



Project:	Other Business – Public	Meeting:	May 2023 (M195)
Topic:	Cover Memo	Agenda Item:	11.1
		Date of the Agenda Paper:	18 April 2023
Contact(s):	Kimberley Carney kcarney@asb.gov.au Clark Anstis canstis@asb.gov.au	Project Priority:	n/a
		Decision-Making:	Low
		Project Status:	n/a

Objective of this paper

- 1 The objective of this paper is to inform the Board about matters under Other Business – Public. **No action is required from the Board on any of the items in this memo, they are included for noting only.** Please refer to the tables below for details.

AASB SUBMISSIONS

Paper No.	Title	Staff comment	Board action
N/A	AASB submission to IASB Exposure Draft ED/2022/1 Third edition of the IFRS for SMEs Accounting Standard – IFRS for SMEs Accounting Standard	The AASB submission to the IASB was lodged on 27 February 2023. The submission was finalised out of session by the nominated AASB sub-committee	Included for noting only. No action is required at this meeting.

IASB AND IFRS IC UPDATES

Paper No.	Title	Staff comment	Board action
N/A	IASB Update February 2023	Staff do not consider there are any matters to raise in relation to the February 2023 IASB Update.	Included for noting only. No action is required at this meeting.
N/A	IFRIC Update March 2023	Staff do not consider there are any matters to raise in relation to the March 2023 IFRIC Update.	Included for noting only. No action is required at this meeting.

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N/A	IASB Update March 2023	Staff do not consider there are any matters to raise in relation to the March 2023 IASB Update.	Included for noting only. No action is required at this meeting.
N/A	Supplementary IASB update April 2023	Staff do not consider there are any matters to raise in relation to the Supplementary April 2023 IASB Update.	Included for noting only. No action is required at this meeting.

ISSB UPDATES

Paper No.	Title	Staff comment	Board action
N/A	ISSB Update February 2023	The ISSB met on 16 February 2023. The ISSB meeting was covered in March 2023 AASB Agenda Paper 15.1 Sustainability Reporting: <i>Update on International and jurisdictional perspectives.</i>	Included for noting only. No action required at this meeting.
N/A	ISSB Update March 2023	The ISSB met remotely on 16 March 2023 and discussed the International Applicability of the SASB Standards and ISSB Consultation on Agenda Priorities.	Included for noting only. No action required at this meeting. (See also Agenda Paper 9.1 for this meeting.)
N/A	Supplementary ISSB Update April 2023	The ISSB met remotely on 4 April 2023 to discuss the transition reliefs to be provided in IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information.</i>	Included for noting only. No action required at this meeting. (See also Agenda Paper 9.1 for this meeting.)

IPSASB REPORT

Paper No.	Title	Staff comment	Board action

ARTICLES AND NEWS

Paper No.	Title	Content of item	Board action
N/A	Are any more Recommendations worth implementing from nearly	This paper identifies the recommendations from six significant reports, the government response at the time and the current implementation	Included for noting only. No action is

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	30 years of Commonwealth Nonprofit Reform Reports?	<p>status of the recommendations. The reports are selected based on their general relevance to not-for-profit (NFP) regulatory and taxation reform over nearly thirty years.</p> <p>The report notes the AASB's project to develop a simplified financial reporting framework for smaller NFPs.</p>	required at this meeting.
N/A	Report on the January 2023 IFASS meeting	<p>On 12 January 2023, IFASS held a virtual meeting. At the meeting, the following topics were presented and discussed by IFASS participants.</p> <ul style="list-style-type: none"> • IASB and ISSB updates; • Connection between financial and sustainability reporting; • IAS 12 temporary exception amendment relating to the Pillar Two Model Rules; • Qualitative research on the first-time application of IFRS 16 in France; and • Findings from research into transition relief and ongoing practical expedients in IFRS 16. 	Included for noting only. No action is required at this meeting.
N/A	Can digital reporting tame the corporate reporting beast?	<p>The CAANZ report explores the evolution of financial and broader corporate reporting and the effect this has had on the complexity and understandability of financial reports. It also looks at potential solutions to address these challenges. Digital reporting and Extended External Reporting are not new concepts, and both feature strongly as strategies to ensure that corporate reports meet the diverse needs of users.</p>	Included for noting only. No action is required at this meeting.
N/A	Investors will need digital reporting of results to reveal all	<p>Former UTS accounting professor Peter Wells' view is that aligning the digital reporting of financial results with traditional financial reports would lead to inconsistent disclosures by public companies, limiting their usefulness to investors.</p> <p>Dr Wells says digital financial reporting should disclose all figures – including those deemed immaterial by a company's finance team. He suggests there can be full disclosure of all data electronically, then have a summarised version in the traditional financial report with notes.</p>	Included for noting only. No action is required at this meeting.

