Drafting Guidance for Year 1 Simplified Requirements (2026-27)

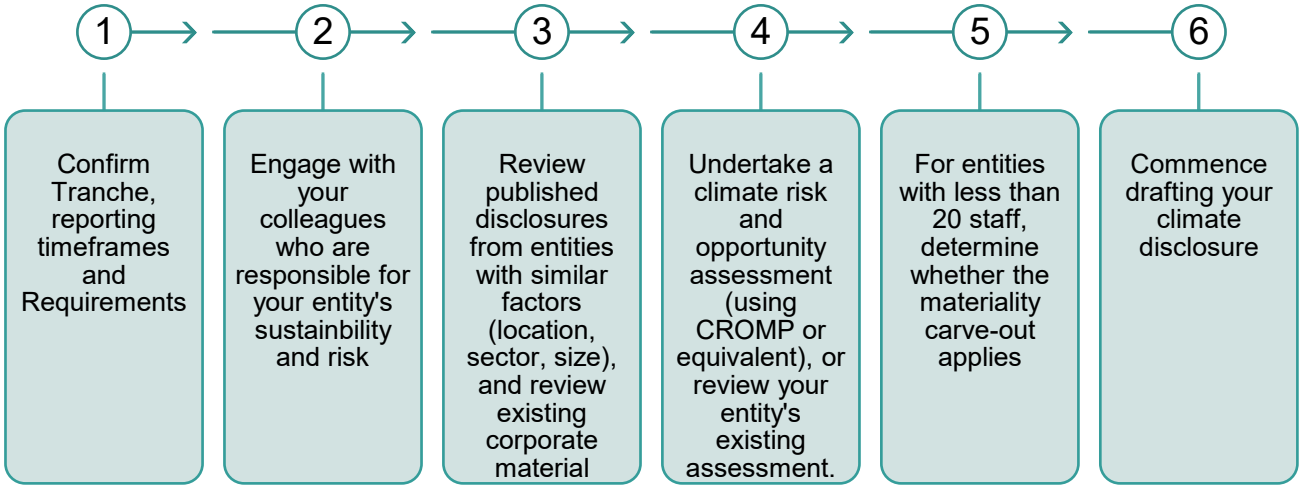
Commonwealth Climate Disclosure

This document provides detailed drafting guidance for Tranche 3 entities preparing their first Commonwealth Climate Disclosure (CCD) in 2026-27 using the Simplified Requirements: Year 1 Reporting Provisions. It outlines a suggested approach for drafting a climate disclosure (in alignment with Simplified Requirements: Year 1 Reporting Provisions), commencing with preparatory work, and guiding you through how to draft a comprehensive climate disclosure. This factsheet should be read in conjunction with the Simplified Requirements: Year 1 Reporting Provisions for 2026-27, available on the CCD Requirements webpage.

Getting started with preparing your entity's climate disclosure

To align with Annual Reporting timeframes, it is recommended that entities start preparatory work for a climate disclosure as early as possible. This is particularly important if your entity has not undertaken a climate risk and opportunity assessment previously.

The steps below outline the processes that should be completed before drafting your climate disclosure. Doing so will make the drafting and approvals process much smoother.



Step 1: Use the Commonwealth Climate Disclosure Policy information on the Department of Finance website to determine your entity's tranche and reporting obligations for the financial year.

Step 2: Consider the key stakeholders in your entity who may need to input to an enterprise-wide climate risk and opportunity assessment. This may include colleagues working in enterprise risk, corporate sustainability, property and facilities management, or leading policy areas. If your entity is part of the APS Net Zero by 2030 target, the team/s responsible for emissions reporting and developing your entity's Emissions Reduction Plan may also be key contributors.

Step 3: Gather existing resources to support drafting your entity's disclosure. Review published disclosures from other entities, engage with resources available through the Application Guidance and the CAIGO GovTEAMS Community. Where possible, leverage your entity's existing publicly available corporate resources (for example, Annual Reports, Risk Policy, Corporate Plan, Emissions Reduction Plan) which can be cross-referenced in your disclosure (avoiding duplication of publicly available information through your disclosure is encouraged).

> **Tip:** Reviewing published disclosures from comparable entities can help you understand how disclosures are formatted. When reviewing any publicly available climate disclosures for the 2024–25 and 2025–26 reporting periods by other entities, be aware that these likely respond to the Full CCD Requirements, rather than the Simplified Requirements.

Step 4: If your entity has not undertaken a climate risk and opportunity assessment before, you are encouraged to conduct an assessment in alignment with the Climate Risk and Opportunity Management Program (CROMP). The Climate Risk Management Organisation Application Guide does not assume any prior knowledge.

If your entity has previously undertaken a climate risk and opportunity assessment, you should review and update the assessment as relevant to your entity. For example, to check materiality, in response to changes in entity operations or policy delivery, changing or emerging climate effects, to ensure the identified climate-related risks and opportunities are still current, and to ensure appropriate actions are in place to manage them.

Step 5: If your entity has more than 20 employees, continue to step 6. If your entity has less than 20 employees, review your risk and opportunity assessment for material exposure. Use the Materiality Guidance factsheet, available on the Application Guidance webpage, to support this review.

