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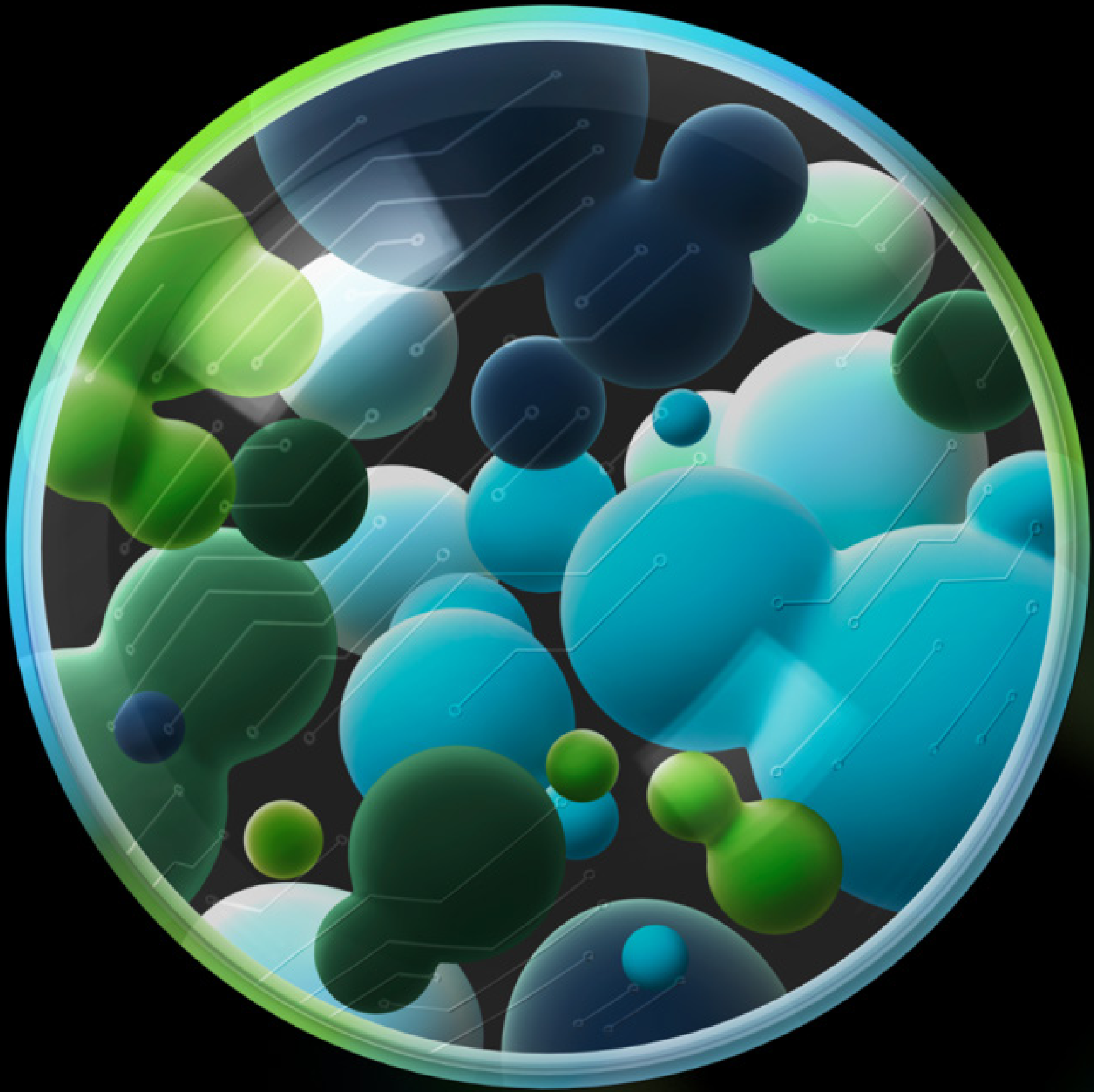
Accounting Alert
June 2026



Accounting Alert

Quarterly update – Public Benefit Entities

Connect to what's new in financial reporting for 30 June 2026

This quarterly update includes a high-level overview of new and revised financial reporting requirements that need to be considered by public benefit entities for annual and interim financial reporting periods ending on 30 June 2026. Information is also included for March 2026 year-ends for entities who are still finalising their financial statement.

