



AGENDA – 115TH FRC MEETING

Date: 17 September 2025

Time: 09:30 – 15:30

Location: Level 16, 530 Collins Street, Melbourne (Commonwealth Treasury)

Financial Reporting Council (FRC) members will attend this meeting in person or via Microsoft Teams. Members of the public may attend the public session of the meeting on Teams by registering their interest at least 24 hours before the meeting. Please email secretariat@frc.gov.au with your:

- Name
- Affiliation
- Contact details

Item	Report by	Time
PUBLIC SESSION		
1. Introduction		09:30
A. Acknowledgement of country	Chair	
B. Attendees and apologies		
C. Declarations of interest		
2. Matters for noting / action		09:35
A. Minutes of previous meeting (6 June 2025) and approval of FRC 2024-25 Annual Report	Chair	
B. Action items	Secretariat	
3. Environmental scan		09:40
A. Member reflections	All	
B. FRC Stakeholder Engagement Strategy	Secretariat	
4. Oversight of Australian accounting, auditing and sustainability standards per ASIC Act s 225(1) to (2A)		10:10
A. Australian Accounting Standards Board	AASB Chair	
1. Financial reporting update	AUASB Chair	
2. Sustainability reporting update		
B. Auditing and Assurance Standards Board		
1. Financial auditing and assurance update		
2. Sustainability auditing and assurance update		
Morning tea		10:50
5. Monitoring and influencing international developments per ASIC Act s 225(1A) and s 225(2C)(f)		11:10

Item	Report by	Time
A. XRB update	XRB Chair	
B. International developments (including recent media releases)	FRC	
6. Nominations Committee report per ASIC Act s 225(2)(a) and s 225(2A)(a)	Rachel Grimes	11:40
7. Auditor Review Working Group report	Chair	12:00
8. Other business		12:30
A. Correspondence received and sent	Chair	
B. Key action items summary	Secretariat	
C. Next meeting: 10 December 2025, Sydney	Chair	
Lunch		13:00
PRIVATE SESSION		
9. Matters for private session		14:00
Meeting close		15:00

OUR PURPOSE

The FRC oversees the effectiveness of the financial reporting framework in Australia. Its key functions include:

- the oversight of the accounting and auditing standards setting processes for the public and private sectors;
- providing strategic advice in relation to the quality of audits conducted by Australian auditors; and
- advising the Minister on these and related matters to the extent that they affect the financial reporting framework in Australia.

The FRC also monitors the development of international accounting and auditing standards, furthers the development of a single set of accounting and auditing standards for worldwide use and promotes the adoption of these standards.



ITEM 1B
17 SEPTEMBER 2025

ATTENDEES AND APOLOGIES

The attendees and apologies for this meeting are listed below.

ACTION

- FRC to note.

Participants – FRC members	Organisation
Andrew Mills	Chair
Keith Kendall	AASB Chair
Doug Niven	AUASB Chair
Rachel Grimes	
Pru Bennett	
Alison White	
Emma Herd	

Guests	Organisation
John Kensington	XRB
Wendy Venter	XRB
Claire LaBouchardiere	ASIC
Luci Tucker	ASIC
Justin Williams	AASB
Tiffany Tan	CPA Australia

Observers	Organisation
Jesse Chen	FRC Secretariat
Christie Yang	FRC Secretariat
Kim Demarte	Treasury

Apologies	Organisation
Amy Fox	Department of Finance



ITEM 1C 17 SEPTEMBER 2025

DECLARATIONS OF INTEREST

Attached are members' declarations of interest.

ACTION

FRC members to:

- declare any interest that may be relevant (having regard to the meeting agenda and functions of the FRC)
- confirm the accuracy of the attached Declarations of Interest.

