



Superannuation Entities

Project summary

The objective of the project is to monitor the application of AASB 1056 *Superannuation Entities*.

This project summary provides historical context to AASB 1056 and outlines recent developments and Board decisions affecting Registrable Superannuation Entities (RSE).

Project contacts

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Project priority: Low

Issued documents

May 2024	Feedback Statement <i>Post-implementation Review of AASB 1056 Superannuation Entities and Interpretation 1019 The Superannuation Contributions Surcharge</i>
December 2023	AASB 1056 <i>Superannuation Entities</i> Explanatory Statement <i>Accounting Standard AASB 1056 Superannuation Entities</i>
July 2023	Invitation to Comment ITC 54 <i>Post-implementation Review of AASB 1056 Superannuation Entities and Interpretation 1019 The Superannuation Contributions Surcharge</i>
June 2023	Fatal-Flaw Draft of AASB 1056 <i>Superannuation Entities</i>
March 2020	Interpretation 1019 <i>The Superannuation Contributions Surcharge</i>

Historical context

Australian Accounting Standard AAS 25 *Financial Reporting by Superannuation Plans* was issued in 1993 to address the specific financial reporting issues that superannuation plans were dealing with at the time.

Significant developments in the superannuation industry and the adoption of International Financial Reporting Standards in the subsequent two decades created a need for a fundamental revision of the reporting requirements. As a result, AAS 25 was replaced by AASB 1056 when it was first issued in 2014.

Under AASB 1056, entities are expected to apply all the AASB's other relevant Accounting Standards, subject to any guidance, or more specific or different requirements, in AASB 1056.

Key differences in AASB 1056 from other Standards include:

The staff of the AASB have prepared this summary for information purposes only. Official positions of the AASB are determined only after extensive due process and deliberations. While this summary is regularly updated, it does not provide a comprehensive review or statement of events and should not be treated as such.

Historical context

- presenting an additional financial statement – the statement of changes in member benefits;
- specific requirements on classification and disclosure of revenue and expenses; and
- requiring fair value measurement for all relevant assets.

In view of the fact that RSE investors are essentially its members, the AASB 1056 Basis for Conclusions also explains that the AASB considers the most prominent users of RSE financial statements to be:

- current and potential members and beneficiaries;
- parties that act on behalf of members and beneficiaries, such as financial analysts, advisors and unions; and
- employer-sponsors [AASB 1056.BC12].

Accordingly, in determining the way Accounting Standards apply, including exercising any judgements needed and any accounting policy choices, RSEs would be expected to consider the needs of these users.

Post-implementation Review of AASB 1056

After almost 10 years of application, the AASB conducted a post-implementation review of AASB 1056.

In 2023, the AASB issued Invitation to Comment [ITC 54](#) *Post-implementation Review of AASB 1056 Superannuation Entities and Interpretation 1019* The Superannuation Contributions Surcharge to seek feedback on whether any requirements or guidance might need to be added, removed or amended based on application experience and changes in the industry.

Specifically, ITC 54 sought public feedback on areas in which AASB 1056 is more specific than other Australian Accounting Standards or otherwise differs from those Standards and, more generally, whether these differences justify retaining AASB 1056, rather than RSEs simply applying all the other Accounting Standards, as are relevant.

The review identified continuing support for retaining the key differences from other Accounting Standards in AASB 1056, including retaining the statement of changes in member benefits, specific requirements for the classification and disclosure of revenue and expenses, mandating fair value measurement for assets, and retaining Interpretation 1019.

Based on the feedback received, the AASB determined that no substantive changes were needed to AASB 1056.

In May 2024, the AASB published a [Feedback Statement](#) to conclude the post-implementation review, which explains the AASB's reasons for deciding not to propose any changes to either AASB 1056 or Interpretation 1019.

Legislative authority

AAS 25 did not have legislative authority. AASB 1056 also initially did not have legislative authority.

Amendments made in 2023 to the *Corporations Act 2001* have, since 2024, required RSEs to:

- prepare annual financial reports [section 292(1)(e)];
- apply accounting standards in preparing annual financial reports [section 295(2)]; and
- lodge annual financial reports with ASIC [section 319(1)].

Legislative authority

In preparation for the mandatory preparation and lodgement of financial reports by RSEs, the AASB made AASB 1056 as a legislative instrument.

