

Memorandum

To: NZASB Members

Meeting date: 12 October 2026

Subject: **Reporting requirements in Australia for public sector and private sector not-for-profit entities**

Date: 1 October 2026

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☐ **Action Required**

☒ **For Information Purposes Only**

Purpose¹

1. Our review of the New Zealand Accounting Standards Framework (ASF) involves considering possible alternative options in terms of developing accounting standards for public benefit entities (PBEs).
2. To inform this analysis, this memo provides a high-level overview of the reporting requirements in Australian Accounting Standards for public sector and private sector ‘not-for-profit’ entities (a term broadly similar to ‘PBEs’ in New Zealand) – focusing on those requirements that are different to, or additional to, the IFRS-based requirements in AAS. The memo is intended to help Board members understand what an Australia-aligned model could involve for New Zealand PBEs.
3. The key point for the Board is that Australia’s model is sector-neutral in form, but it involves sector-specific modifications. A single IFRS-based suite applies across sectors, but that suite includes not-for-profit and public sector overlays to address differences between these sectors and the for-profit sector in terms of entity objectives, common transaction types and user needs. This means that an Australia-aligned option for New Zealand would not simply involve applying unmodified IFRS Accounting Standards to PBEs. It would require decisions about which Australian not-for-profit and public sector modifications should be adopted, adapted or replaced by New Zealand-specific requirements.
4. This paper was informed by discussions with AASB staff, and we are grateful for their input.

Recommendations

5. We recommend that the Board **NOTES** the information in this paper for the purpose of the discussion on PBE framework options for public sector and not-for-profit PBEs.

Structure of this memo

6. This memo has the following sections:
 - (a) [Background](#)
 - (b) [AAS requirements for Tier 1 and Tier 2 public sector and private sector NFPs](#)

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- (c) [AAS requirements for Tier 3 private sector NFPs](#)
- (d) [Appendix 1: Broad types of entities identified in NZ and Australian accounting standards](#)
- (e) [Appendix 2: AASB's approach to developing NFP-specific standards and modifications](#)
- (f) [Appendix 3: What is the GFS and why is AASB 1049 aligned with GFS requirements?](#)
- (g) [Appendix 4: Entities that are required to report in accordance with accounting standards – Australia and New Zealand](#)

Background

7. Accounting standards in both New Zealand and Australia distinguish between (1) for-profit entities and (2) entities for whom generating profit is not the primary objective (whose primary objective is to provide goods and services for community or social benefit, etc.). The latter group is referred to as PBEs in New Zealand accounting standards, and as NFP entities in Australian accounting standards. While the definitions of these respective terms are not worded identically, their meanings are broadly similar, as shown in [Appendix 1](#).
8. The primary objective of New Zealand PBEs and Australian NFP entities is different to the primary objective of for-profit entities. Also, the primary users of PBE/NFP financial statements are different to those of for-profit entities and therefore have different information needs. In addition, some transactions that are common among PBEs/NFPs are uncommon in the for-profit sector and vice versa.
9. The approach for addressing the abovementioned differences between PBEs/NFPs and for-profit entities in accounting standards differs between New Zealand and Australia. This is because the New Zealand ASF currently takes a multi-sector, multi-standards approach to developing accounting standards, whereas Australia takes a sector-neutral approach to standard setting. More information on these approaches is included in the table below.

Table 1: New Zealand ASF vs Australian ASF: approach to sectors

	New Zealand	Australia
Approach to setting standards	Multi-sector approach, involving different suites of standards for two distinct sectors: for-profit entities PBEs. Multi-tier approach: - For-profit: 2 tiers - PBE: 4 tiers	Sector-neutral approach, where similar transactions and events are accounted for in the same way regardless of whether they occur in the for-profit, public sector or NFP sectors. Single suite of standards for all sectors. Multi-tier approach: - For-profit: 2 tiers - NFP: 2 tiers for public sector, 3 tiers for private sector
Standards	For profit entities: NZ IFRS - International source: IFRS Accounting Standards PBEs: PBE Standards (Tier 1 and 2) - International source: IPSAS Tier 3 and Tier 4 PBEs apply locally developed simplified standards.	For profit entities and NFPs: Australian Accounting Standards (AAS) International source: IFRS Accounting Standards Simplified locally-developed standard for Tier 3 private sector NFPs.

	New Zealand	Australia
For-profit entity requirements	• Tier 1 for-profit entities (entities with ‘public accountability’ as defined in XRB A1 (<i>aligned with IFRS definition, i.e. debt or equity instruments traded on public market, holding funds in fiduciary capacity, etc.</i>) - and ‘large’ for-profit public sector entities): NZ IFRS - Apply IFRS recognition, measurement, presentation and disclosure requirements, with additional NZ disclosures; Able to claim compliance with IFRS Accounting Standards. • Tier 2 for-profit entities (those not required to report in Tier 1): NZ IFRS RDR, i.e. same recognition and measurement requirements as Tier 1, but with reduced disclosure requirements.	• Tier 1 for-profit entities (entities with ‘public accountability’ as defined in AASB 1053 <i>Application of Tiers of Australian Accounting Standards - aligned with IFRS definition (see left-hand column)</i>): AAS – Apply IFRS recognition, measurement, presentation and disclosure requirements; Able to claim compliance with IFRS Accounting Standards [Except for superannuation entities] • Tier 2 for-profit entities (Those not required to report in Tier 1): AAS – Simplified Disclosures: Same recognition and measurement as Tier 1, with reduced disclosure requirements as specified in AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i>.
PBE/NFP requirements	<i>Both public sector PBEs and NFP PBEs</i> • Tier 1 PBEs (PBEs with expenses above \$33million or ‘public accountability’): PBE Standards, primarily based on IPSAS, with some modifications for the NZ context. • Tier 2 PBEs (PBEs with expenses of \$33million or less and no ‘public accountability’, excluding those reporting in Tier 3 and 4): PBE Standards RDR - same recognition and measurement requirements as Tier 1, but with reduced disclosure requirements • Tier 3 PBEs (PBEs with expenses of \$5million or less and no public accountability, excluding those reporting in Tier 4): Tier 3 (PS) Standard and Tier 3 (NFP) Standard – simple-format accrual-based requirements • Tier 4 PBEs (PBEs with operating payments below \$140,000 in at least one of the preceding	<i>Both public sector and private sector NFPs, unless stated otherwise</i> • Tier 1 NFPs (Commonwealth, State and Territory governments and local governments, other entities required by legislation/regulations to report in Tier 1): AAS – IFRS recognition and measurement requirements, with NFP modifications added to address NFP-specific issues, plus domestically-developed NFP-specific standards where NFP/public-sector-specific transactions not addressed by IFRS. Disclosure requirements generally aligned with IFRS with minimal NFP modifications. • Tier 2 NFPs (public and private sector that are not in Tier 1, and are not eligible for Tier 3): AAS – Simplified Disclosures: Same recognition and measurement requirements as Tier 1, with reduced disclosure requirements as specified in AASB 1060.

