

12/12/2022

Corporations Branch
Market Conduct Division
Treasury
Parkes ACT 2600

climatereportingconsultation@treasury.gov.au

Re: “Empowering the AASB to deliver sustainability standards” consultation

AustralianSuper welcomes the opportunity to provide feedback on the *Treasury Laws Amendment (measures For Consultation) Bill 2022: Sustainability Standards* to empower the Australian Accounting Standards Board (AASB) to deliver sustainability standards.

AustralianSuper is Australia’s largest superannuation fund and is run only to benefit members. Over 2.9 million Australians are members of AustralianSuper with over \$262bn in member assets under management. We are the custodians of the retirement savings of one in 8 working Australians. Our purpose is to ensure members achieve their best financial position in retirement and in doing so, we act in members’ best financial interests. The Fund actively stewards its capital and uses its influence to seek long-term value and integrates ESG considerations into its investment decision making to meet this aim.

Climate change is one of the most significant issues facing investors today. Climate-related risks will impact economies, asset classes and industries, as well as the physical environment.

The Fund has committed to managing its investment portfolio to net zero carbon emissions by 2050. The commitment was made in members’ best financial interests given the potential risk climate change presents to the Fund’s long-term investment performance. Our net zero commitment builds on the actions we are taking to manage the transition and physical risks in the portfolio and our desire to produce outcomes that create and/or enhance companies’ financial value.

1. General

AustralianSuper welcomes the proposed amendments to parts of the Australian Securities and Investments Commission Act 2001 that will empower the AASB to deliver sustainability standards including relating to climate disclosure.

This includes support for amendments relating to the mandate of the AASB, Auditing and Assurance Standards Board (AUASB) and The Financial Reporting Council (FRC) as the entities responsible for developing sustainability standards; developing auditing and assurance standards for sustainability purposes; and, providing strategic oversight, respectively.

We support Australian sustainability standards that align with those developed by the International Sustainability Standards Board (ISSB).

We believe the implementation of the ISSB standards in Australia will align with global best practice by providing investors and users of sustainability disclosures with comparable and consistent information. As investors in domestic and global markets a consistent global set of standards is encouraged and welcomed.

2. Additional feedback and further consultation

We would be pleased to provide additional information or to discuss our feedback in further detail. We look forward to further consultation on the Australian implementation of the ISSB standards. If there are any further questions, please contact Andrew Gray, Director, ESG & Stewardship (AGray@australiansuper.com).

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'AG', is positioned above the printed name of Andrew Gray.

Andrew Gray

Head of ESG & Stewardship – AustralianSuper

A handwritten signature in blue ink, reading 'M C Harrington', is positioned above the printed name of Matthew Harrington.

Matthew Harrington

Chief Financial Officer – AustralianSuper