



# Financial Reporting Council Communiqué

The Financial Reporting Council (FRC) met on 25 June 2024 and the key matters considered and decided are outlined below:

<b>Environmental Scan</b>	<ul style="list-style-type: none"><li>• The FRC discussed:<ul style="list-style-type: none"><li>– The transition plans for sustainability reporting obligations and disclosures.</li><li>– The FRC’s role in governance.</li></ul></li><li>• Members noted the stakeholder reports and Chair’s report of stakeholder meetings and discussed the key themes including sustainability reporting, cultural challenges within firms, and talent attraction and retention.</li></ul>
<b>AASB and AUASB</b>	<ul style="list-style-type: none"><li>• AASB report highlights:<ul style="list-style-type: none"><li>– The AASB has received feedback from consultations about the need for the alignment with International Sustainability Standards Board (ISSB) standards.</li><li>– The AASB is finalising reporting standards, with an aspirational target for August.</li><li>– The AASB is prioritising on developing Tier 3 Not-for-Profit Reporting Standards.</li></ul></li><li>• AUASB report highlights:<ul style="list-style-type: none"><li>– AUASB received supportive feedback from its consultation paper on sustainability assurance.</li><li>– The AUASB has agreed on a proposed climate assurance phasing model for an exposure draft, intends to adopt the IAASB standard and is working on a supplementary pronouncement under the local reporting framework.</li></ul></li></ul>
<b>XRB</b>	<ul style="list-style-type: none"><li>• XRB report highlights:<ul style="list-style-type: none"><li>– The XRB has established a separate Sustainability Standards Board and has appointed the first three members, including the Chair. Further members will be appointed over the coming months including an Australian member.</li><li>– The XRB is planning to consult on a sustainability reporting strategy next year due to growing demand for sustainability reporting.</li></ul></li></ul>
<b>Public Sector Reporting</b>	<ul style="list-style-type: none"><li>• The Public Sector Advisory Group (PSAG) Chair provided a verbal update of PSAG meeting held on 11 June and discussed key themes including internal governance arrangements to adopt sustainability reporting and assurance standards, challenges in sustainability expertise, and talent attraction in accounting and auditing professions.</li></ul>
<b>Treasury consultations/Government processes</b>	<ul style="list-style-type: none"><li>• The FRC discussed the consultation paper issued by Treasury on 3 May 2024 in relation to the regulation of accounting, auditing and consulting firms in Australia.</li><li>• The FRC discussed the consultation paper issued by Treasury on 3 May 2024 which sought stakeholder feedback on tax regulator information gathering powers.</li><li>• The FRC received an update on work on the upcoming merger of the AASB, AUASB and FRC.</li></ul>
<b>Nominations Committee</b>	<ul style="list-style-type: none"><li>• The FRC discussed ways to support nominations of suitably-qualified Australians for roles on international standard setting boards.</li></ul>

**The next FRC meeting is scheduled to be held in Melbourne on 19 September 2024**