



Financial Reporting Council Communiqué

The Financial Reporting Council (FRC) met on 5 July 2023 and the key matters considered and decided are outlined below:

New FRC Members	<ul style="list-style-type: none">The FRC Chair welcomed and introduced the FRC’s two new members, Pru Bennett and Rachel Grimes. The appointments will be for a period of three years commencing from the 9th of June 2023.
Environmental Scan	<ul style="list-style-type: none">ASIC announced significant structural changes to the organisation in efforts to deliver more efficient enforcements matters. These changes included the discontinuation of the role of Chief Accountant. The FRC chair thanked and acknowledged Doug Niven’s contribution to the FRC over many years.The FRC discussed the developments of digital reporting and the importance of Australia’s adoption of digital reporting to save capital. The FRC agreed to write a letter to the Treasurer on digital reporting advocating for its implementation.
AASB and AUASB	<ul style="list-style-type: none">The FRC noted the AASB and AUASB Chair reports.AASB report highlights:<ul style="list-style-type: none">Focus on sustainability including the launch of the standards at the IFRS Conference.AASB has repositioned its work allocation in efforts to appropriately use resources to focus on the ISSB standards.AUASB report highlights:<ul style="list-style-type: none">The IAASB approved a draft on sustainability assurance released in late July, early August.Investigating the climate change effect on financial statements and the materiality of climate-related disclosures.
XRB	<ul style="list-style-type: none">XRB report highlights:<ul style="list-style-type: none">The XRB released its climate reporting standards.Multi-year research on policy intent for climate disclosure to support NZ transition to a carbon neutral economy.XRB to complete a comparison document with the ISSB’s standards.
International Developments	<ul style="list-style-type: none">Members noted and discussed the information gathered from the IFRS Conference in London including the ISSB standards – IFRS S1 and S2.The UK FRC’s consultation for corporate governance code for entities was discussed including proposals for more detailed reporting on controls, their effectiveness and how entities satisfy themselves.Attendees of the XRB hosted the Asia-Pacific Climate Reporting Summit on the 1st and 2nd of May 2023 provided a verbal update.
Financial Reporting Indicators	<ul style="list-style-type: none">Members noted the research on costs of capital supplied by the FRC Secretariat which indicated the benefit of adopting IFRS standards.
Extended External Reporting	<ul style="list-style-type: none">The FRC discussed its interactions with Home Affairs and Jobs and Skills Australia on the shortage of auditors and accountants in Australia.The FRC discussed the importance of sustainability as it promotes opportunity, attraction, and upskilling.
Public Sector Reporting	<ul style="list-style-type: none">The PSAG Chair provided a verbal update of information collected from the public sector in Australia including the OECD Working Group meeting. The main users of public sector financial statements, standard setting updates, digital reporting, and the challenges of talent retention was discussed.
Nominations Committee	<ul style="list-style-type: none">Members agreed to appoint Pru Bennett and Rachel Grimes to the Nominations Committee
Bill Edge	<ul style="list-style-type: none">The Chair and members thanked Bill Edge for his enormous contribution to the FRC and the AUASB. Bill has been a member of the FRC since 2014 and the AUASB since 2021.

The next FRC meeting is scheduled to be held in Melbourne on 6 September 2023