



**Subject:** Minutes of the 211<sup>th</sup> meeting of the AASB  
**Venue:** Dexus Melbourne, and via Videoconference  
**Held:** Thursday, 6 March 2025, 10.00 am – 4.30 pm  
Friday, 7 March 2025, 10.00 am – 12.30 pm

All agenda items were discussed in public, except for items 1 and 12.

## Attendance

Members	Keith Kendall (Chair) Stephen Taylor (Deputy Chair) Carolyn Cordery (via videoconference) Rebecca Gordon Dean Hanlon (part of meeting) David Holland (part of meeting; via videoconference) Adrian King (Day 2 via videoconference) Toby Langley (part of meeting; via videoconference) Liza Maimone Mathew Nelson Sean Osborn Moana Overton (part of meeting) Caroline Spencer
Apologies	Dean Hanlon (Day 1: 2.30 pm – 4.30 pm) David Holland (Day 1: 10.00 am – 11.00am and 3.30 pm – 4.30 pm; Day 2) Toby Langley (Day 2) Moana Overton (Day 1: 10.00 am – 1.30 pm)
Staff	Clark Anstis Patricia Au Erin Blythman Kimberley Carney Tom Frick Charis Halliday Kathleen John Eric Lee Ao Li (part of meeting) Lan Lu Maggie Man Emily Marden (part of meeting) Lachlan McDonald-Kerr Sophie Pierson Janani Ramanan Sabine Schuhrer Tom Scott Helena Simkova Angus Thomson (part of meeting) Hang Tran Jia Wei Justin Williams Abigail Xu (part of meeting)
Other	Evelyn Ling – agenda item 6

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## 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 and Minutes

Agenda Item 2

### Apologies

Apologies for parts of the meeting were noted from Dean Hanlon, David Holland, Toby Langley and Moana Overton.

### Declarations of Interests

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

Sean Osborn (agenda items 3 and 7) and Stephen Taylor (agenda item 3) noted particular interests in relation to the specified agenda items that do not impair their ability to address the agenda items appropriately.

### Minutes

The Board approved the minutes of the two hundred and ninth meeting, held on 20 September 2024, and the minutes of the two hundred and tenth meeting, held on 7 November 2024.

### Approvals Out of Session

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

- AASB 2025-1 *Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity*
- ED 336 *Provisions – Targeted Improvements*.

## IASB ED Provisions – Targeted Improvements

Agenda Item 3

The Board deliberated its response to the IASB Exposure Draft ED/2024/8 *Provisions—Targeted Improvements* (AASB ED 336), including considering the feedback received from stakeholders. The Board supported the proposed amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* in general, but recommended the following improvements:

- (a) clarify that proposed paragraph 14L – which states that an obligation for the exchange of economic resources with another party does not meet the transfer condition for provision recognition (unless the exchange is onerous) – relates to the recognition of the obligation only and does not affect the inclusion of payments for goods and services in measuring a provision if they are either incremental costs of settling the obligation or an allocation of other costs that relate directly to settling obligations of that type (proposed paragraph 40A). The Standard should further explain the interaction of these two requirements;
- (b) clarify whether costs payable to third parties (such as legal costs) should be included in the measurement of a provision;
- (c) explain in the Basis for Conclusions the reason for deleting paragraph 18 of IAS 37, which prohibits recognising provisions for future operating costs;
- (d) clarify that non-performance risks would not be reflected in the expected cash flows for the settlement of provisions;
- (e) permit the proposed transition exceptions, for changes resulting from (i) changes to the discount rate and (ii) changes to the costs included in measuring provisions, to be applied on the same date;
- (f) in Example 2A, clarify that the assessment of whether a draft law is virtually certain to be enacted may differ across jurisdictions; and
- (g) in proposed Example 13C relating to an annual property tax, explain the reasons why a provision cannot be recognised over time in this scenario.

The Board decided that the submission will be finalised by the Chair.