FINANCIAL REPORTING COUNCIL – REGISTER OF INTERESTS
as at 9 September 2025

FRC Member	Stakeholder / Professional / Organisational Affiliations	Employment / Other Positions Held	Other Interests
Mr Andrew Mills	Graduate member, Australian Institute of Company Directors Chartered Tax Advisor, The Tax Institute (Life) Fellow, CPA Australia Fellow, Australian Institute of Governance	Principal Fellow/Associate Professor, University of Melbourne Law School Chair, NSW Independent Planning Commission Member, The Board of Taxation Member, External Reporting Board (NZ) Member, Tax and Transfer Policy Institute Advisory Board Member, Melbourne Law School Tax Advisory Board Executive Committee Member, International Fiscal Association Australia Branch	Director and Secretary, Ajay Investments Pty Ltd Member of Ajay Superannuation Fund (SMSF) that holds interests in listed securities and PE partnerships Son is Director, EY QANTAS Chairmans Lounge
Dr Keith Kendall	Member, New Zealand Accounting Standards Board Member, Investment Committee, Royal Historical Society of Victoria Chartered Tax Advisor, The Tax Institute Member, CA ANZ Fellow, CPA Australia Graduate member, Australian Institute of Company Directors	Chair and CEO, Australian Accounting Standards Board Vice Chair, Asian-Oceanian Standard-Setters Group (AOSSG) Treasurer, Samuel Griffith Society Finance Director, Rugby Victoria	Director/shareholder/beneficiary: <ul style="list-style-type: none"> • Cuffe Walk Pty Ltd • Kendall Control Pty Ltd • The Kendall Control Trust • The Keith Kendall Family Trust
Mr Doug Niven	Fellow, Chartered Accountants Australia and New Zealand	Chair and CEO, Auditing and Assurance Standards Board	Nil

FRC Member	Stakeholder / Professional / Organisational Affiliations	Employment / Other Positions Held	Other Interests
	Member, New Zealand Auditing and Assurance Standards Board	Member, IAASB and IESBA Stakeholder Advisory Council	
Ms Emma Herd		<p>Director, EMLH Pty Ltd</p> <p>Partner, Climate Change and Sustainability Services, Ernst and Young Oceania</p> <p>Member, Queensland Land Restoration Fund Investment Panel</p> <p>Member, Green Building Council of Australia (GBCA) Green Star Advisory Committee</p> <p>Co-Chair, Australian Sustainable Finance Institute Taxonomy Technical Expert Group (ASFI TTEG)</p>	<p>Former CEO of Investor Group on Climate Change</p> <p>Former Environment Commissioner with the Greater Cities Commission</p> <p>Former Head of Sustainability and Executive Director at Westpac Institutional Bank</p> <p>Former Board Member, Carbon Market Institute</p>
Ms Pru Bennett	<p>Fellow Institute of Chartered Accountants</p> <p>Graduate Member Australian Institute of Company Directors</p> <p>Member Singapore Institute of Company Directors</p>	<p>Partner Brunswick Group</p> <p>Member of the Advisory Council for Oasis Capital Hong Kong</p> <p>Member of the Sustainability Advisory Council for Link REIT</p> <p>Chair National Foundation for Australia China Relations</p> <p>Council Member Asian Corporate Governance Association</p> <p>Member of the Monetary Authority of Singapore's Corporate Governance Advisory Council</p>	<p>Director of Bened Pty Limited</p> <p>Director of Milliam Pty Limited</p> <p>Director of Brunswick Advisory Pty Limited</p>

FRC Member	Stakeholder / Professional / Organisational Affiliations	Employment / Other Positions Held	Other Interests
		<p>Member of Deakin University Integrated Reporting Centre Advisory Board</p> <p>Board member Asian Investor Group on Climate Change</p>	
Ms Rachel Grimes AM	<p>Graduate, Australian Institute of Company Directors</p> <p>Fellow, Chartered Accountants Australia and New Zealand (CAANZ)</p> <p>Fellow, Certified Practising Accountant Australia (CPAA)</p> <p>Fellow, Institute of Practising Accountant (IPA)</p>	<p>Director, Hub24 Limited</p> <p>Director, Australian Payments Plus Limited</p> <p>Director of the Accounting Professional Standards and Ethics Board (APESB)</p> <p>Chair of Surfing Australia Finance and Risk Committee</p> <p>Director, Angus Knight Pty Ltd</p> <p>Member of the Board of Platinum Asset Management Limited</p> <p>Member of the Board of DigiCo Infrastructure REIT</p> <p>Member of the Boards of HMC Capital Partners No1 Pty Ltd, HMC Capital Partners No.2 Pty Ltd, HMC Capital Partners No.3 Pty Ltd</p>	<p>Director of 1972 Investments Limited (Holds one property and some Australian ASX listed shares by family)</p> <p>Trustee of P Grimes Employee Provident Fund (Family SMSF owns Aust and International managed funds and listed shares)</p>