	New Zealand	Australia
	periods whose governing legislation permits reporting under a non-GAAP standard): Tier 4 (PS) Standard and Tier 4 (NFP) Standard – simple-format cash-based requirements	• Tier 3 NFPs (private sector only, no ‘public accountability’, legislation permits Tier 3): AASB 1061 General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities – locally developed standard with simplified requirements (from 1 July 2029) No Tier 4

10. As noted above, Australian Accounting Standards (AAS) are based on IFRS Accounting Standards (IFRS), but some AAS contain modifications for NFP entities in the public and/or private sector, and there are also Australian-specific AAS for NFPs in the public and/or private sector. In addition, AAS contain specific requirements for the Commonwealth, State and Territory governments, at a whole-of-government level, where certain accounting policy choices and certain aspects of presentation are required to be aligned with statistical reporting. While AAS are based on IFRS, Australian NFP entities in the public and private sectors do not state compliance with IFRS Accounting Standards (IFRS), but rather with AAS (or AAS – Simplified Disclosures for entities in Tier 2, i.e. the reduced disclosure regime), due to the NFP modifications to IFRS requirements.
11. This memo provides a high-level summary of the reporting requirements in AAS for public sector and private sector NFP entities – focusing on the modifications to IFRS-based requirements that the AASB made for these entities. This analysis aims to inform the Board’s discussion on:
 - (a) Sector-neutral options and/or Australia-aligned options for PBEs in Tier 1 and Tier 2; and
 - (b) An Australia-aligned option for (private sector) NFP PBEs in Tier 3.
12. This memo is intended to support an initial understanding of the Australian model. It does not assess whether the Australian requirements produce better reporting outcomes than the current New Zealand PBE requirements, nor does it analyse implementation cost, legislative implications, regulator acceptance, education impacts or stakeholder appetite.
13. In reading this memo, please note the following:
 - (a) In referring to requirements in AAS, this paper uses the term ‘NFP’ as defined in AASB 102 *Inventories* (and referred to in other AAS) – i.e. an entity whose principal objective is not the generation of profit, in either the public or private sector. This is broadly similar to the term ‘PBE’ in New Zealand. We also note that recent amendments to the AASB Conceptual Framework for Financial Reporting (via AASB 2026-2) specify that “among the users of financial information about a not-for-profit reporting entity are existing and potential resource providers (such as donors and other funders, taxpayers, lenders and other creditors, and investors), recipients of goods and services (such as beneficiaries, for example members of the community) and parties performing a review or oversight function on behalf of other users (such as advisers and members of parliament).” This is similar the description of primary users of PBEs’ financial statements in the New Zealand PBE Conceptual Framework (resource providers, service recipients and their representatives), which further suggests that the terms ‘NFP’ in AAS and ‘PBE’ in PBE Standards are broadly similar, and refer to similar types of entities.

- (b) As a consequence of point (a) above, and based on our analysis in [Appendix 4](#) in relation to entities that are mandated to report in accordance with AAS: In our understanding, the types of entities covered by the requirements in AAS for Tier 1 and Tier 2 NFPs are broadly similar to the types of entities covered by New Zealand PBE Standards for Tier 1 and Tier 2 PBEs. That is, we understand that that the combined Tier 1 and Tier 2 Australian NFP population and the combined Tier 1 and Tier 2 New Zealand PBE population both include public sector entities such as governments, individual government departments and agencies, local authorities (councils) and tertiary education institutions (although the Australian public sector population excludes schools as individual reporting entities) – and larger private sector NFPs such as registered charities and incorporated societies/associations. However, the respective sizes of these populations, the size of the entities themselves and the distribution of entities between Tier 1 and Tier 2 may be different between the two countries, considering the following:
- i. Difference in the size of Australia’s and New Zealand’s populations and economies, which affects the size of the public and not-for-profit sectors in the respective countries;
 - ii. Differences between statutory reporting requirements in primary legislation for public sector and private sector NFPs/PBEs (Australian primary legislation is not explored in detail in this paper); and
 - iii. Difference between tier eligibility criteria for NFPs/PBEs – tier eligibility criteria for New Zealand PBEs are based on entity size (and public accountability as defined in XRB A1), whereas for Australian NFPs, AAS do not set out tier criteria based on size. Rather, AASB 1053 requires the Commonwealth Government and State and Local Governments to report in Tier 1, whereas all other public sector NFPs and all private sector NFPs are permitted to report in Tier 2 (although in practice some may be required to reporting in Tier 1 by legislation/regulations outside of AAS). However, as this paper considers requirements for Tier 1 and Tier 2 NFP entities together, the difference in the distribution of entities between Tier 1 and Tier 2 in Australia vs New Zealand are not considered crucial for the analysis in this paper.
- (c) The Australian Tier 3 Standard for NFPs applies to private sector NFPs such as charities that are not ‘publicly accountable’ and are permitted by legislation to report in accordance with Tier 3, subject to regulators’ decisions. Eligibility for Tier 3 in both Australia and New Zealand requires a lack of ‘public accountability’ as defined in the respective standards suites, but in New Zealand there is also an explicit tier size threshold set out in the standards XRB A1 (entities must have expenses of NZ \$5 million or less) – whereas the size of Australian entities that are eligible to report in Tier 3 would be determined by Australian regulators. Therefore, while the types of entities covered by the Australian Tier 3 standard are similar to those covered by the New Zealand Tier 3 (NFP) Standard, the size of entities applying these respective standards may be different.
- (d) The examples of NFP modifications to IFRS-based AAS in this paper are not an exhaustive list of NFP modifications in AAS.
14. It is also worth noting the approach of the AASB to develop NFP modifications to IFRS-based requirements and NFP-specific standards, which is summarised in [Appendix 2](#) of this memo, based on the AASB’s [NFP Standard Setting Framework](#). A high-level summary of our understanding of this approach is included below.

