



<b>Project:</b>	<b>Other Business – Public</b>	<b>Meeting:</b>	July 2025 (M213)
<b>Topic:</b>	<b>Cover Memo</b>	<b>Agenda Item:</b>	11.1
		<b>Date of the Agenda Paper:</b>	17 June 2025
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		<b>Decision-Making:</b>	Low
		<b>Project Status:</b>	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			

## IASB and IFRS IC UPDATES

Paper No.	Title	Staff comment	Board action
N/A	<a href="#">IASB Update May 2025</a>	The IASB approved the publication of the request for information for public comment on the Post-implementation Review of IFRS 16 <i>Leases</i> with a 120-day comment period. The IASB expects to publish the request for information in June 2025.  Staff do not consider there are any matters to raise in relation to the May 2025 IASB update.	Included for noting only. No action is required at this meeting.

Paper No.	Title	Staff comment	Board action
N/A	<a href="#">IASB Update April 2025</a>	Staff do not consider there are any matters to raise in relation to the April 2025 IASB update.	Included for noting only. No action is required at this meeting.

#### ISSB and TIG UPDATES<sup>1</sup>

Paper No.	Title	Staff comment	Board action
N/A	<a href="#">ISSB Update May 2025</a>	<p>The ISSB discussed the prospective exposure draft of proposed amendments to nine of the 12 SASB Standards it has prioritised for enhancement. The exposure draft is expected to contain proposed amendments for all eight SASB Standards in the Extractives sector and the <i>Processed Foods</i> SASB Standard, as well as targeted amendments to 41 SASB Standards to maintain consistent disclosures for the same topics in different SASB Standards.</p> <p>The ISSB was not asked to make any decisions at its May meeting and will decide whether to ratify the exposure draft in June 2025.</p>	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	Report on highlights of the IPSASB's March 2025 meeting	<p>Report prepared by the New Zealand member of the IPSASB for the NZASB regarding the key decisions at the meeting on the following projects:</p> <ul style="list-style-type: none"> <li>• Making Materiality Judgements</li> <li>• Measurement – Application Phase</li> <li>• Presentation of Financial Statements</li> <li>• Strengthening Linkages Between IPSAS Standards and the Government Finance Statistics Manual (GFSM).</li> </ul>	Included for noting only. No action is required at this meeting.

<sup>1</sup> The Transition Implementation Group on IFRS S1 and IFRS S2 (TIG) discusses, in a public forum, implementation questions that arise when companies implement IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*. See Agenda Paper 10.1 for other international and domestic updates on sustainability reporting.

Paper No.	Title	Staff comment	Board action
N/A	<p>XRB Exposure Drafts:</p> <p><a href="#">ED PBE IPSAS 47 Revenue</a></p> <p><a href="#">ED PBE IPSAS 48 Transfer Expenses</a></p>	<p>The XRB is proposing two PBE Standards that would provide clearer guidance for revenue and transfer expense accounting. These proposed Standards are developed based on IPSAS with additional New Zealand guidance.</p> <p>Staff will monitor the New Zealand project and report back in due course.</p> <p>The AASB <a href="#">responded</a> to the IPSASB Exposure Drafts related to revenue and transfer expenses in October 2020. At the time, the Board has some concerns about the proposals for both revenue and transfer expenses. The Board did not express firm views on whether it agrees or disagrees with the IPSASB' proposals on revenue because it would be premature to form views prior to the Board's post-implementation review (PIR) of its income of NFP entities Standards.</p> <p>The AASB has since completed that PIR. As noted in the <a href="#">Feedback Statement</a> of that PIR, the AASB indicated that it would consider IPSAS 47 to determine whether there is any useful guidance for Australian NFP entities.</p> <p>With respect to IPSAS 48, Australia currently does not have a Standard specifically on the recognition and measurement of expenses from the resource providers' perspective. Staff plan to consult with stakeholders, as part of the forthcoming Agenda Consultation, whether Australian public sector entities providing funds/grants to another entity could benefit from guidance on the recognition and measurement of transfer expenses.</p> <p>Staff observed that the requirements in IPSAS 48 are not necessarily in line with how Australian resource providers currently recognise a transfer expense.</p>	Included for noting only. No action is required at this meeting.
N/A	IPSASB project on climate-related disclosures for NFP	At its June 2025 meeting, the IPSASB discussed feedback received on its Exposure Draft IPSASB SRS ED 1 <i>Climate-related Disclosures</i> .	Included for noting only. No action is required at this meeting.

Paper No.	Title	Staff comment	Board action
	public sector entities	<p>The IPSASB decided that, instead of developing one standard (as proposed in the ED), the project will be split into two phases.</p> <ul style="list-style-type: none"> <li>• Phase 1, Own Operations, will finalise the standard focusing on how public sector entities disclose climate-related risks and opportunities to their own operations (based on IFRS S2 <i>Climate-related Disclosures</i>).</li> <li>• Phase 2, Public Policy Programs, will develop a separate standard for those specific public sector entities responsible for delivering climate-related public policy programs and their outcomes.</li> </ul> <p>In respect to timing, the IPSASB:</p> <ul style="list-style-type: none"> <li>• intends to vote on a final pronouncement for the Own Operations standard at its December 2025 meeting; and</li> <li>• aims to finalise the Standard on Public Policy Programs around the end of 2026.</li> </ul> <p>As discussed in paragraphs 14–17 of Agenda Paper 9.1, Research updates, staff will continue to monitor the IPSASB’s project as part of the AASB’s own research work on investigating:</p> <ul style="list-style-type: none"> <li>(a) the information needs of users of climate-related financial information of NFP public sector entities; and</li> <li>(b) the guidance that might be needed to assist NFP public sector entities in applying AASB S2 <i>Climate-related Disclosures</i>.</li> </ul>	