1. Introduction

This publication provides an overview of the accounting standards, amendments to standards and interpretations on issue which are either mandatory or optional for adoption by public benefit entities preparing their annual or interim financial statements for 30 June 2026 reporting dates.

Changes in accounting standards can have a significant impact on an entity's financial statements. New pronouncements should be carefully reviewed for any potential impacts or opportunities. Entities should consider:

- Whether accounting policies need to be updated;
- The impact of transitional provisions;
- Disclosure of the application of new and revised accounting policies, as well as the impact of new and revised pronouncements that are approved but are not yet effective – refer to Appendix A.

2. What's new for June 2026

The following changes have been added in the past year:

- *PBE IPSAS 50 Exploration for and Evaluation of Mineral Resources and Consequential Amendments arising from PBE IPSAS 50*
- *Amendments to PBE Standards: Specific IFRIC Interpretations (Amends PBE IPSAS 10, PBE IPSAS 19 and PBE IPSAS 39)*
- *Amendments to XRB A2 resulting from the Regulatory Systems (Economic Development) Amendment Act 2025*
- *Stripping Costs in the Production Phase of a Surface Mine – Amendments to PBE IPSAS 12 Inventories*
- *2025 Amendments to XRB A1 Application of the Accounting Standards Framework*

Entities will need to assess the impact of the new standards and amendments and ensure that relevant policies and processes are in place to implement the changes. Tier 1 entities (applying full PBE Standards) who are yet to adopt standards and amendments that are approved but not yet effective, also need to consider appropriate disclosure in their annual financial statements.

3. Overview of new and revised pronouncements

The table below outlines the new and revised pronouncements that are either required to be applied for the first time for a 30 June 2026 annual or interim reporting period or may be early adopted. The key helps you distinguish between mandatory initial application, and pronouncements that were also mandatory in a previous period, as well as provide guidance on early adoption.

Section 4 provides an overview of each new or revised pronouncement and includes links to relevant Deloitte publications which provide further details, where appropriate.

In the majority of cases, the disclosure requirements of the individual pronouncements profiled in sections 3 and 4 would not be applicable to half-year financial statements; however, the recognition and measurement requirements would be applied where those pronouncements have been adopted by the entity.

The information below was updated on 30 June 2026 for developments to that date. Further information on each pronouncement can be found in the next section.

New pronouncements	Effective date*	Year ending				Interim ending	
		Mar 2026		Jun 2026		Jun 2026	
		PS	NFP	PS	NFP	PS	NFP
Amendments to ***XRB A2*** *resulting from the Regulatory Systems (Economic Development) Amendment Act 2025*	29 Sep 2025	O	O	O	O	M	M
*2024 Omnibus Amendments to PBE Standards (Amendments to PBE IPSAS 1)***	1 Jan 2026	O	O	O	O	M	M
Insurance Contracts in the Public Sector (Amendments to ***PBE IFRS 17****)****	1 Jan 2026	O	N/A	O	N/A	M	N/A
PBE IPSAS 50 *Exploration for and Evaluation of Mineral Resources and Consequential Amendments arising from* **PBE IPSAS 50**	1 Jan 2027	O	O	O	O	O	O
Amendments to PBE Standards: Specific IFRIC Interpretations (Amends **PBE IPSAS 10**, **PBE IPSAS 19** *and* **PBE IPSAS 39***)*	1 Jan 2027	O	O	O	O	O	O
Stripping Costs in the Production Phase of a Surface Mine – Amendments to **PBE IPSAS 12** *Inventories*	1 Jan 2027	O	O	O	O	O	O
2025 Amendments to ***XRB*** *A1 Application of the Accounting Standards Framework*	1 Jan 2027	O	O	O	O	O	O
PBE Conceptual Framework Update	1 Jan 2028	O	O	O	O	O	O

Key

O Optional

M Mandatory for the first time

* Annual reporting periods beginning on or after this date.
Note regarding early adoption: Standards and amendments issued by the XRB take legal effect 28 days after they are published under the Legislation Act 2019. Early adoption of certain standards and amendments is permitted but not for accounting periods ending before the date those standards and amendments take legal effect.
For recent amendments not yet effective, the table below includes early adoption information.

