NFP) entities preparing Tier 1 general purpose financial statements – most of the NFP amendments apply to NFP public sector entities that are not 'higher education providers', which is defined by reference to the *Higher Education Support Act 2003*; and

(b) the cash flow statement reconciliation of net cash flows from operating activities using the indirect method is required to reconcile to the operating profit or loss subtotal (as defined in AASB 18) or – if the entity is a superannuation entity or an NFP public sector entity (that is not a higher education provider) that does not present an operating profit or loss subtotal – the profit or loss total presented in the statement of profit or loss. These requirements are made through amendments to AASB 107, AASB 1039 *Concise Financial Reports* and AASB 1054 *Australian Additional Disclosures*.

Related and editorial amendments are also made to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

AASB 2026-4 applies to annual periods beginning on or after 1 January 2028, except that the amendments to AASB 1039 and AASB 1054 also apply to for-profit entities, other than superannuation entities, for annual periods beginning on or after 1 January 2027. Earlier application is permitted.

Action: Staff

Not-for-Profit Entities – Income and Expense Categorisation

Agenda Item 5

The Board discussed potential application guidance to be proposed in an Exposure Draft to assist Tier 1 and Tier 2 NFP entities in applying the requirements in AASB 18 *Presentation and Disclosure in Financial Statements* to categorise income and expenses in the statement of profit or loss.

The Board decided that the Exposure Draft would propose mandatory application guidance for inclusion in an Australian Appendix to be added to AASB 18 that would:

(a) specify that the preparation of separate budgets, forecasts, performance reports or other disaggregated information relating to investing or financing activities may provide evidence that those activities are monitored by management in assessing the entity's operating performance and may therefore indicate that investing in particular types of assets or providing financing to customers is a main business activity;

(b) include examples of cases in which an NFP entity may have a specified main business activity, depending on the facts and circumstances;

(c) clarify that income recognised on the initial recognition of donated assets and from the unwinding of liabilities relating to capital grants recognised in accordance with AASB 1058 *Income of Not-for-Profit Entities* is classified in the operating category;

(d) confirm that investment income earned on donated financial assets remains subject to the classification requirements in AASB 18 and is classified in the investing category unless investing in assets is a main business activity, and highlight that additional disclosures may assist financial statement users in understanding restrictions attached to donations; and

(e) clarify that the notions of operating, investing and financing activities in AASB 18 are not intended to be equivalent to those used in AASB 107 *Statement of Cash Flows*.

The Board will consider a draft Exposure Draft at its October 2026 meeting.

Action: Staff

Disclosure of Sustainability-related Assurance Fees

Agenda Item 6

The Board considered whether standard-setting action is needed to address differences in how assurance fees related to sustainability disclosures required by AASB S2 *Climate-related Disclosures* are disclosed in practice. The Board decided to adopt a monitoring approach at this time, to allow further evidence to be gathered on user needs, market practice and relevant regulatory developments before reconsidering the matter.

Action: Staff

Concessionary Leases Recognised by Not-for-Profit Public Sector Lessees

Agenda Item 7

The Board decided to retain the current accounting policy choice in AASB 16 *Leases* (paragraphs Aus25.1–Aus25.2) regarding the initial measurement of right-of-use (ROU) assets arising under concessionary leases at either cost or fair value as on ongoing policy choice for NFP public sector lessees.

To reflect this decision, a footnote will be added to paragraph BC25 of the Basis for Conclusions on AASB 2022-3, which accompanies AASB 16 (and AASB 15). That Basis for Conclusions paragraph states that the Board had deferred the decision about whether to retain the accounting policy choice in relation to NFP public sector lessees.

In making the retention decision, the Board noted that IPSASB requirements regarding the initial measurement of concessionary ROU assets support the use of fair value but permit measurement at cost where market-based information is not readily available. The Board also considered stakeholder feedback received through Invitation to Comment ITC 55 *Post-implementation Review of AASB 16* Leases, which supported the retention of the accounting policy choice due to concerns about the cost and practical challenges associated with fair value measurement.

The Board also decided to retain the disclosure requirements in paragraphs Aus59.1–Aus59.2 of AASB 16 to provide users of financial statements with additional information about concessionary leases when ROU assets are measured initially at cost. No amendments to AASB 16 are required.

Action: Staff

Documents Open for Comment

Agenda Item 8

The Board decided to comment on the following documents:

- Tentative Agenda Decision on Management-defined Performance Measures – Hypothetical Income and Expenses (IFRS 18), released by the IFRS Interpretations Committee in June 2026; and
- IASB Exposure Draft on *Presentation of Taxes or Other Charges that Are Not Tax Expense or Tax Income Applying IAS 12* Income Taxes *(IFRS 18)* [forthcoming].

The Board also noted its previous decisions about commenting on the consultative documents already issued by international standard-setting bodies.

Action: Staff

Other Business – Public

Agenda Item 9

The Board considered the completion of the NFP Private Sector Financial Reporting Framework project and its previous decision to discontinue the Service Performance Reporting (SPR) project and decided to wind up the NFP Project Advisory Panel and the SPR Project Advisory Panel.

The Board noted draft revisions to the publication *Going Concern and Related Assessments*, jointly published by the AASB and the AUASB. The Chair and Dean Hanlon agreed to review the proposed final revised version of the publication in accordance with the *AASB Due Process Framework for Setting Standards* regarding educational materials that include significant new examples.

The Board also noted the updates on recent IASB and ISSB meetings and other items.

Action:	Staff
	Reviewers

Review of the Meeting

Agenda Item 10 – discussed in private

The Board reviewed the conduct of the meeting.

Close of the Meeting

The Chair closed the meeting at 12.30 pm on 27 August 2026.

Approval of Minutes

Signed by the Chair as a correct record,
this 30th day of October 2026