



Climate Disclosure Unit  
Market Conduct and Digital Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

## Re: Climate-related financial disclosure consultation

Shippit is pleased to provide a written submission to the Government's Climate related financial disclosure consultation process. Shippit, the last-mile delivery platform of choice for forward-thinking retailers, powers +100M deliveries across Australia, New Zealand and South East Asia. Thousands of companies rely on Shippit daily in stores, warehouses, and trucks to unravel complex logistics challenges, streamline business workflows, and control customer delivery experiences. The result is higher NPS, increased customer lifetime value, and reduced costs. Shippit's platform is trusted by brands like Kmart, Chemist Warehouse, Temple & Webster, and Coles.

Overall, we express our support for the Government's objective of implementing a comprehensive financial disclosure framework pertaining to climate risks. As a technology company, we believe that access to accurate data, standardised calculation methodologies and the cohesion of disparate frameworks is imperative to understanding the true impact of climate related risk exposures. In response to the second consultation, Shippit proposes the Government reviews the following considerations to ensure the workability of the legislation.

### Phased Implementation Approach

- We endorse the phased implementation approach, which includes revenue thresholds to determine the companies obligated to disclose based on the Government's timeline. We acknowledge that whilst Group 3 contributes a

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smaller financial turnover in aggregate than Group 1 and 2, a significant number of small to medium Australian businesses will be affected by the proposed reporting requirements starting in FY 27-28. Whilst we acknowledge the lead time for small businesses to prepare for this level of reporting, a significant amount of investment in resources will likely be required to fulfil their obligations. Conflated with the lack of standardised data collection and measurement, small businesses will face a financial burden to meet these requirements.

- We agree with the government's view that there is likely to be an increased level of demand for Professional Services to support businesses in their disclosure obligations. The role of technology is critical in supporting accurate emissions reporting for businesses. The advancements in data algorithms enables us to bring together disparate sets of information; make data readily available, accurate and accessible; and drive efficient scalability as business operations grow.

We recommend the following be considered:

- To ensure that proposed requirements can be sufficiently met by businesses that are still building their sustainability reporting capability, the government should provide guidance and insights gained by Group 1 and Group 2 in the preceding years and where appropriate, refine disclosures to ensure smoother implementation for the Group 3 reporting entity cohort.
- To alleviate the demand being placed on traditional professional services firms, we recommend technology companies play a leading role in the creation of measurement frameworks and calculations.
- We propose that the government and regulators take an active role in ensuring that service providers have access to sufficient technical guidance to effectively fulfil their duties.

## **Assurance**

- We support the government's policy parameters for climate related disclosure assurance, specifically the requirement to commence limited assurance initially, before moving to reasonable assurance over time. As data input and analytical capabilities improve over time, businesses need sufficient time to enhance their data collection and analytical capacity to ensure accurate reporting on emissions.

We recommend the following be considered:

- Businesses should be allowed ample time to build their capabilities and gradually increase the level of assurance over the reporting period.

### **Greenhouse Gas Emissions**

- Globally and in Australia, the measurement and reporting of Scope 3 emissions are still in their early stages. Jurisdictions such as Europe have reached critical mass for committing to net zero targets, with Australian businesses following a similar path. However, reporting on progress remains a challenge with only 38% of companies globally claiming to cover all value chain emissions<sup>1</sup>. Considerable gaps remain in informing accurate emissions data across regions and industries. We are aligned with the Government's approach to bringing in Scope 3 disclosures from the second year of reporting.
- We believe businesses, industry, peak bodies and government must work in unison to build accurate data sources and reporting capabilities to understand the real impact of emissions. Alongside a standardised methodology, the government should prioritise simplifying the process for businesses to quantify their baseline emissions and assess their impact, thereby enabling businesses to implement initiatives aimed at reducing environmental footprints.

### **Qualitative scenario analysis**

- We are aligned to the approach of moving to quantitative reporting over time. At present, factors contributing to climate data can at times be qualitative rather than quantitative and relies on financial data as a proxy for emissions. For example, to apply for carbon credits today, it is acceptable to use a company's expenditure (eg. air travel, fleet spend, electricity use) to approximate carbon emissions. We must consider operational data across industries to get a true read of emissions impacts.

We recommend the following should be considered

- The Government should work with industry to develop suitable, cohesive, comparable and standardised measurement for Scope 3 emission calculations.
- We strongly recommend the use of technology and data be used in developing and measuring standard calculations.

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<sup>1</sup> <https://zerotracker.net/insights/pr-net-zero-stocktake-2022>

- We support the government's approach to develop more quantitative approaches to emission calculations, and we would recommend the inclusion of operational data to enhance accuracy and completeness of data sets.

We thank you for the opportunity to participate in this government submission. Should you have any queries in relation to this submission, please contact [REDACTED] [REDACTED] using the details provided below.

Yours sincerely,

[REDACTED]

Head of Strategy & Operations

[REDACTED]