



Project:	Other Business – Public	Meeting:	March 2025 (M211)
Topic:	Cover Memo	Agenda Item:	11.1
		Date of the Agenda Paper:	19 February 2025
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		Decision-Making:	Low
		Project Status:	N/A

Objective of this paper

- 1 The objective of this paper is to inform the Board about matters under Other Business – Public. **No action is required from the Board on any of the items in this memo, they are included for noting only.** Please refer to the tables below for details.

AASB SUBMISSIONS

Paper No.	Title	Staff comment	Board action
N/A	AASB submission letter to IASB on Equity Method of Accounting Exposure Draft	The AASB submission to the IASB Equity Method of Accounting Exposure Draft was lodged 6 December 2024.	Included for noting only. No action is required at this meeting.
N/A	AASB submission letter to IASB on Climate-related and Other Uncertainties in the Financial Statements Exposure Draft	The AASB submission to the IASB Climate-related and Other Uncertainties in the Financial Statements Exposure Draft was lodged 22 November 2024.	Included for noting only. No action is required at this meeting.

IASB AND IFRS IC UPDATES

Paper No.	Title	Staff comment	Board action
N/A	IASB Update January 2025	<p>The IASB decided to defer the decision on adding the Pollutant Pricing Mechanisms project to its work plan until the agenda consultation.</p> <p>Staff do not consider there are any matters to raise in relation to the January 2025 IASB update.</p>	Included for noting only. No action is required at this meeting.
N/A	IASB Update December 2024	Staff do not consider there are any matters to raise in relation to the December 2024 IASB update.	Included for noting only. No action is required at this meeting.
N/A	IFRIC Update November 2024	Staff do not consider there are any matters to raise in relation to IFRIC's agenda decisions.	Included for noting only. No action is required at this meeting.
N/A	IASB Update November 2024	Staff do not consider there are any matters to raise in relation to the November 2024 IASB update.	Included for noting only. No action is required at this meeting.
N/A	IASB and joint FASB-IASB Update October 2024	<p>The IASB granted permission to begin the balloting process for the Dynamic Risk Management exposure draft and decided to set a comment period of 240 days.</p> <p>Staff do not consider there are any matters to raise in relation to the October 2024 IASB and joint FASB-IASB update.</p>	Included for noting only. No action is required at this meeting.
N/A	IFRIC Update September 2024	Staff do not consider there are any matters to raise in relation to IFRIC's agenda decisions.	Included for noting only. No action is required at this meeting.

ISSB AND TIG UPDATES¹

Paper No.	Title	Staff comment	Board action
9.5	ISSB Update January 2025	<p>The ISSB decided to propose the following targeted amendments to IFRS S2 to facilitate relief, clarification, and simplification, primarily for the disclosures on GHG emissions, including:</p> <ul style="list-style-type: none"> (i) permit entities to exclude Scope 3 Category 15 GHG emissions related to derivatives, facilitated emissions and insurance-associated emissions from the disclosure of GHG emissions; (i) extend the jurisdictional relief to permit the use of Global Warming Potential (GWP) values required by a jurisdictional authority or exchange on which it is listed instead of the GWP values from the latest Intergovernmental Panel on Climate Change (IPCC) assessment, clarifying that the jurisdictional relief can apply to an entity in whole or in part; and (ii) allow entities to apply a classification system that is useful to users of general purpose financial reports (GPFs) rather than the Global Industry Classification Standard (GICS), as originally prescribed. <p>An exposure draft is expected to be issued in the coming months for public consultation and comment.</p> <p>The ISSB also discussed its research projects on biodiversity, ecosystems and ecosystem services (BEES) and human capital.</p>	Refer to Board Paper 9.5
N/A	ISSB Update December 2024	The ISSB discussed its research project on human capital and research and feedback on the 12 SASB Standards prioritised for enhancement.	Included for noting only. No action is required at this meeting.

¹ See agenda paper 9.4 for other updates on international jurisdictional perspectives for sustainability reporting.

Paper No.	Title	Staff comment	Board action
N/A	ISSB Update November 2024	<p>The ISSB agreed upon criteria for evaluating potential amendments to IFRS S1 or IFRS S2. The criteria includes:</p> <ul style="list-style-type: none"> (i) there is a demonstrated need to amend IFRS S1 or IFRS S2 to address implementation challenges or concerns, including matters that highlight a risk of diversity in practice; (ii) the amendments would not result in significant loss of useful information provided to users relative to that which would be provided to preparers without the potential amendment; and (iii) the amendments would not unduly disrupt ongoing implementation processes by entities or jurisdictions. This includes amendments that would reduce the interoperability and connectivity of the standards with other sustainability-related standards (such as GRI standards or ESRs) and IFRS Accounting Standards. <p>The ISSB also discussed its research projects on BEES and human capital.</p>	Included for noting only. No action is required at this meeting.
N/A	ISSB Update October 2024	The ISSB discussed survey feedback on jurisdictional requirements related to BEES and human capital, and the location of disclosures if an entity applies the revised IFRS Practice Statement 1 in preparing management commentary.	Included for noting only. No action is required at this meeting.