- If no exposure to material risks and opportunities are identified - document this decision and justification and notify Climate.Action@finance.gov.au. No further work is required this reporting period, except to support your entity's obligations under the APS Net Zero policy (including emissions reporting).
- If exposure to material risk or opportunities is found, continue to step 6.

Step 6: Commence drafting your disclosure following applicable reporting provisions, referring to the following drafting guidance as required.

How to use this document.

This section includes drafting guidance set against the four pillars of climate disclosure reporting. Each pillar contains:

- Objective to be achieved through disclosing against this pillar
- How the reporting obligations for the pillar will change in the next reporting period
- Snapshot reference of the individual requirements for the pillar
- Step-by-step approach to drafting the pillar.

Throughout the document:

Tips: are contained in blue boxes.
Notes: are contained in yellow boxes.
Examples and Case Studies: are contained in purple boxes.

Important considerations when drafting

The Simplified Requirements: Year 1 Reporting Provisions for 2026-27, available on the CCD Requirements webpage, specify 'General Requirements' which should be referred to in drafting your entity's climate disclosure. For example:

- exemption of sensitive information
- location of the published Disclosure and Climate Disclosure Statement
- cross-referencing information within the disclosure or other documents
- inclusion of comparative information
- materiality
- use of reasonable and supportive information
- correction of errors.

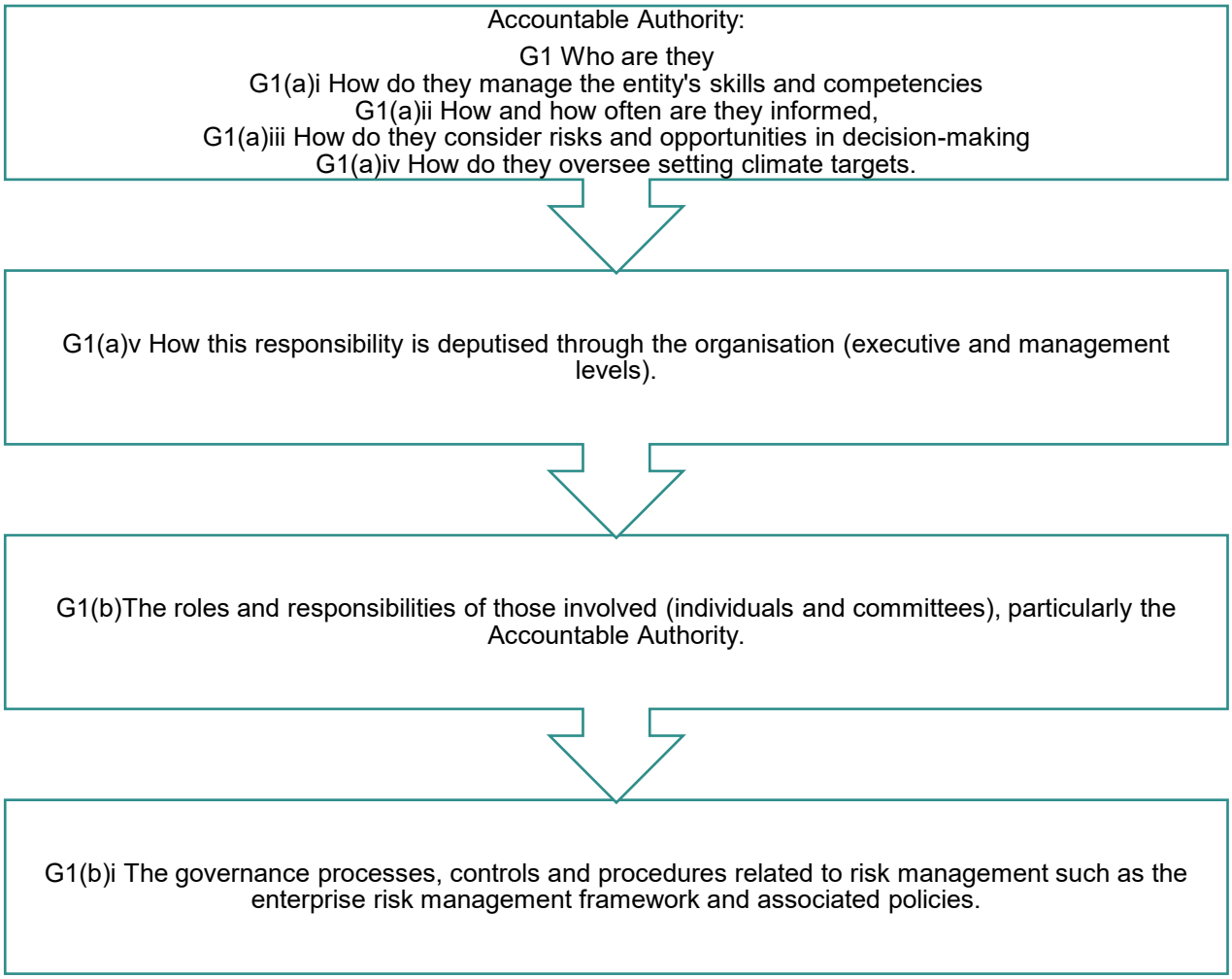
Both the Full and Simplified CCD Requirements specify "Guiding Principles" for the preparation of climate disclosures. These are fair presentation, completeness, accountability, maturity, forward-looking and proportionality. The relevant requirements documents, and dedicated factsheets on proportionality and materiality[1] are available on the Application Guidance webpage.