FRC Member	Stakeholder / Professional / Organisational Affiliations	Employment / Other Positions Held	Other Interests
Ms Amy Fox	Fellow, CPA Australia, Fellow, Chartered Accountants Australia New Zealand, Graduate, Australian Institute of Company Directors	Department of Finance, Australian Government	Nil

FRC Member	Stakeholder / Professional / Organisational Affiliations	Employment / Other Positions Held	Other Interests
Ms Alison White	Deloitte	<p>Partner, Assurance & Advisory; National Leader: Accounting & Corporate Reporting</p> <p>Member, Property Council of Australia National Roundtable</p> <p>Member, Board of Advice of The University of Sydney – Discipline of Accounting, Governance and Regulation</p>	



ITEM 2A

17 SEPTEMBER 2025

MINUTES OF PREVIOUS MEETING

Attached are the minutes from the FRC meeting held on 6 June 2025, which have been published on the FRC website.

ACTION

- FRC to note.

MINUTES

DATE: 6 June 2025

TIME: 10:00 – 15:00

LOCATION: Level 29, 201 Kent Street, Sydney & 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	<table> <tr> <td colspan="2">ATTENDEES AND APOLOGIES</td></tr> <tr> <td>Members in attendance:</td><td>Observers:</td></tr> <tr> <td>Andrew Mills (Chair)</td><td>Rebecca Waldron (Treasury)</td></tr> <tr> <td>Dr Keith Kendall (AASB Chair) - virtual</td><td>Ben Mills (Treasury)</td></tr> <tr> <td>Doug Niven (AUASB Chair)</td><td>Christie Yang (Treasury)</td></tr> <tr> <td>Michele Embling (XRB Chair)</td><td></td></tr> <tr> <td>Rachel Grimes - virtual</td><td></td></tr> <tr> <td>Emma Herd</td><td></td></tr> <tr> <td>Pru Bennett - virtual</td><td></td></tr> <tr> <td>Amy Fox</td><td></td></tr> <tr> <td>Alison White</td><td></td></tr> <tr> <td>Guests:</td><td>Apologies:</td></tr> <tr> <td>Justin Williams (AASB) - virtual</td><td>N/A</td></tr> <tr> <td>Stephen Taylor</td><td></td></tr> <tr> <td>Members of the public:</td><td></td></tr> <tr> <td>John Ngiam (CA ANZ) - virtual</td><td></td></tr> <tr> <td>Nick Dent (Department of Finance) - virtual</td><td></td></tr> <tr> <td></td><td></td></tr> </table>	ATTENDEES AND APOLOGIES		Members in attendance:	Observers:	Andrew Mills (Chair)	Rebecca Waldron (Treasury)	Dr Keith Kendall (AASB Chair) - virtual	Ben Mills (Treasury)	Doug Niven (AUASB Chair)	Christie Yang (Treasury)	Michele Embling (XRB Chair)		Rachel Grimes - virtual		Emma Herd		Pru Bennett - virtual		Amy Fox		Alison White		Guests:	Apologies:	Justin Williams (AASB) - virtual	N/A	Stephen Taylor		Members of the public:		John Ngiam (CA ANZ) - virtual		Nick Dent (Department of Finance) - virtual			
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1C	DECLARATIONS OF INTEREST																																				
	The Chair noted the removal of the Chair of the Cemeteries and Crematoria NSW from his declaration of interest.																																				
2	MATTERS FOR NOTING/ACTION																																				

