



# AASB Action Alert

From the Australian Accounting Standards Board

Issue No: 232  
28 June 2024

## Welcome to the AASB Action Alert

The AASB Board met in public and in private on 26 June 2024. At the meeting, the Board made key decisions in relation to:

### [Service Performance Reporting](#)

### [Climate-related Financial Disclosure](#)

## Service Performance Reporting

The Board decided to adopt the working definition of ‘service’ as “goods or services, including funding activities, provided by a not-for-profit (NFP) entity to recipients (other than the entity itself) in pursuit of the entity’s objectives” for the purposes of a common understanding of the project direction and scope and the relationship to other aspects that an NFP entity might report on. The Board noted that it might not be necessary or appropriate to include a formal definition of ‘service’ in a principles-based Service Performance Reporting (SPR) pronouncement, which will be assessed at a later stage of the project.

The Board also decided to reconstitute a dedicated Service Performance Reporting Project Advisory Panel comprising individuals with a particular interest and relevant expertise in SPR, to assist in progressing the project.

## Climate-related Financial Disclosure

The Board continued its discussion of the feedback received on [draft] ASRS 2 *Climate-related Financial Disclosures* as proposed in Exposure Draft ED SR1 *Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information* (October 2023).

The Board decided to make changes to the requirements proposed in ED SR1 so that the following aspects of ASRS 2 would be consistent with the baseline of IFRS S2 *Climate-related Disclosures*:

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**Contact us:** Australian Accounting Standards Board, PO Box 204, Collins Street West, Victoria 8007  
**Phone** (03) 9617 7600 **Email** [standard@asab.gov.au](mailto:standard@asab.gov.au) **Website** [www.asab.gov.au](http://www.asab.gov.au)

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- (a) climate-related scenario analysis – to omit paragraphs Aus22.1 and Aus22.2 of [draft] ASRS 2, which proposed requiring an entity to assess climate resilience against at least two relevant possible future states, including one consistent with the most ambitious global temperature goal set out in the *Climate Change Act 2022*, and clarifying the disclosure requirements;
- (b) cross-industry remuneration metrics – to omit paragraph Aus29.1 of [draft] ASRS 2, which referred to the ‘key management personnel’ and ‘compensation’ definitions in AASB 124 *Related Party Disclosures*;
- (c) Scope 3 GHG emissions – to omit paragraph AusB39.1 of [draft] ASRS 2, which proposed to permit an entity to measure and disclose its Scope 3 GHG emissions using data for the immediately preceding reporting period if reasonable and supportable data related to the current reporting period is unavailable;
- (d) financed emissions – to require entities participating in financial activities of asset management, commercial banking or insurance to provide the additional and specific financed-emission disclosures set out in IFRS S2 paragraphs B59 and B61–B63, instead of requiring an entity to consider the applicability of those disclosures, as proposed in the related Aus paragraphs in the [draft] ASRS 2; and
- (e) the definition of ‘carbon credits’ – to adopt the IFRS S2 definition with no modification.

The Board also decided that no changes were required to ASRS 2 in respect of which superannuation entities might be required to comply with the Standard (which is a matter for the Corporations Act) or the primary users of general purpose financial reports of superannuation entities.

### Recently Approved Documents

Since last reported (Action Alert, 12 June 2024), the Board has not approved any Standards, Exposure Drafts or other proposal documents.

### Documents Open for Comment

The following documents are open for comment. AASB submissions to the IASB, the ISSB, the IFRS Interpretations Committee, the IFRS Foundation, the IPSASB and other organisations are published on the AASB website.



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Issuer	Document	AASB No.	AASB Due Date	Other Organisation Due Date
AASB	ED 329 <a href="#">Business Combinations – Disclosures, Goodwill and Impairment</a>	<a href="#">ED 329</a>	closed	15 July 2024
AASB	ED 330 <a href="#">Contracts for Renewable Electricity</a>	<a href="#">ED 330</a>	closed	7 August 2024

### AASB Board Future Meeting Dates

19 & 22 July 2024  
August 2024 (TBD)  
5–6 September 2024  
7–8 November 2024

### 19 & 22 July 2024 AASB meeting

The Board is expected to address the following agenda items:

Climate-related Financial Disclosure  
Financial Instruments – Classification and Measurement