

Ms Claire LaBouchardiere
Senior Executive Leader
Companies & Small Business
Australian Securities and Investments Commission
Melbourne VIC, 3001
email: sustainable.finance@asic.gov.au

Level 3 329 Collins Street
Melbourne Victoria 3000

info@alca.org.au

ABN 80 637 680 310

18 December 2024

Dear Ms LaBouchardiere,

RE: Submission on CP 380 Sustainability reporting

The Australian Land Conservation Alliance (ALCA) welcomes the opportunity to provide a submission to ASIC on Consultation Paper 380, Sustainability reporting.

ALCA is the peak national body representing organisations that work to conserve, manage, and restore nature on privately managed land. We represent our members and supporters to grow the impact, capacity, and influence of private land conservation to achieve a healthy and resilient Australia.

Our submission focuses its feedback on: the “*broader questions, issues or uncertainties that may inform our approach to any future guidance*”.

Please note that ALCA is happy for this submission to be published in full.

Context: the accelerating nature crisis

Whilst Australia’s nature crisis is less well-known than the parallel, interconnected, climate crisis, it is just as serious for our society and economy. According to the World Economic Forum:

“Humanity has already wiped out 83% of wild mammals and half of all plants and severely altered three-quarters of ice-free land and two-thirds of marine environments. One million species are at risk of extinction in the coming decades – a rate tens to hundreds of times higher than the average over the past 10 million years....

Human societies and economies rely on biodiversity in fundamental ways. ...over half the world’s total GDP – is moderately or highly dependent on nature and its services.”¹

Using the same methodology, approximately half of Australia’s GDP has also been demonstrated as having a moderate to very high dependence on nature².

¹ World Economic Forum, *Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy*, January 2020; <https://www.weforum.org/reports/the-global-risks-report-2020>

² Australian Conservation Foundation, *The nature-based economy: How Australia’s prosperity depends on nature*, September 2022; <https://www.acf.org.au/how-australias-prosperity-depends-on-nature>

The scale and devastation that the unfolding nature crisis will have upon our collective wellbeing will dwarf all but the very biggest issues facing our nation and will rival them in importance. As per the British Government's Dasgupta Review:

*"We are facing a global crisis. We are totally dependent upon the natural world. It supplies us with every oxygen-laden breath we take and every mouthful of food we eat. But we are currently damaging it so profoundly that many of its natural systems are now on the verge of breakdown."*³

Indeed, in 2021, scientists confirmed Australia's trajectory towards the collapse of ecosystems⁴ and we have seen the largest documented decline of biodiversity than any other continent in the world⁵. The Commonwealth's 2021 State of the Environment Report (released in July 2022) further confirmed that climate change was but one of several key pressures causing the accelerating decline of our environment:

"Overall, the state and trend of the environment of Australia are poor and deteriorating as a result of increasing pressures from climate change, habitat loss, invasive species, pollution and resource extraction. Changing environmental conditions mean that many species and ecosystems are increasingly threatened. Multiple pressures create cumulative impacts that amplify threats to our environment, and abrupt changes in ecological systems have been recorded in the past 5 years..."

*Our inability to adequately manage pressures will continue to result in species extinctions and deteriorating ecosystem condition, which are reducing the environmental capital on which current and future economies depend. Social, environmental and economic impacts are already apparent."*⁶

As underlined by the 2021 State of Environment Report, habitat loss and resource extraction – driven by land use change – are serious concerns for the ongoing viability of Australia's biodiversity. Repeated adverse decisions on habitat and native vegetation clearance may appear reasonable on marginal analysis, but this fails to capture the State of Environment Report's conclusion that Australia's nature is suffering badly from cumulative impacts, and to our great social, environmental, and economic peril.