- (a) When the IASB issues a new or amended IFRS Accounting Standard (IFRS), the AASB develops equivalent amendments to AAS, so that for-profit entities with 'public accountability' complying with AAS can also assert compliance with IFRS. At this point, NFP requirements are also considered. As a starting point, the AASB assumes that IFRS are an appropriate base for NFP accounting requirements, and transaction neutrality (i.e. accounting for like transactions in a like manner across sectors) is important.
- (b) However, the AASB considers NFP-specific modifications to IFRS requirements or NFP-specific standards when there are justifications to do so – for example (not exhaustive):
 - i. If NFP reporting would otherwise not meet the objective of financial reporting or the qualitative characteristics per the Conceptual Framework.
 - ii. If the application of IFRS requirements to NFP-specific transactions/circumstances would result in financial statements not reflecting economic reality (e.g. assets received for a consideration significantly below fair value are generally required to be recognised at fair value, rather than being recognised at cost as per IFRS).
 - iii. If the costs of applying certain IFRS requirements outweigh the benefits for NFPs (e.g. the cost of adopting the IFRS 18 presentation categories in the statement of financial performance was seen to outweigh the benefits for public sector NFPs).

These issues need to be sufficiently significant to warrant the development of NFP-specific modifications or standards.

15. NFP modifications may involve amending IFRS recognition and measurement requirements, amending, deleting or adding disclosures, adding transitional relief for NFPs, and/or adding specific NFP-specific guidance to support consistent application of IFRS-based or NFP-specific accounting requirements among NFP entities. Modifications may apply to public sector NFPs only, or private sector NFPs only, or all NFPs in Tier 1 and Tier 2. Modifications are made via 'Aus' paragraph within the AAS, Australia-specific integral appendices in AAS, or non-integral guidance/illustrative examples accompanying the AAS. In developing NFP-specific modifications and standards, AASB considers the coherence of the AAS suite. IPSASB requirements are also considered when developing NFP-specific modifications and standards.
16. Please note: Similarly to the current New Zealand ASF, the Australian ASF also has a 'reduced disclosure regime' for entities in Tier 2. Disclosure concessions for Tier 2 Australian for-profit and NFPs in the public sector and private sectors NFPs are provided via AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. The analysis of NFP requirements below focuses on key differences between recognition, measurement and some presentation requirements in AAS for NFPs as compared to for-profit entities, and does not cover Tier 2 disclosure concessions for NFPs as contained in AASB 1060.

AAS requirements for Tier 1 and Tier 2 public sector and private sector NFPs

17. The table below summarises the requirements in Australian Accounting Standards (AAS) for Tier 1 and Tier 2 NFPs in the public and private sectors – including some key NFP modifications to IFRS-based requirements, based on our understanding and discussion with AASB staff. Please note that that this is a high-level analysis only, and the examples of modifications are not exhaustive. A full list of NFP modifications to IFRS-based requirements in AAS has recently been published and is available [here](#). This table focuses on Tier 1 and 2 Australian NFPs only – Tier 3 Australian NFPs are covered in a separate section.

Table 2: Requirements in AAS for Tier 1 and 2 public and private sector NFPs

[1] IFRS base
The single suite of AAS applies to both for-profit and NFP entities in the public and private sectors. That suite is based on IFRS Accounting Standards. Therefore, Australian Tier 1 and Tier 2 NFP entities in the public and private sector are generally required to apply IFRS-based recognition, measurement, presentation and disclosure requirements. However, AAS also include <u>NFP-specific requirements that are additional and/or different to IFRS requirements</u> (see below).
[2] NFP overlay
Some AAS contain specific requirements for NFPs, which are additional and/or different to the IFRS-based requirements. Some examples are mentioned below, noting that some of these requirements apply to <u>all NFPs (public and private sector)</u>, while others apply only to <u>public sector NFPs entities (or public sector entities in general)</u>. Examples of modifications to IFRS-based AAS for NFPs in the public and/or private sector (not an exhaustive list): • AASB 13 Fair Value Measurement [based on IFRS 13]: Includes <u>public sector NFP-specific requirements</u> for non-financial assets that are not held primarily to generate net cash inflows, e.g. when considering ‘highest and best use’, alternatives to current use are considered only in limited circumstances. There is also public sector NFP-specific implementation guidance to assist public sector NFPs in applying the cost approach in measuring the fair value of such assets. • AASB 15 Revenue from Contracts with Customers [based on IFRS 15]: Licences issued by <u>NFP public sector licensors</u> are included in the standard’s scope, regardless of whether they are contracts with customers, but revenue from such licences is exempt from the IFRS 15-based ‘five-step model’ when certain conditions apply. AASB 15 also specifies that for <u>NFP entities</u>, revenue from contracts that are unenforceable or not sufficiently specific is outside the scope of this standard – rather, the requirements of AASB 1058 should be considered (see below). • AASB 16 Leases [based on IFRS 16]: <u>NFP lessees</u> may elect to measure a right-of-use asset at fair value (instead of cost) on initial recognition, when the terms are significantly below-market, principally to enable the NFP lessee to further its objectives. • AASB 17 Insurance Contracts [based on IFRS 17]: Contains specific requirements for <u>public sector insurers</u>, similar to those in PBE IFRS 17 <i>Insurance Contracts</i> in NZ.

[2] NFP overlay (continued)

- **AASB 102 Inventories [based on IAS 12]:** NFP-specific requirements to measure inventory on initial recognition at 'current replacement cost' (rather than the cost of purchase, etc.), if the consideration for those inventories is significantly less than fair value, principally to enable the NFP to further its objectives. Also, for inventories held for distribution, NFP entities are required to measure such inventories after initial recognition at cost, adjusted when applicable for any loss of service potential (rather than at the lower of cost and net realisable value).
- **AASB 116 Property, Plant and Equipment [based on IAS 16]:** NFP-specific requirements to measure the cost of PP&E on initial recognition at fair value, if the consideration to acquire the asset was significantly less than fair value, principally to enable the NFP to further its objectives. Also, for NFP entities, revaluation increases and decreases are accounted for on a class-by-class basis, rather than asset-by-asset.
- **[Not yet effective] AASB 18 Presentation and Disclosure in Financial Statements [based on IFRS 18]:** Effective for NFP entities for periods beginning on or after 1 January 2028, which is one year later than for-profit entities. The AASB has recently issued 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*, to provide relief for public sector NFP entities (except universities) not to use IFRS 18-based categories in the income statement and will not be required to provide disclosures on management-defined performance measures. The AASB is the process of developing application guidance to assist private sector NFP and universities in applying the new income statement categorisation requirements.

