

Australian Accounting Standards Board
PO Box 204
Collins St West
VIC 8007

1 March, 2024

BY web submission via: www.aasb.gov.au

**RE: Consultation on Exposure Draft – ED SR1 Australian Sustainability Reporting Standards –
Disclosure of Climate-related Financial Disclosure**

Thank you for the opportunity to provide feedback on the *Exposure Draft – ED SR1 Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Disclosure* draft requirements for businesses to disclose climate-related risks and opportunities.

I previously made a submission in this process to Treasury outlining my concern in regards to linking to standards in development by the GHG Protocol group in respect to the lands sector, where there is expert disagreement in regards to the accounting approaches being proposed under their GHG Protocol *Land Sector and Removals Guidance*.

I do not support the current draft standard due to what are in effect significant issues for the land sector regarding included/referenced greenhouse gas (GHG) processes, specifically the omission of ‘and removals’ when specifying core requirements of accounting and in respect to the allowed/referenced methodologies for the land sector.

It is believed greater guidance is appropriate in respect to specifications regarding the modelling of the two global temperature goals. It is also believed specifications distinguishing the use of GHG reduction units is required and should be consistent across the standards.

Specific matters for comment

Q4 Yes supported, this industry specific approach is optimal, it should also be relevant to an Australian context.

Q10 Yes supported, two scenarios including the most ambitious goal is appropriate. However, it is considered ideal that greater guidance and/or greater specifications on the source for both would be ideal. There are various Australian organisations that could be referred to as appropriate sources for projections.

Q11 Yes supported, however as above greater guidance on appropriate sources appropriate.

Q17 No, this option is not supported. 31.1 (b) includes and makes reference to the NGER legislation which is not relevant to the land sector. As commented on previously in this process fallback to the GHG Protocol standards is problematic as its approaches are contended between experts and it should not be applied. Provision needs to be allowed for either the development of appropriate Australian land sector methodologies or reference to ISO 14064-1 instead of the GHG Protocol, which is not contentious. The author was involved in the development of the initial ISO 14064 series included Part 1 as the key removals or land sector expert and ensured it was suitable and appropriate for application to the land sector. The land sector will clearly trigger the 'not practical' component. Both the Corporate and Value Chain Standards are not appropriate fallbacks for the land sector, nor is the under-development Land Sector Protocol as previously discussed.

Additional comments regarding;

Aus31.1 (a). This section is not supported and problematic due to referring to the disclosure of 'absolute gross GHG emissions' with no reference to GHG removals. This overlooks companies whose accounting includes both GHG emissions and removals.

Aus31.1. This section would benefit from inclusion of a new section that distinguishes and discloses the use or sale of generated certified GHG reduction units (such as ACCUs) from project-level activities.

Thank you.

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