In determining that AASB 1056 (unamended) was suitable to be made as an enforceable Standard, the AASB conducted:

- targeted outreach, which indicated that AASB 1056 was almost universally applied by RSEs, despite not having legislative authority; and
- a public fatal-flaw review process based on the proposed reissued AASB 1056.

As part of its routine surveillance activities, ASIC conducted reviews of a large selection of RSE 2023-24 financial reports, as noted in its May 2025 [Media Release](#), and plans to conduct further surveillance of 2024-25 financial reports. Particular focus areas for ASIC include the measurement and disclosure of investment portfolios and the disclosure of marketing and advertising expenses.

Impact of AASB 18

In June 2024, the AASB made a new Accounting Standard, AASB 18 *Presentation and Disclosure in Financial Statements*. Appendix D to AASB 18 makes consequential amendments to relevant parts of AASB 1056.

The AASB:

- decided to make AASB 18 applicable to RSEs for annual reporting periods beginning on or after 1 January 2028 (one year later than for other for-profit entities generally) and to commence, as soon as feasible, further outreach with stakeholders on applying AASB 18 to RSEs; and
- noted any modifications to AASB 18 for application by RSEs could take the form of guidance, exemptions and alternative requirements that would be put in place before the Standard becomes mandatory for RSEs [AASB 18.BC6 and BC7].

Preliminary outreach was conducted with RSE stakeholders in early 2025. In May 2025, in relation to AASB 18 itself, the AASB agreed to issue an Exposure Draft that would propose:

- (a) retaining the existing AASB 1056 requirements for the presentation of the statement of profit or loss, operating expenses and the statement of changes in member benefits, rather than applying the AASB 18 statement of comprehensive income requirements;
- (b) requiring the aggregation and disaggregation principles in AASB 18 to be applied in addition to the specific disaggregation requirements in AASB 1056;
- (c) requiring the management-defined performance measure disclosure requirements of AASB 18 to be applied without modification; and
- (d) modifying AASB 1056 to specify that the statement of changes in member benefits is a 'primary financial statement' for the purposes of a superannuation entity's general purpose financial statements.

In July 2025, in relation to the AASB 18 consequential amendments to AASB 107 *Statement of Cash Flows*, the AASB agreed to propose:

- (a) retaining the accounting policy choice for classifying dividends received and interest paid and received for superannuation entities – noting this would be expected to result in superannuation entities classifying these items as operating cash flows; and
- (b) permitting the 'profit or loss' subtotal to be used as the starting point for the reconciliation to cash flows from operating activities because superannuation entities are not expected to present an 'operating profit or loss' subtotal in their income statement.

Climate-related disclosures

The *Corporations Act 2001* was amended in 2024 to introduce a requirement to present and lodge a 'sustainability report' for a range of large entities, including RSEs with a value of assets at the end of the financial year of \$5 billion or more [section 292A(6)]. This requirement is scheduled to apply to RSEs for annual reporting periods beginning on or after 1 July 2026.

The sustainability report must comply with sustainability standards made for that purpose [section 296C], which currently comprise only AASB S2 *Climate-related Disclosures*. AASB S2 was made by the AASB in September 2024 as an enforceable Standard.¹

Prior to issuing AASB S2, the AASB considered whether there was a need to specify in the Standard which entities in the superannuation industry might be required to comply with it – the RSEs or the RSE licensees.² However, the AASB agreed this is a matter for the Corporations Act,³ which refers to RSEs in section 292 and RSE licensees being responsible for the performance of obligations in respect of the entities in section 285(3A).

The AASB also determined that no specific detail about the nature of the users of RSEs' climate-related financial disclosures was required since the types of users of RSE general purpose financial reports are already well understood in the context of AASB 1056. As noted in [ASIC Regulatory Guide 280 Sustainability Reporting](#), the legislative intent is that the financial report, sustainability report and directors' report are provided to members together as part of a reporting entity's annual reporting.⁴

Action Alert

Date	News
3 July 2025	Action Alert Issue No. 240
2 May 2025	Action Alert Issue No. 239
18 April 2024	Action Alert Issue No. 229
7 & 8 March 2024	Action Alert Issue No. 228
26 June 2023	Action Alert Issue No. 223
23 May 2023	Action Alert Issue No. 222