[1] Note: The materiality and proportionality factsheets are drafted for the use of entities disclosing against the Full CCD Requirements. Some references and obligations may differ between Full and Simplified Requirements – it is important to keep this in mind when using these factsheets.

Governance Pillar

Objective	To enable annual report users to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.
How do these requirements expand after Year 1?	The governance criteria for the Simplified Requirements do not change from Year 1 to Year 2, and this guidance is therefore applicable to entities in preparing their 2026-27 and subsequent disclosures.

Figure 1: Summary of Governance Requirements



Step 1: Review existing information and engage with your enterprise risk area

Reviewing existing corporate documents (including Annual Reports, Corporate Plans, Emissions Reduction Plans) and your entity's enterprise risk policies may identify:

- the Accountable Authority
- the roles of relevant executives, management positions and governance committees
- existing reporting and escalation arrangements

- description of governance processes, controls and procedures related to the oversight of climate-related risks and opportunities
- the entity's governance structure.

Engaging with your enterprise risk area (if the disclosure is not being prepared by them) is critical to ensuring the disclosure is factual and your entity's risk governance can be adapted to incorporate CCD requirements.

Tip: Information that is publicly available at the same time and on the same terms as the climate disclosure can be disclosed by linking to the public document. For example, Corporate Plans or executive committee charters valid for the same reporting period.

Step 2: Climate risk management hierarchy

Set out the climate risk management hierarchy within your entity - from the Accountable Authority at the top of the decision-making chain and flowing down to those responsible for implementation within the entity. This should demonstrate how responsibility is deputised down the hierarchy as well as how information is reported back up to the Accountable Authority.

The hierarchy can be presented in any format – a governance diagram, a table, a list, text or a combination of these. Whichever format you choose to disclose, make sure that you:

- identify the Accountable Authority
- identify all the relevant individuals and bodies with deputised responsibilities (assignees) for climate risk management in your entity
- cover the Accountable Authority and all assignees responsible for overseeing and implementing governance processes, controls and procedures
- show how and how often information is provided from assignees overseeing implementation to the Accountable Authority.

Tip: Refer to the example Climate Governance Diagrams document available on the Application Guidance website for examples of governance structures for different types of entities.

Step 3: Accountable Authority role and responsibilities

Describe the roles and responsibilities of the Accountable Authority in further detail. This should include:

- How the Accountable Authority oversees setting climate-related targets.
  - For non-corporate Commonwealth entities (NCEs) this should include endorsing the Emissions Reduction Plan under the APS Net Zero by 2030 target (refer to criteria M5-8 in the Requirements).
  - For corporate Commonwealth entities (CCEs), this will likely include endorsement of any emissions reduction targets, or other climate-related targets, set by the entity.
- How those targets will be monitored to ensure progress.

- For example, there are likely to be checkpoints throughout the year, or annually, to review progress against the entity's emission reduction or other relevant targets with associated reporting to the Accountable Authority as well as disclosure publicly.
- How the Accountable Authority considers climate-related risks and opportunities when making decisions, developing and delivering on corporate strategy and prioritising public funds.
    - Examples of how this could be done may include:
        - Standing agenda item at executive meetings to ensure trade-offs to climate objectives are considered
        - Appointing a Chief Sustainability Officer to champion climate action.
        - Implementation of the Environmentally Sustainable Procurement Policy.
- How the Accountable Authority ensures appropriate skills and competencies are available within the entity.
    - You may wish to outline any skills assessment, training and recruitment processes undertaken to identify and address skills gaps in your entity. Ensure it is clear the role the Accountable Authority played in initiating and/or overseeing those processes.

Tips:

- Refer to the Climate Risk Management Organisation Application Guide for further guidance on how to set out governance arrangements for organisational climate risk management.
- A factsheet to assist entities undertaking a climate skills assessment is available on the Application Guidance website.
- Examples of climate-related targets include emissions reduction targets, emissions efficiency targets, renewable energy generation targets, and percentage of electric vehicles in the fleet.

Step 4: Deputised roles and risk management

Explain how climate risk management functions are deputised down from the Accountable Authority and summarise your governance processes, controls and procedures for managing climate-related risks and opportunities. Ensure that your explanation:

- Covers all the roles and responsibilities of each assignee identified in your climate risk management hierarchy.
- Describes how and how often the Accountable Authority is informed by assignees on climate risk management progress.
    - NCEs may wish to consider alignment with the timing and frequency of performance metric tracking, as set out in your Emissions Reduction Plan.
- Provides an overview of governance processes, controls and procedures in place for managing climate-related risks and opportunities.

- Examples of governance processes, controls and procedures include risk management frameworks, risk management policies, risk registers, and relevant executive committees.

Tip: Risk management oversight functions are commonly assigned to the Executive Board or Risk and/or Audit Sub-Committee(s) of the Board (or equivalents). The Chief Risk Officer may also have a supporting assignee role. This example climate governance diagrams document provides several examples of how climate risk management functions can be structured across a variety of entities.

