Proposed 2025 Amendments to Climate and Assurance Standards

Survey response 71

Company Name

Oxygen Consulting

Should AP 4, AP 5, AP 7 and AP 8, which relate to the disclosure and assurance of scope 3 GHG emissions, be extended?

Yes - By two years (the XRB's proposal)

Please give a reason for your answer

I think it takes quite a long time for organisations to achieve a good measure on their Scope 3 emissions, given the reliance on third party data, the quality of methods and assumptions used, and the ability for companies to get a full year audited result completed on Scope 3 in time for their annual report (noting that the FMA provision to detach the climate statement from the annual report has now lapsed, and if it is not extended then companies will struggle to get a full year of actual emissions data - particularly Scope 3 - prepared and audited within 60 days of the close of their reporting period). I think two years also gives NZ a chance to see how Australia is moving through its CRD regime and draw greater alignment. In two years we will be able to see what is acceptable from an assurance perspective over Scope 1 - 3 (noting that in their second reporting period they need to achieve limited assurance over scope 3 and reasonable over scope 1 and 2). So they may look at 11+1 or 10+2 data (whereby the last 1 - 3 months are estimated) to ensure they meet their reporting deadlines. I suspect like NZ, there may be some refinements to their scheme over the next couple of years so it would be good to allow them to come up to speed with where NZ entities are at so that we can align and learn from each other and move together.

Should AP 2, which relates to anticipated financial impacts, be extended?

Yes - By two years (the XRB's proposal)

Please give a reason for your answer

As per the previous page, I think it would be good to wait two periods as we will be able to see how the Group 1 AASB S2 CRDs are disclosing anticipated financial impacts and learn from/align with their methods. At present, there is not enough guidance around practically how organisations should go about doing this, and given the sensitivity around releasing numbers publicly and ensuring the principles of fair presentation, materiality and accuracy in disclosure, there is a high risk of companies getting this wrong without further guidance around how to measure the anticipated financial impact of climate risks and opportunities, and what is appropriate.

Any other comments