



08 February 2022

By email: standard@asb.gov.au

Dear AASB colleague,

AASB ITC 46 AASB Agenda Consultation 2022-2026

Thank you for the opportunity to make this submission to the Australian Accounting Standards Board (AASB) consultation on its 2022-2026 agenda¹. We provide response to the questions raised within the consultation paper below.

Question: Do you agree that the AASB should add any of the proposed external reporting projects to the work program? Include any feedback as to the scope of the proposed external reporting project.

The ABA agrees with the AASB's proposed inclusion of sustainability reporting in the work program of the AASB. We note the use of the term 'sustainability' is broad and suggest that the commencement point for this work is *ITC 48 Extended External Reporting on climate change*. The ABA suggests that the AASB specify 'climate sustainability' reporting as the scope of *ITC 48 Extended External Reporting*. Additionally, the ABA supports future expansion to other areas of sustainability reporting as noted in the response to the question below. The ABA refers the AASB to its submission on the consultation on ITC 48 for further detail.

Question: Are there any other projects you think the AASB should include as part of its work program form 2022-2026? Specify the scope of these projects and take into consideration the AASB's capacity for additional project.

The ABA strongly recommends inclusion of a project for the reporting of natural capital and/or biodiversity. We note the on-going development efforts of the Taskforce on Nature-related Financial Disclosures (TNFD) and the expectations on firms to report against the TNFD framework.

Question: What priority would you give to each of the potential projects – high, medium, or low?

The ABA rates the work on both climate sustainability reporting and reporting for natural capital/biodiversity as "high".

The ABA would be pleased to support the work of the AASB in Extended External Reporting for climate change and natural capital/biodiversity. Please do contact me if we could be of assistance.

Kind Regards

A handwritten signature in black ink, appearing to read "Emma Penzo".

Emma Penzo
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¹ <https://asb.gov.au/news/itc-46-aasb-agenda-consultation-2022-2026/>