** Paragraphs 4A and 88A of PBE IAS 12 *Income Taxes* are mandatory for periods ending on or after 21 November 2024. The remainder of the amendments to PBE IAS 12 (paragraphs 88B-88D) are mandatory for periods beginning on or after 1 January 2024 but are available for early application for periods ended after 21 November 2024.

*** PBE IFRS 17 Insurance Contracts applies to not-for-profit PBEs for accounting periods beginning on or after 1 January 2023. In June 2023, the NZASB issued Insurance Contracts in the Public Sector (Amendments to PBE IFRS 17), which includes modifications for public sector entities and requires the application of the amended insurance standard by public sector PBEs for periods beginning on or after 1 January 2026. Public sector PBEs may early adopt PBE IFRS 17, including all amendments, for periods ended on or after 20 July 2023.

4. Impact of each new and revised pronouncement

The following tables set out information on the impact of the recent new pronouncements (see key on page 2)

New pronouncements	Effective date	Year ending				Interim ending	
		Mar 2026		Jun 2026		Jun 2026	
		PS	NFP	PS	NFP	PS	NFP
Amendments to XRB A2 resulting from the Regulatory Systems (Economic Development) Amendment Act 2025	29 Sep 2025*	O	O	O	O	M	M
XRB A2 was amended to reflect changes to the Financial Reporting Act 2013 (FRA) and its definitions of 'large' and 'specified not-for-profit entity' as a result of the Regulatory Systems (Economic Development) Amendment Act 2025. *The standard must be applied for accounting periods that begin on or after 29 September 2025.							
2024 Omnibus Amendments to PBE Standards (Amendments to PBE IPSAS 1 and PBE IAS 12)	1 Jan 2024*	M	M	M	M	M	M
	1 Jan 2026*	O	O	O	O	M	M
2024 Omnibus Amendments to PBE Standards amend PBE IPSAS 1 *Presentation of Financial Reports* to clarify the current/non-current distinction of liabilities as well as PBE IAS 12 *Income Taxes* to provide temporary relief from accounting for deferred tax relating to *International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)*. *Please note that this amendment contains different effective dates for the two standards impacted as explained below. • PBE IPSAS 1: PBE IPSAS 1 is mandatory for periods beginning on or after 1 January 2026. Early adoption is permitted for periods ended after 21 November 2024. • PBE IAS 12: Paragraphs 4A and 88A of PBE IAS 12 are mandatory for periods ending on or after 21 November 2024. The remainder of the amendments to PBE IAS 12 (paragraphs 88B-88D) are mandatory for periods beginning on or after 1 January 2024.							
Insurance Contracts in the Public Sector (Amendments to PBE IFRS 17)	1 Jan 2026*	O	N/A	O	N/A	M	N/A
The amendments modify PBE IFRS 17 *Insurance Contracts* to be suitable for public sector PBEs and require public sector PBEs to apply the standard from 1 January 2026. Key modifications to the standard for application by public sector PBEs include:							

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New pronouncements	Effective date	Year ending				Interim ending	
		Mar 2026		Jun 2026		Jun 2026	
		PS	NFP	PS	NFP	PS	NFP
• Additional guidance for public sector PBEs on identifying whether an arrangement falls within the scope of PBE IFRS 17; • An exemption for public sector PBEs from dividing a portfolio of insurance contracts into groups based on the issue dates and whether the contracts are, or are likely to become, onerous (and a related amendment to the requirements determining the date at which insurance contracts are first recognised); • Guidance for public sector PBEs on which cashflows are within the boundary of an insurance contract for the purpose of measuring insurance contracts; • A choice for public sector PBE's to apply the premium allocation approach to insurance contracts and reinsurance contracts; and • A modification to the transition requirements. *Public sector PBEs may early adopt the amended PBE IFRS 17 for periods ended on or after 20 July 2023.							
PBE IPSAS 50 Exploration for and Evaluation of Mineral Resources and Consequential Amendments arising from PBE IPSAS 50	1 Jan 2027*	O		O		O	
PBE IPSAS 50 was issued to provide guidance on accounting for costs incurred in the exploration for and evaluation of mineral resources before the feasibility and commercial viability assessments of extraction are demonstrable. The new standard requires entities to select an accounting policy specifying which exploration and evaluation expenditure is recognised as exploration and evaluation assets. The standard also includes recognition and measurement requirements and guidance on impairment assessment. PBE IPSAS 50 is based on NZ IFRS 6 with limited terminology changes relevant for PBEs. The NZASB also issued consequential amendments to PBE IPSAS 31 Intangible assets and XRB A1 Application of the Accounting Standards Framework. * Early adoption is permitted for periods beginning on or after 17 July 2026.							

