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Sub 24 CP-Climate and Sustainability

Submitted via email: enquiries@auasb.gov.au

Response to AUASB Consultation Paper - Assurance over Climate and Other Sustainability Information

The Group of 100 welcomes the opportunity to offer comment on the AUASB's Consultation Paper on Assurance over Climate and Other Sustainability Information.

The Group of 100 is the nation's peak body for CFOs and leading finance professionals in many of Australia's largest businesses. Our purpose is to create better businesses for tomorrow, and part of how we deliver this is to contribute on a business-to-government level on matters affecting business regulation, financial reporting, corporate governance, capital markets, taxation and financial management.

The Group of 100 will limit our response to the issue of timing. We support a phased approach to assurance; however we believe the Possible Assurance Phasing model in Attachment 1 of the consultation paper is too ambitious and needs to be deferred for at least 12 months. It is our belief that reporting entities will need more time to implement necessary changes to their reporting schedules and have additional staff properly trained.

In addition, the Group of 100 believes that this new mandatory assurance reporting should commence for at least 12 months as 'limited' rather than 'reasonable' in all topic areas and groups.

It is not reasonable to expect reporting entities to be ready to introduce additional reporting in have such tight timeframes when the enabling legislation and the Australian Sustainability Reporting Standards (ASRS), are yet to be issued; it is difficult to know exactly what will be required.

CPA Australia recently conducted a social media poll which showed many reporting entities are not ready to prepare climate statements. Forty-three percent believed they were not ready and another 30 percent said they were uncertain as to what would be required.

The Group of 100 agrees with other groups that if mandatory assurance is required in this area before reporting entities are ready, there will be a high number of modified assurance opinions required which may lead to unintended consequences for the auditor's opinion on the financial report.

A longer phased introduction would allow reporting entities to engage in reporting trials ensuring deficiencies in their new systems are identified and can be corrected.

We are happy to discuss further, however should you require any further information, please contact Stephen Woodhill on 0413 318 455 or swoodhill@group100.com.au

Yours sincerely
Group of 100 Inc

Inder Singh
Chair

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