Examples of Australian-specific standards that apply to NFPs in the public and/or private sector:

The following are examples of Australia-specific AAS for which there is no equivalent IFRS Accounting Standards (note: AASB 1049 is covered separately):

- **AASB 1058 Income of Not-for-Profit Entities:** NFP-specific revenue recognition requirements for transactions where the consideration is significantly less than fair value, principally to enable the NFP to further its objectives. Revenue is recognised immediately on recognising the asset received – except for transfers enabling the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, where revenue is recognised as and when the entity satisfies its obligations under the transfer.
- **AASB 1059 Service Concession Arrangements: Grantors:** Specific requirements for public sector entities for the recognition and measurement of service concession assets and related liabilities. AASB 1059 is based on IPSAS 32 *Service Concession Arrangements: Grantor*. It also includes an Australian-specific requirement to recognise identifiable intangible assets as service concession assets when the grantor controls the asset as set out in the standard, even if the intangible asset recognition criteria in AASB 138 are not met – and revaluation without reference to an active market is permitted.
- **Other Australian-specific standards for public sector entities:** AASB 1004 *Contributions*; AASB 1050 *Administered Items*; AASB 1051 *Land Under Roads*; AASB 1052 *Disaggregated Disclosures*; AASB 1055 *Budgetary Reporting*; INT 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.
- **Other Australian-specific standards:** AASB 1054 *Australian Additional Disclosures*; AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*; INT 1003 *Australian Petroleum Resource Rent Tax*; INT 1030 *Depreciation of Long-Lived Physical Assets: Condition-Based Depreciation and Related Methods*; INT 1031 *Accounting for the Goods and Services Tax*; INT 1055 *Accounting for Road Earthworks*.

[3] Government overlay – for whole-of-government financial statements only – AASB 1049

AASB 1049 *Whole of Government and General Government Sector Financial Reporting* applies to the whole-of-government and ‘General Government Sector’ financial statements of Australian Commonwealth, State and Territory governments (it does not apply to individual government departments or agencies, and it does not apply to local authorities). AASB 1049 reduce the accounting policy choices available to governments, and includes specific presentation requirements for ‘primary’ (‘face’) financial statements and additional disclosure requirements – as aligned with the [Australian Bureau of Statistics publications *Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2005*](#) (GFS). The GFS is based on the International Monetary Fund’s [Government Finance Statistics Manual 2014 \(GFSM\)](#). Australian Commonwealth, State and Territory governments are required to prepare whole-of-government financial statements in accordance with AAS, and they also report GFS-aligned budget information. More information on the GFS/GFSM is included in [Appendix 3](#) of this paper.

Reduced accounting policy choices in whole-of-government financial statements – examples:

- For assets recognised under AASB 116 *Property, Plant and Equipment*, AASB 138 *Intangible Assets* and AASB 140 *Investment Property* that are also considered assets under the GFS: Governments are required to select the revaluation model/fair value model for these assets, consistent with the requirement in the GFS – unless fair value cannot be measured reliably, and noting that the ‘active market restriction’ in AASB 138 applies to fair value measurement of intangible assets.
- Statement of cash flows: The direct method must be selected – and dividends paid by entities in the public non-financial corporation (PNFC) sector and public financial corporation (PFC) sector must be classified as financing cash flows.

Specific presentation requirements for whole-of-government financial statements

We understand that the government-specific presentation requirements below do not change any recognition and measurement requirements.

- Statement of financial position:
 - Needs to be presented in accordance with GFS requirements, to the extent that these do not conflict with the requirements in AASB 101*. For example, adding GFS sub-headings like financial/non-financial assets and produced/non-produced assets, and grouping assets accordingly.
- Net worth must be presented (assets less liabilities and shares/contributed capital).
- Statement of comprehensive income:
 - Items need to be classified as ‘transactions’ or ‘other economic flows’, consistent with the principles of the GFS.
 - The following ‘key fiscal aggregates’ must be presented: net operating balance, total change in net worth (before transactions with owners in their capacity as owners if applicable), net lending/borrowing (and its derivation from net operating balance).
- Statement of cash flows
 - Separate presentation of cash flows relating to investing in financial assets for policy purposes and for liquidity management purposes (per GFS).
 - Cash surplus/deficit and its derivation needs to be presented (key fiscal aggregate).

[3] Government overlay – for whole-of-government financial statements only – AASB 1049 (continued)

Additional disclosures in whole-of-government financial statements:

In addition to disclosures required by other AAS, AASB 1049 requires additional disclosures in whole-of-governments financial statements, e.g.:

- A reconciliation or explanation of differences between presented key fiscal aggregates measured in accordance with GAAP vs GFS.
- Functional information: Assets and expenses attributed to each broad function of the government, as identified in the GFS.
- Sector information: For the general government sector (GGS), PNFC sector and PFC sector (sectors defined based on GFS):
 - a statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows
 - a reconciliation or explanation of differences between key fiscal aggregates measured in accordance with GAAP vs GFS.

Specific requirements in General Government Sector (GGS) financial statements:

- Governments are required to present GSS financial statements, either together with the whole-of-government financial statements or separately.
- Only entities that are considered part of the GSS per the GFS are consolidated in the GGS financial statements. There are specific measurement requirements for GGS equity investments in government-controlled entities within the PNFC or PFC sectors.
- Similar specific presentation requirements as for the whole-of-government financial statements, and additional disclosure requirements.

