



Financial Reporting Council Communiqué

The Financial Reporting Council (FRC) met on 6 June 2025. The key matters considered and decided are outlined below:

Environmental Scan (including Stakeholder Feedback)	<ul style="list-style-type: none">Members reflected on AI developments, noting the AASB’s collaboration with CSIRO on a PhD program and the AUASB’s upcoming auditor guidance on AI use in assurance.Members discussed the importance of engaging with more stakeholders that represent small business perspectives.The FRC members agreed on the need for a stakeholder map/matrix to guide engagement strategy, including identifying all key stakeholders, cadence of outreach and appropriate meeting format (one-on-one and/or roundtable meeting).
AASB and AUASB	<p>The AASB Chair provided a verbal update on the AASB’s work:</p> <ul style="list-style-type: none">The AASB continues to work on the not-for-profit Tier 3 reporting framework.The AASB is engaging internationally, including with the Japanese and Korean sustainability boards.Sustainability reporting implementation remains a priority for the AASB.The AASB is working on further guidance in the coming months following the release of guidance on materiality by the ISSB. <p>The AUASB Chair provided a verbal update on the AUASB’s work:</p> <ul style="list-style-type: none">The AUASB is progressing guidance on the assurance of sustainability disclosures.Engagement continues with the IAASB on global assurance standards, including in the development of supplementary illustrative sustainability assurance reports.The AUASB will issue guidance on how AI is affecting assurance work.
XRB	<ul style="list-style-type: none">The XRB will shortly finalise two key accountability documents (2025-2030 Statement of Intent and 2025/256 Statement of Performance Expectations) that will set out the XRB’s objectives for the coming years.The XRB will soon consult with larger not for profit entities to understand the reporting and assurance challenges of service performance reporting.Work continues with supporting the adoption of climate reporting. Reporting and assurance over Scope 3 emissions remains challenging. Michele noted that while there remains strong support for the objectives of climate and sustainability reporting, stakeholders are asking for a measured, phased approach to implementation.
Public Sector Advisory Group	<ul style="list-style-type: none">The Public Sector Advisory Group (PSAG) Chair provided a verbal update of the recent PSAG meeting:<ul style="list-style-type: none">Andrew Greaves has replaced Jane Meade on the PSAG.Discussions took place on the application of accounting standards to local governments, particularly in relation to depreciation expenses resulting in operating lossesOngoing work continues regarding the attractiveness of the public sector profession.
FRC Strategic Plan 2025-26	<ul style="list-style-type: none">Members reviewed and agreed with the revised FRC Strategic Plan. The FRC Secretariat will upload the strategic plan to the FRC website.
Nominations Committee	<ul style="list-style-type: none">The FRC endorsed proposed amendments to the Nominations Committee Charter to ensure flexibility and continuity during the transitional governance period. Minor amendments to the AASB and AUASB Board Charters were also approved.

The next FRC meeting is scheduled to be held in Melbourne on 17 September 2025