



**Subject:** Minutes of the 193<sup>rd</sup> meeting of the AASB  
**Venue:** Videoconference  
**Held:** Wednesday, 1 February, 10.00 am – 2.05 pm

All agenda items were discussed in public, except for items 1 and 7.

## Attendance

Members	Keith Kendall (Chair) Alison White (Deputy Chair) Carolyn Cordery James Grant Dean Hanlon David Holland Adrian King Toby Langley Liza Maimone Mathew Nelson Sean Osborn Paul Rogers Caroline Spencer Stephen Taylor
Apologies	–
<i>In attendance</i>	
Staff	Clark Anstis Patricia Au Aanchal Bhandari Kimberley Carney Tom Frick Nikole Gyles Siobhan Hammond Fridrich Housa Eric Lee Ao Li Maggie Man Lachlan McDonald-Kerr (part of meeting) John Purcell Joanna Spencer Claire Thomson Jia Wei Justin Williams
Other	Evelyn Ling



## **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**

There were no apologies for this 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 ninety-second meeting, held on 14-15 December 2022.

### **Approvals Out of Session**

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

- Exposure Draft ED 322 *International Tax Reform – Pillar Two Model Rules*.

## **Sustainability Reporting**

Agenda Items 3 and 4

The Board received an update on international and jurisdictional sustainability reporting developments.

## **Climate-related Financial Reporting**

Agenda Item 5 (1)

To address the demand for climate-related financial disclosure requirements while permitting the Board sufficient time to redeliberate its approach to broader sustainability reporting, the Board supported a “climate first” approach and decided to add a separate project to the Board’s work program to develop climate-related financial disclosure requirements for Australia.



The Board also decided to continue applying the preliminary decisions made at its February 2022 (M185) and April 2022 (M186) meetings and the [draft] Sustainability Reporting project plan to its work on developing climate-related financial disclosure requirements. Those decisions are:

- (a) to develop a separate suite of sustainability reporting standards alongside the existing Australian Accounting Standards, and address climate as the first sustainability reporting topic;
- (b) to use the work of the IFRS Foundation's International Sustainability Standards Board (ISSB) as a foundation, with modifications for Australian matters and requirements;
- (c) to focus initially on the development of reporting requirements for sustainability-related financial information, which is consistent with the scope of the ISSB's work;
- (d) the initial scope of the project relates to the for-profit sectors, with not-for-profit sectors being considered at a later stage; and
- (e) to apply its existing *Due Process Framework for Setting Standards* to preliminary work on the Sustainability Reporting project.

As part of its discussion on a draft project plan, the Board identified the following additional risks to project delivery for inclusion in the Climate-related Financial Disclosure project plan:

- (a) further delays in the ISSB issuing its sustainability and climate-related financial disclosure standards;
- (b) the climate-related financial disclosure requirements not effectively meeting stakeholder needs;
- (c) limitations on funding the Board for the purpose of developing climate-related financial disclosure requirements;
- (d) the Australian Government or other regulators accelerating the timeline for the project; and
- (e) climate-related financial disclosures not being operational for other sectors or types of entities (for example, not-for-profit public and private sector entities or small-to-medium sized entities).

The Board decided to implement the Climate-related Financial Disclosure project plan, subject to a revised project timeline reflecting the recent change to the ISSB's timeline. The Board will consider an updated Climate-related Financial Disclosure project plan at its next meeting.

Action:

Staff

## **Draft Sustainability Reporting Standard-setting Framework**

### Agenda Item 5 (2)

The Board decided to use the *AASB For-Profit Entity Standard-Setting Framework* as the basis for developing a draft Sustainability Reporting Standard-Setting Framework. The Board also decided to include in a Sustainability Reporting Standard-Setting Framework the following criteria for considering whether to depart from, amend or add to the baseline of IFRS Sustainability Disclosure Standards:



- (a) requirements in IFRS Sustainability Disclosure Standards will not deliver user benefits that outweigh any undue cost or effort for preparers;
- (b) requirements in IFRS Sustainability Disclosure Standards will not achieve international alignment or else will conflict with global sustainability reporting practices;
- (c) the Board identifies equivalent disclosure requirements in Australian legislation that already meet the objectives of the IFRS Sustainability Disclosure Standards. In making this assessment, the Board would consider legislation such as the *National Greenhouse and Energy Reporting Act 2007*;
- (d) requirements in IFRS Sustainability Disclosure Standards do not adequately address Australian-specific matters and there is, or is likely to be, diversity in practice warranting Australian-specific requirements or guidance; and
- (e) transitioning from existing Australian practices to requirements in IFRS Sustainability Disclosure Standards will impose additional costs and/or time when compared with international counterparts, warranting deferral of the application date.

The Board will consider a draft Sustainability Reporting Standard-Setting Framework at its next meeting.

Action:

Staff

## GRI Work Program

### Agenda Item 6

The Board considered a draft comment letter to the Global Sustainability Standards Board's (GSSB's) Draft Work Program 2023-2025 and decided to submit a comment letter supporting the proposals. The Board also decided the submission should encourage the GSSB to develop a Sector Standard addressing issues specific to the public sector.

The submission will be finalised out of session by the Chair.

Action:

Staff

Chair

## Review of the Meeting

### Agenda Item 7 – discussed in private

The Board reviewed the conduct of the meeting.

## Close of the Meeting

The Chair closed the meeting at 2.05 pm on Wednesday, 1 February 2023.



## Approval of Minutes

Signed by the Chair as a correct record,  
this 8<sup>th</sup> day of March 2023.