



17 February 2023

Climate Disclosure Unit
Market Conduct Division
The Treasury

Lodged by email: climatereportingconsultation@treasury.gov.au

Dear Sir/Madam,

Response to Climate-related financial disclosure consultation paper

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the Climate-related financial disclosure consultation paper.

Origin is a large Australian integrated energy company with activities in energy retailing, power generation, natural gas production and LNG export. Origin also has recent experience in exploring new product offerings and has focused on areas such as solar & storage, connected homes, electric vehicles (EVs) and future fuels including hydrogen.

Origin has produced an annual Sustainability Report since 2001 which has covered a range of issues including the environment and climate change. More recently, we have started incorporating various international reporting standards. For example, our 2022 Sustainability Report referenced the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and supported the Task Force on Climate related Financial Disclosures (TCFD).

Generally, we are supportive of the proposal to improve the climate-related financial disclosures in Australia and align these with international standards where practical. Origin has been involved in the AASB-AUASB Sustainability Reporting Project Advisory Panel, participating as member of the panel.

We provide responses to specific consultation paper questions in the attached table.

If you wish to discuss any aspect of this submission further, please contact [REDACTED] at [REDACTED]

Yours sincerely

[REDACTED]

[REDACTED]
Manager Green and Future Energy Policy
Origin Energy Limited
[REDACTED]

Attachment A: Responses to specific consultation paper questions



Issue	Question No	Origin response
Costs and benefits	1.1	<ul style="list-style-type: none"> • Costs include additional resources for companies in a short timeframe, which may distract from other priorities. • Benefits – enables investors to make more informed decisions; mandates the requirement for companies to identify, quantify and manage climate risks.
	1.2	<ul style="list-style-type: none"> • The potential cost of Australia not aligning with international practice is that Australian companies may be less competitive for international capital. • Potential benefits of alignment with international standards are that it should improve consistency, comparability and quality of climate related information and may reduce internal resource requirements for reporting climate related information.
Phased approach	2	<ul style="list-style-type: none"> • Yes, a phased approach is suitable. • We suggest multiple phasing tranches to allow for medium and small-caps and private companies to build teams, invest in resources and upskill, and to learn from the experience of larger companies.
Size thresholds	3	<ul style="list-style-type: none"> • Market capitalisation is one option. For example, ASX top 50/100 companies could form the starting point for a large, listed company. • Another consideration is emission profile – a company that considers climate risk as a material or strategic risk (noting this may be more difficult to mandate).
Alignment with global standards	4.1	<ul style="list-style-type: none"> • Yes, Australia should seek to align with the climate reporting baseline envisaged by the ISSB. • Metrics need to be relevant for Australia and aligned with existing Australian regulatory frameworks.
	4.2	<ul style="list-style-type: none"> • Yes, we support the ISSB standards as the appropriate Australian standards to ensure international alignment.
Regulatory framework	5	<ul style="list-style-type: none"> • Key considerations include a clearly defined materiality approach so that metrics/issues that are not material or relevant do not have to be reported. We understand this will require balancing flexibility with specificity in the regulatory framework.
Periodic reporting requirements	6	<ul style="list-style-type: none"> • Reporting requirements need to maintain flexibility to be in other reports. Currently, TCFD disclosures may be found in more than one location and not always in the OFR/Annual Report.
Materiality	7	<ul style="list-style-type: none"> • We support aligning materiality assessment with financial materiality principles, as recommended by the TCFD and consistent with the approach of the ISSB.
Assurance	8	<ul style="list-style-type: none"> • We support limited assurance for emissions data, undertaken by independent and qualified experts. • Limited assurance could be provided by the company's financial auditor or could be independent.

		<ul style="list-style-type: none"> It should be noted that assurance providers are a limited resource and can be hard to procure. Sufficient time should be allowed for assurance providers to be engaged and carry out their roles.
Reporting of metrics	9	<ul style="list-style-type: none"> A key consideration is timing – NGERs is reported by end of October while many Australian companies with a June year-end report in August. Methodologies – should be aligned with NGERs and GHG Protocol as much as practical, noting that NGERs does not cover Scope 3 emissions.
	10	<ul style="list-style-type: none"> Yes, but a minimal set of baseline metrics to allow for some flexibility.
	11	<ul style="list-style-type: none"> Companies can briefly describe what their transition plans are as part of ISSB disclosures but be able to refer to other documents if needed. For example, Origin references its Climate Transition Action Plan, which is relatively detailed.
	12	<ul style="list-style-type: none"> Yes, smaller companies should have less onerous disclosure requirements which should be phased in gradually to allow them time to mature processes and build capability.
Data	13	<ul style="list-style-type: none"> Many companies may not know how to calculate emission or how to start the process. Guidance on calculating emissions as well what software and tools are available would be useful for companies who do not currently report under NGERs.
Governance	14	<ul style="list-style-type: none"> The International Energy Agency (IEA) provides some estimates out to 2050. The Australian Energy Market Operator (AEMO) provides scenarios on the Australian electricity market.
Proportionate application of liability	15	<ul style="list-style-type: none"> NA
Interaction with other reporting obligations	16	<ul style="list-style-type: none"> NA
Sustainability reporting	17	<ul style="list-style-type: none"> Standards should be flexible enough to extend to other sustainability topics that are material to a companies' enterprise value (or whatever the relevant materiality test is). But the sustainability content should be able to be grouped together where applicable.
Digital sustainability reporting	18	<ul style="list-style-type: none"> Digital reporting should not be mandated but the benefits of digital reporting should be articulated and assistance provided. Companies are at different levels of data and digital maturity. Websites may be at different maturities and there may be significant cost barriers depending on the organisational structure.
Structure of financial reporting system	19	<ul style="list-style-type: none"> We have a preference for Option 3 (reform into a single, flexible entity) to ensure the body has sufficient resources to carry out its functions, to maximise resource and funding flexibility and better enable the execution of topical projects such as climate related financial disclosures.