

1 December 2023

Sustainable Finance Unit
Climate and Energy Division, The Treasury
Langton Cres
Parkes ACT 2600

Via email: SustainableFinanceConsultation@treasury.gov.au

Dear Treasury

Consultation: Sustainable Finance Strategy

Thank you for the opportunity to provide a submission on Treasury's consultation paper on the draft Sustainable Finance Strategy (**Strategy**).

The Australian Institute of Company Directors (**AICD**) welcomes the opportunity to comment on the development of this important policy. The AICD's mission is to be the independent and trusted voice of governance, building the capability of a community of leaders for the benefit of society. The AICD's membership of 51,000 reflects the diversity of Australia's director community, comprised of directors and leaders of not-for-profits, large and small businesses and the government sector.

The AICD welcomes the draft Sustainable Finance Strategy as an important piece of the decarbonisation puzzle which, until now, has been missing. We see the implementation of a mandatory climate reporting regime that incentivises the making of high quality, comparative and useful climate disclosures as central to the Strategy.

We note the Strategy sets out many proposals at a high-level and has been subject to an abridged consultation period. We understand that many of these proposals will be subject to separate, detailed consultations in future. On this basis, our submission focuses on the Strategy's overall policy direction and intent, and on the practical implementation issues for boards.

Executive Summary

The key points of our submission include:

- a. **We support the Strategy's "climate-first" approach**, noting that organisations and boards are grappling with the significant upskilling required to meet mandatory climate reporting, and that this will be the core focus over the short to medium-term. However, we appreciate that organisations may wish to voluntarily disclose on other sustainability issues, such as nature. As such, we agree that sustainability frameworks should be suitably flexible to allow for reporting on other sustainability issues.
- b. **The existing regulatory framework, including directors' duties and laws relating to greenwashing, is adequate to address sustainability issues.** In fact, Australia's liability regime is significantly stricter than those in comparative jurisdictions such as the UK and US. Rather than imposing additional legal obligations, greenwashing is best addressed through access to high quality sustainability information (which the mandatory climate reporting framework is doing), by clarifying ambiguous areas of the law, and by

regulators and standard setters enforcing clear expectations of business. There also should be a concerted Government focus on addressing competition laws concerns which are holding back decarbonisation efforts.

- c. **The Government needs a specific strategy to attract and increase the supply of experts with the capacity to implement the Sustainable Finance Strategy.** Organisations preparing to implement mandatory climate reporting and assurance are already experiencing a skills shortage and capacity bottleneck. The Government also needs to ensure the key government bodies charged with execution of the Strategy are adequately resourced.
- d. **Data gaps and challenges exist in respect of emissions data and climate impact data.** The Government has a leading role to play in resolving these issues. Key steps could include: mapping existing data sources and identifying gaps; facilitating data sharing; enabling whole-of-economy access to centralised data; standardising inconsistent industry classifications; and providing guidance to assist companies identify, measure, calculate and disclose key metrics.
- e. To improve business certainty and combat greenwashing, **ASIC needs to clearly set out its expectations of corporations and its supervisory and enforcement approach.** This is particularly critical in light of the proposed three-year regulator-only enforcement of mandatory climate reporting (which the AICD strongly supports). Key areas include guidance on what “reasonable grounds” looks like in a climate disclosure context, and ASIC’s expectations on how to make disclosures where there is substantial outcome or measurement uncertainty.
- f. **AICD broadly supports the proposed introduction of a sustainable financial product labelling regime and consultations into ESG ratings and reforming investor stewardship.** In respect of the latter, there may be merit in implementing a stewardship code similar to the UK Stewardship Code 2020 which, although voluntary, requires participants to undertake robust reporting under 12 principles on a “apply and explain” basis, and is administered by a Government, rather than industry, body. It is also subject to regular reviews and updates.
- g. We support greater Australian engagement on climate and sustainability, the Government’s ambition to make Australia a renewable energy superpower and attracting more foreign investment to Australian climate and sustainability projects. However, **to position Australia as a regional and global sustainability leader, the Strategy must work alongside broader climate and economic policies aimed at achieving Australia’s climate goals.** We also recommend that the Government clarify the role of existing public sector bodies with climate and sustainability mandates.

Next steps

If you would like to discuss further, please contact Anna Gudkov, Senior Policy Adviser at agudkov@aicd.com.au.

Yours sincerely,



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Pillar 1: Improve transparency on climate and sustainability

Priority 1: Establish a framework for sustainability-related financial disclosures

What are the opportunities for Government, regulators and industry to support companies to develop the required skills, resources and capabilities to make climate disclosures under the proposed new obligations?