New pronouncements	Effective date	Year ending				Interim ending	
		Mar 2026		Jun 2026		Jun 2026	
		PS	NFP	PS	NFP	PS	NFP
Amendments to PBE Standards: Specific IFRIC Interpretations (Amends PBE IPSAS 10, PBE IPSAS 19 and PBE IPSAS 39)	1 Jan 2027*	O	O	O	O	O	O
The amending standard amends for the following: • PBE IPSAS 10 *Financial Reporting in Hyperinflationary Economies* – Appendix A has been added to provide guidance on how to restate the financial statements in the reporting period in which hyperinflation is identified, when that economy was not hyperinflationary in a prior period. • PBE IPSAS 19 *Provisions, Contingent Liabilities and Contingent Assets* – Appendix A has been amended to clarify the accounting for decommissioning, restoration and other similar liabilities and the scope and application of Appendix B has been clarified in relation to decommissioning, restoration and environmental rehabilitation funds. • PBE IPSAS 39 *Employee Benefits* – Appendix AA was added to provide guidance on the Limit on Defined Benefit Asset and Minimum Funding Requirements and how these interact when accounting for post-employment defined benefits. * Early adoption is permitted for periods beginning on or after 17 July 2026.							
Stripping Costs in the Production Phase of a Surface Mine – Amendments to PBE IPSAS 12 Inventories	1 Jan 2027*	O	O	O	O	O	O
The amending standard follows *Stripping Costs in the Production Phase of a Surface Mine* (Amendments to IPSAS 12) issued by the International Public Sector Accounting Standards Board (IPSASB) (which are based on IFRIC 20 *Stripping costs in the Production Phase of a Surface Mine*). The amendments provides guidance on the treatment of costs incurred to remove waste material in surface mining operations (‘stripping costs’) and whether to capitalise or expense these costs. * Early adoption is permitted for periods beginning on or after 17 July 2026.							
2025 Amendments to XRB A1 Application of the Accounting Standards Framework	1 Jan 2027	O	O	O	O	O	O
XRB A1 is amended for the following: • The definition of public accountability has been amended to be easier to understand. • Tier 1 size threshold has for for-profit public-sector entities has been increased to $33 million of total expenses (to be consistent with PBEs) • Provide clearer guidance on when PBE Tier 4 criteria are met. * Early application is permitted for periods ending on or after 17 July 2026.							

New pronouncements	Effective date	Year ending				Interim ending	
		Mar 2026		Jun 2026		Jun 2026	
		PS	NFP	PS	NFP	PS	NFP
PBE Conceptual Framework Update	1 Jan 2028*	O	O	O	O	O	O
The amendments to the PBE Conceptual framework include the following: • Updates to the guidance on materiality; • Clarification of the concept of 'prudence' in the context of faithful representation; • Updates the definition of an asset and a liability and related guidance; and • New guidance on: o the unit of account; and o binding arrangements that are equally unperformed. *Early application is permitted for periods ending on or after 19 September 2024.							

5. Other reporting considerations

Changing reporting requirements

XRB A1 sets out the tiers for reporting, the standards that apply to each tier and the requirements for transitioning between tiers. Each reporting period, entities should consider whether there have been any changes to the business that would result in a change in reporting or audit requirements under XRB A1 or other legislative requirements. These could include:

- Changes in ownership (such as an increase in the number of shareholders or proportion of overseas ownership).
- Increases in revenue or assets through growth, business combinations or capital raises.

You may find our framework publication, 'The New Zealand financial reporting landscape' useful. This publication provides a summary of the legislative and accounting standards requirements for New Zealand entities.

