



MINUTES

DATE: 5 March 2025

TIME: 09:00 – 15:00

LOCATION: Level 16, 530 Collins Street, Melbourne VIC 3000 & Microsoft Teams

ITEM	AGENDA ITEM	
PUBLIC SESSION		
1	INTRODUCTION	
1A	The Chair began with an acknowledgement of country and welcomed all attendees to the meeting.	
1B	ATTENDEES AND APOLOGIES	
	Members in attendance:	Observers:
	Andrew Mills (Chair)	Jesse Chen (Treasury)
	Dr Keith Kendall (AASB Chair)	Christie Yang (Treasury)
	Doug Niven (AUASB Chair)	Ben Mills (Treasury)
	Michele Embling (XRB Chair)	
	Rachel Grimes	
	Pru Bennett	
	Amy Fox	
	Alison White	
	Guests:	Apologies:
	Luci Tucker (ASIC)	Emma Herd
	Anne Waters (AUASB)	
	Justin Williams (AASB)	
	Members of the public:	
	John Ngiam (CA ANZ) - virtual	
	Mogendhri Mueller (Department of Finance) - virtual	
1C	DECLARATIONS OF INTEREST	
	No new declarations of interest were noted.	

2	MATTERS FOR NOTING/ACTION
2A	MINUTES OF PREVIOUS MEETING – 4 DECEMBER 2024
	The minutes of the 4 December 2024 meeting were circulated prior to the meeting and were noted by members.
2B	ACTION ITEMS
	Members noted that no action items from the December 2024 meeting.
3	ENVIRONMENTAL SCAN
	MEMBER REFLECTIONS & STAKEHOLDER REPORTS
	<p>Members reviewed stakeholder reports and discussed key developments in financial reporting, including on how environmental, social, and governance (ESG) policies are evolving globally, particularly in the United States, Europe, and Asia.</p> <p>Some members noted that climate-related disclosures and DEI (Diversity, Equity, and Inclusion) policies have faced increasing scrutiny in the United States, with some companies revising their policies in response to political and legal pressures. However, others pointed out that businesses with strong ESG commitments, such as Costco, view these policies as essential to maintaining long-term shareholder value.</p> <p>Members also noted that the United Kingdom, European Union, and Asia continue to advance sustainability reporting requirements, although that the European Union was considering modifying its requirements.</p> <p>Members discussed the need for more guidance by small businesses in Australia on new climate disclosure requirements, with some companies reportedly unaware of how climate risks impact their operations. Members agreed that education and outreach efforts should be expanded to ensure that small businesses understand the financial implications of sustainability reporting and the necessity of disclosing material climate risks.</p> <p>A key issue discussed was the quality of sustainability reports produced by major corporations, with some members noting that reports are often lengthy and lack clarity on material risks. Members took the view that companies should focus on concise, high-quality reporting that provides clear, actionable insights rather than overly broad sustainability statements. Members also noted stakeholder reports suggested reduced concerns about resourcing pressures in the auditing profession as compared to previous reports.</p> <p>The FRC Secretariat will work with the Chair to explore ways to increase dialogue with stakeholders on how the FRC is responding to stakeholder feedback.</p>
4	OVERSIGHT OF AUSTRALIAN STANDARDS (ACCOUNTING AND AUDITING) PER ASIC ACT s 225(1) TO (2A)
4A	AASB REPORT
	<p>Keith Kendall provided a verbal update on the AASB’s work:</p> <ul style="list-style-type: none"> The first AASB board meeting of the year is scheduled for 6 March 2025.