The Government needs a specific strategy to attract and increase the supply of experts required to implement the Strategy. Organisations preparing to implement mandatory climate reporting and assurance are already experiencing a capacity bottleneck, which is just one area where there are skills shortages.

The Government must ensure the key government bodies charged with execution of the Strategy, including the single consolidated reporting body recently [announced](#) by the Treasurer, is adequately resourced. We understand there have been budgetary and capacity constraints under the current model which have been holding back progress.

Given the data and capability sharing that will be necessary to make climate disclosures and to address climate-related risks and opportunities at the economy-wide level, the Government should ensure that competition law settings allow for this type of collaboration. Member and stakeholder feedback is that collaboration within sectors is often curtailed as a result of concern that such conduct would fall foul of competition laws. Regulators should consider addressing this, including through the issue of guidance similar to what the UK's Competition and Markets Authority (CMA) has done in its [Green Agreements Guidance](#).

How should the Government, regulators and industry prepare for global developments in sustainability-related financial disclosure frameworks and standards, including the TNFD?

Global reporting frameworks, such as the International Sustainability Standards Board (ISSB), are consulting on a suite of sustainability topics, that are likely to be incorporated into new standards. This includes reporting frameworks for nature, biodiversity and ecosystem risks, human capital and broader human rights and social risks.

It is critical that Government, regulators and industry engage with these global reporting standards bodies and investors to understand their key priorities and how this work is developing. This will assist Australia to adequately prepare for, and resource, future reporting activities. Boards are increasingly asking to see how various sustainability topics, particularly climate and nature, intersect. This integrated approach can also assist in reducing the increasing compliance burden on businesses.

Priority 2: Develop a Sustainable Finance Taxonomy

We make the following overarching comments in respect of the Sustainable Finance Taxonomy (Taxonomy):

- An important use case of the Taxonomy should be to address greenwashing by defining currently ambiguous and often misused terms such as "net zero," "carbon neutral" and "carbon positive."
- The Taxonomy should initially be voluntary to provide time for organisations to adapt. Following this, the Taxonomy should have some degree of enforceability. However, this may need to be phased in over time. We can comment further once the Taxonomy is further progressed.
- Given a significant portion of the Australian economy is in the midst of transitioning to net zero emissions, we broadly support the proposal to include transitional activities and

investments in the Taxonomy. However, lessons should be learned from the EU Taxonomy where there has been significant debate (and the instigation of legal proceedings¹) as to whether certain activities fit within the definition of “transition activities.”

- Given the dynamic pace of change, there needs to be a mechanism in place which allows for regular reviews and updates of the Taxonomy to ensure that it remains relevant and aligned with emerging sustainability challenges and international standards.
- The Taxonomy should be consistent with other initiatives aimed at defining “green” activities, such as the proposed sustainable investment product labelling scheme and the regulation of ESG ratings.
- To incentivise the flow of capital across the region, the Taxonomy should, to the extent possible, align with international best practice and taxonomies being developed by Australia's key trading partners.
- We note that the Taxonomy is currently being developed to cover only three of the six sectoral decarbonisation plans being developed by the Government. We encourage the Government to confirm that the Taxonomy will extend to the remaining three sectors in due course.
- Consideration should be given as to whether adaptation activities be covered by the Taxonomy, which would be consistent with the approach taken internationally.

Priority 3: Support credible net zero transition planning

In relation to **climate transition planning**, we make the following high-level comments, noting that this topic will be the subject of a comprehensive consultation led by Treasury in 2024:

- AICD member feedback is that there is a lack of market understanding as to what constitutes a good quality transition plan. There is also confusion as to what is required to demonstrate that climate targets and transition plans are made on “reasonable grounds,” being the statutory test under the Corporations Act for forward-looking statements. The latter is particularly important given Australia's stringent liability settings (discussed further in our response to **priorities 5 and 8**). Clarification of these two important issues could, to some degree, be addressed through the issue of practical guidance by regulators.
- It is important that guidance on this topic (including in respect of the two issues set out above) is issued on an economy-wide basis. We are concerned that there have been attempts by individual regulators to issue their own guidance on this complex area in a seemingly uncoordinated fashion. For instance, the [ACCC's Draft Guidance on Environmental and Sustainability Claims](#) included prescriptive guidance on emission-related and net zero claims, which in our view, over-simplified the complexities of making forward-looking disclosures (see our [submission](#) to the ACCC). We caution against providing guidance on transition plans in a limited and fragmented manner. Guidance that reflects whole-of-government views needs to be subject to thorough consultation and be provided on an economy-wide basis.
- Given this is an area where multiple regulatory remits may overlap (including ACCC, ASIC and quasi regulatory bodies such as the Ad Standards Board), we recommend that regulators are clear as to who has responsibility for supervision and enforcement of transition plans, and that this is publicly communicated.