1 The AASB also made AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* as a voluntary Standard.

2 AASB June 2024 [Agenda paper 4.4](#).

3 AASB [June 2024 minutes](#).

4 ASIC RG 280.127.

AASB Action Alert Update, Minutes and Board Papers

Meeting Date	Update
July 2025	<p><i>Application of AASB 107 as amended by AASB 18</i></p> <p><i>Presentation and Disclosure in Financial Statements by Not-for-Profit and Superannuation Entities</i></p> <p>The Board discussed the revisions to AASB 107 <i>Statement of Cash Flows</i> made by AASB 18 <i>Presentation and Disclosure in Financial Statements</i>. The Board considered stakeholder feedback received from targeted outreach with not-for-profit (NFP) public sector and superannuation entity stakeholders about the possible need to depart from the revised AASB 107 (i.e. the version of AASB 107 that would incorporate the amendments made by AASB 18). In the context of the <i>AASB Not-for-Profit Entity Standard-Setting Framework</i>, the Board decided to propose in an Exposure Draft the following approaches for the various types of entities.</p> <p><i>Dividends received and interest paid and received</i></p> <p>Regarding the classification of dividends received and interest paid and received, the Board decided to propose:</p> <ul style="list-style-type: none"> (a) as an interim step, retaining the current policy choice for classifying dividends received and interest paid and received for NFP public sector entities, including entities applying AASB 1049 <i>Whole of Government and General Government Sector Financial Reporting</i> and local government entities; (b) retaining the current policy choice for classifying dividends received and interest paid and received for superannuation entities. The Board noted this would be expected to result in superannuation entities classifying these items as operating cash flows, which would, in principle, be the classification achieved by applying the revised AASB 107 due to the nature of superannuation entity activities; and (c) requiring for-profit public sector entities to classify dividends received and interest paid and received in accordance with the revised AASB 107 without modification. The Exposure Draft would seek input on the following matters: <ul style="list-style-type: none"> (i) whether it would be more important for the cash flow statements of these entities to be comparable with for-profit entities in the private sector or with NFP public sector entities; (ii) the importance of these entities having a consistent classification of dividend and interest transactions between the income statement and the cash flow statement; and (iii) the cost and effort required to adjust the cash flow classifications of these entities to facilitate Whole of Government consolidation and how they compare with the benefits of complying with the revised AASB 107. <p><i>Indirect method of reporting cash flows from operating activities</i></p> <p>Regarding the starting point for the indirect method of reporting cash flows from operating activities, the Board decided to propose amending:</p> <ul style="list-style-type: none"> (a) AASB 1054 <i>Australian Additional Disclosures</i> – to require entities, other than NFP public sector and superannuation entities, to use the ‘operating profit or loss’ subtotal (as defined in AASB 18) as the starting point for the reconciliation of the net cash flow

from operating activities, to align with the indirect method set out in the revised AASB 107; and

- (b) the revised AASB 107 – to permit NFP public sector and superannuation entities to use the ‘profit or loss’ subtotal as the starting point, consistent with the Board’s decision to propose that these entities would not be required to present an ‘operating profit or loss’ subtotal in their income statement.

The Board noted that the proposals might need to be presented in more than one Exposure Draft to best target relevant groups of stakeholders to obtain the most useful feedback.

[3.0](#) Cover memo: Consequential amendments to cash flow statement presentation

[3.1](#) Staff Paper: Dividend and interest cash flow classification

[3.2](#) Staff Paper: Indirect method of presenting operating cash flows

[3.3](#) Staff Paper: Approach to Exposure Draft(s) and proposed project timeline

May 2025

Application of AASB 18

The Board noted it had acknowledged when issuing AASB 18 *Presentation and Disclosure in Financial Statements* that further work should be undertaken to determine how AASB 18 should apply to not-for-profit (NFP) entities (both private sector and public sector) and superannuation entities, which led to deferring the application date of AASB 18 for these entities to annual periods beginning on or after 1 January 2028, instead of 1 January 2027. At this meeting, the Board considered stakeholder feedback from targeted outreach and decided to develop an Exposure Draft regarding how AASB 18 should apply to the Tier 1 general purpose financial statements (GPFS) of NFP and superannuation entities. The Board decided the ED will propose the following approaches for the various types of entities.

Superannuation Entities

The ED will propose:

- (a) retaining the existing requirements for the presentation of the statement of profit or loss and operating expenses, and the statement of changes in member benefits, in AASB 1056 Superannuation Entities;
- (b) requiring the aggregation and disaggregation principles in AASB 18 to be applied in addition to the specific disaggregation requirements in AASB 1056;
- (c) requiring the MPM disclosure requirements of AASB 18 to be applied without superannuation-specific modification; and
- (d) modifying AASB 1056 to specify that the statement of changes in member benefits is a ‘primary financial statement’ for the purposes of a superannuation entity’s GPFS.