2A	MINUTES OF PREVIOUS MEETING – 5 MARCH 2025
	The minutes of the 5 March meeting were approved prior to the meeting and were noted by members.
2B	FRC STRATEGIC PLAN 2025-26
	The FRC Strategic Plan 2025–26 was noted by members. The Secretariat will upload the strategic plan to the FRC website.
2C	ACTION ITEMS
	Members noted the action items from the March 2025 meeting.
3	ENVIRONMENTAL SCAN
3A	MEMBER REFLECTIONS
	<p>Rachel Grimes shared insights from recent engagements with small business practitioners regarding the relevance of financial reporting obligations and the application of the Code of Ethics to AI. Members agreed the FRC should hear from small business practitioners, alongside the peak bodies. Stephen Taylor encouraged the Nominations Committee to prioritise representation of small business perspectives from the AASB and AUASB.</p> <p>Members discussed the growing use of AI in the financial reporting, auditing, and government sectors. Doug Niven noted the AUASB is preparing a guidance document for auditors on AI, with input from major firms and accounting bodies. Keith Kendall reported that the AASB is collaborating with CSIRO and is to launch a PhD program focused on AI's implications for financial reporting.</p> <p>Amy Fox noted that the government is establishing governance frameworks by launching a platform to improve transparency on the use of AI in the public sector.</p>
3B	STAKEHOLDER REPORTS AND ENGAGEMENT
	<p>Members discussed the approach to stakeholder engagement.</p> <ul style="list-style-type: none"> • Members agreed that a clear stakeholder map would better guide engagement, ensuring the FRC targets both strategists and technical individuals. • A combination of targeted roundtables and one-on-one meetings was supported. • The need to improve small business and investor representation in stakeholder engagements was highlighted. <p>The FRC Secretariat will work with the Chair to develop a stakeholder map / matrix identifying key stakeholders, methods of engagement, and frequency.</p>
4	OVERSIGHT OF AUSTRALIAN STANDARDS (ACCOUNTING AND AUDITING) PER ASIC ACT s 225(1) TO (2A)
4A	AASB REPORT
	In addition to the report in the Board papers, Keith Kendall provided a verbal update on the AASB's work:

	<ul style="list-style-type: none"> • The AASB continues to work on the not-for-profit Tier 3 reporting framework. • Sustainability reporting implementation remains a priority for the AASB. • The AASB is engaging internationally, including with their Japanese and Korean counterparts on sustainability • The AASB is working on further guidance in the coming months following the release of guidance on materiality by the ISSB.
4B	AUASB REPORT
	<p>In addition to his written report, 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 is progressing guidance on the assurance of sustainability disclosures. • Engagement continues with the IAASB on global assurance standards, including the development of supplementary sustainability assurance reports. • The AUASB is developing guidance on how AI is affecting assurance work.
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"> • 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.
5B	INTERNATIONAL DEVELOPMENTS
	Members noted the information attached in the meeting pack.
6	PUBLIC SECTOR ADVISORY GROUP (PSAG) PER ASIC ACT s 225(1A)
6A	PUBLIC SECTOR ADVISORY GROUP
	<p>Amy Fox discussed key themes raised in the PSAG meeting held on 2 May 2025, including:</p> <ul style="list-style-type: none"> • Andrew Greaves replacing Jane Meade on the PSAG