¹ See <https://www.theguardian.com/environment/2023/apr/18/eu-faces-legal-action-gas-nuclear-green-investments-guide-european-commission>

In relation to **target-setting and transition planning for nature and other sustainability issues**, we make the following high-level comments:

- Changes to natural habitats and biodiversity loss are inextricably linked to both the drivers and impacts of climate change. The interdependence between the two sustainability areas means that to avoid fragmentation and duplication, target setting and transition planning for nature and decarbonisation should be addressed holistically, not in isolation.
- We note that the TNFD's final disclosure framework mirrored the four pillars of the TCFD. However, should the TNFD be adopted by global and domestic reporting standards, there are three additional areas: engagement with First Nations people; priority or sensitive locations; and value chains. These are novel areas of disclosure and will require extensive engagement and data collection.

Priority 4: Develop a labelling system for investment products marked as sustainable

We make the following overarching comments in respect of the proposed introduction of a sustainable investment product labeling system:

- We broadly agree with the proposal to develop a labeling regime for sustainable investment products. Doing so will increase clarity for product issuers, and investors, as to the meaning of key sustainability terms, which should curb greenwashing.
- It is important that the labeling system is consistent with the Taxonomy and the ESG rating system (if introduced).
- Further consideration needs to be given as to governance arrangements, how this regime will fit within the regulatory framework, and implementation timeframes (including phase-in times, if necessary). We look forward to further engaging on this topic once a more detailed policy proposal is formed.

Pillar 2: Financial system capabilities

Priority 5: Enhancing market supervision and enforcement

Are Australia's existing corporations and financial services laws sufficiently flexible to address greenwashing? What are the priorities for addressing greenwashing?

Existing misleading or deceptive conduct laws sufficiently address greenwashing, and are, in fact, more stringent than laws in comparative jurisdictions such as the UK and US. For instance, the UK only imposes liability on directors for misleading or deceptive conduct where knowledge or recklessness is established, while US law precludes liability for forward-looking statements (which encompasses a significant number of climate disclosures) where appropriate cautionary language is applied.² Australian law does not contain such safe harbours. The heightened liability exposure faced by Australian organisations and directors is reflected by the fact that Australia has the second highest number of climate litigation cases in the world (second only to the US).³

The liability risk is compounded by the fact that there are complexities in the application of the existing legal framework to climate and sustainability disclosures. Significantly, there is some market confusion about how to demonstrate "reasonable grounds" in the context of forward-looking climate disclosures, given most disclosures are heavily dependent on assumptions or contingencies and where many of the climate disclosures require prediction or estimation over 5, 10 or even 20-year time horizons. Assumptions frequently evolve as a result of changes in decarbonisation trajectories and technological and regulatory developments. The

² See pages 18 and 19 of the [HSF Legal Advice commissioned by the AICD and provided to Treasury on 4 April 2023](#).

³ See the [UNEP's Global Climate Litigation Report 2023: Status Review](#) at page 30.

reasonableness of relying on these assumptions is often subject to debate, even amongst experts.

Rather than imposing additional legal obligations, we consider that greenwashing is best addressed through:

