Australian Government
Financial Reporting Council

# FRC 5 June 2026 – 118th Meeting

Level 29, 201 Kent Street, SYDNEY NSW 2000

## Contents

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# Attendees and apologies

| Participants – FRC members | Organisation |
|---|---|
| Andrew Mills | Chair |
| Keith Kendall (virtual) | AASB Chair |
| Doug Niven | AUASB Chair |
| Rachel Grimes | |
| Pru Bennett | |
| Alison White | |
| Emma Herd (virtual, from 12:10pm) | |
| Amy Fox | |

| Guests | Organisation |
|---|---|
| John Kensington (virtual) | XRB |
| Jacqueline Cheyne (virtual) | XRB |
| Charis Halliday (virtual) | AASB |
| Nick Dent (virtual) | Department of Finance |

| Observers | Organisation |
|---|---|
| Michael Latchford | FRC Secretariat |
| Zahia Aicken (virtual) | FRC Secretariat |
| Kim Demarte | Treasury |

| Apologies | Organisation |
|---|---|
| Justin Williams | AASB/AUASB |

**PUBLIC SESSION**

# 1. Introduction

The Chair opened the meeting at 09:45, acknowledged Country and welcomed attendees.

Declarations of interest are current as of 25 May 2026. Pru Bennett will make minor amendments via the Secretariat.

# 2. Nominations Committee update

Rachel Grimes AM, FRC Nominations Committee (NC) Chair, tabled the following:

- On 22 April 2026, the FRC approved amendments to the NC Charter by out-of-session resolution, allowing short-term extensions for AASB and AUASB members pending legislative reforms.

- On 25 May 2026, the FRC approved extensions for 12 AASB and 9 AUASB members by out-of-session resolution. The Chair signed appointment instruments on 29 May 2026.[1]

# 3. Environmental scan

## 3A. Member reflections

**Recent reporting**

- Members noted alleged breaches of confidentiality and the handling of a whistleblower complaint by a large Australian multidisciplinary firm, KPMG.

- Governance arrangements of large multidisciplinary firms, including independent directors and global leadership engagement, were discussed.

- The Parliamentary Joint Committee on Corporations and Financial Services will hold hearings on 19 June 2026.

**Budget announcements**

- 2026–27 Budget measures included increased thresholds for large proprietary companies, consultation on climate disclosure efficiency, and simplification of reporting relief for group entities.

[1] Australian Securities and Investments Commission (Australian Accounting Standards Board—Part-time Members) Appointment (No. 1) 2026 and Australian Securities and Investments Commission (Auditing and Assurance Standards Board—Part-time Members) Appointment (No. 1) 2026

- In relation to the consultation on climate-related reporting efficiency, it was suggested reforms should focus on decision-useful disclosures for investors, alongside reducing compliance costs.
  - Potential changes include proportionality, assurance, supplier information requests (particularly for small businesses), and clarification of 'undue cost or effort'.

## 3B. XRB update

- Economic pressures in New Zealand continue to drive red tape reduction and streamlined public spending.
- The XRB is eager to engage with the new Minister of Commerce and Consumer Affairs, Cameron Brewer.
- The XRB will consult on a **climate reporting roadmap** following earlier consultation on international alignment. It recently adopted international **sustainability assurance** (ISSA 500) and sustainability ethical standards (IESSA), reflecting stakeholder feedback.
- The XRB is reviewing its **accounting standards framework**, assessing whether its tiered, sector-based model remains fit for purpose.

# 4. Overview of AASB and AUASB consultative processes

The AASB and AUASB Chairs outlined due process frameworks and addressed questions. Key points included:

- Due process is a priority and begins with early **engagement with international standard setters**.
- The AASB and AUASB's due process frameworks promote **transparency** through timely publication of decision-making information.
- Both the AASB and AUASB require **appropriate consultation** and timely engagement with stakeholders to enhance standard quality. The AASB uses different modes of consultation including through surveys to reach stakeholders.
- International frameworks include formal **oversight structures**. Under current arrangements, FRC oversight remains high-level rather than at the individual standard level.

# 5. Monitoring and influencing international developments

- The International Sustainability Standards Board (ISSB) will propose nature-related disclosure requirements in an IFRS Practice Statement, with an exposure draft planned for October 2026.
  - Sequencing concerns were raised, given ongoing implementation of S1 and S2.
  - Members noted a well-developed domestic legislative framework on environmental and nature-related disclosures.
  - Members suggested that the ISSB could alternatively proceed to a discussion paper to develop its evidence base.

# 6. Oversight of Australian standards

## 6A. AASB

- On **international engagement**, the AASB hosted the International Forum of Standard Setters, noting participation from several Pacific nations (including first-time attendees).
- The **AASB agenda consultation** has provided valuable insights on the sector's priorities in a resource-constrained environment – notwithstanding potential reforms to the board.
- The AASB issued two new **accounting standards**, concluding work on the Tier 3 Not-for-Profit Private Sector Financial Reporting Framework.
- On **sustainability reporting**, the AASB continues to support S2 implementation through guidance and partnerships with ASIC and CSIRO.

## 6B. AUASB

- Continued focus on sustainability assurance guidance. The AUASB reviewed December 2025 reports of listed entities to identify areas requiring guidance.
  - The AUASB continues work to support practitioners in implementing ASSA 5000 under the local climate reporting regime.
- The AUASB hosted a virtual roundtable jointly with the APESB on the IAASB and IESBA Strategy and Work Plan 2028-31 Stakeholder Survey (which will inform the IAASB and IESBA work plans).
- The AUASB revised GS 002 and continues revising GS 007 with the NZAuASB.

# 7. Public Sector Advisory Group update

- The Public Sector Advisory Group (PSAG) Chair, Amy Fox, provided a verbal update to the FRC, following the last PSAG meeting of 18 May 2026.
  - Budget savings measures were noted.
  - Australasian Council of Auditors-General (ACAG) reported on audit quality in the public sector and noted staffing constraints have eased post-COVID, except at junior levels.
  - “Scope creep” in disclosures and interest in improving efficiency were noted.
  - Interest in AASB 18 and the AASB 16 post-implementation review.

# 8. Other business

The Hon Dr Daniel Mulino, Assistant Treasurer and Minister for Financial Services made the following appointments:

- Andrew Mills as Chair of the FRC from 1 July 2026 until 30 September 2026
- Prudence Bennett as member of the FRC from 9 June 2026 until 8 September 2026
- Rachel Grimes as member of the FRC from 9 June 2026 until 8 September 2026
- Keith Kendall as Chair of the AASB from 1 July 2026 until 30 September 2026.

## 8A. Correspondence received and sent

- On 24 April 2026, the Chair and the FRC Nominations Committee Chair wrote to current AASB and AUASB members concerning extensions to their appointments.
- On 4 June 2026, the FRC Chair wrote to congratulate AASB and AUASB members extended by the FRC.

## 8B. Action items

- No items recorded for this meeting. Consistent with the FRC’s regular stakeholder engagement, members met with Mark Babington of the UK FRC in April 2026.

## 8C. Next meeting

To be announced.

Public session ended at 12.48.