	<ul style="list-style-type: none"> Discussions on the application of accounting standards to local governments, particularly in relation to depreciation expenses resulting in operating losses Ongoing work continues regarding the attractiveness of the public sector profession.
6B	APPLICATION OF ACCOUNTING STANDARDS TO LOCAL GOVERNMENT
	<p>Amy Fox noted that the discussion in the recent PSAG meeting explored various aspects of depreciation and asset valuation issues for local governments. The issue seems to be attributed to the provisioning of Commonwealth and state/territory granted assets to local governments which causes them to report an operating loss. PSAG members found this issue specific to local governments. However, depreciation expenses do not affect cash flow and there is a benefit in complying with them. The need for better education on depreciation was highlighted, alongside considerations of different funding arrangements for assets and financial performance ratios.</p> <p>Justin Williams confirmed that the AASB has received correspondence in relation to this matter from Treasury, local government associations, and HoTARAC, and that the matter will be formally discussed at the next AASB board meeting. The AASB will continue working with Treasury, local governments, and state/territory finance departments to explore the application of accounting standards and whether policy measures are needed.</p> <p>The matter will be further examined by the AASB and relevant government agencies, with a view to develop educational materials and potentially better align accounting frameworks and public sector funding models.</p>
7	NOMINATIONS COMMITTEE REPORT PER ASIC ACT s 225(2)(A) AND s 225(2A)(A)
7A & 7B	NOMINATIONS COMMITTEE UPDATE & PROPOSED AMENDMENTS TO NOMINATIONS COMMITTEE CHARTER
	<p>Rachel Grimes AM and Justin Williams provided an update on the Nominations Committee's proposed amendments to the Nominations Committee Charter:</p> <ul style="list-style-type: none"> The Committee recommended amending its Charter to incorporate greater discretion and flexibility in managing appointments, particularly during the transitional period. The proposed amendments will: <ul style="list-style-type: none"> - Enable the Nominations Committee to adjust appointment timelines, including temporary extensions, to accommodate delays in the new governance structure coming into effect. - Prevent unintended gaps in the membership of AASB and AUASB, ensuring business continuity. <p>The FRC members endorsed the proposed amendments to the Nominations Committee Charter.</p>
8	PROPOSED AMENDMENTS TO AASB AND AUASB CHARTER
	<p>Justin Williams presented minor proposed amendments to the AASB and AUASB Charters. The FRC members endorsed the proposed amendments to the AASB and AUASB Charters.</p>

9A	CORRESPONDENCE RECEIVED AND SENT
	Members noted the correspondence sent.
9B	KEY ACTION ITEMS SUMMARY
	<ul style="list-style-type: none"> • FRC Secretariat to upload the FRC 2025-26 Strategic Plan to the FRC website. • FRC Secretariat to work with the Chair, the AUASB and the AASB to develop a stakeholder engagement map/matrix, as well as outline cadence of outreach to stakeholders and preferred meeting format. • 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 members agreed to the proposed amendments to the Nominations Committee Charter.
10	NEXT MEETING
	Next meeting will be held on 17 September 2025 at the Melbourne Treasury office.



ITEM 2B

17 SEPTEMBER 2025

ACTION ITEMS

Attached are the action items from the FRC meeting held on 6 June 2025.

ACTION

- FRC to note.

ACTION ITEMS

6 JUNE 2025 ACTION ITEMS

	Action item	Owner	Status
1	FRC Secretariat to upload the FRC 2025-26 Strategic Plan to the FRC website.	Secretariat	Complete
2	FRC Secretariat to work with the Chair, the AUASB and the AASB to develop a stakeholder engagement map/matrix, as well as outline cadence of outreach to stakeholders and preferred meeting format.	Secretariat & Chair	Complete
3	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.	Secretariat	Complete
4	FRC members agreed to the proposed amendments to the Nominations Committee Charter. Nominations Committee to finalise the Nominations Committee Charter and AASB/AUASB Charter.	Nominations Committee	Complete

ACTION ITEMS

ONGOING MATTERS

	Action item	Owner	Status
1	FRC members to use stakeholder engagement to identify people with appropriate skills to be AUASB/AASB candidates.	FRC	In progress
2	FRC to continue seeking targeted feedback on strategic issues through its stakeholder reports and one-on-one high level stakeholder engagement to monitor the matters referred to in the ASIC Act (such as professional ethics) on a periodic basis	FRC	In progress
3	Explore whether identified candidates for international roles should be put forward for nomination.	Secretariat	In progress
4	Secretariat to circulate relevant media clippings about financial reporting and audit to all FRC members.	Secretariat	In progress



ITEM 3A

17 SEPTEMBER 2025

MEMBER REFLECTIONS

Members to update the FRC with contemporary and relevant matters from their fields of expertise including domestic and international events that may impact the Australian financial space.

ACTION

- FRC to note contemporary and relevant matters.



FRC STAKEHOLDER ENGAGEMENT STRATEGY

The FRC has historically engaged with a broad variety of stakeholders in the financial reporting sector, including professional firms, regulators, professional accounting bodies and industry associations, through one-on-one meetings and receiving written submissions.

