



Project:	Sustainability Reporting	Meeting	AASB June 2022 (M188)
Topic:	Cover memo	Agenda Item:	4.1
		Date:	14 June 2022
Contact(s):	Siobhan Hammond shammond@asb.gov.au Patricia Au pau@asb.gov.au Nikole Gyles ngyles@asb.gov.au	Project Priority:	High
		Decision-Making:	Medium
		Project Status:	Initial consideration of IPSASB's proposals and feedback to ED 321

Objective

- 1 The objective of this meeting is to:
 - (a) consider the IPSASB [Consultation Paper Advancing Public Sector Sustainability Reporting](#) and the proposed approach to responding to the Consultation Paper; and
 - (b) update the Board on recent outreach events and the key themes from feedback received to date.

Background

Sustainability Reporting – For-profit sector

- 2 At its February (M185) and April (M186) 2022 meetings, the Board discussed the potential scope of the Sustainability Reporting project. The Board made the following preliminary decisions to assist staff in developing the draft project plan:¹
 - (a) the initial focus of the draft project plan should be to develop a separate suite of sustainability reporting standards alongside the existing AASB Standards and that, while climate will likely be the first sustainability reporting matter to be addressed, the Board intends to address other sustainability reporting matters at a later stage;
 - (b) the work of the International Sustainability Standards Board (ISSB) should be used as the foundation, with modification for Australian matters and requirements. The Board further clarified that the focus for the project should be to prioritise international alignment and only amend (or add to) international sustainability reporting requirements where it is necessary to do so to meet the needs of Australian stakeholders;
 - (c) the initial scope of the project relates to for-profit entities, with the draft project plan to address how to respond to feedback from for-profit entities of all sizes, not only

¹ See the [Sustainability Reporting Project Summary](#).

larger listed entities. The Board decided to consider the not-for-profit sector at a later stage and asked staff to continue to engage with not-for-profit private and public sector entities in considering the ongoing project development;

- (d) apply its existing [Due Process Framework for Setting Standards](#) to preliminary work on the Sustainability Reporting project; and
 - (e) consistent with the scope of the ISSB's work, the proposed scope of the Sustainability Reporting project should focus on developing reporting requirements for sustainability-related financial information and the connectivity between broader sustainability reporting (for example, as addressed by the Global Reporting Initiative (GRI)) and the financial statements.
- 3 In May 2022 (M187), the Board considered a draft project plan for the project, which incorporated all of the Board's previous preliminary decisions and feedback. The Board made the preliminary decision to implement the draft Sustainability Reporting project plan.²

Sustainability Reporting – Not-for-profit public sector

- 4 In May 2022 (M187), the Board decided to comment on IPSASB's Consultation Paper *Advancing Public Sector Sustainability Reporting*.³

Attachments and structure of Board papers

- 5 This meeting is structured as follows:⁴
- (a) **Agenda Paper 4.2 Overview of IPSASB Consultation Paper Advancing Public Sector Sustainability Reporting**—this paper provides an overview of the IPSASB Consultation Paper; and
 - (b) **Agenda Paper 4.3 Key themes from feedback received to date**—this paper provides an update an overview of key themes of feedback from recent outreach events for the Board's [Exposure Draft 321 Request for Comment on ISSB \[Draft\] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and \[Draft\] IFRS S2 Climate-related Disclosures](#) (ED 321).

Next steps

- 6 The next steps for the project elements are addressed in Agenda Paper 4.2 and Agenda Paper 4.3.

² See May 2022 (M187) [Agenda Paper 6.2 \[Draft\] Sustainability Reporting project plan](#).

³ See May 2022 (M187) [Agenda Paper 7.2 IPSASB Update: Report on March 2022 Meeting of the IPSASB](#).

⁴ Key questions for consideration by Board members are in Agenda Paper 4.2 *Overview of IPSASB Consultation Paper Advancing Public Sector Sustainability Reporting*.