

Australian Information Industry Association

Submission on

Assurance over Climate and Other Sustainability Information

03 May 2024

Introduction

AIIA welcomes the opportunity to comment on the Assurance over Climate and Other Sustainability Information consultation paper issued by the Office of the Auditing and Assurance Standards Board (AUASB). We are highly supportive of the move towards climate-related disclosure in Australia, and believe that in most respects this represents a significant step in terms of aligning Australia with global climate reporting standards.

We also believe that companies need clear assurance standards and adequate time to work with their auditors to meet them. The reporting standards should provide that assurance standards need to be reevaluated regularly to meet widely accepted global standards, especially in the area of carbon accounting which is a dynamic and evolving area. These items are discussed below.

Levels of assurance

Given the significant assumptions and qualifications involved with Scope 3 emissions reporting, the reporting standards should provide for limited assurance until there is global consensus on how to execute on a higher level of assurance.

Assurance phasing

We agree with the AUASB suggestion that following the merger of the Financial Reporting Council, AASB and AUASB proposed to take effect on 1 July 2026, its successor should conduct a review in late 2026 of the assurance phasing to assess whether refinements to the assurance phasing are necessary after two years of reporting and assurance for Group 1 entities with June financial year ends.

That being said we also believe that the AUASB should be required to undertake periodic reviews of any standards they make with respect to sustainability reporting, so as to ensure that those standards remain in line with the globally accepted framework.

Assurance auditing firms

Entities should be provided with the option to use an auditor other than the auditor of the financial statements for the sustainability report, as it is not yet known whether auditors of financial statements will have the skills or bandwidth to carry out sustainability reporting audits.

The AIIA appreciates the opportunity to make a submission. Should you have any questions, please contact Ms Siew Lee Seow, General Manager, Policy and Media at siewlee@aiia.com.au.

Yours sincerely
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CEO, AIIA

About the AIIA

The Australian Information Industry Association (AIIA) is Australia's peak representative body and advocacy group for those in the digital ecosystem. We are a not-for-profit organisation to benefit members, which represents around 90% of the over 1 million employed in the technology sector in Australia. Since 1978, the AIIA has pursued activities to stimulate and grow the digital ecosystem, to create a favourable business environment for our members and to contribute to Australia's economic prosperity.

We do this by delivering outstanding member value by:

- providing a strong voice of influence
- building a sense of community through events and education
- enabling a network for collaboration and inspiration; and
- developing compelling content and relevant and interesting information.

We are unique in that we represent the diversity of the technology ecosystem from small and medium businesses, start-ups, universities, and digital incubators through to large Australian companies, multinational software and hardware companies, data centres, telecommunications companies and technology consulting companies.