A draft ED reflecting the above decisions will be considered by the Board at a future meeting.

[5.0](#) Cover Memo: Applying AASB 18 to NFP public sector entities, NFP private sector entities and superannuation entities preparing Tier 1 GPFS

[5.3](#) Superannuation entities

April 2024

Post-implementation Review – Superannuation Entities

The Board considered the draft Feedback Statement *Post-implementation Review – AASB 1056 Superannuation Entities and Interpretation 1019 The Superannuation*

Contributions Surcharge, which sets out the Board's decisions and rationale on the issues raised. The final Feedback Statement will be published in May 2024, to conclude the post-implementation review. The Board decided at its March 2024 meeting not to propose any changes to either AASB 1056 or Interpretation 1019.

[3.1](#) Cover Memo – Post-implementation Reviews: Superannuation Entities

[3.2](#) Draft Feedback Statement – PIR AASB 1056 and Interpretation 1019

March 2024

Post-implementation Review – Superannuation Entities

The Board considered the feedback received on the nine topics in Invitation to Comment ITC 54 *Post-implementation Review of AASB 1056 Superannuation Entities and Interpretation 1019 The Superannuation Contributions Surcharge*. The topics include sub-fund reporting, the statement of changes in member benefits, fair value measurement of assets and the accounting treatment of subsidiaries. The Board noted specific issues raised by some stakeholders in respect to:

- (a) whether defined contribution member benefits are disaggregated from defined benefit member benefits when a member is entitled to both types of benefits;
- (b) additional line items that might be added to the statement of members' benefits; and
- (c) possible additional disclosures about successor fund transfers.

After considering the feedback, the Board decided:

- (a) not to propose any amendments to AASB 1056;
- (b) to monitor the practices of superannuation entities and industry product trends, which might inform future improvements to the Standard; and
- (c) to retain Interpretation 1019 in its existing form.

The Board will publish a Feedback Statement summarising the feedback received and Board decisions.

[7.1](#) Cover Memo – Post-implementation Reviews: Superannuation Entities

[7.2](#) Collation of comments

June 2023

Post-implementation Review of AASB 1056

The Board considered further feedback from stakeholders during the planning phase of the post-implementation review (PIR) of AASB 1056 *Superannuation Entities* and Interpretation 1019 *The Superannuation Contributions Surcharge*. The Board approved the issue of an Invitation to Comment (ITC) that will include the following topics:

- (a) the level of financial reporting, including sub-fund reporting;
- (b) the statement of changes in member benefits;
- (c) the classification and disclosure of revenue and expenses;
- (d) fair value asset measurement;
- (e) insurance arrangements;
- (f) subsidiaries (and consolidation); and
- (g) trends affecting superannuation entity financial reporting.

The ITC will be issued for a 120-day comment period.

[7.1](#) Staff Paper: PIR of AASB 1056

[7.2](#) Draft Invitation to Comment – Post-implementation Review of AASB 1056 and Interpretation 1019

May 2023

Post-implementation Review of AASB 1056

The Board considered initial feedback obtained from stakeholders during the planning phase of the PIR of AASB 1056 Superannuation Entities and Interpretation 1019 The Superannuation Contributions Surcharge and directed staff to continue with targeted outreach. The Board will consider a draft consultation document at a future meeting.

[6.1](#) Staff paper: PIR of AASB 1056

Converting AASB 1056 to a Legislative Instrument

The Board decided to publish a “Fatal-Flaw Review Draft” of a proposed reissued AASB 1056 Superannuation Entities for stakeholder comment. It will be open for comment for a four-week period. The Standard needs to be reissued as a legislative instrument under section 334 of the *Corporations Act 2001* to support forthcoming amendments to the Act that will require registrable superannuation entities to prepare annual financial statements that comply with Australian Accounting Standards.

The Fatal-Flaw Review Draft of AASB 1056 was issued for a four-week public comment period – as explained in the [Explanatory Statement Accounting Standard AASB 1056 Superannuation Entities](#) (December 2023).

[7.1](#) Cover memo: Converting AASB 1056 to a legislative instrument

[7.2](#) Draft proposal document