## NEWS and OTHER

Paper No.	Title	Content of item	Board action
N/A	<a href="#">XRB – NZ IFRS 18: are you ready?</a>	<p>The XRB are reminding entities of the NZ IFRS 18 reporting requirements, which are mandatory from 1 January 2027.</p> <p>NZ IFRS 18 will replace NZ IAS 1 <i>Presentation of Financial Statements</i> and introduces several new requirements, including:</p> <ul style="list-style-type: none"> <li>• New categories and subtotals in the statement of profit or loss</li> <li>• Disclosure requirements for management-defined performance measure</li> <li>• Enhanced guidance on grouping (aggregation and disaggregation) of information</li> </ul> <p>The XRB has begun to send out a monthly communication to help entities prepare for NZ IFRS 18.</p>	Included for noting only. No action is required at this meeting.
N/A	<a href="#">XRB – New review engagement Standard on reviewing service performance information</a>	<p>The XRB has issued a new review engagement standard, NZ SRE 1, which sets out the objectives and requirements for an assurance practitioner engaged to review a performance report that includes service performance information.</p> <p>The standard is applicable for accounting periods beginning on or after 1 January 2026.</p>	Included for noting only. No action is required at this meeting.
N/A	<a href="#">XRB – Reporting and assurance of service performance information – Tier 1 and 2 not-for-profit entities</a>	<p>The XRB have issued a consultation paper to confirm their understanding of challenges that Tier 1 and 2 not-for-profit entities, and assurance practitioners and users are experiencing with the reporting and assurance of service performance information. The feedback will inform the XRB of potential actions that can be taken to help address these challenges.</p> <p>The consultation period closes on 29 August 2025.</p>	Included for noting only. No action is required at this meeting.
N/A	<a href="#">ASIC – Review of managed fund</a>	ASIC has reviewed a cross-section of compliance plans used by responsible	Included for noting only. No

Paper No.	Title	Content of item	Board action
	<a href="#">compliance plans: 'Failing to plan is planning to fail'</a>	<p>entities of registered managed investment schemes (funds). ASIC's review focused on the adequacy of the treatment of regulatory obligations in compliance plans.</p> <p>The results of the review indicate that the quality of many compliance plans is poor, requiring significant improvements across the sector.</p>	action is required at this meeting.
N/A	<a href="#">ASIC announced financial reporting and audit focus areas for FY 2025-26</a>	<p>ASIC has published its financial reporting and audit focus areas for the 2025-26 financial year and highlighted the progress of its ongoing financial reporting and audit surveillance.</p> <p>The relevant financial reporting focus areas include:</p> <ul style="list-style-type: none"> <li>• Revenue recognition</li> <li>• Asset valuation</li> <li>• Estimation of provisions</li> </ul> <p>ASIC's 2025-2026 audit focus is to continue to select audit files where a change has been made to financial information or the financial report, or where they hold concerns that a financial report may have a risk of material misstatement.</p>	Included for noting only. No action is required at this meeting.
N/A	<a href="#">ASIC proposes to remake basic deposit and general insurance product distribution legislative instrument</a>	<p>ASIC is inviting feedback on its proposal to remake a legislative instrument that provides certain relief for Australian financial services (AFS) licensees.</p> <p>The <a href="#">ASIC Corporations (Basic Deposit and General Insurance Product Distribution) Instrument 2015/682</a>, which provides relief from the requirement for an AFS licensee to appoint a distributor of a basic deposit product or general insurance product as its authorised representative, is scheduled to end on 1 October 2025.</p>	Included for noting only. No action is required at this meeting.
N/A	<a href="#">ASIC proposes to remake incidental retail cover legislative instrument</a>	<p>ASIC is inviting feedback on its proposal to remake a legislative instrument that exempts insurers and brokers from certain retail client obligations, specifically when</p>	Included for noting only. No action is required at this meeting.

Paper No.	Title	Content of item	Board action
		<p>incidental retail cover is provided in business insurance contracts.</p> <p>The <a href="#"><i>ASIC Corporations (incidental Retails Cover) Instrument 2022/716</i></a>, which exempts insurers and brokers from certain retail client obligations under Chapter 7 of the Corporations Act 2001, is scheduled to end on 16 August 2025.</p>	
N/A	<a href="#"><u>CA ANZ – Digital Reporting Now: Empowering Companies, Investors, and the Economy</u></a>	<p>Chartered Accountants Australia and New Zealand (CA ANZ) have released a report which outlines the case for mandating digital financial reporting in Australia.</p> <p>As part of the report, CA ANZ recommends that the Australian Government:</p> <ol style="list-style-type: none"> <li>1. Amend the Corporations Act 2001 to require disclosing to lodge their annual and half year financial reports in digital form.</li> <li>2. Adopt the XBRL digital reporting format, using the IFRS Accounting</li> <li>3. Taxonomy for Australia’s mandatory digital reporting.</li> <li>4. Make digital reporting data freely available, with Government investing in digital reporting infrastructure to support the transition and implementation.</li> <li>5. Review opportunities for Government to streamline inefficient and duplicative reporting to different agencies utilising digital reporting data.</li> </ol>	Included for noting only. No action is required at this meeting.