

National Australia Bank Limited  
395 Bourke St  
Melbourne VIC 3000

28 January 2022

Australian Accounting Standards Board  
500 Collins Street  
Melbourne VIC 3000

Dear Sir/Madam



## **AASB INVITATION TO COMMENT: ITC 48 *EXTENDED EXTERNAL REPORTING***

Thank you for the opportunity to comment on ITC 48 *Extended External Reporting*. We are supportive of improved reporting and disclosures, and already include the Task Force on Climate-related Financial Disclosures (TCFD) recommendations within our external reporting.

Our comments on your specific consultation questions are included below:

- 1. Do you agree with the need for the AASB to adopt an immediate position, or should the AASB continue not to adopt a position until a wider international consensus has been identified?**

We anticipate that international developments in climate reporting will occur within a relatively short timeframe. The worldwide focus on climate change, as demonstrated at COP26, together with the formation of the International Sustainability Standards Board (ISSB) supports this view. We note that a Climate-related Disclosures Prototype has already been released, and that this will be considered by the ISSB.

As a result, we are of the view that the AASB should continue to provide input / feedback through the structures already in place, and wait until wider international consensus has been identified, rather than adopt an immediate position in this regard.

The compliance effort and costs to comply with any framework, even where this is on a voluntary basis, are significant, and we are of the view that limited benefit will be obtained from the AASB recommending / requiring compliance with a specific framework until such wider international consensus has been reached.

- 2. Assuming that an immediate position is adopted as contemplated by the proposal, should the position be applied on a voluntary or mandatory basis?**

We currently apply the recommendations of the TCFD within NAB's external reporting on a voluntary basis, having been formal supporters of the TCFD's recommendations since October 2017.

Any extended external reporting should continue to be presented on a voluntary basis until wider international consensus has been reached. Then the AASB can consider how that might best be implemented in an Australian context, giving specific regard to achieving international consistency to reduce potential reporting burden from differing requirements.

- 3. Assuming that an immediate position is adopted and regardless of whether the position is adopted on a voluntary or mandatory basis, do you agree that the recommendations of the TCFD provide an appropriate framework for this position?**

As mentioned above, we are supporters of the TCFD's recommendations and currently apply the recommendations within NAB's external reporting. We consider that the TCFD recommendations provide an appropriate framework for extended external reporting.

As detailed in Question 1, we consider that the AASB should not adopt a position until wider international consensus has been reached.

Sincerely

Marc Smit

Head of Group Accounting Policy & Assurance