1. **Increasing transparency and access to detailed sustainability information**, such that it will make greenwashing easier to identify. This is being achieved through the introduction of mandatory climate reporting.
2. **Clarifying ambiguous areas of the law and expectations of businesses**. We are hopeful that the Taxonomy will define key terms such as "carbon neutral", "net zero" or "carbon positive." This will be a positive important step, given many allegations of greenwashing have arisen from the diverse use of such terms. Other areas requiring clarification, whether through legislation, or the issue of regulator (ASIC) guidance, include the "reasonable grounds" test for forward-looking climate disclosures, and expectations for how companies should disclose in the face of outcome or measurement uncertainty. ASIC should also consider reissuing its August 2022 [INFO 271](#) to apply it to the making of entity-level climate or sustainability disclosures, rather than just to product-level representations.
3. **Regulators (particularly ASIC) clearly setting out their supervisory and enforcement approach**. ASIC has stated that "misleading conduct in relation to sustainable finance including greenwashing" is a [2024 enforcement priority](#), with ASIC Deputy Chair Sarah Court stating in a [speech](#) at the November 2023 ASIC Annual Forum that core focus areas will be "net zero statements and targets made without a reasonable basis; the use of terms like 'carbon neutral', 'clean' or 'green' that are not founded on reasonable grounds; and the use of inaccurate labelling or vague terms in sustainability-related funds." However, a comprehensive document setting out expectations of companies, and practical steps to be taken to avoid falling foul of the "reasonable grounds" requirement, remains outstanding. International examples could provide some assistance. New Zealand's Financial Markets Authority has published a [Climate-related Disclosures Monitoring Plan 2023 – 2026](#) setting out its approach to monitoring compliance with mandatory climate reporting requirements. The UK's Financial Conduct Authority has also published an [ESG Strategy](#) which sets out how it will achieve its objective of adapting the regulatory framework to enable a market-based transition to net zero.
4. **ASIC bringing enforcement action against intentional and egregious cases of greenwashing**. This is particularly critical given the proposed three-year regulator-only enforcement of mandatory climate reporting (which the AICD strongly supports).

Priority 6: Identifying and responding to potential systematic financial risk

Are there specific areas where the Government or regulators could further contribute to market-wide understanding of systemic sustainability related risks, including climate-related financial risks?

We make the following overarching comments:

- The AICD supports the important role played by the Australian Prudential Regulation Authority (APRA) and the Council of Financial Regulators (CFR) in assessing financial exposure to climate risk through its Climate Vulnerability Assessment (CVA) program.
- We support expanding the CVA program, noting that smaller entities falling under the expanded program scope will need more support due to capability and budgetary constraints.

- It is important to share any “lessons learned” from CVAs already undertaken with industry, as well as learnings from international peer experiences.
- Understanding the financial impact of physical climate risk is critical. Doing so will require addressing data gaps and challenges (see our response on **priority 7**). Australia's first [National Climate Risk Assessment \(NCRA\)](#) will assist in identifying key climate risks and impacts and setting a baseline.
- We support climate being part of the mandate of key government bodies and regulators. We welcome the Treasurer's recent announcement⁴ that the Government's new Statement of Expectations for ASIC will address the risks and opportunities in relation to the net-zero transformation (noting the current 2021 Statement of Expectations does not address climate).

Priority 7: Addressing data and analytical challenges

We welcome the data gaps review proposed in the Strategy and provide comments for consideration on key data and analytical challenges, potential solutions and the role of Government within those solutions.

Our comments are made in relation to climate data and analytical challenges. We expect that similar issues are likely to arise in relation to other sustainability reporting topics (e.g. nature), but consider this should be subject of separate consultation.

In terms of the timing of the proposed Data Gaps review, we are concerned that the provision of a first report by the end of 2024 is not ideal given mandatory climate reporting will likely commence from 1 July 2024. As such, we recommend the expedition of work on climate data, noting that the scope of the work appears to include sustainability data more broadly.

Key data and analytical challenges

In our view, gaps and challenges exist in respect of two main categories of climate data:

1. **Emissions data**, particularly high-quality emissions data within the value chain where it is necessary to calculate and disclose scope 3 emissions. Challenges for emissions data include:
 - Scope 3 emissions calculations require access to whole-of-economy scope 1 data. Currently there are large gaps in emissions data, including the absence of any data for agricultural emissions at the commodity or entity level.
 - Where information is available, it may have accessibility issues, with some sources of emissions data being privately held and subject to legal impediments.
2. **Climate impact data**, including information on physical and transitional risks which is needed for scenario analysis. Challenges in respect of climate impact data include:
 - Data on physical risks, such as flood and bushfire mapping, is sparse with accessibility issues (with some data held privately). Moreover, much of this data suffers from comparability issues because a variety of methodologies are applied. For example, bushfire and flood mapping is often left to state governments in collaboration with local councils, which may, and sometimes do, apply different methodologies for identifying whether an area is bushfire or flood prone.
 - Publicly accessible information on physical risks is historical only, whilst scenario analysis requires the input of data in respect to future events. Access to data modelling which

⁴ See <https://www.afr.com/policy/economy/chalmers-sets-new-expectations-for-asic-20231121-p5elj#:~:text=%E2%80%99CSo%20soon%20we%20will%20be,the%20opportunities%20of%20markets%20contributing>

provides this forward-looking data is expensive, and therefore prohibitive for smaller entities.