Strategy Pillar

Objective	To enable annual report users to understand an entity's strategy for managing organisational climate-related risks and opportunities, including: • material information about the entity's organisational climate-related risks and opportunities; and • current and anticipated effects of the risks and opportunities on the entity's operational model.
How do these requirements expand after Year 1?	Year 1 is about organisational climate risk and opportunity only. The strategy criteria expand in your second year of reporting to include policy-related climate risks and opportunities. The progressive implementation of criteria supports capability building and allows disclosures to become more detailed over time.

Figure 2: Summary of Strategy requirements

S1(a) Identify material organisational risks and opportunities including:
S1(b) Whether they are physical or transitional; S1(c) The time horizon for the effects; and S1(d) How those time horizons are defined.

S2(a) Describe current and anticipated effects on the entity's operational model and S2(b) Where in the operational model they are concentrated.

Tip: Organisational risks and opportunities include, but are not limited to, the climate-related risks and opportunities associated with the entity's operational model.

Organisational risks and opportunities in our progressive implementation strategy can be considered as the climate related-risks and opportunities associated with the entity's main business operations and people, assets or other infrastructure the entity relies on to maintain business continuity. For example, risks to work, health and safety through increased intensity of extreme weather or opportunities with reducing emissions from the organisation's buildings.

Step 1: Review the climate risk and opportunity assessment

Before you commence drafting your climate disclosure, it is expected that a climate risk and opportunity assessment has been completed. This may include following CROMP or an equivalent assessment.

When drafting the strategy pillar, you should review the outputs of this assessment to identify the material organisational climate risks and opportunities. This list of material organisational climate-related risks and opportunities is to be included in your disclosure addressing S1(a).

Tip: Not all climate-related risks and opportunities identified in your entity's climate risk and opportunity assessment will necessarily be significant enough to include in your climate disclosure. You should focus on climate-related risks and opportunities that are both relevant and consequential to annual report users.

See the Materiality Guidance factsheet, available on the Application Guidance webpage for practical guidance on determining material information for your entity.

Step 2: Document material risks and opportunities

Once your entity's material organisational climate risks and opportunities are identified, you should document whether each risk is physical or transitional, and the time horizons that each is expected to occur.

Presentation of this information in the disclosure is at the discretion of entities. We encourage you to review examples of published disclosures to see how entities with mature disclosure reporting approach their Strategy pillar. The suggested format, below, has been developed by Finance.

Table 1: Example of disclosing material climate-related risks and opportunities

Organisational Risk or Opportunity	Risk/Opportunity	Risk type	Time Horizon
Risk of climate change events impacting staff health and safety	Risk	Physical	2030, 2050
Risks to the safe and reliable access to infrastructure and assets during extreme events, impacting business continuity	Risk	Physical	2030, 2050
Opportunity to use new technology to improve hybrid work, and support business continuity during climate events	Opportunity	Transition	2030, 2050
Opportunity to reduce costs and emissions associated with operations, due to access to low emissions technology such as electric vehicles.	Opportunity	Transition	2050
Opportunity to transition to net zero ahead of the 2030 target and improve stakeholder relations and reputation of the department.	Opportunity	Transition	2030

In addressing S1(c) you can consider when the risks or opportunities identified in your disclosure are likely to manifest, and how they may change over the timeframes considered in your climate risk and opportunity assessment. For example, whether a climate risk is already occurring and is expected to increase in future, or whether an opportunity will only be realised under certain timeframes.

To meet S1(d), include the definition of short, medium and long term time horizons in your disclosure and the rationale for these definitions. The rationale can utilise relevant horizons identified in related policy. Where appropriate, you should use the recommendation in the CROMP Organisation Application Guide of using 2030, 2050 and 2090 as the short, medium, and long term time horizons respectively.

Tip: Timeframes and Scenarios

Looking at your risk or opportunity statement through different timeframes (present day, 2030, 2050 and 2090) creates a picture of how the risk or opportunity may change over time.

For example, a (physical) risk of extreme weather events on staff wellbeing and safety may initially be rated as minor in the present day and 2030. However, by 2050 and 2090 this may change to extreme as the frequency and severity of the extreme weather events increases and it becomes harder to care for staff wellbeing and safety.

Alternately, a transition risk may follow a different trajectory. High ratings may be seen in the shorter term (e.g. financial strain due to initial costs of adopting new technology for emissions reduction), but lower risk ratings in 2050 and 2090 (e.g. prior adoption of new technology leads to operating in line with emissions reduction goals).

While disclosure of climate scenarios is not required in the Year 1 Simplified Strategy Requirements, both timeframes and scenarios will be considered as part of your climate risk and opportunity assessment and included in the CROMP Framework.

Scenarios provide information on projected climate changes and using them to assess risks – alongside timeframes - can support stronger risk management.

To support entities to undertake the CROMP, the Department of Climate Change, Energy, the Environment and Water has developed the Climate Risk Digital Tool. The Tool takes users step-by-step through the climate risk assessment process and provides examples of climate-related risks and opportunities.

Step 3: Understanding operational model effects

This section of a disclosure is to understand the current and anticipated effects of organisational climate-related risks and opportunities on your entity's operating model. This includes both current and anticipated effects and where the climate-related risks and opportunities are concentrated.

