



16 December 2022

Corporations Branch
Market Conduct Division
Treasury
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By email: climatereportingconsultation@treasury.gov.au

Climate Reporting Team

Empowering the AASB to deliver sustainability standards

The Australian Financial Markets Association (AFMA) is responding to the consultation on *Empowering the AASB to deliver sustainability standards* relating to the exposure draft of the *Treasury Laws Amendment (Measures for Consultation) Bill 2022: sustainability standards* (Bill).

AFMA is the leading industry association promoting efficiency, integrity and professionalism in Australia's financial markets — and has more than 125 members reflecting a broad range of participants, including large domestic and international financial institutions. Our role is to provide a forum for industry leadership and to advance the interests of Australia's financial markets and their respective participants. ESG matters and Sustainable Finance are central to AFMA's work and we are one of the key industry associations working on the complex but necessary technical work around data collection.

AFMA supports the general objective of the International Sustainability Standards Board (ISSB) in developing standards to provide a comprehensive global baseline of sustainability-related disclosures designed to meet the information needs of investors in assessing enterprise value. Globally harmonious reporting standards are important to an open economy like Australia and easing the regulatory burden on business in what will be a massive industry task implementing the new disclosure standards. We have advocated for and support a pathway forward for Australia to adopt such global reporting standards, when they are settled, into the Australian regulatory framework. This regulatory model has served Australia well in relation to IFRS for our accounting and audit standards.

AFMA supports the objective of the Bill in granting the Australian Accounting Standards Board (AASB), and related responsibilities to the Auditing and Assurance Standards Board and the Financial Reporting Council, the function to develop and formulate sustainability standards. We agree that this is necessary to support the Government's commitment to ensure entities provide Australians and investors with greater transparency and accountability in relation to their climate-related plans, financial risks, and opportunities.

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AFMA has previously engaged in consultations and industry dialogue on the development of sustainability standards and intends to continue to make a contribution based on our industry expertise, especially with regard to data and collection standards that are needed to make sustainability reporting a reality. If you have any queries please contact me on 0297767917 or by email at myoung@afma.com.au.

Yours sincerely

[SIGNED]

Monica Young
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