** For NFP entities, AASB 18 will supersede AASB 101 from 1 January 2028. AASB 2026-4 amended AASB 18 to specify that governments will be required to present all line items required by AASB 1049 in the primary financial statements, and will not be required to use IFRS 18-based categories in the income statement.*

Implications for sector-neutral and Australia-aligned framework considerations

18. The framework options analyses for New Zealand public sector and NFP PBEs considered as part of the ASF review include options based on sector neutrality and/or alignment with Australian requirements. The information above about NFP modifications in the IFRS-based AAS suite suggests the following implications for these framework options:
- (a) Australia's approach to developing accounting standards can be described as 'sector neutral', in the sense that there is a single suite of AAS primarily based on IFRS Accounting Standards that applies to all sectors.
 - (b) However, with the AAS suite, the reporting requirements for Australian NFP entities in the public and private sector are not completely the same as those for for-profit entities. The differences between for-profit entities and NFPs – in terms of their objectives, common transactions and user needs – are still reflected in the AAS suite through NFP-specific and public sector-specific modifications.
 - (c) This suggests that, if the XRB was to move to a sector-neutral approach for the ASF, where standards for PBEs are directly based on IFRS Accounting Standards, the XRB would still need to consider modifications to IFRS requirements for public sector and NFP PBEs. These could either be the same as the modifications in Australia, or different modifications. In considering modifications to a 'sector-neutral' suite, it would be important to consider the following:
 - i. There are some differences between the NFP/public sector requirements in AAS and the requirements in IPSAS and PBE Standards (although there are also similarities). These differences would need to be considered when deciding on how to modify a sector neutral IFRS-based suite of standards, if the ASF was to change to a sector-neutral approach. For example, it may be that in some cases, IPSAS-based or domestically-developed public sector/NFP requirements that currently exist in New Zealand may be more suitable for New Zealand public sector and NFP PBEs and their users as compared to the requirements in AAS.
 - ii. On the other hand, the coherence of the suite would also need to be taken into account when considering modifications to a sector-neutral IFRS-based suite. For example, if the XRB was to adopt some AAS-based NFP modifications and some IPSAS/PBE Standards-based modifications in a sector-neutral suite, careful consideration would be required to ensure the coherence of the suite.
 - (d) As noted in the agenda paper on *Alignment between IPSAS and IFRS Accounting Standards*, in developing PBE Standards based on IPSAS, the XRB and our stakeholders are able to benefit from the IPSASB's consideration of public sector-specific matters and its international due process. If we were to adopt a sector-neutral approach to developing standards for Tier 1 and Tier 2 PBEs, this specific benefit would no longer apply, but an Australia-aligned approach would mean that we would be able to benefit from the AASB's consideration of NFP-specific matters and its due process. Nevertheless, New Zealand-specific modifications may still need to be considered both under an IPSAS-based approach and an Australia-aligned approach.
 - (e) Regarding AASB 1049 for whole-of-government financial statements, which is aligned with certain GFSM requirements: We note that the [New Zealand Government reports statistical information in accordance with the IMF's GFSM](#), in addition to preparing whole-of-government financial statements under IPSAS-based PBE Standards. We understand that in Australia, a key reason for harmonising AASB 1049 with GFSM

requirements was confusion among Australian stakeholders in relation to governments' financial statements vs governments' GFSM-aligned reporting (see [Appendix 3](#)). However, we are not aware of confusion or concerns in this area among New Zealand stakeholders. We also note that while AASB 1049 is harmonised with some GFSM requirements, there are still differences between recognition and measurement requirements for governments under AAS as compared to statistical reporting under GFS. Issuing a standard like AASB 1049 in New Zealand would not avoid the need for separate reporting under GFSM for statistical purposes. In addition, we note that under PBE IPSAS 22 *Disclosure of Information about the General Government Sector*, the New Zealand Government has the option to include information about the 'general government sector' – a GFSM concept (see [Appendix 3](#)) – in its 'whole of government' financial statements in accordance with the requirements in that standard. However, the Governments does not elect to present information on the 'general governments sector' in its general purpose financial statements. This indicates that there does not seem to be an urgent need for adopting a standard based on AASB 1049 for whole-of-government financial statements in New Zealand. Even if there was such a need at whole-of-government level, this does not necessarily indicate that an Australia-aligned or sector-neutral approach to developing standard for all public sector and/or not-for-profit PBEs should be adopted in New Zealand.

AAS requirements for Tier 3 private sector NFPs

19. In April 2026, the AASB introduced a simplified financial reporting framework for Tier 3 NFP entities in the private sector – for the preparation of general purpose financial statements.
20. Private sector NFP entities are eligible to report in Tier 3 if they:
 - (a) Do not have 'public accountability' as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards*²; and
 - (b) Are not prohibited by legislation or their constituting documents or any documents to report in Tier 3.

However, eligibility is also subject to regulators' decisions, i.e. regulators have the power to require entities that meet the criteria above to apply Tier 1 or Tier 2 requirements.

21. Private sector NFP entities that are eligible to report in Tier 3 (and do not choose to opt up to a higher tier) are required to apply:
 - (a) AASB 1061 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities* – the new principal standard for Tier 3 private sector NFPs, which sets out simplified reporting requirements compared to Tier 1 and Tier 2; and
 - (b) Certain specific Tier 2 standards listed in paragraph 1.5 of AASB 1061 – for more complex transactions and balances that do not tend to be common among Tier 3 entities. For example, Tier 3 entities are required to apply the following standards:
 - AASB 9 *Financial Instruments* for certain 'non-basic' financial instruments, e.g. acquired equity instruments other than ordinary shares or non-convertible preference shares, derivative financial instruments (but hedge accounting is not allowed);
 - AASB 141 *Agriculture* for biological assets other than 'bearer plants';

² The definition of 'public accountability' in AASB 1053 *Application of Tiers of Australian Accounting Standards* is broadly aligned with the IASB's definition. Appendix A of AASB 1053 states that an entity has public accountability if "(a) its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market [...]; or (b) it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses".

- AASB 119 *Employee Benefits* for liabilities from defined benefit plans.

22. Some of the high-level differences between the IFRS-based requirements for Tier 1 and Tier 2 Australian entities and AASB 1061 are listed below. This is not an exhaustive list.