Action:	Staff
	Chair

## Contracts Referencing Nature-dependent Electricity – Tier 2 Amendments

### Agenda Item 4

The Board considered whether the disclosure requirements added to AASB 7 *Financial Instruments: Disclosures* by AASB 2025-1 *Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity* should also be required of Tier 2 entities. The Board decided to issue an Exposure Draft proposing amendments to AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* that would add only some of those new disclosure requirements for Tier 2 entities.

For contracts referencing nature-dependent electricity that meet the “own use” criteria in AASB 9 *Financial Instruments* and are recognised as procurement contracts, the Board decided to propose requiring Tier 2 entities to disclose:

- (a) information about contractual features that expose the entity to:
  - (i) variability in the underlying amount of electricity; and
  - (ii) the risk that the entity would be required to buy electricity during a delivery interval in which the entity cannot use the electricity;
- (b) qualitative information about how the entity assesses whether a contract might become onerous, including the assumptions the entity uses in making this assessment; and
- (c) qualitative information about the effects on the entity's financial performance for the reporting period.

The Board decided to propose in the Exposure Draft that the other disclosure requirements added to AASB 7 by AASB 2025-1 would not be required of Tier 2 entities under AASB 1060, such as quantitative information about future cash flows under unrecognised commitments, unused electricity purchases and proceeds from the sale of unused electricity.

The Board also decided to propose the same transitional relief regarding comparative disclosures on initial application as set out in AASB 2025-1 for Tier 1 general purpose financial statements.

The Exposure Draft will have a 60-day comment period and will be finalised by the Chair.

Action:	Staff
	Chair

## **Classification and Measurement of Financial Instruments – Tier 2 Amendments**

### Agenda Item 5

The Board voted to make Accounting Standard AASB 2025-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures*. This Standard amends AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* to require a Tier 2 entity to disclose information about financial instruments with contractual terms that could change the amount of contractual cash flows based on the occurrence or non-occurrence of a contingent event that does not relate directly to changes in basic lending risks and costs, such as a reduction in an entity's carbon emissions.

The Standard applies to annual periods beginning on or after 1 January 2026, with earlier application permitted. The Standard will be published on the AASB Standards Portal.

Action:	Staff
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## Not-for-Profit Private Sector Financial Reporting Framework (Tier 3) and Conceptual Framework Amendments

### Agenda Item 6

The Board received an update on the projects, including a preliminary summary of the feedback received to date from outreach activities on AASB ED 334 *Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements* and ED 335 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities*. ED 334 incorporates proposed amendments to the *Conceptual Framework for Financial Reporting* to add limited Australian guidance for not-for-profit (NFP) entities.

No decisions were made.

Action: Staff

## ITC 51 Post-implementation Review of Not-for-Profit Topics

### Agenda Item 7

The Board discussed the feedback received in response to two of the topics in Invitation to Comment ITC 51 *Post-implementation Review of Not-for-Profit Topics – Control, Structured Entities, Related Party Disclosures and Basis of Preparation of Special Purpose Financial Statements*, specifically Topic 3: Related party disclosures by NFP public sector entities and Topic 4: Basis of preparation of special purpose financial statements – disclosures about compliance with Australian Accounting Standards.

After considering stakeholder feedback, the Board decided:

- (a) not to propose any amendments to AASB 124 *Related Party Disclosures* in respect of NFP public sector entities. However, the Board will monitor the International Public Sector Accounting Standards Board's project Making Materiality Judgements, which might inform future improvements to AASB 124 in relation to public sector entities; and
- (b) not to propose any amendments to AASB 1054 *Australian Additional Disclosures* in respect of the disclosures required of certain NFP private sector entities in their special purpose financial statements. However, the Board will monitor the disclosure requirements in light of the Board's Conceptual Framework: Not-for-Profit Amendments project.

Action: Staff

## Research Report

### Agenda Item 8

The Board noted recent and upcoming Research Centre activities, including:

- (a) the demographic composition of attendees and the feedback received from the November 2024 AASB Research Forum;
- (b) the release of the following AASB SSRN Working Papers:
  - (i) Working Paper No. 25-01: *Twenty Years of Mandatory IFRS in Australia: Evidence, Gaps and Future Insights*;
  - (ii) Working Paper No. 25-02: *Disclosures of Carbon Credits in Australia*; and
  - (iii) Working Paper No. 25-03: *Statement of Cash Flows and Related Matters – Australian Listed Entities*;
- (c) the release of AASB Research Report 23 *Understanding the Impact of Accounting Standards on the Cost of Capital*; and
- (d) progress on the following projects:
  - (i) the NFP public sector entities climate-related financial disclosures research project; and
  - (ii) the AASB, Malaysian Accounting Standards Board (MASB) and CPA Australia joint project Influencing the IASB's Priorities.