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		<p>In his view, this approach would make the digital reports more comparable between companies and increase transparency around the finances of listed companies. It would also increase the ability of auditors and regulators to review the information, leading to improvements in information quality.</p>	
N/A	Have your say on the future of philanthropy	<p>The Productivity Commission will open public submissions for its review into Australian philanthropy, inviting the contribution of insights and information on a range of topics from interested stakeholders.</p> <p>The review aims to analyse motivations for charitable giving across the country and identify growth opportunities, helping fulfil a federal government election promise to double philanthropy by 2030.</p>	<p>Included for noting only. No action is required at this meeting.</p>
N/A	Franking credit crackdown faces Senate inquiry	<p>The government has proposed two measures to curtail franking credits connected to capital raisings and share buybacks to save the budget an estimated \$600 million over the next four years.</p> <p>The proposed tightening of the law could disallow some franking credits paid to retail shareholders and superannuation funds that receive dividends that an equity capital raising has fully or partly funded.</p>	<p>Included for noting only. No action is required at this meeting.</p>
N/A	Mandatory climate finance disclosure 'evens playing field' for Australia	<p>In response to the Australian Government's recent public consultation on climate-related financial disclosures, sustainable investment membership bodies support mandating climate-related financial disclosures, including the disclosure of Scope 3 greenhouse gas emissions, to prevent the region from lagging behind the rest of the world.</p>	<p>Included for noting only. No action is required at this meeting.</p>
N/A	ASIC sues Mercer Superannuation in first greenwashing case over investments in fossil fuels, gambling, alcohol	<p>ASIC alleged Mercer Superannuation, which oversees \$27.5 billion in assets, misled members of its Sustainable Plus fund by claiming it excluded companies involved in carbon intensive fossil fuels but then heavily invested in 15 stocks</p>	<p>Included for noting only. No action is required at this meeting.</p>

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		<p>from the sector, including AGL Energy, BHP, Glencore and Whitehaven Coal.</p> <p>It is the first time ASIC has taken a company to court alleging greenwashing, after pledging to crack down on this misconduct last year.</p>	
N/A	Threat companies will opt to avoid ESG targets	<p>ASIC's crackdown on greenwashing could lead some Australian companies to avoid setting sustainability targets.</p> <p>There is concern that organisations might not want to articulate their targets because they will be worried about an investigation.</p>	Included for noting only. No action is required at this meeting.
N/A	GRI - Global expert in corporate sustainability to chair GSSB	An international authority in corporate and public sector reporting is to lead the Global Sustainability Standards Board (GSSB), the independent body that sets the GRI Standards. Dr. Carol Adams, who for 30 years has worked in sustainability research and leadership roles and is Professor of Accounting at Durham University Business School, has been confirmed as the next GSSB Chair.	Included for noting only. No action is required at this meeting.

OTHER

Paper No.	Title	Content of item	Board action
N/A	Treasury Laws Amendment (Measures for Future Bills) Bill 2023: Financial Reporting by Public Companies	<p>The government has published an Exposure Draft of proposed amendments to the <i>Corporations Act 2001</i>. The proposed amendments would require public companies (listed and unlisted) to prepare a 'consolidated entity statement' that contains information about their subsidiaries, including tax residency, ownership breakdown and entity type. The disclosures would be made available within the company's annual financial report published on its website. The disclosures are proposed to apply to financial years commencing on or after 1 July 2023.</p> <p>The Exposure Draft was open for comment from 16 March 2023 to 13 April 2023.</p>	Included for noting only. No action is required at this meeting.