

9 February 2024

Director, Climate Disclosure Unit
Climate & Energy Division
Treasury
Langton Cres
Parkes ACT 2600

Via email: ClimateReportingConsultation@treasury.gov.au

To Whom It May Concern,

RE: Climate-related financial disclosure exposure draft legislation submission

Sydney Airport (**SYD**) welcomes this opportunity to respond to the Australian Treasury's climate-related financial disclosure exposure draft legislation consultation (the **exposure draft legislation**).

Sydney Airport is one of Australia's most important pieces of infrastructure. It is our international gateway and an essential part of Australia's transport network, connecting to more than 90 destinations around the world. Prior to COVID, Sydney Airport welcomed more than 44 million passengers annually, generated more than \$42 billion in economic activity, equivalent to nearly 7% of NSW's Gross State Product, and directly and indirectly supported 336,000 jobs.

Sydney Airport is owned and operated by Sydney Airport Corporation Limited, which is ultimately owned by six institutional investors ([HERE](#)) under Sydney Aviation Alliance Holdings Pty Limited (**SAAH**).

SYD has been a supporter of the Taskforce on Climate-related Financial Disclosures (**TCFD**) since 2018 and has annually disclosed its climate change risk management in line with the TCFD reporting framework since that time ([HERE](#)).

SYD supports the exposure draft legislation, which introduces mandatory requirements for large businesses and financial institutions to disclose their climate-related risks and opportunities. Setting standardised, internationally aligned requirements for disclosure of climate-related risks and opportunities in Australia will provide clarity to reporters on how to deliver effective disclosures that are consistent over time, whilst ensuring compliance with legal and regulatory disclosure requirements.

Key Issues and Recommendations

1. Consolidated reports for related entities

Further guidance is sought on whether a consolidated report covering all related entities can be submitted to the Australian Securities and Investments Commission (**ASIC**) to minimise the reporting burden on entities with multiple sub-entities. For example, SAAH has five sub-entities that lodge accounts with ASIC, whilst SYD's current voluntary public climate disclosures reported under the TCFD reporting framework are reported on a consolidated basis under SAAH.

2. Audit and assurance

The proposed 'final state' assurance requirements (i.e. reasonable assurance on *all* climate-related financial disclosures from 2030) will present a significantly larger burden for reporters (in time, cost, and resourcing) than the assurance proposed under the 'early stage' requirements for metrics only (e.g. GHG emissions data). It is recommended that the impact of the 'final state' assurance requirements on reporters is given more consideration and reconsidered to address metrics only.

Further, it is recommended that the discretion to choose the climate auditor (“sustainability or climate expert”) is given to the reporting entity and is, therefore not, by default, granted to the financial auditor. Granting the choice of climate auditor solely to the incumbent financial auditor is likely to increase complexities with conflicts of interest, reduce industry specialisation benefits, and have the potential to restrict market competitiveness and availability (and thus unduly increase cost).

Yours sincerely,



Jake Atkins

General Manager, Environment and Sustainability