PUBLIC-SECTOR-SPECIFIC PROJECT UPDATES

Paper No.	Title	Staff comment	Board action
11.2.1 and 11.2.2	HoTARAC's response on the prioritisation of public sector projects	In October 2024, staff requested input from members of the Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC) on the urgency of each public sector project in the work plan. The relevant staff paper and HoTARAC's response are presented as Agenda Papers	Included for noting only. No action is required at this meeting.

		<p>11.2.1 and 11.2.2, for the Board's information.</p> <p>Staff have considered HoTARAC's response in prioritising the public sector projects in the draft work plan (Agenda Paper 1.2).</p>	
8.1	<p>Project update: Climate-related Financial Disclosures – NFP Public Sector Entities</p>	<p>At its November 2024 meeting, the Board asked staff to undertake research to investigate:</p> <ul style="list-style-type: none"> (i) the information needs of users of climate-related financial information of NFP public sector entities; and (ii) the guidance that might be needed to assist NFP public sector entities in applying <i>AASB S2 Climate-related Disclosures</i>. <p>Staff have commenced the research work. Please refer to Agenda Paper 8.1 for details.</p>	<p>Included for noting only. No action is required at this meeting.</p>
N/A	<p>Project update: AASB 18 NFP public sector entity application and Whole of Government application</p>	<p>Staff are in the process of engaging with the following stakeholders on applying <i>AASB 18 Presentation and Disclosure in Financial Statements</i> to NFP public sector entities:</p> <ul style="list-style-type: none"> (i) the Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC); (ii) the Financial Reporting and Accounting Committee of the Australasian Council of Auditors-General (ACAG-FRAC); and (iii) the Office of Local Government of each government. <p>Staff are also in the process of considering AASB 18 application issues relating to superannuation entities and NFP private sector entities preparing Tier 1 general purpose financial statements.</p>	<p>Included for noting only. No action is required at this meeting.</p>
N/A	<p>Project update: Post-implementation Review of AASB 1059 <i>Service Concession Arrangements: Grantors</i></p>	<p>This project was paused in 2023 to focus on the Climate-related Disclosures project. Staff have resumed work on analysing stakeholder feedback on AASB 1059 implementation issues. Staff plan to present analysis of stakeholder feedback for the Board's consideration in H2 2025.</p>	<p>Included for noting only. No action is required at this meeting.</p>

<p>11.3</p>	<p>Highlights of the IPSASB’s December 2024 meeting</p>	<p>Agenda Paper 11.3 is a report prepared by the New Zealand member of the IPSASB for the NZASB and the XRB regarding the key decisions at the December 2024 IPSASB meeting.</p> <p>The main matters from the IPSASB 2024 meeting are summarised below.</p> <p>At the meeting, the IPSASB:</p> <ul style="list-style-type: none"> • as part of its Presentation of Financial Statements project, discussed whether to include income and expense categorisation per the approach outlined in IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> in the upcoming consultation paper expected to be released September 2025. The IPSASB will explore at future meetings practical considerations relating to those categories; • discussed the scope of its Making Materiality Judgements project, which aims to develop guidance to help not-for-profit public sector entities apply the principles in IFRS Practice Statement 2 <i>Making Materiality Judgements</i> in making materiality judgements. The project will take a phased approach, to focus on financial reporting, followed by sustainability reporting after the completion of the Climate-related Disclosures pronouncement; • discussed its Strengthening Linkages between IPSAS Standards and GFSM 2014 project. The project will have two phases: phase 1 – highlighting the current alignment between IPSAS Standards and the Government Finance Statistics Manual (GFSM) 2014, and phase 2 – identifying opportunities to increase 	<p>Included for noting only. No action is required at this meeting.</p>
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		<p>alignment between both reporting frameworks;²</p> <ul style="list-style-type: none"> • approved pronouncement Amendments to IPSAS Standards: Specific IFRIC Interpretations to incorporate in relevant IPSAS guidance aligned with several IFRIC Interpretations. The pronouncement was issued in January 2025. The AASB did not comment on the related Exposure Draft because those IFRIC Interpretations have been adopted in Australia;³ • discussed research and scoping activities on potential sustainability projects; and • finalised operating procedures for post-implementation reviews and the IPSAS Application Group as part of its maintenance activities. 	
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NEWS AND OTHER

Paper No.	Title	Content of item	Board action
N/A	ACNC – Public Consultation on Public Benevolent Institution Documents	<p>The ACNC is seeking comment on a draft Decision Impact Statement: Equality Australia Ltd and updates to our Commissioner’s Interpretation Statement: Public Benevolent Institutions.</p> <p>The changes reflect the judgement of the Full Court of the Federal Court on Equality Australia’s eligibility to be registered as a Public Benevolent Institution.</p>	Included for noting only. No action is required at this meeting.