Table 2: Current and anticipated time definitions

Current and anticipated effects	Time period
Current effects	Effects of climate-related risks and opportunities for the reporting period.
Anticipated effects	Anticipated effects of climate-related risks and opportunities over the short, medium and long-term.

In this context, concentration refers to the clustering of climate-related risks and opportunities in geographical areas, facilities or types of assets. You should consider the extent or range of the climate-related risks and opportunities that your entity has identified, and the specific effects that your entity may be exposed to. For example, this may appear as the identification of risks and opportunities being assessed as particularly acute in specific locations (in one or more scenarios).

Note: It may not be appropriate to disclose the geographic location of climate-related risks and opportunities if doing so poses a significant security risk. Refer to 'Information exemptions' in the Simplified Requirements: Year 1 Reporting Provisions for 2026-27, available on the CCD Requirements webpage for further information on security and other exceptions.

Below is an example of how S2 can be addressed in a climate disclosure.

Example: Non-corporate Commonwealth entity with notable geographical climate-related risk and opportunity concentration

The current and anticipated effects of the material risks and opportunities identified in Table 1 are included below.

Effects	Current effects	Anticipated effects
Risks to staff health and wellbeing due to extreme events, including extreme heat.	Minor effects associated with week-long heatwave in January (all offices) and from Cyclone Tammy in February (Darwin and Brisbane offices).	Increasing effects over all time horizons.
Reduced staff productivity due to extreme weather, such as extreme heat.	As above	Increasing effects over all time horizons.
Disruption to business continuity if extreme weather/natural disasters impact staff safely accessing office locations and required technology.	As above	Increasing effects over all time horizons.
Supply chain bottlenecks impacting access to new technology that supports our transition to net zero.	No current effects	Increasing effects over the short and medium time horizons.

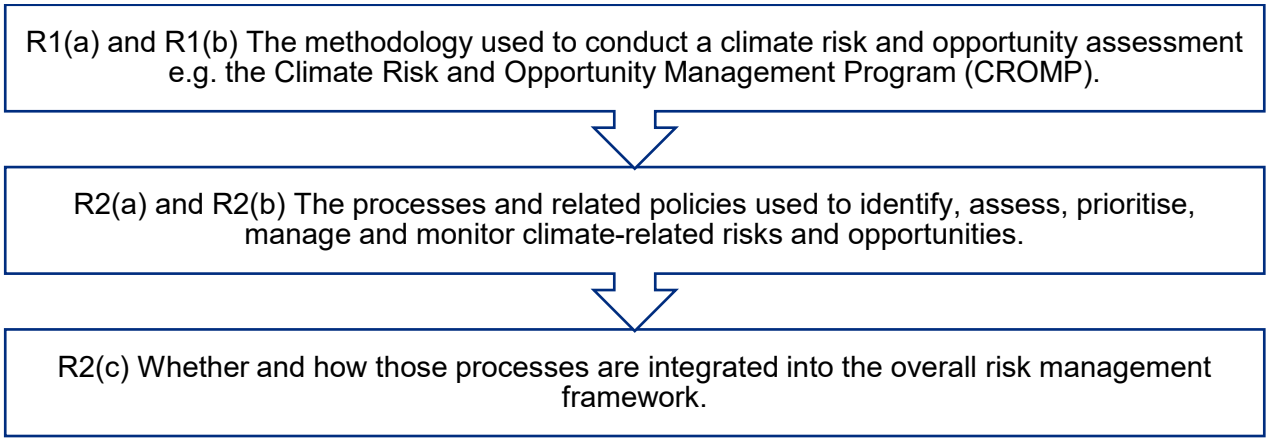
With the likelihood of increased frequency of extreme weather events associated with climate change we expect these impacts to increase in the future.

Although we operate nationally with our head office in Canberra, more than 70% of our staff are located within our Northern Australian Division. This created greater exposure to our northern Australia staff safety and business continuity from extreme heat, storms, floods and cyclones. Our Northern Australia Division has been included in our working group delivering our climate risk and opportunity assessment to ensure the geographical concentration of risks within the Division are incorporated into our program of work.

Risk Management Pillar

Objective	The Risk Management section of your entity's climate disclosure should provide a high-level description of the processes and related policies your entity uses in the management of its climate-related risks and opportunities.
How do these requirements expand after Year 1?	The Risk Management criteria for the Simplified Requirements do not change from Year 1 to Year 2, and this guidance is therefore applicable to entities in preparing their 2026-27 and subsequent disclosures.

Figure 3: Summary of Risk Management requirements



Step 1: Review published risk governance information

Review the Risk Management section(s) of your annual report to see what is already disclosed, for example:

- corporate governance (e.g. responsibilities of Risk Committees)
- risk management framework
- risk management policies
- risk appetite statement
- climate disclosures for relevant entities in your portfolio.

There is no need to duplicate relevant content from other sections of the annual report within your climate disclosure.

You might also be able to draw on existing processes within your entity to gather relevant information. For example, a risk champions network or other related stakeholder group or material.

