

Australian Accounting Standards Board (AASB)
<https://aasb.gov.au/current-projects/open-for-comment/>

2 June 2025

Dear Chair,

Re: Amendments to Greenhouse Gas Emissions Disclosures

The Australian Aluminium Council (the Council) represents Australia's bauxite mining, alumina refining, aluminium smelting and downstream processing industries. The aluminium industry has been operating in Australia since 1955, and over the decades has been a significant contributor to the nation's economy. Department of Industry, Science and Resources has recently forecast¹ that earnings for Australian exports of aluminium, alumina and bauxite are expected to rise from \$16 billion in 2023–24 to \$18 billion in 2024–25. More than \$14B of this comes from the alumina and aluminium industries, as value adding mineral processing sectors. The industry includes six bauxite mines which collectively produce over 100 Mt per annum making Australia one of the world's largest producers of bauxite. Australia is the world's largest exporter of alumina with five alumina refineries producing around 18 Mt per annum of alumina. Australia is the seventh largest producer of aluminium, with four aluminium smelters and additional downstream processing industries including more than 20 extrusion presses. Aluminium is Australia's top manufacturing export. The industry directly employs more than 21,000 people, including 6,600 full time equivalent contractors. It also indirectly supports a further 55,000 families predominantly in regional Australia. The integrated industry contributes around \$18 B to Australia's GDP.

The Council welcomes the opportunity to make this short submission to the AASB on the Amendments to Greenhouse Gas Emissions Disclosures. The Council's Members² include a range of businesses from small privately owned extruders through to major multinationals, each of whom has a range of perspectives. The Council's submission should be read in conjunction with any submissions received directly from our Members. The Council will only respond to selected consultation questions.

The Council also observes that it is now June of the first reporting year for the first tranche of reporters and guidance is still being issued and is the subject of consultation. In this context, the Council believes AASB should be advocating for a delay to the commencement of the mandatory reporting. This would be consistent with other jurisdictions such as the European Union which has delayed commencement by two years³, despite a longer lead time than the Australian scheme. This would allow for not only guidance to be issued but for some of the international issues, such as referencing the report of a parent entity to be resolved.

In the development of the legislation and guidance issues were raised about allowing an Australian entity to reference a report produced by a parent entity in another jurisdiction. For multinationals this would be a welcome addition and likely to improve clarity. Many companies set targets at a corporate

¹ <https://www.industry.gov.au/publications/resources-and-energy-quarterly-december-2023>

² <https://aluminium.org.au/about/our-members/>

³ <https://www.europarl.europa.eu/news/en/press-room/20250331IPR27557/sustainability-and-due-diligence-meps-agree-to-delay-application-of-new-rules>

level, reporting against these targets at a different level, potentially also having to use different reporting methods, may cause confusion for stakeholders. Additionally, much of the strategy and governance occurs at the higher level and therefore this is also the level where climate change metrics are included in remuneration, which is complex to translate to the sub entities. Further, especially for investors, there is likely little value in understanding the risk exposure for only part of an entity. The additional costs related to auditing sub-entities is not insubstantial.

The reporting framework that requires disaggregation of Scope 1 and 2 emissions into Australian Accounting Standards (AAS) entities (Section 29 a) iv) is problematic not only from the perspective of the number of individual disclosures for large corporates but also because these financial groupings do not necessarily align with the asset boundaries and facility listings under National Greenhouse and Energy Reporting. Emissions data by AAS entity will add to the administrative complexity and effort as this is different from the NGER structure.

Question 3 and 4—Applicability of jurisdictional relief for measurement methods and global warming potential values

The ISSB proposes to amend paragraphs 29(a)(ii), B21–B22 and B24 of IFRS S2 to extend the jurisdictional relief in the Standard. The Council supports the proposed changes and in addition advocates for an extension of the relief to support further consistency.

- The Council support the proposed change to the guidance as otherwise an aluminium smelter, which calculates their perfluorocarbon emissions (PFCs) by direct emissions and most other emissions using emission factors, would be reporting using a mixture of AR5 and AR6 for a single facility. Additionally, without the full consistency with NGERs, comparison to baselines (legislative targets) will need additional explanations, likely to create confusion.
- Multinational Members operate in a range of different jurisdictions and the GWP values range from AR3 to AR5. For consistency, entities headquartered in Australia may use NGERs reporting methods for facilities in other regions. The Council requests that NGERs methodology and GWPs can be used for all facilities reporting under the Australian standard to maintain that consistency. In most instances, the differences in emissions between one version of the Assessment Report and another is not material, so corporations should be able under the relief to standardise corporate reporting under a single version of Assessment Report for consistency and simplicity in reporting.
 - If the jurisdictional relief is not extended, this would mean using AR5 for Australian operations and AR6 for the other operations and adds to the administrative effort and complexity of disclosures. Once the Clean Energy Regulator amends NGER to use AR6, this reporting would then be updated to reflect this change. The jurisdictional relief also impacts the reporting of greenhouse gas emissions from non-operated joint venture partners where it takes time to influence, and negotiation based on agreements to comply with AASB.
 - It should be noted that AR5 are the agreed GWPs to use to report under the Paris Agreement common metrics framework⁴.
- In NGERs, some emission sources such as hydrofluorocarbons are only required to be reported for particular sectors where the emissions are material including warehousing and storage services, other sectors are not required to report. To support consistent auditing, clarity that this would be a reasonable way to determine materiality and covered emissions would be beneficial.
- It should be noted that the term jurisdictional relief implies that a lower order of reporting is being allowed. Many reporters will choose to align with jurisdictional requirements to maintain consistency with other published reports including NGERs, and limit audit costs. A term which better reflects choice for consistency should be used rather than “relief”.

⁴ <https://unfccc.int/process-and-meetings/transparency-and-reporting/reporting-and-review/methods-for-climate-change-transparency/common-metrics>

The Council is happy to provide further information on any of the issues raised in this submission.
Kind regards,



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Copy to:

- Office of Treasurer, the Hon Dr Jim Chalmers MP
- Office of Minister for Climate Change and Energy, the Hon Chris Bowen MP
- Treasury, Climate Disclosure
- Department of Climate Change, Energy, Environment and Water, National Inventory Systems and International Reporting
- Clean Energy Regulator