

Climate Disclosure Unit
Climate and Energy Division
Treasury
Langton Crescent
Parkes ACT 2600
Via email: ClimateReportingConsultation@treasury.gov.au

9 February 2024

Dear Climate Disclosure Unit,

RE: Climate-related financial disclosure, exposure draft legislation

The Australian Land Conservation Alliance (ALCA) welcomes the opportunity to provide a submission to Treasury on its exposure draft legislation for climate-related financial disclosures.

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.

We are supportive of the proposed legislation and the mandating of climate-related financial disclosures; in particular, ALCA welcomes the inclusion of s 296A(3) which provides the Minister with the power to require statements relating to matters concerning environmental sustainability to form part of annual sustainability reports. Specifically, we are encouraged that this allows future consideration by the Minister of including nature-related financial disclosures within sustainability reporting.

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

Recommendations

Nature-related financial disclosures

ALCA supports the adaptability of the legislation to regulate for sustainability reporting, specifically, nature-related financial disclosures.

It is unclear in the exposure draft as to the ability of the Minister to regulate notes to statements on other matters concerning environmental sustainability; this will need to be checked and clarified.

ALCA also highlights our support for the legislation to ensure it allows ASIC – and other authorities as required – to be able to provide voluntary guidance and (ultimately) also mandatory requirements for entities under its remit.

Recommendation 1: Retain s 296A(3) in its current form in order to allow statements relating to matters concerning environmental sustainability to form part of annual sustainability reports at the discretion of the Minister.

Recommendation 2: Once international and domestic reporting standards for nature-related financial disclosures have matured, elevate any nature-related financial disclosure statements

developed under s 296A (subsections (1)(c) and (3)) to a legislative requirement into the Act proper, rather than just a potential regulation under the Act.

Recommendation 3: Subject to legislative drafting advice, clarify that statements regulated under s 296A(3) can include notes to those statements as required by the Minister and not the sustainability standards; for example [**suggested additions in bold**]:

(3) For the purposes of paragraph (1)(c), the Minister may, by legislative instrument, require a sustainability report to include statements relating to matters concerning environmental sustainability. **For the avoidance of doubt, this may include a requirement to include notes to those statements.**

Alternatively (or additionally), for ease of clarity, redraft the heading above s 296A(4) to [**suggested additions in bold**]:

Notes to climate statements and other matters concerning environmental sustainability

Recommendation 4: Ensure that s 296C [Compliance with sustainability standards etc.] allows that the Minister may, by legislative instrument, determine requirements for compliance with statements on other matters concerning environmental sustainability under s 296A(1)(c) [see apparent errors for rectification under Recommendation 5 below], including notes to those statements.

Recommendation 5: There appears to be minor errors in the exposure draft that need to be addressed:

- a. The four references to s 292A(1)(c) within the exposure draft should likely be referring to s296A(1)(c); and
- b. s 296A(1)(b) is repeated twice; the second instance should read s 296A(1)(d).

Recommendation 6: Retain proposed new s 227(1)(ba) and s 336A for the *ASIC Act* in their current forms, in order to provide the AASB with the power to make sustainability standards for the purposes of the proposed Act or the *ASIC Act*.

Thank you again for the opportunity to provide feedback to Treasury on its exposure draft legislation for climate-related financial disclosures. As nature-related disclosure frameworks continue to mature, ALCA and its members look forward to engaging with the Government to ensure nature-related financial risks are disclosed appropriately.

Australian Land Conservation Alliance

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 seventeen members are:

- Arid Recovery
- Australian Wildlife Conservancy
- Biodiversity Conservation Trust NSW
- Bush Heritage Australia
- EcoGipps
- GreenCollar
- Greening Australia
- Landcare Australia
- Nature Foundation
- 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 3 million square kilometres with more than 4,000 landholders. We have over 70,000 supporters and our combined annual turnover exceeds \$325 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.