

MEMO# 34966

February 21, 2023

ICI Global Submits Response to Australia Treasury Consultation on Climate-Related Financial Disclosure Framework

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TO: ICI Members

ICI Global Members

ESG Task Force

Global Regulated Funds Committee - Asia SUBJECTS: ESG

International/Global RE: ICI Global Submits Response to Australia Treasury Consultation on Climate-Related Financial Disclosure Framework

ICI Global submitted the attached response to a consultation from the Australian Treasury on the proposed design of a new climate-related financial disclosure regime for listed companies and financial institutions in Australia.[\[1\]](#) The Treasury will set out the detailed reporting requirements and implementation timeline for further consultation in 2023.

ICI Global welcomes the Treasury's goal of improving the consistency, comparability, and reliability of climate-related financial disclosure for the benefit of investors, and the Treasury's recognition of international interoperability as one of the guiding principles in developing the disclosure framework.

The letter supports the Treasury's proposal to leverage the work of the International Sustainability Standards Board (ISSB) in its new climate disclosure framework, with the exception of Scope 3 greenhouse gas (GHG) emissions disclosure. Our letter recommends the Treasury not require Scope 3 GHG emission disclosure at this time, given the significant data and the absence of agreed-upon methodologies for Scope 3 emissions, noting that the limited circumstance in which we would support Scope 3 reporting at this time is in the case of a large, listed company that has publicly announced a target or goal to reduce its Scope 3 emissions.[\[2\]](#)

The letter encourages the Treasury to undertake a separate consultation process to the extent that asset managers may be required to report climate-related financial information under the new framework, given complex issues specific to the asset management industry and the varied potential audiences and purposes of the disclosure.

The letter also welcomes the proposed phased approach towards any climate-related financial disclosure obligations for smaller entities. Finally, the letter encourages the Treasury to continue examining the extent to which large, non-listed companies may become subject to climate-related financial disclosures, and to consult further on any specific proposals or mechanisms to implement such requirements.

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Notes

[1] See Climate-related financial disclosure Consultation Paper, December 2022 ("Consultation Paper"), available at <https://treasury.gov.au/consultation/c2022-314397>. Also See ICI Memorandum [34812], dated January 18, 2023, available at <https://www.ici.org/memo34812>.

[2] The letter also notes that there is a minority view among ICI members that larger public companies should be required to disclose Scope 3 emissions if the emissions are material.

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