Action:

Staff

## Climate-related Financial Disclosure

### Agenda Item 9

#### *Proposed amendments to IFRS S2*

The Board noted the ISSB decided at its January 2025 meeting to respond to stakeholder feedback on aspects of IFRS S2 *Climate-related Disclosures* by issuing an Exposure Draft for a 60-day comment period to propose the following narrow-scope amendments:

- (a) clarifying that disclosure is not required of Scope 3 Category 15 (investments) greenhouse gas (GHG) emissions for derivatives and specific financial activities, including insurance-associated activities and commercial banking activities;
- (b) in relation to measuring GHG emissions:
  - (i) extending jurisdictional relief from the requirement to apply global warming potential (GWP) values from the latest Intergovernmental Panel on Climate Change (IPCC) assessment if a jurisdiction in which the entity operates requires different values; and
  - (ii) clarifying that an entity could use a method other than the Greenhouse Gas Protocol Standards when that other method is required in a jurisdiction in which the entity operates; and

- (c) permitting entities to use an industry classification system other than the Global Industry Classification Standard (GICS) when they do not subscribe to GICS.

The Board decided to issue an AASB Exposure Draft that incorporates the ISSB Exposure Draft for a 30-day comment period, to facilitate obtaining Australian stakeholders' feedback to inform the AASB's submission to the ISSB on its proposals.

The Board noted the ISSB has indicated its Exposure Draft will be issued in the second quarter of 2025. The Board delegated approval of the AASB Exposure Draft to the Chair. The Board also decided to form a sub-committee to prepare the Board's submission on the ISSB ED, with final approval of the submission by the Chair.

*IFRS Foundation educational material re IFRS S2 – discussed in private*

The Board noted that the IFRS Foundation had published non-authoritative educational material titled *Applying IFRS S1 when reporting only climate-related disclosures in accordance with IFRS S2* in January 2025. The Board decided to consider a comparison of the educational material and Appendix D *General requirements for disclosure of climate-related financial information* of AASB S2 *Climate-related Disclosures* at the next meeting.

*AASB S2 project plans*

The Board considered the following draft project plans to support Australian entities as they commence a phased approach to mandatory reporting using AASB S2 *Climate-related Disclosures* from 1 January 2025:

- (a) AASB S2: Implementation Support;
- (b) AASB S2: Proportionality; and
- (c) AASB S2: Industry-based Information.

The Board supported the Implementation Support and Industry-based Information project plans and decided that they would be finalised out of session by the Chair. The Proportionality project plan is expected to be considered further at the July 2025 meeting.

The Board confirmed that with the establishment of an Implementation Advisory Panel on AASB S2, the Sustainability Reporting Project Advisory Panel would be closed. The Board decided to form a sub-committee to finalise the Terms of Reference for the Implementation Advisory Panel.

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

Action:	Staff
	Sub-committees
	Chair

## **Documents Open for Comment**

Agenda Item 10

The Board decided not to comment on the IFRS Foundation's Exposure Draft *Proposed Amendments to the IFRS Foundation Due Process Handbook*.

## **Other Business – Financial Reporting**

Agenda Item 11

The Board noted the updates on recent IASB, IFRS Interpretations Committee, ISSB and IPSASB meetings and public-sector-specific projects, and other items. No decisions were made.

## **Review of the Meeting**

Agenda Item 12 – discussed in private

The Board reviewed the conduct of the meeting.

## **Close of the Meeting**

The Chair closed the meeting at 12.30 pm on 7 March 2025.

## **Approval of Minutes**

Signed by the Chair as a correct record,  
this 1<sup>st</sup> day of May 2025.