- Data on transitional risks is difficult to produce, and is dependent on macro decarbonisation models which, until recently, have been absent from the Australian market. The Government's development of sectoral decarbonisation pathways should help address this issue.

There are other issues which cut across both categories of data. These include:

- **Inadequate granularity of data.** Where data is available, it often lacks the detail and granularity needed for disclosure purposes. For example, data on residential energy use held by the Australian Energy Regulator and by the Department of Climate Change, Energy, the Environment and Water (DCCEEW), as part of the Australian Energy Statistics, have limitations in the way it is broken down within geographical or climate regions.
- **Standardisation and alignment of sector classifications** is important to promote high quality and comparable disclosures. There are current inconsistencies which threaten the usability and comparability of data. For instance, the GHG emission projections by the DCCEEW as part of Australia's reporting requirements under the United Nations Framework Convention on Climate Change (UNFCCC) are made in relation to eight sectors (electricity, stationary energy, transport, fugitives, industrial processes and product use, agriculture, waste and land use, land-use change and forestry). These are different to the six sectors for which decarbonisation pathways are being developed (electricity and energy, industry, resources, the built environment, agriculture and land, and transport). These are different again to the sectors or activities set out in the Australian and New Zealand Standard Industrial Classification (ANZSIC) which is referred to in the Draft Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information (ED SR1).

Potential solutions

Potential solutions include:

- **Mapping the data we already have, and where it is held.** In the first instance, it is necessary to undertake a whole-of-economy mapping exercise to understand what data we currently collect and disclose, and where it is held/which agency or body is responsible. In the public sector, climate data is dispersed within a broad range of agencies and departments including the Australian Bureau of Statistics, Commonwealth Scientific and Industrial Research Organisation, Bureau of Meteorology, Australian Energy Market Operator, Clean Energy Regulator and DCCEEW (which houses the National Greenhouse Accounts). It is also important to extrapolate data from climate initiatives already being undertaken elsewhere in Government. Examples include the CVAs (particularly the data used for scenario analysis), the DCCEEW's ongoing work to map physical climate risks and impacts as part of the National Climate Risk Assessment (NCRA), and data gleaned from the Hazards Insurance Partnership (a partnership between Government and the Insurance industry). Important and useful climate data is also held in the private sector – for example, the insurance sector holds a wealth of data on the financial impact of physical climate risk.
- Consider the **centralisation of climate data** to increase efficiency and usability. There are two types of climate data that should eventually be centralised:
 - **Centralised primary data** will allow whole-of-economy access to key climate data which is needed to undertake climate reporting – for example, assumptions pertaining to a particular warming scenario which are needed to

undertake scenario analysis. We are concerned that small and medium entities (SMEs) receiving climate data and impact information requests from larger organisations in their value chain will struggle to respond without access to a centralised and easy-to-access data portal. As such, ease of access across the economy, particularly by smaller and less sophisticated entities, should be a key design consideration. We note that in its First Consultation on Mandatory Climate Reporting, Treasury raised the potential for a particular authority (standard-setter or scientific body) to provide information for use in climate disclosures, such as agreed-scenarios for use in scenario analysis. We recommend that Treasury revisit this proposal, given it has not been mentioned in this Strategy.

- **Centralised reported data** will allow whole-of-economy access to the data and information disclosed by entities as part of their mandatory climate reporting. This is currently being actioned by the EU as part of its European Single Access Point database project. To facilitate this, the Government will need to consider consulting on the move to digital reporting.
- While centralisation is being actioned, **efficient data sharing between public sector agencies, and between the public sector and industry, should be prioritised.** The Hazards Insurance Partnership is one example of a public-private partnership. It is important that where data is held privately, Government and industry work together to find constructive and equitable solutions to intellectual property, privacy and data ownership issues.
- A **gap analysis** should then be undertaken to assess whether existing data meets user requirements. An initial focus should be on ensuring companies have the required data to meet mandatory climate reporting requirements. Given the breadth of ISSB requirements, certain data may need to be prioritised. The Government, in consultation with industry, should identify priority data areas for uplift. Criteria for prioritisation could include areas of high impact and low cost ("low hanging fruit"). A roadmap should be developed that provides visibility over the short, medium, and long-term priorities to address data gaps and challenges.
- **Standardising inconsistent industry classifications** will improve the comparability and usability of data needed for climate reporting.
- **Guidance** should also be developed to assist companies identify, measure, calculate and disclose relevant metrics. Priority areas should include scope 3 emissions and scenario analysis. Usability and understandability should be key design considerations, noting that entities will have varied degrees of climate reporting maturity.

