

16 December 2022

Corporations Branch
Market Conduct Division
Treasury
Langton Cres
Parkes ACT 2600

Email: climatereportingconsultation@treasury.gov.au

Empowering the AASB to deliver sustainability standards

The Property Council of Australia welcomes the opportunity to provide comment on the exposure draft *Treasury Laws Amendment (Measures for Consultation) Bill 2022: sustainability standards*.

About us

The Property Council of Australia is the leading advocate for Australia's largest industry – property. Our industry represents 13% of Australia's GDP, employs 1.4 million Australians (more than mining and manufacturing combined) and generates \$72 billion in tax revenues annually. Property Council members invest in, design, build and manage places that matter to Australians across all major built environment asset classes.

Australia's property industry leaders are world leaders in sustainability. They have a demonstrated commitment to ESG, topping indices like the Global Real Estate Sustainability Benchmark and the Dow Jones Sustainability Index for twelve consecutive years. Most of our leading members have net zero goals by 2030 or before, with several having reached it already at a portfolio level. Our members have a long-term stake in helping our capital and regional cities thrive and want to see decisive action on climate mitigation and adaptation to avoid the worst projected impacts of climate change.

The Australian property industry has also shown global leadership on social sustainability initiatives, including gender diversity through the Property Champions of Change and the establishment of world first industry-wide online supplier platforms to tackle modern slavery and measure social impact in property operations and supply chains.

General comment

The Property Council supports the proposal to empower the Australian Accounting Standards Board (AASB), Auditing and Assurance Standards Board (AUASB), and Financial Reporting Council (FRC) to develop sustainability standards in Australia. This is a welcome first step in Australia's path to adopting a globally consistent, comparable, reliable, and assurable baseline for sustainability reporting, to provide all stakeholders with a clear and accurate picture of an organisation's ability to create sustainable value over time.

We consider it critical that Australia adapts the ISSB sustainability standards to our regulatory environment, whilst aligning key concepts, terminologies, and metrics. Maintaining comparability for Australia with other jurisdictions that use the ISSB sustainability standards is paramount. The current fragmentation of regulation and standard-setting is adding confusion, complexity and costs for both respondents and users of sustainability reporting – detracting attention and resources away from the important actions that need to be taken to meet ESG commitments.

The Property Council looks forward to further engagement with Treasury on this important issue through the open consultation on Climate-related financial disclosures, to ensure the sustainability achievements and competitiveness of our property market is recognised on a global scale.

Please reach out to Tim Wheeler, National Policy Manager – Sustainability and Regulatory Affairs at TWheeler@propertycouncil.com.au, or Adele Lausberg, Policy Manager – Capital Markets at ALausberg@propertycouncil.com.au should you wish to discuss this submission in further detail.

Sincerely,

A handwritten signature in black ink, appearing to read 'Belinda Ngo', written in a cursive style.

Belinda Ngo
Executive Director, Capital Markets
Property Council of Australia