Tip: Information that is publicly available at the same time and on the same terms as the climate disclosure can be disclosed by linking to the public document. For example:

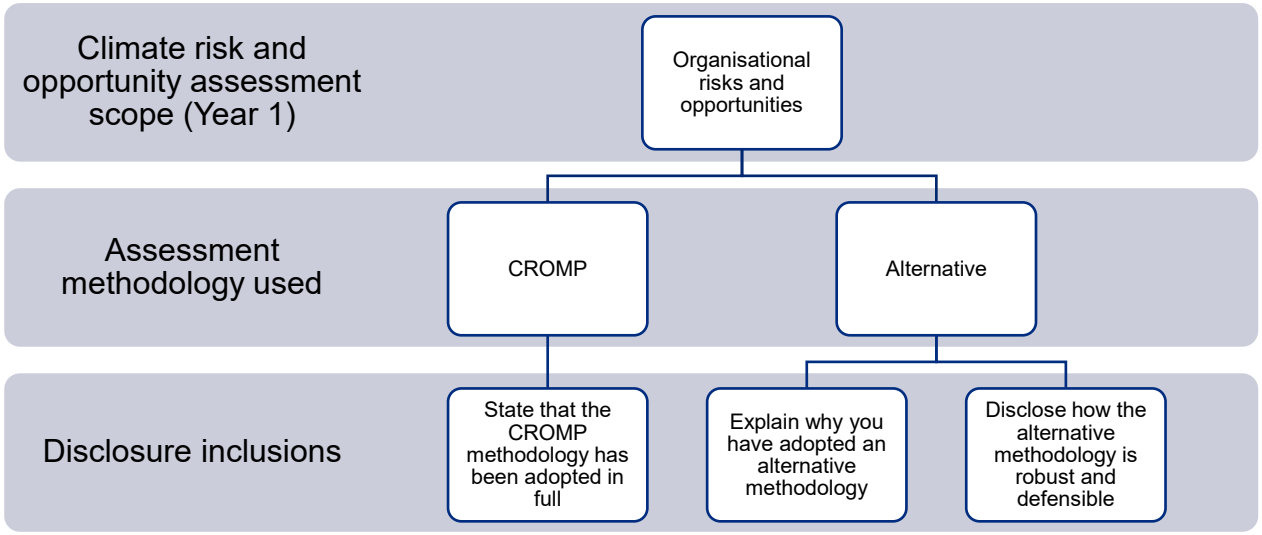
- The Department of Climate Change, Energy, the Environment and Water disclosed that its 2024-25 Corporate Plan contained a new enterprise risk on their ability to manage climate-related risks in the delivery of operations and achievement of their purposes.

Step 2: Confirm climate risk and opportunity assessment approach

As set out in The Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024-2026, entities are expected to have undertaken a climate risk and opportunity assessment. It is encouraged that this assessment aligns with the CROMP methodology developed specifically for public sector applications and which includes resources and tools to support Commonwealth entities and companies in undertaking a climate risk and opportunity assessment.

However, if it is impractical for your entity to adopt CROMP in full and you use an alternative methodology, your disclosure will need to provide an explanation of why you chose an alternate methodology, and how it is robust and defensible.

Figure 4: Referencing of CROMP and/or alternative methodology under Risk Management criteria R1



Tip: If you used an alternative approach to CROMP, refer to the Risk Management Guidance Factsheet for the CCD Full Reporting Provisions, available on the Application Guidance webpage. It provides examples to help justify that your alternative approach is robust and defensible.

Case study: Example of undertaking a climate risk and opportunity assessment using CROMP

- During the 2024-25 reporting period, the Great Barrier Reef Marine Park Authority used the CROMP guidance and tools to inform and analyse the climate risks and opportunities in selected program areas including property management, office infrastructure and the Great Barrier Reef Aquarium. The assessment also considered implications for business continuity across the organisation. The Authority intends to build on this initial use of CROMP in future climate risk and opportunity assessments to support a more comprehensive and consistent approach to identifying and managing climate-related risks and opportunities.
- The Northern Australia Infrastructure Facility also used the CROMP for its climate risk and opportunity assessment during 2024-25, following initial scoping and design in the previous reporting period.
- Refer to entities' climate disclosure in 2024-25 annual reports linked above for further detail.

Step 3: Document your entity's approach to climate risks and opportunities

To address R2(a), the disclosure should explain the processes and policies the entity uses to identify, assess, prioritise, manage and monitor climate risks. Where possible, you should leverage other publicly available corporate documents which specifies your entity's risk management framework (if the same approach is used for climate risks).

Specific information to disclose for climate-related risks includes:

- Inputs and parameters used in the climate risk assessment
- How the nature, likelihood and magnitude of the effects of the risks are assessed
- Whether and how climate-related risks are prioritised relative to other types of risk
- How climate-related risks are managed and monitored
- Whether and how the processes used have changed from the previous reporting period

In disclosing information about inputs and parameters, you might like to consider information about data sources, the significant areas of uncertainty and the scope of operations covered in the risk management processes.

To address R2(b), requirements for climate-related opportunities are less detailed than those for climate-related risks. This is due to the relative maturity of risk management processes compared to that of opportunity management. Your disclosure should outline any processes that exist for identifying, managing and monitoring climate opportunities.

For example, climate-related opportunities may be prioritised alongside climate-related risks using existing risk management framework processes and risk registers, or they could be prioritised using a multi-criteria analysis approach, taking into account criteria such as strategic alignment, risk appetite, resource requirements and co-benefits.