Role of Government

The Government has a critical role to play in implementing the solutions above, namely:

- Playing the central convening role in the mapping and gap analysis exercises identified above, supported by consultation with industry.
- Ensuring accessibility of data and implementation support for SMEs which lack the resources of larger entities.
- Standard setters, namely the new single consolidated reporting body recently announced by the Treasurer, together with regulators such as ASIC, will be responsible for the issuing of guidance.

Priority 8: Ensuring fit for purpose regulatory frameworks

Do you agree that existing regulatory governance frameworks and practices have adapted

**well to support better integration of sustainability-related issues in financial decision-making?
Are these barriers and challenges that require further consideration?**

The existing regulatory framework, including directors' duties, effectively integrate sustainability-related issues in financial decision-making. It is well accepted that in discharging their statutory duty of care, directors should consider whether climate change is material to their organisation, and if so, take reasonable steps to mitigate foreseeable risks. A [legal opinion by Brett Walker SC and Gerald Ng](#) commissioned by the AICD (Walker Opinion) also highlighted that when executing their best interest duty, directors have considerable latitude to determine where a company's interests lie, and that directors may consider the long-term interests of the company and its shareholders, as well as the potential impact of any reputational risks. It is clear that poor management of material climate-related risks would be detrimental to a company's interests, both from a shareholder value as well as a broader reputational perspective.

The key challenge is the application of existing laws to the specifics of climate and sustainability disclosures. Most notably, given the qualitative and inherently uncertain nature of climate disclosures, there are difficulties in the making of forward-looking climate disclosures. We provide some detail on these challenges, and how to address them, in our response to **priority 5** above.

What steps could the Government or regulators take to support effective investor stewardship?

We support a broader consultation into reforming investor stewardship, not just as it relates to sustainability matters. For example, there may be merit in implementing a Stewardship Code similar to the UK Stewardship Code 2020 (UK Stewardship Code). The UK Stewardship Code, which is administered by the UK's key standard setting body, the Financial Reporting Council (FRC), while voluntary, requires participating investors to undertake robust reporting against 12 principles on a "apply or explain" basis. It is also subject to regular reviews and updates.

To the extent possible, existing stewardship codes, including the [Australian Asset Owner Stewardship Code](#) developed by ACSI and the [Financial services Council \(FSC\)'s Principles of Internal Governance and Asset Stewardship](#), should be built upon.

Pillar 3: Government leadership and engagement

We make the following overarching comments:

- The AICD supports greater Australian engagement on climate and sustainability, the Government's ambition to make Australia a renewable energy superpower, and the goal of attracting more foreign investment to Australian climate and sustainability projects.
- The reduction of the regulatory burden on business, which has markedly increased in recent years, and regulatory simplification, is a critical part of enhancing the ease of doing business in Australia and of attracting foreign investment into Australia. In the latest World Bank "Doing Business" study (from 2020), Australia was ranked 14th in the world for ease of doing business, behind world-leader New Zealand and key trading partners Singapore, Malaysia and Hong Kong.⁵ This score must be improved if we are to achieve the Strategy's ambitious objectives.
- Increasing Australian representation on key international standard-setting bodies, such as the ISSB and the International Financial Reporting Standards (IFRS) Foundation Trustees Board, would support achieving the goal of promoting international alignment.

⁵ See the [World Bank's 'Doing Business in 2020' Report](#). We note that the World's Bank's 'Doing Business' project has since been replaced by the Business Ready project, with the relaunched initiative's first report due in the Spring of 2024.

- To position Australia as a regional and global sustainability leader (priority 12), the Strategy must work alongside broader climate and economic policies aimed at achieving Australia's climate goals. We have been pleased to see the Government undertaking some of these broader policy reforms more recently, such as the reform of the Safeguard Mechanism, development of the sectoral decarbonisation pathways, and the recently announced review into Carbon Leakage.
- We also recommend that the Government clarify the role of existing public sector bodies with climate and sustainability mandates to ensure better coordination to meet agreed policy outcomes. These bodies include:
 - Australian Energy Infrastructure Commissioner;
 - Australian Renewable Energy Agency (ARENA);
 - Bureau of Meteorology;
 - Climate Change Authority;
 - Clean Energy Finance Corporation (CEFC);
 - Clean Energy Regulator;
 - Commonwealth Scientific and Industrial Research Organisation (CSIRO);
 - National Reconstruction Fund;
 - Net Zero Economy Agency/Net Zero Authority; and
 - The Australian Climate Service.