Recommendations

ALCA's views on nature-related financial risk disclosure reporting have been detailed extensively in iterative submissions to Government on the Sustainable Finance Roadmap and climate-related financial disclosure legislation⁷. In short, nature is a serious and pressing global and national issue with systemic risks to our financial system, and whilst nature-related financial risk disclosure frameworks are still developing, early action is still critically important.

³ p1, Dasgupta, P. *The Economics of Biodiversity: The Dasgupta Review*, HM Treasury, Government of the United Kingdom; <https://www.gov.uk/government/publications/final-report-the-economics-of-biodiversity-the-dasgupta-review>

⁴ Bergstrom et. al, 'Combating ecosystem collapse from the tropics to the Antarctic', *Global Change Biology*, 2021; <https://onlinelibrary.wiley.com/doi/10.1111/gcb.15539>

⁵ DCCEEW; <https://www.dcceew.gov.au/environment/biodiversity/conservation>

⁶ See: <https://soe.dcceew.gov.au/overview/key-findings>

⁷ https://alca.org.au/wp-content/uploads/2024/02/20240209-ALCA-Exposure-draft-bill-climate-related-financial-disclosures_web.pdf (Feb 2024); https://alca.org.au/wp-content/uploads/2023/12/20231204-ALCA-submission-Sustainable-Finance-Strategy_web.pdf (Dec 2023); https://alca.org.au/wp-content/uploads/2023/02/20230217-ALCA-submission-Climate-related-financial-disclosure_web.pdf (Feb 2023)

Most relevant to ASIC is the opportunity – and the pressing need – to support the following priority from the draft Sustainable Finance Strategy:

“Increased recognition of nature as a driver of firm-level and systemic opportunities and risks will be reflected in regulatory guidance, supervisory practices and data initiatives. This includes:

- *Australian Securities and Investments Commission (ASIC) considering how regulatory guidance could support voluntary nature-related disclosures and nature-related claims for investment products...”⁸*

Recommendation 1: As a matter of priority, ASIC should develop guidance to support voluntary nature-related disclosures and nature-related claims for investment products.

Thank you again for the opportunity to bring this specific issue to your attention. ALCA and its member organisations look forward to an update from ASIC on the recommendation above.

Australian Land Conservation Alliance

⁸ p8, <https://treasury.gov.au/sites/default/files/2023-11/c2023-456756.pdf>

About the Australian Land Conservation Alliance

The Australian Land Conservation Alliance is the peak national body representing organisations that work to conserve, manage, and restore nature on privately managed land. We represent our members and supporters to grow the impact, capacity, and influence of private land conservation to achieve a healthy and resilient Australia.

Our nineteen members are:

- Arid Recovery
- Australian Wildlife Conservancy
- Biodiversity Conservation Trust NSW
- Bush Heritage Australia
- EcoGipps
- GreenCollar
- Greening Australia
- Landcare Australia
- Nari Nari Tribal Council
- Nature Foundation
- North Australian Indigenous Land and Sea Management Alliance
- NRM Regions Australia
- Odonata
- Queensland Trust for Nature
- South Endeavour Trust
- Tasmanian Land Conservancy
- The Nature Conservancy Australia
- Trust for Nature (Victoria)
- World Wildlife Fund - Australia

ALCA member land conservation efforts have influenced over 9.3% of Australia with more than 4,000 landholders. We have over 70,000 supporters and our combined annual turnover exceeds \$370 million. Together ALCA and its members address some of the most pressing conservation issues across the country, including restoring endangered ecosystems, building the protected area estate, tackling invasive species, expanding private conservation finance, and funding and using nature-based solutions to tackle climate change.

Through their active land management, ALCA member organisations are deeply embedded in rural communities and economies, providing jobs, securing significant regional investment, and safeguarding remaining native habitat, with its many positive spill-over effects for community, wellbeing, and food security. We seek to demonstrate the role and value of private land conservation as a cornerstone of the Australian economy.

Some ALCA members are statutory entities; the views expressed in this submission do not necessarily represent the views of the Government administering those statutory entities.