Tip: R2(a)i should specify any data sources used in the climate risk and opportunity assessment that are additional to CROMP. For example, the National Climate Risk Assessment, local flood assessments, historical insurance claims or enterprise risk registers.

Example: Non-corporate Commonwealth entity using CROMP for climate-related risks

We conducted our first climate risk and opportunity assessment this year following the 6 steps outlined in the Climate Risk and Opportunity Management Program's Organisation Application Guide.

Our staff health and safety and infrastructure, assets and operations were in scope of the assessment. We intend to broaden this scope in future reporting years to include policy-related risks and opportunities in line with the progressive implementation schedule. Internal data sources, such as our enterprise risk management framework, incident registers and insurance claims, were reviewed in Step 1 and Step 2 of the assessment. National datasets, including the IPCC Sixth Assessment Report (2021), Climate Change in Australia, the State of the Climate 2024 report and the climate scenario and transition summaries in the CROMP Organisation Application Guide's Appendix, were used to obtain climate information for our organisation's two main metropolitan areas of operation (Canberra and Perth).

A source of uncertainty in the assessment stems from our entity being newly established in 2024, limiting access to long term internal data. Uncertainties in climate projections have been managed by reviewing and using data from three reputable datasets from Australian and international climate science organisations. Uncertainties in how risk profiles will change in future under different climate scenarios have been managed by assessing risks across two distinct climate scenarios (one low and one high) to compare projected changes and understand the range of plausible outcomes.

The effects of our identified climate-related risks were assessed using the likelihood, consequence and severity evaluation criteria from our existing enterprise risk management framework. All risks to our organisation, including climate-related risks, were prioritised based on their residual risk rating against our Risk Appetite and Tolerance Statements, in accordance with the Commonwealth Risk Management Policy. Actions to manage climate-related risks were informed by our enterprise risk management framework.

Our climate-related risks are monitored and managed by our executive team, with the Performance and Risk Committee having an oversight and advisory role, in accordance with our standard risk management practices.

Step 4: Demonstrate progress to integrate with the overall risk management process

It is good practice to integrate your climate-related risks and opportunities into your entity's existing risk management system and processes. For example, you may include climate risk as a main risk category or identify climate change as a driver of existing risks. You may also integrate the findings on your climate risk and opportunity assessment into your entity's risk register.

To address R2(c), you should outline how your entity is managing this integration in your climate disclosure.

If your entity has not yet commenced integration of climate risks and opportunities within the broader enterprise risk management framework, refer to the Completeness principle for how to address this in the disclosure.

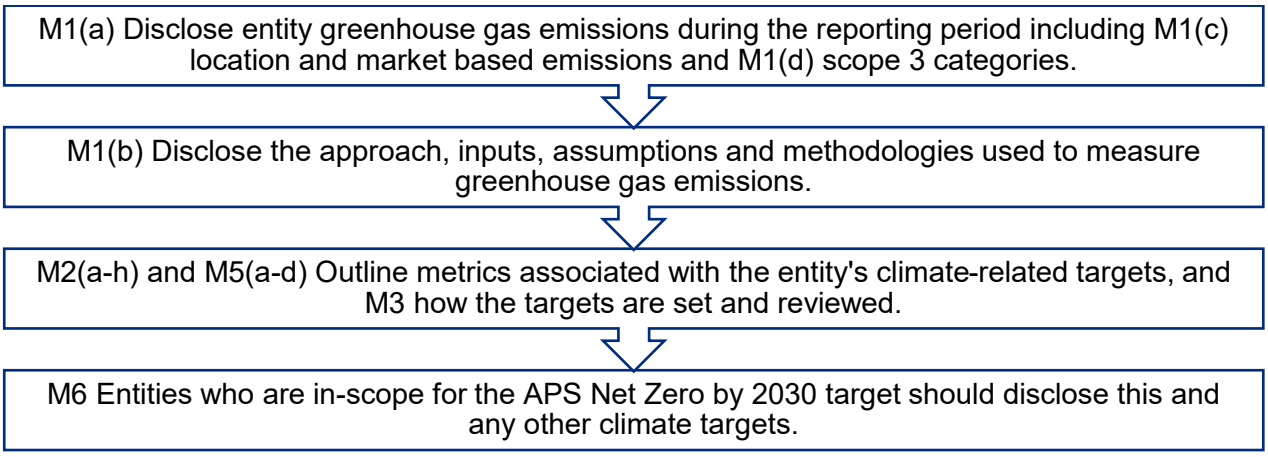
Note: Integrating climate-related risks into existing risk management processes may require some adjustment to the existing processes, given the unique characteristics of climate-related risks. For example, climate-related risks tend to have longer time horizons and long-lived effects than other types of risk and require assessment across different climate scenarios.

Tip: Refer to the Climate Risk Management Organisation Application Guide and the TCFD Guidance on Risk Management Integration and Disclosure for more guidance and examples on how to integrate climate-related risks and opportunities into your risk management system.

