



**Subject:** Minutes of the 191<sup>st</sup> meeting of the AASB  
**Venue:** Videoconference  
**Held:** Thursday, 10 November 2022, 10.00 am – 2.15 pm

All agenda items were discussed in public, except for items 1 and 10.

## Attendance

Members	Keith Kendall (Chair) Alison White (Deputy Chair) Carolyn Cordery James Grant Dean Hanlon David Holland (part of meeting) Sean Osborn Paul Rogers Caroline Spencer Stephen Taylor
Apologies	James Grant David Holland (1.15 pm – 2.15 pm) Toby Langley
<i>In attendance</i>	
Staff	Clark Anstis Patricia Au Aanchal Bhandari Kimberley Carney Nikole Gyles (part of meeting) Siobhan Hammond Fridrich Housa Eric Lee Ao Li Maggie Man Joanna Spencer Claire Thomson James Wake Jia Wei Justin Williams



## **Agenda and Chair's Report**

Agenda Item 1 – discussed in private

The Chair noted the significant items on the agenda and provided the Board with an update on recent and future activities.

## **Apologies, Declarations of Interests, Minutes and Approvals Out of Session**

Agenda Item 2

### ***Apologies***

Apologies for the meeting were noted from James Grant and Toby Langley. An apology was also noted from David Holland for part of the meeting.

### ***Declarations of Interests***

Members indicated that, in the normal course of their day-to-day professional responsibilities, they deal with a broad range of financial reporting issues. Members have adopted the standing policy in respect of declarations of interest that a specific declaration will be made where there is a particular interest in an issue before the Board.

There were no specific declarations for this meeting.

### ***Minutes***

The Board approved the minutes of the one hundred and ninetieth meeting, held on 21 September 2022.

### ***Approvals Out of Session***

The Board noted the out-of-session approval of the following documents since the previous meeting report:

- Discussion Paper *Development of Simplified Accounting Requirements (Tier 3 Not-for-Profit Private Sector Entities)*;
- Invitation to Comment ITC 49 *Post-implementation Review of AASB 1059 Service Concession Arrangements: Grantors*;
- Fatal-Flaw Review Draft Standard *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*; and
- Fatal-Flaw Review Draft Standard *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*.



## Sustainability Reporting

### Agenda Item 3

The Board considered the summary of the feedback received on ED 321 *Request for Comment on [Draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and [Draft] IFRS S2 Climate-related Disclosures*, covering both the draft IFRS S1 and S2 Sustainability Disclosure Standards and the Australian-specific matters for comment. No decisions were made. The Board also received an update on international and jurisdictional sustainability reporting developments.

Action:

Staff

## AASB 1060 and Proposed IASB Amendments to *IFRS for SMEs*

### Agenda Item 4

The Board gave initial consideration to IASB Exposure Draft ED/2022/1 *Third edition of the IFRS for SMEs Accounting Standard*. Although the *IFRS for SMEs Accounting Standard* is not applicable in Australia, when finalising AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* the Board noted that amendments by the IASB to the *IFRS for SMEs Accounting Standard* would necessitate a review of the related disclosure requirements of AASB 1060.

In respect of the IASB's proposals, the Board decided:

- (a) not to issue ED/2022/1 as an AASB Exposure Draft, so that stakeholders were not asked to comment to the AASB (however, they might choose to comment directly to the IASB);
- (b) to undertake targeted outreach to obtain stakeholder views on the proposed amendments to the definition of public accountability;
- (c) to comment to the IASB on the proposed amendments to the definition of public accountability and any other matters identified as being particularly relevant to Australian stakeholders. The comment letter will be approved out of session via a subcommittee of the Board; and
- (d) to monitor relevant literature but not perform further research about the suitability of the *IFRS for SMEs Accounting Standard* for entities without public accountability in Australia at this stage.

Action:

Staff

Subcommittee

## Insurance Activities in the Public Sector – Consequential Amendments

### Agenda Item 5

The Board decided to consider a ballot draft of an amending Standard AASB 2022-X *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* for voting at its

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December 2022 meeting, in conjunction with a ballot draft of another amending Standard that would amend AASB 17 *Insurance Contracts* for application by public sector entities for periods beginning on or after 1 July 2025. Earlier application will be permitted.

The Board considered the feedback received on the Fatal-Flaw Review draft version of the proposed Standard AASB 2022-X, which was issued in March 2022 for comment. No formal submissions were received, however the informal feedback supported the proposed amendments. Accordingly, the Board decided to proceed with the amendments.

The Board reviewed a revised draft of the consequential amendments Standard AASB 2022-X, which would:

- (a) amend various Standards to permit public sector entities to continue applying AASB 4 *Insurance Contracts* and AASB 1023 *General Insurance Contracts* to annual periods beginning on or after 1 January 2023 but before 1 July 2025; and
- (b) withdraw AASB 1038 *Life Insurance Contracts* and Interpretation 1047 *Professional Indemnity Claims Liabilities in Medical Defence Organisations* for annual periods beginning on or after 1 January 2023, as those pronouncements would cease to have any application when for-profit entities apply AASB 17 instead for such periods.

Action:

Staff

## Auditor Engagement Disclosures

### Agenda Item 6

The Board received an update on the progress of the recent New Zealand Accounting Standards Board (NZASB) Exposure Draft ED 2022-9 *Disclosure of Fees Paid to Audit Firms*, which proposes amendments to FRS-44 *New Zealand Additional Disclosures*. The NZASB Exposure Draft proposes requiring disclosure of fees incurred for services received from each audit or review firm under each of the following categories:

- (a) audit or review of financial statements; and
- (b) other non-audit or review services:
  - (i) audit or review related services;
  - (ii) other assurance services;
  - (iii) taxation services; and
  - (iv) other services.

The Board directed staff to continue monitoring the progress of the NZASB project and consider the suitability of the New Zealand proposals for Australian circumstances.

Action:

Staff



## Documents Open for Comment

### Agenda Item 7

The Board decided not to comment on the forthcoming IPSASB ED 83 *Reporting Sustainability Program Information—RPGs 1 and 3: Additional Non-authoritative Guidance*.

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Staff

## Other Business

### Agenda Item 8

The Board noted the submissions made, IASB, IFRS Interpretations Committee and ISSB updates, a report on the IPSASB's September 2022 meeting and the International Public Sector Standard-Setters Forum, and other items.

The Board noted correspondence from a stakeholder in respect of the agenda papers for the September Board meeting regarding the fair value measurement of non-financial assets of not-for-profit public sector entities. The Board decided to consider the correspondence in conjunction with feedback on the Fatal-Flaw Review Draft Standard *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*.

Action:

Staff

## Lease Liability in a Sale and Leaseback

### Agenda Item 9

The Board voted to make AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*. AASB 2022-5 amends AASB 16 *Leases* to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 *Revenue from Contracts with Customers* to be accounted for as a sale. The amendments apply to reporting periods beginning on or after 1 January 2024, with earlier application permitted.

AASB 2022-5 incorporates the amendments recently made by the IASB in IFRS Standard *Lease Liability in a Sale and Leaseback*.

Action:

Staff

## Review of the Meeting

### Agenda Item 10 – discussed in private

The Board reviewed the conduct of the meeting.



## **Close of the Meeting**

The Chair closed the meeting at 2.15 pm on Thursday, 10 November 2022.

## **Approval of Minutes**

Signed by the Chair as a correct record,  
this 14<sup>th</sup> day of December 2022