Regular stakeholder engagement enables the FRC to understand how stakeholders are interacting with Australia's accounting and auditing standards, and more recently, their experiences with the implementation of Australia's sustainability reporting regime. This enables the FRC to fulfil its functions under section 225 of the *ASIC Act 2001* to, inter alia, oversee the effectiveness of Australia's financial reporting framework and the work of the AASB and AUASB.

On 28 April 2025, the FRC Secretariat sent a stakeholder report request to all stakeholders seeking their input on how the FRC can better engage with stakeholders and support more meaningful dialogue, in the context of meeting its stakeholder engagement objectives and feedback received from stakeholders on the FRC's form of engagement.

On 9 May 2025, the FRC trialled two stakeholder roundtables in Canberra – one with public sector financial reporting entities, and another with three private sector representatives. The FRC received positive feedback on these roundtable consultations, which enabled stakeholders to hear from each other.

At the 6 June 2025 FRC quarterly meeting, FRC members noted and discussed the input received from the stakeholders. As one of the action items from the June FRC quarterly meeting, the FRC Secretariat has developed the Stakeholder Engagement Strategy (**Attachment A**) in collaboration with the Chair to better guide stakeholder engagement, ensuring the FRC identifies key stakeholders, effective methods of engagement and the appropriate frequency of engagement.

ACTION

- FRC to discuss:
 1. Are the stakeholder groups in the Stakeholder Engagement Strategy accurate and suitable for further roundtable consultations?
 2. Is the suggested frequency and format of stakeholder engagement appropriate having regard to those stakeholders and the responses they have provided?
 3. Should all the stakeholders identified in the Stakeholder Engagement Strategy continue to be stakeholders that the FRC engages with?

4. What should be the role of the current written stakeholder submissions? Should the FRC continue to request these of stakeholders or should they be sought on an exceptions basis? Will the summary and minutes of stakeholder meetings be sufficient for FRC members?

FRC STAKEHOLDER ENGAGEMENT STRATEGY



Stakeholder group	Discussion focus	Potential stakeholders	Stakeholder preferences	Proposed form of engagement
Government/quasi-government, Regulatory and Oversight Bodies	<ul style="list-style-type: none"> - accounting and auditing standards - ethical obligations, audit quality - public sector financial reporting - implementation of new regulatory frameworks - compliance expectations - enforcement priorities - regulatory reforms - financial system resilience - risk governance 	<ul style="list-style-type: none"> - Accounting Professional & Ethical Standards Board (APESB) - Australasian Council of Auditors-General (ACAG) - Australian Charities and Not-For-Profits Commission (ACNC) - ACT Audit Office - Australian Prudential Regulation Authority (APRA) - Australian Securities and Investments Commission (ASIC) - 	Half yearly meetings, except for ACNC and APRA who prefer yearly meetings	One-on-one meetings held half yearly, except for ACNC and APRA
Corporate Governance bodies	<ul style="list-style-type: none"> - corporate governance standards - director responsibilities - board effectiveness 	<ul style="list-style-type: none"> - Australian Securities Exchange (ASX) Corporate Governance Council - Australian Institute of Company Directors (AICD) - Business Council of Australia (BCA) - Governance Institute of Australia 	No response received	Roundtable meeting held yearly

Investment, Superannuation & ESG Advocacy	<ul style="list-style-type: none"> - investment stewardship - ESG integration - regulatory reform in financial markets - usefulness of financial reports, including transparency of investment performance and fees 	<ul style="list-style-type: none"> - Australian Council of Superannuation Investors (ACSI) - Australian Shareholders' Association (ASA) - Association of Superannuation Funds of Australia (ASFA) - Australian Investment Council (AIC) - Super Members Council (SMC) - Australian Sustainable Finance Institute (ASFI) - Insurance Council of Australia - Australian Banking Association 	No response received	Roundtable meeting held yearly
Professional Associations & Industry Groups	<ul style="list-style-type: none"> - policy impacts for association members - advocacy on behalf of practitioners (such as accredited accountants and small business owners) - operation of professional standards 	<ul style="list-style-type: none"> - Chartered Accountants Australia and New Zealand (CA ANZ) - CPA Australia - Institute of Public Accountants (IPA) - Institute of Internal Auditors (IIA) - Group of 100 - 	<p>Half yearly meetings for CA ANZ, BCA</p> <p>Quarterly or half yearly meetings for IPA</p> <p>Periodic meetings for CPA</p>	<p>One-on-one meetings held half yearly</p> <p>Roundtables with the PABs on less sensitive topics to allow them to hear from each other</p>
Professional Services & Accounting Firms	<ul style="list-style-type: none"> - policy impacts on professional practice - audit execution - reporting quality - communication to clients 	<ul style="list-style-type: none"> - BDO Australia - Bellchambers Barrett - Bentleys - Crowe Australasia - Deloitte - Ernst & Young - Grant Thornton 	Quarterly meetings for Deloitte, Grant Thornton	<p>One-on-one meetings held half yearly</p> <p>Engaging with Big 6 firms plus</p>