2 Staff will closely monitor this IPSASB project as it is relevant for the AASB’s future work on updating AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. AASB 1049 contains principles and definitions adapted from GFSM 2005; however, it has not yet been updated to reflect GFSM 2014. Additional changes to the GFSM are anticipated in 2027/2028. Currently, staff are analysing stakeholder feedback received from the FRC’s post-implementation review of AASB 1049 to assess whether there is an urgent need to update AASB 1049 before the upcoming GFSM changes. Staff expect to provide an analysis of the stakeholder feedback later this year.

3 See agenda paper [7.1](#) for the 16 April 2024 AASB meeting.

Paper No.	Title	Content of item	Board action
N/A	ASIC Highlights Focus Areas for 31 December 2024 Financial Reports	<p>ASIC is urging directors, preparers of financial reports and auditors to be aware of the enduring and ongoing focus areas in its proactive surveillance of financial reports for the year ending 31 December 2024.</p> <p>Areas of focus for the upcoming reporting season include:</p> <ul style="list-style-type: none"> • impairment and asset values • provisions • events after year end and before completing the financial report, and • disclosures in the financial report and Operating and Financial Review (OFR). <p>For some entities, new sustainability and climate reporting requirements will commence for financial years beginning on or after 1 January 2025.</p>	Included for noting only. No action is required at this meeting.
N/A	ASIC Invites Feedback on Proposed Updates to Digital Asset Guidance	<p>ASIC released Consultation paper 381 Updates to INFO 225: Digital Assets: Financial Products and Services (CP 381) outlining proposals to update Information Sheet 225 Crypto Assets (INFO 225).</p> <p>To provide greater clarity about the current law, ASIC has proposed a range of updates to INFO 225, including adding 13 practical examples of how the current financial product definitions apply to digital assets and related products.</p>	Included for noting only. No action is required at this meeting.
N/A	ASIC Seeks Feedback on Proposed Guidance	<p>ASIC has released a draft regulatory guide on the</p>	Included for noting only. No action is

Paper No.	Title	Content of item	Board action
	on Sustainability Reporting Regime	<p>sustainability reporting regime for consultation with stakeholders.</p> <p>From 1 January 2025, many large Australian businesses and financial institutions will need to prepare annual statutory sustainability reports containing climate-related financial disclosures.</p> <p>The draft Regulatory Guide 000 Sustainability reporting (Draft RG 000) includes guidance on who must prepare a sustainability report, how the regime will interact with existing legal obligations and how ASIC will administer the sustainability reporting requirements. This includes specific guidance on ASIC’s approach to granting relief from the regime and use of its new directions power.</p> <p>Draft RG 000 also addresses specific issues in relation to the contents of the sustainability report and sustainability-related financial disclosures outside the sustainability report.</p>	<p>required at this meeting.</p>
N/A	XRB – 2024 Climate and Assurance Proposals Announced	<p>The External Reporting Board has approved three of the four proposals relating to amendments to climate and assurance standards:</p> <ul style="list-style-type: none"> • A one year extension to the adoption provision for scope 3 GHG emissions disclosures • A one year extension to the adoption provision for anticipated financial impacts disclosures • A new one year adoption provision relating to the 	<p>Included for noting only. No action is required at this meeting.</p>

Paper No.	Title	Content of item	Board action
		assurance of scope 3 GHG emissions	
N/A	XRB – Differential Reporting	<p>The XRB has published a document on differential reporting that provides:</p> <ul style="list-style-type: none"> • information on the External Reporting Board (XRB)'s plan to consult on Aotearoa New Zealand Climate Standards (NZ CS), focusing on the topic of differential climate-related reporting; and • context to the Ministry of Business, Innovation and Employment (MBIE)'s discussion document Adjustments to the climate-related disclosures regime, specifically in relation to questions 4 and 11, about whether the introduction of differential reporting by the XRB would impact the choice of preferred options. 	Included for noting only. No action is required at this meeting.
N/A	XRB – He Tauira Framework	The External Reporting Board (XRB) has announced the draft version of He Tauira—a voluntary conceptual reporting framework specifically designed to guide entities in Aotearoa New Zealand to consider how they articulate their long-term intergenerational impact, through a distinctive lens examining their operations and their broader relationships with the external world.	Included for noting only. No action is required at this meeting.