Table 3 AASB 1061 requirements for Australian Tier 3 NFPs in the private sector

Area	AASB 1061 - Key simplifications compared to Tier 1 and Tier 2
Consolidation	• <u>Consolidation is optional</u> for Tier 3 entities that have controlled entities/subsidiaries. Specifically: Tier 3 entities may <u>elect</u> to classify their investments in subsidiaries, investments in associates and interests in joint arrangements as investments in 'notable relationship entities'. A Tier 3 entity that makes this election does not prepare consolidated financial statements.
Leases	• <u>Lessees and lessors</u> recognise lease payments as an <u>expense/income over the lease term</u> for all leases.
Deferred tax	• <u>No</u> IFRS-based deferred tax requirements.
'Basic' financial instruments	<i>Covers cash, debtors, bonds, term deposits, units in managed investment schemes, creditors, loans:</i> • <u>Concessionary loans</u> and <u>debtors</u> are initially measured at the <u>transaction price</u>, no need to determine fair value. • Simplified subsequent measurement: Financial assets and liabilities are <u>measured at cost</u>, <u>except</u> that financial assets held to generate income and a capital return (e.g. shares) are measured at <u>fair value</u>. • <u>Interest</u> is measured at the <u>contractual interest rate</u>, not 'effective interest rate'.
Donated assets	• <u>Initial recognition</u>: Not required to recognise at fair value - <u>policy choice</u> to measure at <u>cost</u> (i.e. nil if received at no cost) or fair value.
Revenue	• Simplified revenue recognition: Revenue is recognised <u>at the same time as the related asset received</u> –<u>except</u> that revenue is <u>deferred</u> if the entity and transferor have a '<u>common understanding</u>' that the entity will perform in a particular manner resulting in transferring or using up assets.

23. In developing AASB 1061, the AASB had regard to the reporting requirements in the XRB's Tier 3 (NFP) Standard. However, there are some differences between the two standards. The New Zealand Tier 3 (NFP) Standard is shorter, and its requirements are generally more simplified and less detailed than AASB 1061. However, AASB 1061 effectively allows Tier 3 entities not to prepare consolidated financial statements when they have controlled entities – a concession which is not available in the New Zealand Tier 3 Standard. Refer to the agenda item on Tier 3 and Tier 4 for high-level considerations on whether AASB 1061 could be a viable framework for Tier 3 NFP entities in New Zealand.

Appendix 1: Broad types of entities identified in NZ and Australian accounting standards

The table below illustrates that:

- The term ‘for-profit entity’ has a broadly similar meaning in Australia and New Zealand.
- The term ‘PBE’ in New Zealand and ‘NFP’ in Australia have a broadly similar meaning.

New Zealand ASF	Australian ASF
Public benefit entities (PBEs): <i>Entities whose primary objective is to provide goods or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders [XRB A1, para 6]</i> PBEs include: • public sector PBEs • not-for-profit (NFP) PBEs (private sector)	Not-for-profit entities (NFPs): <i>Entities whose principal objective is not the generation of profit</i> [AASB 12, para Aus6.1] NFPs include: • public sector NFPs • private sector NFPs
For-profit entities: <i>Entities other than PBEs (see below)</i> Include private and public sector for-profit entities	For-profit entities: <i>Entities other than NFPs (see below)</i> Include private and public sector for-profit entities

Appendix 2: AASB's approach to developing NFP-specific standards and modifications

The table below provides a summary of the AASB's approach to developing NFP-specific standards and NFP modifications to IFRS-based AAS, based on the [AASB Not-for-Profit Entity Standard-Setting Framework \(2021\)](#).

Objective of NFP standard setting framework
- Use IFRS Accounting Standards and the principle of transaction neutrality as a starting point – and make modifications or develop additional guidance to address: - Australian legislation, user needs or public interest issues relevant to external reporting; - NFP-specific issues that are of such prevalence and magnitude that the objective and qualitative characteristics of reporting per the Conceptual Framework would otherwise not be met. - Undue cost or effort considerations. - Develop Australian-specific Standards, Interpretations or guidance to address specific NFP issues not appropriately dealt with in existing IFRS Accounting Standards ('IFRS').
What triggers the AASB to consider NFP-specific standards or modifications?
Triggers include: - The issuance of a new IFRS or a new IPSAS; - A post-implementation review indicating the need for NFP-specific standards/modifications; - Australian constituents raising the need for NFP-specific standards or modifications; - Issuance of Australian legislation with financial reporting implications, or recommendations from parliamentary enquiries; or - Evidence of undue or widespread diversity in accounting practice among NFPs.
What reasons might justify NFP-specific standards or modifications?
Some of the justifications are listed below (not a full list): - Without modifications, financial reporting under IFRS requirements would inadequately reflect the objectives and qualitative characteristics of NFP financial reporting per the Conceptual Framework; - User of NFP financial statements, which include resources providers and service recipients, require additional disclosures compared to what is required in IFRS; - The existence of prevalent NFP-specific issues means that without modifications, NFP financial statements would not reflect economic reality (e.g. with respect to assets transferred to NFPs for significantly less than fair value); - The costs of preparing or disclosing information outweighs the benefits (e.g. for governments, the costs of applying certain IFRS-based presentation requirements that are different to those required by the Government Finance Statistics Manual 2014 are seen to outweigh the benefits). Issues need to be sufficiently significant to warrant NFP-specific modifications or standards, considering the following: - The qualitative and quantitative significance of the transaction, event or circumstance to entities' financial statements, the relevant sector (public sector or private sector NFP), the Australian economy as a whole, and the likely effect on users' decision-making abilities. - Whether the modification will increase or decrease consistency between IFRS, AAS and the Conceptual Framework - The cost of the specific change, relative to the benefits. Minimising differences between requirements for for-profit entities and for NFPs is considered beneficial.

How are NFP-specific standards or modifications developed?

Having decided that a NFP-specific standard, modifications to IFRS requirements or additional guidance may be required, the AASB decided whether to modify the IFRS-based AAS or to develop a separate AAS.

In making this decision, the AASB considers:

- The extent of the issue arising from Australia-specific legislation, user needs or public interest, and the importance of addressing these issues to maintain confidence in the Australian economy;
- The impact of international perception of AAS complying with IFRS Accounting Standards; and
- The extent of modifications required.