	<ul style="list-style-type: none"> - scalability of new requirements 	<ul style="list-style-type: none"> - KPMG - Pitcher Partners - PKF - PwC - RSM Australia - William Buck - Australian Public Policy Committee (APPC) – comprises BDO, Deloitte, EY, Grant Thornton, KPMG, PwC, CA ANZ and CPA Australia 		<p>one or two midtier representatives</p> <p>Receiving feedback from engagement undertaken by the AASB, AUASB and PABs with these and other firms</p>
Thought Leadership, Research & Academic Institutions	<ul style="list-style-type: none"> - research and stakeholder feedback regarding financial reporting and auditing policy matters 	<ul style="list-style-type: none"> - Business Reporting Leaders Forum 	<p>BRLF requested one-on-one quarterly meetings</p> <p>No response from APPC</p>	<p>One-on-one meetings held half yearly</p>



ITEM 4A

17 SEPTEMBER 2025

AASB CHAIR REPORT

The AASB Chair provided a report covering the key activities undertaken by the AASB from Jun 2025 – Aug 2025.

ACTION

- FRC to note.



ITEM 4B

17 SEPTEMBER 2025

AUASB CHAIR REPORT

The AUASB Chair provided a report covering the key activities undertaken by the AUASB from Jun 2025 – Aug 2025.

ACTION

- FRC to note.



ITEM 5A

17 SEPTEMBER 2025

XRB UPDATE

Update provided by Chair of the XRB.

ACTION

- FRC to note.



ITEM 5B

17 SEPTEMBER 2025

INTERNATIONAL DEVELOPMENTS

Attachment A provides a summary of recent key media releases from professional accounting bodies and the Big 4 firms.

ACTION

- FRC to note.

ATTACHMENT A

RECENT MEDIA RELEASES

- On 7 August, the Department of Finance (Finance) has published the final report: *Examination of the ethical soundness of PricewaterhouseCoopers Australia*, to complete its examination of the ethical soundness of PwC Australia. As a result of this examination, the mutual agreement under which PwC Australia did not bid for new Commonwealth work ceased on 15 July 2025.

Digital Reporting

- On 5 August 2025, the Productivity Commission released its Interim Report into *Harnessing data and digital technologies* with a series of robust recommendations and proposals on key aspects of technology and data regulation. In its Interim Report, the Productivity Commission highlights the benefits of digital reporting including enhanced efficiency in extracting and analysing data from financial reports, which ultimately benefit report preparers and users.

Artificial Intelligence

- EY recently published an article: *How artificial intelligence can transform accounting*, noting that in order for the accountancy sector to be fully benefited from the use of AI, it is crucial to address the potential errors in AI algorithm as one of the primary risks. In the article, it also noted that the potential benefits of leveraging AI for audits are significant, including enhance operational efficiency, strategic insights and risk assessment by using AI algorithms to identify patterns within large data sets.

International

- On 6 August, the UK's Financial Conduct Authority (FCA) is set to review and assess the *sustainability reporting guidelines* for asset manager, life insurers, and regulated pension providers. The intent is to refine disclosure requirements and to ensure efficient reporting under both Taskforce on Climate-related Financial Disclosures (TCFD) and Sustainability Disclosure Requirements (SDR) rules.



