

23 February 2024

Ref:

Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information ED SRI October 2023
Draft Table 2 Application date

To:

Australian Accountability Standards Board

ADCO Constructions Pty Ltd (ADCO) is an Australian owned and operated construction company established in 1972. Since its inception ADCO has continued to provide design, project management and construction services across a blue-chip client list including local, state and federal government and a national footprint of construction projects within a variety of industry sectors including defence, commercial, retail, rail, health, education and industrial.

ADCO supports the Australian Government in its commitment to the introduction of internationally aligned mandatory climate-related financial reporting for large businesses and financial institutions. As a medium sized business enterprise ADCO seeks further clarity on the proposed application of the draft legislation if enacted.

The ED SRI October 2023 draft under the Application date lists "Table 2: Proposed roadmap for mandatory disclosure requirements" to set out the entities that the Australian Government considers should be subject to mandatory climate-related disclosure requirements. Guidance information published by at least one large Australia based financial consulting organisation in January 2024 states that those entities required to report under Chapter 2M of the Corporations Act and that fulfill **two of the three** thresholds under Group 1, Group 2 or Group 3 of the draft legislation will be required to disclose climate-related financial information when the legislation is enacted.

However, in reading the draft legislation Table 2 could be interpreted to mean those entities required to report under Chapter 2M of the Corporations Act and that fulfill **two of the three** thresholds under Group 1, Group 2 or Group 3 of the draft legislation **AND** that are entities required to report under Chapter 2M of the Corporations Act that are a 'controlling corporation' under the NGER Act and meet the NGER publication threshold, are in fact the entities that will be required to disclose.

That is, Table 2 is somewhat unclear and requires further and better clarification if the reporting parameters related to entities required to report under Chapter 2M of the Corporations Act that fulfill two of the three thresholds **are mutually exclusive** from the other criteria of entities that are required to report under Chapter 2M of the Corporations Act that are a 'controlling corporation' under the NGER Act and meet the NGER publication threshold.

The presence of the word AND in Table 2 of each group implies that both criteria apply and therefore those entities required to report under Chapter 2M of the Corporations Act that fulfill two of the three thresholds AND that also meet the NGERS publication threshold will be required to report under the new legislation when enacted to the timing requirements of Table 2.

Further clarification on Table 2 would provide medium sized enterprises, which do not trigger the NGERS publication threshold required of a controlling organisation, with greater certainty on the proposed application of this draft legislation when enacted.

Yours Faithfully,

ADCO Constructions Pty Ltd


Dr Ross Trethewey



ADCO

Head Health Safety Environment

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