	<ul style="list-style-type: none"> • Sustainability reporting has become mandatory for Group 1 entities from 1 January 2025, with a focus on implementation guidance. • The AASB is progressing the drafting of new standards for non-profit entities within Tier 3. • The AASB continues to work on the Service Performance Reporting project, focusing on how to measure success in non-profit and public sector entities. • The AASB is attending the IFRS Foundation's Integrated Thinking and Reporting Annual Conference in Tokyo.
4B	AUASB REPORT
	<p>Doug Niven provided a verbal update of the AUASB’s developments in financial auditing, assurance, and sustainability:</p> <ul style="list-style-type: none"> • The AUASB approved the adoption of international standard ISSA 5000 <i>General Requirements for Sustainability Assurance Engagements</i> in Australia. Positive feedback has been received from international standard-setting bodies. • The AUASB is currently focused on implementation, education, and guidance. Work is ongoing to address frequently asked questions (FAQs) related to the new standard. • Recruitment efforts are underway to support sustainability assurance implementation.
5	MONITORING AND INFLUENCING INTERNATIONAL DEVELOPMENTS PER ASIC ACT S 225(2)(E) TO (2)(F) AND S 225(2A)(F) TO (2A)(G)
5A	XRB UPDATE
	<p>Michele Embling provided verbal updates:</p> <ul style="list-style-type: none"> • XRB continues to strengthen relationships with international bodies, including the International Public Sector Accounting Standards Board (IPSASB) and IFRS Foundation, to align New Zealand’s reporting standards with global standards while being domestically relevant. • Michele shared the XRB’s approach to board and subcommittee composition to ensure that it maintains a good balance of technical skills and broader experience. It was noted that fewer than 50% of current NZAuASB board members are licensed auditors.
5B	INTERNATIONAL DEVELOPMENTS
	Members noted the information attached in the meeting pack.
6	PUBLIC SECTOR ADVISORY GROUP

	<p>Amy Fox discussed key themes raised in the recent PSAG meeting held on 17 February 2025, including:</p> <ul style="list-style-type: none"> • Ongoing challenges in recruitment and retention of qualified professionals particularly into specific regions. Members noted continued declines in turnover and an increasing inability to fill positions, with the impact being more pronounced in the ACT than in other jurisdictions. • The shortage of qualified professionals requires targeted strategies to attract and retain talent in public sector auditing and accounting roles. • Implications and impact of renewed focus of AASB on standard setting projects, which will need to be carefully considered and consulted on with the public sector.
7	FRC STRATEGIC PLAN 2025-26
	<p>The discussion on the FRC Strategic Plan emphasised the need to align with evolving global trends and financial reporting standards, particularly in sustainability. Members suggested refining and revising wording to reflect the continued evolution of sustainability reporting.</p> <p>Members agreed on the need to track progress against the plan by bringing it back for review, comparing stated objectives with actual outcomes. Members agreed for the FRC Secretariat to refine the strategic plan accordingly and recirculate an updated draft for further input.</p>
8	FUNDING INTERNATIONAL BODIES
	All FRC members agreed for the FRC Secretariat to work with the Chair on a recommendation to the Australian Government that it provides a further contribution to the IFRS Foundation in 2025-26.
9	OTHER BUSINESS
9A	NOMINATIONS COMMITTEE [PER S 225(2)(A) AND S 225(2A)(A)]
	<p>Rachel Grimes AM noted that the FRC reappointed the following members to the AASB and AUASB who commenced on 22 February 2025:</p> <ul style="list-style-type: none"> - AASB: Sean Osborn - AUASB: Marilyn Gwan
9B	CORRESPONDENCE RECEIVED AND SENT
	Members noted the correspondence sent.
9C	FRC WEBSITE UPDATE
	Members agreed for the FRC Secretariat to update members' biographies on the FRC website with input received from members.
9D	KEY ACTION ITEMS SUMMARY
	<ul style="list-style-type: none"> • FRC Secretariat to work with Chair to consider options to increase dialogue with stakeholders (e.g., stakeholder roundtables).

	<ul style="list-style-type: none">• FRC Secretariat to incorporate members' comments on the FRC 2025-26 Strategic Plan and circulate to members an updated Strategic Plan for further input.• FRC Secretariat to work with the Chair on a recommendation to the Australian Government that it provides a further contribution to the IFRS Foundation in 2025-26.• FRC Secretariat to update members' biographies on the FRC website with input received from members.
10	NEXT MEETING
	Next meeting will be held on 6 June 2025 at the Sydney Treasury office.