NOMINATIONS COMMITTEE

Appointments expiring on 31 December 2025

On 31 December 2025, the appointments of 5 AASB members and 4 AUASB members will end. Under the updated *FRC Nominations Committee Charter* which was endorsed by the FRC in June 2025, appointments expiring on 31 December 2025 can be extended beyond a maximum third term until the merger of the FRC, AASB and AUASB. This will minimise the risk of the AASB or AUASB having insufficient members and addresses the risk of not finding suitable members for a short 6 month appointment.

AASB (5)

David Holland (2nd term)

Stephen Taylor (3rd term)

Adrian King (1st term)

Liza Maimone (1st term)

Mathew Nelson (1st term)

AUASB (4)

Andrew Porter (2nd term)

Chi Mun Woo (1st term)

Terence Jeyaretnam (1st term)

Jason Thorne (1st term)

On 7 August 2025, the Nominations Committee met and agreed to recommend to the FRC that the appointments of members expiring on 31 December 2025 be extended until 30 June 2026 (when the merger is proposed to occur), rather than recruiting externally.

Appointment of Graeme Pinfold to AUASB

Graeme Pinfold has been appointed as the NZAuASB Chair for three years from 1 September 2025 to 31 August 2028. By convention, the Chair of the NZAuASB is cross-appointed to the AUASB.

On 14 August 2025, a majority of FRC members approved the appointment of Graeme Pinfold to the AUASB from 1 September 2025 to 30 June 2026 via an out of session resolution (**Attachment A**). The legislative instrument for Graeme's appointment has since been registered and the FRC Chair has written a letter to congratulate Graeme on his appointment to the AUASB.

ACTION

- Nominations Committee Chair, Rachel Grimes, to provide a verbal update.
- FRC members to vote on extending the appointments of 5 AASB members and 4 AUASB members from 31 December 2025 to 30 June 2026.
- FRC members to note Graeme Pinfold's appointment which commenced on 1 September 2025.



AUDITOR REVIEW WORKING GROUP REPORT

On 28 August 2025, the FRC held its inaugural Auditor Review Working Group meeting. Representatives from the AASB, AUASB, ASIC, CPA Australia, CA ANZ and the IPA who attended the first meeting welcomed the FRC's establishment of the Working Group. Treasury and the ACNC also attended the meeting as observers.

The agenda from the inaugural Working Group meeting is at **Attachment A**.

Working Group members discussed various policy issues, including the use of the Registered Company Auditor (RCA) designation, the pipeline of auditor talent and alternate ways to assess the competencies of prospective RCAs. Members noted previous consideration of these issues by the FRC and the professional accounting bodies (PABs).

Working Group members agreed to reconvene in two months. Ahead of the next Working Group meeting, the PABs and government entities will meet separately to progress research, consider previous work done and feedback received on these policy issues, and further refine the policy problem before identifying possible solutions.

ACTION

- FRC Chair, AASB Chair and AUASB Chair to share their reflections from the Auditor Review Working Group meeting on 28 August 2025.



ATTACHMENT A

Agenda for Auditor Review Working Group, 28 August 2025

1. Current state of the auditing sector
2. Attendees to discuss the RCA designation and auditing sector
3. History of RCAs and their purpose
4. Benefits and disadvantages of the RCA designation
5. Any other matters related to the auditing sector in general
6. Attendees' preferred level of participation and frequency



ITEM 8A

17 SEPTEMBER 2025

CORRESPONDENCE

- On 24 June 2025, the FRC Chair wrote to the Treasurer regarding digital financial reporting.
- On 25 June 2025, the FRC Chair wrote to the Treasurer regarding the International Auditing and Assurance Standards Board (IAASB).
- On 18 August 2025, the FRC Chair wrote to the incoming New Zealand Auditing and Assurance Standards Board Chair, Graeme Pinfold, on his appointment to the AUASB.

ACTION

- FRC to note.



ITEM 8B

17 SEPTEMBER 2025

KEY ACTION ITEMS SUMMARY

Secretariat to provide a summary of key action items from the 17 September 2025 meeting.

ACTION

- FRC to note.