



**Subject:** Minutes of the 187<sup>th</sup> meeting of the AASB  
**Venue:** Videoconference  
**Held:** Wednesday, 18 May 2022, 10.00 am – 4.30 pm

All agenda items were discussed in public, except for items 1 and 9. Public observers participated via videoconference.

## Attendance

Members attending	Keith Kendall (Chair) Alison White (Deputy Chair) Carolyn Cordery James Grant Dean Hanlon David Holland Toby Langley (part of meeting) Sean Osborn Paul Rogers Caroline Spencer (part of meeting) Stephen Taylor (part of meeting)
Apologies	Toby Langley 10.00 am – 11.00 am Caroline Spencer 10.30 am – 1.00pm and 2.00 pm – 4.30pm Stephen Taylor 10.00 am – 11.30am
<i>In attendance</i>	
Staff	Clark Anstis Patricia Au Kimberley Carney Nikole Gyles Siobhan Hammond Fridrich Housa Kathleen John Eric Lee Ao Li Maggie Man Helena Simkova James Wake Justin Williams
Others	Evelyn Ling – agenda items 4 and 5 Brad Potter, University of Melbourne – agenda item 6



## **Agenda and Chair's Report**

Agenda Item 1 – discussed in private

The Chair noted the significant items on the agenda and provided the Board with an update on recent and future activities.

## **Apologies, Declarations of Interests, Minutes and Approvals Out of Session**

Agenda Item 2

### **Apologies**

Apologies for parts of the meeting were noted from Toby Langley, Caroline Spencer and Stephen Taylor.

### **Declarations of Interests**

Members indicated that, in the normal course of their day-to-day professional responsibilities, they deal with a broad range of financial reporting issues. Members have adopted the standing policy in respect of declarations of interests that a specific declaration will be made where there is a particular interest in an issue before the Board.

Sean Osborn advised that he has submitted a written update to his Declaration of Interests.

### **Minutes**

The Board approved the minutes of the one hundred and eighty-sixth meeting, held on 7 April 2022.

### **Approvals Out of Session**

The Board noted the out-of-session approval of the following documents since the previous meeting report:

- *AASB 2022-2 Amendments to Australian Accounting Standards – Extending Transition Relief under AASB 1*
- *AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15.*

## **Agenda Consultation**

Agenda Item 3

The Board noted a summary of the feedback received in response to Invitation to Comment ITC 46 *AASB Agenda Consultation 2022–2026*. The Board will consider its responses to the feedback at its next meeting.

Action:

Staff



## Post-Implementation Reviews

### Agenda Item 4

The Board received an update on its Post-implementation Review (PIR) project, including a revised project timeline. In respect of the PIR of AASB 1059 *Service Concession Arrangements: Grantors*, the Board considered the key findings of the planning phase and decided to bring forward the outreach phase of the project. The Board plans to issue a consultation document for the PIR of AASB 1059 in August 2022.

Action:

Staff

## Not-for-Profit Private Sector Financial Reporting Framework

### Agenda Item 5

The Board decided to include the following proposals in the Discussion Paper (DP) on Tier 3 reporting requirements for not-for-profit (NFP) private sector entities.

#### ***Income recognition***

Tier 3 reporting requirements should require:

- (a) a Tier 3 entity to assess whether a transaction is based on a common understanding, evidenced by the transfer provider in writing or some other form, that the entity is expected to use the inflows of resources in a particular way or act or perform in a particular way that results in outflows of resources, including:
  - (i) transferring goods or services;
  - (ii) performing a specified activity;
  - (iii) incurring eligible expenditure for a specified purpose; and
  - (iv) using the inflows of resources in respect of a specified time period;
- (b) for transactions described in (a), income to be recognised in the manner that most faithfully represents the amount and pattern of consumption by the entity of the resources received, such as:
  - (i) when goods or services are transferred;
  - (ii) when activities are performed;
  - (iii) when eligible expenditure is incurred; and
  - (iv) on a systemic allocation basis over the specified period; and
- (c) for other income transactions, income to be recognised at the earlier of receiving cash or obtaining a right to receive cash (a receivable).



### **Financial instruments**

Tier 3 reporting requirements should:

- (a) address the accounting for simpler financial instruments often held by Tier 3 entities. Tier 3 reporting requirements should direct an entity to apply AASB 9 *Financial Instruments* for more complex financial instruments;
- (b) require transaction costs that are directly attributable to the acquisition or issue of a financial asset or financial liability to be expensed in the period incurred; and
- (c) specify simpler subsequent measurement requirements for financial assets and financial liabilities overall. In particular, the Board decided to require financial assets and financial liabilities to be measured subsequently at cost, except for:
  - (i) financial assets that are held to generate both income and capital return for the entity – to be measured at fair value through other comprehensive income; and
  - (ii) derivative financial instruments – to be measured at fair value through profit or loss.

The Board decided to seek stakeholder feedback through the DP as to whether requiring financial assets and financial liabilities to be measured at transaction price would be a useful simplification.

Action: Staff

### **Sustainability Reporting**

Agenda Item 6

The Board supported the draft Sustainability Reporting project plan. The principal objective of the project is to help preparers of general purpose financial reports meet the evolving information needs of financial report users by developing a separate set of reporting standards for sustainability-related financial information.

The key themes of feedback from outreach activities on AASB Exposure Draft ED 321 *Request for Comment on ISSB [Draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and [Draft] IFRS S2 Climate-related Disclosures* will be discussed at the Board's next meeting.

The Board will consider whether to proceed to develop Australian sustainability reporting standards after considering the responses to ED 321 at a future meeting.

Action: Staff

### **Other Business – Public**

Agenda Item 7

The Board noted the submissions made, IASB and IFRS Interpretations Committee updates, a report on the IPSASB's February and March 2022 meetings and other items.



## Open Consultations

Agenda Item 8

The Board decided not to comment on the IPSASB's forthcoming Consultation Paper *Natural Resources* but to consider commenting on a future exposure draft.

The Board noted its previous decisions about commenting on the consultative documents already issued by international standard-setting bodies.

## Review of the Meeting

Agenda Item 9 – discussed in private

The Board reviewed the conduct of the meeting.

## Close of the Meeting

The Chair closed the meeting at 4.30 pm on Wednesday, 18 May 2022.

## Approval of Minutes

Signed by the Acting Chair as a correct record,  
this 22<sup>nd</sup> day of June 2022