Modifications to NFP standards may include:

- Amendments to the scope of an IFRS-based standard – to maintain consistency with existing NFP standards, reduce legislative conflicts and avoid undue cost/effort
- Amendments to IFRS-based recognition and measurement requirements via ‘Aus’ paragraphs in the IFRS-based standard – to better meet the objectives and qualitative characteristics of NFP entity financial reporting, avoid undue cost/effort and/or maintain coherence with existing NFP requirements.
- Amendment or deletion of IFRS-based disclosure requirements – for similar reasons as above.
- Adding transitional relief for NFPs – to give NFPs enough time to address implementation issues.
- Adding specific guidance, generally in an appendix or additional material – to improve ease of use and consistency of application

In developing NFP-specific standards and modifications, the AASB considers:

- Consistency with existing AAS and the Conceptual Framework; and
- Other relevant authoritative material, including IPSASB’s standards, guidance and Conceptual Framework – as well as pronouncements of the NZASB and other national standard setters.

The AASB follows its usual due process in developing NFP-specific standards and modifications, including consultation on exposure drafts.

Appendix 3: What is the GFS and why is AASB 1049 aligned with GFS requirements?

The [Australian GFS](#) is based on the [Government Finance Statistics Manual 2014 \(GFSM\)](#) issued by the International Monetary Fund (IMF). The [IMF website](#) explains that its GFSM is an international statistical reporting framework “aimed at helping national authorities to strengthen their capacity to formulate fiscal policy and monitor fiscal developments”. The [GFSM](#) itself notes that its primary purpose is to provide a comprehensive conceptual and reporting framework suitable for analysing and evaluating a government’s fiscal policy. For this purpose, the GFSM presents information based on ‘flows’ that change ‘stock’ positions to obtain key macroeconomic balances. The [Australian Department of Finance](#) website further explains that the Australian GFS “focuses on the size of the public sector, its contribution to aggregate demand, investment, and saving and provides for cross-country comparison. It is not an accounting system but is a statistical framework that uses data from a government’s accounting system”.

As can be seen from the explanation above, the purpose of GFSM/GFS reporting is different to the purpose of general purpose financial statements, which is to provide information on an entity’s asset, liabilities, equity, revenue, expenses and cash flows that is useful to primary users (service providers and resource recipients in the public and private NFP sectors) for accountability and decision-making purposes.

Also, some of the concepts and requirements in GFSM/GFS reporting are different to those in IFRS-based (and IPSAS-based) accounting standards. For example:

- The GFSM/GFS distinguishes between ‘flows’ that are ‘transactions’ and ‘other economic flows’. Revaluations and remeasurements of assets and liabilities are treated in GFSM/GFS as ‘other economic flows’ and do not impact surplus or deficit. This is different to the requirements in IFRS-based (and IPSAS-based) accounting standards, where some remeasurements of assets and liabilities are recognised in surplus/deficit, e.g. remeasurement of financial instruments and investment properties at fair value, impairment of non-financial assets in certain circumstances, etc.
- Provisions are generally not recognised in GFS/GFSM reporting, as liabilities are generally recognised only if they give rise to a corresponding asset and if there is a legally enforceable claim against the entity by a counterparty – which is different to the requirements in IFRS (and IPSAS).

The GFSM/GFS also specifically distinguishes between the following sectors of government for the purpose of providing information about these sectors:

- The ‘general government sector’, which includes ‘government units’ that fulfil the functions of government (e.g. departments) and ‘non-profit institutions’ controlled by the government that are ‘non-market producers’ (e.g. government-controlled agencies that provides services at no charge or for at economically insignificant prices); and
- ‘Public corporations’, which provide financial services (e.g. state-owned banks) or goods/non-financial services at economically significant prices.

We also understand that in GFSM/GFS reporting, local authorities (councils) are included within the ‘general government sector’ – whereas under the consolidation and control requirements in IFRS (and IPSAS), in jurisdiction like Australia (and New Zealand), councils are not considered to be controlled by central/state/territory governments and are not consolidated into governments’ financial statements.

Based on the website of the [Australian Department of Finance](#) and discussion with AASB staff, we understand that the Australian Commonwealth Government and State and Territory governments have an agreement to prepare budget papers (that are tabled at parliament) based on the Uniform

Presentation Framework, which aligns with GFS classifications and terminology – as well as being required to report in accordance with accounting standards issued by the AASB. Before AASB 1049 was issued, the difference between governments' financial statements prepared under AAS and GFS-aligned budget reporting created confusion among users of these reports. To address this, AASB 1049 includes presentation and disclosure requirements aligned with GFS, while retaining the IFRS-based requirements and measurement requirements (as adjusted for public sector NFP modifications) in other AAS – as well as requirements to disclose reconciliations between AAS-based amounts and related GFS amounts.

Appendix 4: Entities that are required to report in accordance with accounting standards – Australia and New Zealand

The tables below summarises the statutory financial reporting obligations that apply to selected types of entities in the two jurisdictions.

NFP/PBE sector requirements in Australia and New Zealand

Please note: This is not an exhaustive list of all types of entities and all existing legislation/regulations that govern financial reporting. New Zealand tier size thresholds are explained in the main body of the paper.

Entity type (NFP/PBE)	Australia – mandated to report under AAS?	New Zealand – mandated to report in accordance with XRB standards?
Public sector		
Central government(s) at whole-of-government level	- Australian (Commonwealth) Government – Yes (<i>Public Governance, Performance and Accountability Act 2013 (Cth)</i>) - State and Territory Governments – Yes (<i>Various State- and Territory-level legislation, e.g. New South Wales – Government Sector Finance Act 2018</i>) Tier 1, required in AASB 1053	NZ Government – Yes (<i>Public Finance Act 1989</i>) Tier 1
Government departments and agencies	- Commonwealth departments and agencies (Commonwealth entities) – Yes (<i>Public Governance, Performance and Accountability Act 2013 (Cth)</i>) - State and Territory departments and agencies – Yes (<i>Various State- and Territory-level legislation, e.g. New South Wales – Government Sector Finance Act 2018</i>) Could be Tier 1 or Tier 2, depending on Treasury/Finance Department instructions	- Government departments – Yes (<i>Public Finance Act 1989</i>) - Crown Entities – Yes (<i>Crown Entities Act 2004</i>) Likely Tier 1 or Tier 2, depending on size per XRB A1 tier thresholds
Local authorities (councils)	Councils – Yes (<i>Various State- and Territory-level legislation/regulations, e.g. Western Australia – Local Government (Financial Management) Regulations 1996</i>) Tier 1, required in AASB 1053	Councils – Yes (<i>Local Government Act 2002</i>) Likely Tier 1 or Tier 2, depending on size per XRB A1 tier thresholds (and if a councils issues bonds, then Tier 1 is required)
Tertiary/higher education institutions	Universities – Yes (<i>Higher Education Support Act 2003</i>) Could be Tier 1 or Tier 2, but we understand that the Commonwealth Department of Education generally requires reporting in Tier 1 as a condition of funding	Universities – Yes (<i>Crown Entities Act 2004</i>) Likely Tier 1 or Tier 2, depending on size per XRB A1 tier thresholds

