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To the members of the Board

We appreciate the invitation to comment on the AASB 2027–2031 Agenda Consultation. We have considered the work plan and its structure and provided our commentary only for areas where we have specific feedback.

Generally, we concur with the Board's proposed work plan.

### Response

Priority	Project	Comment
High	AASB 18 application by the following entities preparing Tier 1 GPFS: <ul style="list-style-type: none"> <li>• NFP private sector entities</li> <li>• NFP public sector entities</li> <li>• Superannuation entities</li> </ul>	<p>We concur that this project is of high importance. Decisions made will impact the comparability of financial reports of NFP and FP of entities, and, conversely, may result in material cost to the NFP sector.</p> <p>In the context of the proposed Tier 3 GPFS, we believe there is potential for greater divergence in reporting frameworks between NFP and FP entities that may have an unintended consequence on the efficiency of the reporting and assurance industries as a whole, potentially materially increasing cost of service.</p>
High	Not-For-Profit Private Sector Financial Reporting Framework	<p>The introduction of a Tier 3 reporting framework will address a significant number of industry- and Australia-specific issues, in particular relating to the identified complexities of financial reporting for smaller NFP entities.</p> <p>It will, however, run the risk of creating 'two tiers' of reporting and assurance professionals, with increased potential for error as individuals transition between frameworks.</p>
High	AASB S2: Implementation support and awareness-raising	<p>We concur that this project is of high importance. We are supportive of the broad range of implementation support avenues that the AASB is currently undertaking.</p>

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Priority	Project	Comment
Medium	AASB S2: Proportionality	<p>Noting that the Board has marked this project as a medium priority, we note that there is currently no Project Summary available for this project.</p> <p>The stated Project objectives are to “Review AASB S2 implementation by Group 3 entities under amended Corporations Act and (if needed) explore potential responses”, which implies that the project will occur after implementation by Group 3 entities (year ending 30 June 2028).</p> <p>We are conscious that a PIR of the legislation is also scheduled to occur over a similar timeframe and the two reviews will, to a certain extent, likely overlap in objective and purpose.</p> <p>To improve clarity for potentially affected stakeholders in Group 3, we recommend that the Board consider clarifying the scope and timing of the project, noting that the next stated milestone for the project is a Project plan (timing TBC).</p> <p>We note the potential lack of clarity may, if not addressed in a timely manner, increase the risk of either incurring material cost for preparers, or disincentivise timely preparation by stakeholders that consider they may be affected by potential outcomes of the project.</p>
Medium	Service Performance Reporting (SPR)	<p>Primarily, we understand this project to have at its root a lack of comparability in the information provided by entities as it relates to such disclosures that are currently made.</p> <p>Notwithstanding this, we recommend that the Board consider whether the forecast resource demands to complete the project are consistent with the benefits expected to be achieved, in particular given that this is Australia-specific and will likely be voluntary in nature.</p>
Medium	AASB S2: Industry-based information	<p>Based on the ISSB’s recent confirmation of their approach to their <i>Enhancing the SASB Standards</i> project, and the feedback provided to the ISSB in relation to their targeted amendments to nine of the 77 total SASB industries, we are concerned by:</p> <ul style="list-style-type: none"> <li>• The anticipated timeline for the completion of the <i>Enhancing the SASB Standards</i> project at the ISSB level; and</li> <li>• The potential difficulties of engaging domestic stakeholders in the SASB ED process in its current form (for the AASB staff).</li> </ul> <p>The Board may wish to reconsider the priority of the SASB Standards within the phasing of the current project scope, which is likely to take a significant length of time and resources.</p>

## Conclusion

Grant Thornton appreciates the opportunity to provide feedback to the Board on the AASB 2027–2031 Agenda Consultation. We look forward to continuing to engage with the AASB on these matters in the future.

Yours sincerely

Grant Thornton Audit Pty Ltd

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