Since this publication was last updated, the Financial Reporting Act 2013 has been updated to amend the definition of "large"[1] in section 45. The change practically means that if an entity has a subsidiary that meets the definition of "large" then it will also be considered to be "large". Before the change in legislation, if an entity that was not large acquired another entity, it would have a two-year period before having to prepare financial statements in accordance with NZ GAAP (with the acquired entity continuing to meet its reporting obligations during this period). The amendment now means that the acquirer entity would have to immediately prepare financial statements in accordance with NZ GAAP at its first reporting date after acquiring a large subsidiary.

Entities should include financial reporting implications as part of their due diligence processes before making an acquisition, and may wish to seek legal advice on the financial reporting obligations where not clear.

[1] In addition to the existing definition of "large" under the amended Financial Reporting Act 2013, the amendments adds that (section (2A):
(a) an entity (other than an overseas company or a subsidiary of an overseas company) is **large** in respect of an accounting period if the entity has, on the balance date of the period, 1 or more subsidiaries that are large in respect of that accounting period under subsection (1):
(b) an overseas company or a subsidiary of an overseas company is **large** in respect of an accounting period if the entity has, on the balance date of the period, 1 or more subsidiaries that are large in respect of that accounting period under subsection (2).

Appendix A – Shedding light on the new disclosures required

PBE Standards require disclosures in relation to all the new or revised Standards and Interpretations that have had or may have a material impact on the annual financial report of the entity, whether they have been adopted or not. The requirements for interim financial reports are less onerous but must still be considered.

Entities reporting under RDR (Tier 2 entities) are permitted exemptions from certain disclosures as noted below.

<table>
<tr><th rowspan="2">Applicability of new or revised pronouncements</th><th colspan="2">Summary of disclosure required</th></tr>
<tr><th>Annual financial statements</th><th>Interim financial statements</th></tr>
<tr><td>Initial mandatory or voluntary application of a new or revised pronouncement</td><td>The relevant pronouncement, the nature of the change in accounting policy, details of any transitional provisions, line-by-line analysis of the effect of the change in policy on the financial statements and the impacts on earnings per share.

In addition, each standard may have specific transitional provisions with which the entity needs to comply (PBE IPSAS 3 Accounting Policies, Changes in Accounting Estimates and Errors paragraph 33).

Tier 2 entities would not need to disclose details of transitional provisions.

When initial application has not had a material impact on the financial statements (and is also not expected to have a material impact in future periods), an entity may wish to include generic disclosure such as:

"All mandatory Standards, Amendments and Interpretations have been adopted in the current year. None had a material impact on these financial statements."</td><td>The nature and effect of any change in accounting policy compared with the most recent annual financial report.

(PBE IAS 34 Interim Financial Reporting paragraph 16A(a))

PBE IAS 34 does not specify the level of detail of the disclosures required, and accordingly the level of detail may be less than is presented in an annual financial report in accordance with PBE IPSAS 3. However, best practice might suggest that the requirements of PBE IPSAS 3 be used as a guide.

An IFRS in Focus Newsletter with more details can be found here.</td></tr>
<tr><td>Pronouncement on issue but not adopted</td><td>The financial report must disclose which pronouncements have been issued but not adopted in the financial report, when the pronouncements have mandatory application, when those pronouncements are going to be applied by the entity and the possible impact on the entity's financial report (where known or reasonably estimable).

The tables within the body of this update could be reviewed to identify such pronouncements for periods ending 31 March 2026 or 30 June 2026 (updated to 30 June 2026).

When initial application is genuinely not expected to have a material impact on the financial statements, an entity may wish to include a generic disclosure such as:

"There are a number of Standards, Amendments and Interpretations which have been approved but are not yet effective. The Entity expects to adopt these when they become mandatory. None are expected to result in a material impact on the Entity's financial statements."

Tier 2 entities are exempt from these disclosures (PBE IPSAS 3.35-36).</td><td>The impacts of new or revised accounting pronouncements that have not been early adopted are not explicitly required to be disclosed in interim financial reports. Entities should consider making additional disclosures where the effects of these pronouncements are expected to be material and those effects have not been previously disclosed in the prior annual financial report.

Tier 2 entities are exempt from these disclosures in an annual financial report, and accordingly would also be exempt at the interim period.</td></tr>
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