



Project:	Presentation and Disclosure in Financial Statements by Not-for-Profit and Superannuation Entities	Meeting:	AASB 3 July 2025 (M213)
Topic:	Approach to Exposure Draft(s) and proposed project timeline	Agenda Item:	3.3
		Date of paper:	17 June 2025
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		Decision-Making:	High
		Project Status:	Consider draft proposed timeline

Objective of this paper

- 1 The objectives of this paper are for the Board to:
 - (a) **decide** whether to develop one or more Exposure Drafts; and
 - (b) **consider** a draft proposed timeline for completing the project.

Number of Exposure Drafts

- 2 At its May 2025 meeting, the Board decided to publish an Exposure Draft to specify how AASB 18 *Presentation and Disclosure in Financial Statements* should be applied by the following entities in preparing their Tier 1 general purpose financial statements (GPFS):
 - (a) not-for-profit (NFP) public sector entities, including entities applying AASB 1049 *Whole of Government and General Government Sector Financial Reporting*;
 - (b) universities;
 - (c) NFP private sector entities; and
 - (d) entities applying AASB 1056 *Superannuation Entities*.
- 3 Instead of developing one Exposure Draft, staff consider that the Board's proposals would be better communicated with stakeholders in three separate Exposure Drafts:
 - (a) Exposure Draft proposing amendments to AASB 1049 specifically for Whole of Government and General Government Sector;

- (b) Exposure Draft that would:
- (i) propose amendments to AASB 18 and AASB 107 *Statement of Cash Flows* for application by other NFP public sector entities and universities (if the Board decides to amend AASB 107 for these entities after discussing Agenda Papers 3.1 and 3.2);
 - (ii) propose guidance to clarify certain AASB 18 principles in an NFP context relevant to NFP entities in both the public and private sectors in preparing Tier 1 GPFS;
 - (iii) include specific matters for comment regarding the costs versus benefits for for-profit public sector entities to comply with the revised AASB 107 (if the Board decides to add these after discussing Agenda Paper 3.1); and
 - (iv) propose amendments to AASB 1054 *Australian Additional Disclosures* (if the Board decides to amend AASB 1054 after discussing Agenda Paper 3.2); and
- (c) Exposure Draft proposing amendments to AASB 1056 specifically for superannuation entities.
- 4 Staff consider that three separate Exposure Drafts would be appropriate because:
- (a) there are at least three distinct stakeholder groups that would be targeted by the proposals; and
 - (b) in respect to the Exposure Draft that would propose amendments to AASB 1049, staff plan to present to the Board analysis of the feedback the FRC received in its post-implementation review (PIR) of AASB 1049 at the August meeting.¹ This would allow the Board to consider whether it would be beneficial to also address some of the PIR feedback as part of the Exposure Draft.

Question for Board members

Q1: Do Board members agree with the staff proposal to publish three Exposure Drafts instead of one?

Staff proposed timeline

5 The following table contains a proposed timeline for completing the project.

Meeting / Deliverable	Project Milestones
19 August 2025: Board meeting	Board to: 1. consider analysis of feedback received in the AASB 1049 PIR; and 2. decide whether to add any additional content to the Exposure Draft that would propose modifications to AASB 1049.
7 October 2025: Board meeting	Board to consider pre-ballot draft versions of the three Exposure Drafts.

¹ In 2020, the FRC commissioned an independent PIR of AASB 1049 and AASB 1055 *Budgetary Reporting* relating to Whole of Government and General Government Sector, which was conducted by Dr Kim Langfield-Smith.

Meeting / Deliverable	Project Milestones
October 2025	Board/subcommittee/Board Chair to review and approve the Exposure Drafts by the end of October 2025. Propose a 90-day comment period until the end of January 2026.
November 2025 – January 2026	Outreach to stakeholders regarding the Exposure Drafts.
March/April 2026: Board meeting	Board to consider: 1. stakeholders' feedback on the Exposure Drafts; and 2. staff's recommended changes to the proposals in response to stakeholders' feedback.
May/June 2026: Board meeting	Board to consider a draft version of the amending Standards.
June 2026	Board to either publish fatal-flaw-review draft versions of the amending Standards for further consultation or issue the final Standards.

6 Paragraph 7.9.2 of the [AASB Due Process Framework for Setting Standards](#) states:

“When determining the effective date of Standards, the AASB seeks to ensure that stakeholders have adequate time to prepare for their implementation. Typically, the AASB will issue a Standard with at least 2 years before its effective date (eg a year before the beginning of the comparative reporting period) and generally permits entities to apply those requirements early should they wish to do so.”

7 AASB 18 is currently scheduled to apply to the entities noted in paragraph 2 for annual reporting periods beginning on or after 1 January 2028. Using the draft timetable outlined above, the earliest date the Board expect to finalise any amending Standard is June 2026, which would be 18 months before the effective date of AASB 18 for entities with a 31 December reporting date and 2 years for entities with a 30 June reporting date.

8 Staff note that the Board typically would include a specific matter for comment in an Exposure Draft about the effective date of a proposed Standard. Subject to stakeholder feedback to be received on the effective date and the extent of changes to current practice anticipated for the entities noted in paragraph 2, there might be a need to reconsider the effective date of AASB 18 for these entities in due course.

Question for Board members

Q2: Do Board members have any comments on the proposed timeline?