



Project:	Post-implementation Review of AASB 2020-2 and AASB 1060	Meeting:	AASB June 2026 (M221)
Topic:	Concluding the PIR	Agenda Item:	5.1
		Date:	2 June 2026
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		Decision-Making:	Medium
		Project Status:	Consider structure and content of the Feedback Statement and the draft AASB Decisions At a Glance.

Objective

- 1 The objective of this Agenda Item is to provide the AASB with an opportunity to provide feedback on the draft AASB Decisions At a Glance and Feedback Statement relating to the post-implementation review (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*.¹

Background

- 2 At its March 2026 meeting, the AASB considered the feedback received on Section 1 of [Invitation to Comment 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](#), together with staff analysis and recommendations. The AASB's decisions from that discussion will be reflected in the Feedback Statement.²

¹ The Board's five-step process for undertaking a Post-implementation Review (PIR) is outlined on the AASB [website](#).

² ITC 56 included two sections:

- (a) Section 1: PIR of AASB 1060 and AASB 2020-2: Seeking feedback on whether these Standards are operating as intended and meeting their original objectives effectively and efficiently; and
- (b) Section 2: AASB 1060 Update: Seeking feedback about the future direction of AASB 1060.

- 3 Following its consideration of the feedback, the AASB:
- (a) concluded that both AASB 1060 and AASB 2020-2 are operating effectively and meeting their intended objectives;
 - (b) concluded that the optional transition relief that was available to support entities transitioning to AASB 1060 from either special purpose financial statements or general purpose financial statements (Tier 1 or the previous Tier 2 framework) achieved the AASB's objectives;
 - (c) decided to continue with its existing approach to maintaining AASB 1060, which is to update the Standard as appropriate when changes are made to Tier 1 disclosure requirements in other Standards;
 - (d) decided not to take any immediate action in response to other matters raised by stakeholders, including:
 - (i) ongoing concerns about the costs of preparing Tier 2 general purpose financial statements for smaller for-profit private sector and public sector entities – staff will continue to monitor these concerns through other outreach activities, including the 2027–2031 Agenda Consultation;
 - (ii) the application of AASB 1060 in the public sector, which is more appropriately addressed through the AASB's Public Sector Financial Reporting Framework project;
 - (iii) whether AASB 1060 should include an explicit requirement to disclose individually material items of income and expense, along with drafting improvements, which will be considered by the AASB in relation to the feedback on Section 2 of ITC 56 (i.e. the review of Tier 2); and
 - (iv) feedback on the usefulness of transition relief and potential enhancements to future education materials, which the AASB noted for future projects.³

Next steps

- 1 As noted in Appendix A, the final step to conclude the PIR is to prepare and publish a Feedback Statement that summarises the feedback received and explains the AASB's considerations and conclusions.
- 2 As staff is in the process of preparing the Feedback Statement, staff recommend establishing a subcommittee to allow interested AASB members to provide feedback on the document prior to its publication. The structure of the Feedback Statement may include:
 - (a) a high-level summary stakeholder feedback and the AASB's decisions;
 - (b) background information on AASB 1060 and AASB 2020-2;
 - (c) a detailed summary of stakeholder feedback, together with the AASB's considerations and responses;

3 [Action Alert March 2026 M219](#)

- (d) an appendix describing the consultation process and due process steps; and
 - (e) an appendix summarising the findings of commissioned research and other evidence gathered during the PIR.
- 3 Staff have also prepared a **[DRAFT] AASB Decisions At a Glance** document (Appendix B), which provides a concise one-page summary of the AASB's key decisions for the AASB's feedback.

Questions for AASB members

- Q1 Do AASB members have any questions or comments about the [DRAFT] AASB Decisions At a Glance?
- Q2 Would any AASB members be interested in joining a subcommittee to review the Feedback Statement, along with the AASB Decisions At a Glance, and provide feedback out of session?

Appendix A

- 4 The following table sets out the steps undertaken during the PIR of AASB 1060 and AASB 2020-2:

Proposed timeline	Project milestones and staff comments
	Planning phase
June 2024 (Completed)	Steps 1, 2: Review of original project documentation and collation of identified issues. Step 4: Seek preliminary feedback from targeted stakeholders (as necessary) and review feedback received.
May 2025 (Completed)	Step 3: Finalise findings from academic research. Steps 5 and 6: Prioritise issues identified in the planning phase to determine the scope of the consultation document, and discuss steps 1–5 (as necessary) with the AASB before developing the consultation document. Step 8: Discuss the proposed content of the consultation document with the AASB and approve for issue.
	Outreach phase
Q3 2025 (Completed)	Step 7: Draft consultation document (i.e. Invitation to Comment). The ITC was issued in September 2025.
Q3 2025 – Q1 2026 (Completed)	Step 9: Undertake general and targeted outreach to seek stakeholder feedback on the consultation document.
	Feedback and next steps
Q1 2026 (Completed)	Step 10: Consultation comment period closed on 22 January 2026. Step 11: Review and summarise responses received on the consultation document and through outreach. Perform follow-up procedures where appropriate. Step 12: Identify possible ‘next steps’ to respond to findings. Step 13: Discuss feedback and possible next steps with the AASB.
Q2 2026 – Q3 2026 (This meeting)	Step 14: Prepare a feedback statement, discuss it with the AASB and publish the feedback statement.



Post-Implementation Review of AASB 1060 and AASB 2020-2

AASB Decisions – At a Glance

Introduction

This document summarises decisions from the AASB's Post-Implementation Review (PIR) of:

- AASB 1060 (Tier 2 disclosures), and
- The removal of special purpose financial statements (SPFS) for certain for-profit private sector entities (AASB 2020-2).

The review assessed whether the Standards:

- Are operating as intended, and
- Achieve their objectives of balancing user needs and preparer costs while improving consistency, comparability, transparency and enforceability of financial statements.

Consultation Overview

Invitation to Comment (ITC 56) issued:
September 2025

Submissions closed: 22 January 2026

Responses received: 14 written submissions across multiple sectors

Engagement activities:

- 3 roundtables (92 participants: 66 virtual, 26 in-person)
- Webcast to support stakeholder understanding
- Two research projects + additional financial statement analysis

Stakeholder feedback focused on:

- Effectiveness of AASB 1060
- Impact of removing SPFS
- Usefulness of transition relief
- Appropriateness of disclosure requirements
- Implementation support
- Ongoing maintenance of the Standard

AASB Decisions (March 2026)

Overall Assessment

- AASB 1060 and AASB 2020-2 are operating effectively
- Objectives of the reforms are being achieved

Transition Relief

- Transition reliefs worked as intended and supported entities with the transition to AASB 1060

Ongoing Maintenance of AASB 1060

- AASB will maintain current approach, updating AASB 1060 alongside Tier 1 disclosure changes

Other Stakeholder Matters

No immediate changes, but AASB will continue to monitor:

- Cost concerns for smaller entities
- Public sector application issues
- Potential disclosure refinements
- Future education and guidance improvements

Thank you

We thank all stakeholders who took the time to share their views and insights.

Further information

Full details, analysis and rationale are available in the **Feedback Statement**.