Entity type (NFP/PBE)	Australia – mandated to report under AAS?	New Zealand – mandated to report in accordance with XRB standards?
Public sector - continued		
Schools	Schools – No (i.e. not as individual entities) We understand that schools are generally not separate reporting entities for the purpose of reporting under AAS. Rather, the assets, liabilities, revenue and expenses of schools are included in the AAS-compliant financial statements of the relevant State or Territory education department. Tier: N/A	Schools – Yes <i>(Education and Training Act 2020)</i> In terms of eligibility under XRB A1, the majority of schools are eligible to report in Tier 3 – but the Ministry of Education currently requires these schools to report in Tier 2.
Private sector/New Zealand's NFP sector		
Registered charities	• Medium and large charities (revenue above AUD 500,000) – Yes³ • Small charities: No (submitting annual financial report is optional – also, can choose to report under cash accounting) See <i>The Australian Charity and Not-for-profit Commission (ACNC) website</i>: ○ Overview of registered charity reporting requirements ○ Charity size thresholds for the purpose of reporting requirements ○ Annual financial report requirements – optional for small charities Could be Tier 1 or Tier 2 (or in the newly established Tier 3 – eligibility criteria to be determined by regulators) – AAS do not set tier size thresholds.	All registered charities – Yes <i>(Charities Act 2005)</i> But: smaller charities are eligible for simplified standards – as shown below (XRB A1 tier size thresholds) • Annual expenses above \$33m: Tier 1 – full PBE Standards • Annual expenses between \$5m and \$33m: Tier 2 – PBE Standards RDR • Annual expenses \$5m or less: Tier 3 – Tier 3 (NFP) Standard (simplified accrual-based requirements) • Operating payments below \$140,000 in at least one of previous periods: Tier 4 (NFP) Standard, which is cash accounting
Incorporated societies (NZ)/Incorporated associations (Aus)	Reporting obligations for incorporated associations are determined under state and territory associations incorporation legislation. Thresholds differ by jurisdiction, although several major jurisdictions (including Victoria, Western Australia and New south Wales) now use revenue thresholds broadly aligned with the ACNC charity size thresholds of AUD \$500,000 – see above.	All incorporated societies other than ‘small societies’ as defined in legislation: Yes Note: Smaller incorporated societies are eligible for simpler standards – see the charities section. Small societies (societies that are not donee organisations and have operating payments and total

³ We understand that some registered charities, including medium and large ones, can currently choose to prepare special purpose financial reports, instead of general purpose financial reports in accordance with AAS ([ACNC website](#)). However, recently, the AASB also limited the ability of private sector not-for-profit entities to prepare SPFR – by issuing AASB 2026-2 *Amendments to Australian Accounting Standards – Extending the Application of the Conceptual Framework and Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements*. This standard applies to reporting periods beginning on or after 1 July 2029.

Entity type (NFP/PBE)	Australia – mandated to report under AAS?	New Zealand – mandated to report in accordance with XRB standards?
	See the following sources: Western Australia: Department of Local Government, Industry Regulation and Safety website; New South Wales: NSW Government website Victoria: Consumer Affairs Victoria website Tiers: see charities above	assets below \$50,000 in the two preceding accounting periods) – No Incorporated Societies Act 2022 Tiers: see charities above

For-profit sector requirements in Australia and New Zealand

Note: *Not an exhaustive list of for-profit entity types and legislation (for example, for-profit public sector entities are not covered in this table)*

Australian – entities mandated to report in accordance with AAS	New Zealand – entities mandated to report in accordance with XRB standards (GAAP)
Section 292 of the Corporations Act 2001 requires the following types of for-profit entities to prepare financial statements: • Disclosing entities • Unlisted public companies • Registered schemes • ‘Large’ proprietary companies [see thresholds below] • Small foreign-controlled proprietary companies not applying ASIC Corporations (Foreign-Controlled Company Reports) Instrument 2017/204 • Small proprietary companies undertaking crowd-sourced funding. Section 296 then requires these financial statements to be prepared in accordance with AAS. Listed and unlisted disclosing entities, as well as registered managed investment schemes, must report in Tier 1. Unlisted public companies (excluding companies limited by guarantee because these are usually not-for-profit entities) and proprietary companies may report in Tier 2 if they are not ‘publicly accountable’ as defined in AAS.	FMC reporting entities (e.g. entities that issue shares or bonds to the public, managed investment schemes, licensed insurers and registered banks, among others) Financial Markets Conduct Act 2013 FMC reporting entities with higher level of public accountability must report in Tier 1 ‘Large’ companies The Financial Reporting Act 2013 defines ‘large’ company (over \$66m assets or \$33m revenue, for last two accounting period), and ‘large overseas company’ (over \$22m assets or \$11m revenue for last 2 accounting periods) (Section 45). Certain other companies as per the Companies Act: • Companies that are public entities • Company with 10 or more shareholders unless opted out of compliance with the GAAP; and • Company with fewer than 10 shareholders but opted into compliance with GAAP Large companies that are not FMC reporting entities and are not otherwise ‘publicly accountable’ as defined in XRB A1 may report in Tier 2

Note: Thresholds for ‘large’ proprietary companies (Australia):

The 2026 Federal Budget is currently consulting on doubling the revenue and asset thresholds:

Criteria	Current thresholds	Federal Budget 2026 proposed thresholds
Consolidated revenue for the financial year	\$50 million or more	\$100 million
Consolidated gross assets at the end of the financial year	\$25 million or more	\$50 million
Group employees at the end of the financial year	100 or more	No change

A company is classified as ‘large’ if it meets two of three thresholds.