Metrics and Targets Pillar

Objective	To enable readers to understand an entity's performance in relation to climate risks and opportunities, as expressed through greenhouse gas emissions, and progress towards any climate-related targets it has set and those it is required to meet by law, regulation or policy.
How do these requirements expand after Year 1?	Additional metrics and targets criteria are introduced in the Full CCD Simplified Requirements, including specifying performance against climate-related targets and outlining the use of carbon credits (if applicable).

Figure 5: Summary of Metrics and Targets Requirements



Step 1: Disclose greenhouse gas emissions for the reporting period

M1 is addressed through inclusion of emissions reporting (see Australian Government Emissions Reporting for further details).

If your entity deviates from the APS Net Zero Emission Reporting Framework, this must be clearly stated within the climate disclosure. Examples could include if your entity is disclosing more scope 3 emissions sources than required or you are aggregating some emissions sources for national security reasons.

Figure 6: Approach to metrics disclosure



Case study: Going above the Requirements

The Great Barrier Marine Park Authority has set targets for some scope 3 emissions sources that are above and beyond the APS Net Zero 2030. This includes requiring suppliers of the Crown-of-thorns Starfish Control Program to be net zero within a year of operation. Further details can be found in the 2023-24 Annual Report.

Step 2: Confirm your entity's climate related targets

The approach to addressing climate-related target criteria (M2, M5 and M6) will depend on your entity type, relationship to the APS Net Zero 2030 Target, and information available in the public domain.

The diagram below outlines three approaches to disclosing climate-related targets criteria.

- Approach 1: entities within scope of the APS Net Zero 2030 target
- Approach 2: entities opting in to the APS Net Zero 2030 target
- Approach 3: entities setting their own target

Step 3: Outline your entity's climate related targets

For entities who are within, or have opted into, the APS Net Zero Target:

Entities subject to the APS Net Zero by 2030 target can achieve M2, M3, M5 and M6 through including a statement of commitment to the target in their disclosure and including a link to the APS Net Zero Target Factsheet for the relevant reporting period, available on the Application Guidance webpage, which summarises criteria for entities committed to the APS Net Zero 2030 Target.

Entities committed to the APS Net Zero 2030 Target must also have an Emissions Reduction Plan in place that incorporates interim targets required in the Climate Action in Government Operations Strategy and this should be linked in the disclosure.

For entities who set their own climate target/s:

To address M2 and M5 additional resources are available (see Application Guidance website). In particular, the Climate-related Targets Template can be used to guide what information should be disclosed about their climate targets.

Make sure you consider all qualitative and quantitative targets in place, not just emissions reduction targets. Examples of broader climate-related targets are below.

- Renewable energy generation targets
- Increasing low emissions vehicles within the fleet
- Building executive climate capability through training
- Updating office assets to energy efficient lighting

Ensure you are considering targets that are set by law, policy, regulation or other drivers.

Note: M6 isn't applicable to entities who set their own climate targets.

For all approaches to climate target setting:

Entities should review annual reports and any relevant publicly available information to see what is already available publicly for the same reporting period. This could include:

- commitment to additional climate-related targets within an entity's published emissions reduction plan and/or other publications; and/or
- climate related information in corporate plans or website.

There is no need to duplicate relevant content in other sections of the annual report within your climate disclosure.

Example: Cross-referencing within a climate disclosure

The Royal Australian Mint has a published Emissions Reduction Plan that addresses several climate-related targets criteria that can be leveraged to reduce the amount of information included within the body of the Climate disclosure.

This includes:

- commitment to the APS Net Zero 2030 target and endorsement by the Accountable Authority;
- confirmation that the target is within scope as per the Net Zero in Government Operations Strategy; and
- interim targets and actions, such as the installation of lighting upgrades throughout the building, undertake regular energy audit to support updates to the ERP and NABERS ratings to assess the energy efficiency of our office areas (excluding production and gallery areas).

Guidance on preparing Emissions Reduction Plans and annual updates, and how to link these to climate disclosures, is provided in the Guidance for Emissions Reduction Plans and annual updates document. This is available on the Climate Action in Government Operations Community of Practice on GovTEAMS. To join the community, please email climateaction@finance.gov.au.

The examples below demonstrate how entities with different approaches to climate-related targets can meet M2, M3, M4(a-d), M5 and M6 (if applicable):

Example of Non-corporate Commonwealth entity (NCE) in scope of the APS Net Zero by 2030 target

We are committed to contributing to the Government's APS Net Zero by 2030 Target. Our approach, including interim qualitative and quantitative targets, is publicly available in our Emissions Reduction Plan and we will report our progress annually through our climate disclosure.

Details of the Target are summarised in the 2026-27 Simplified Requirements APS Net Zero Target Factsheet, available on the Application Guidance webpage, including target scope, emissions sources and timeframes. We have not deviated from the approach in this factsheet.

Example of Corporate Commonwealth Entity (CCE) opting into the APS Net Zero by 2030 Target

We are committed to leading climate action within the public sector and have committed to the Government's APS Net Zero by 2030 Target. See the 2026-27 Simplified Requirements APS Net Zero Target Factsheet, available on the Application Guidance webpage, for details including scope, emissions sources and timeframes. We have not deviated from the approach in this factsheet.

Our approach to reducing emissions is detailed in our publicly available Emissions Reduction Plan and we will report our progress annually through our climate disclosure.

Example of entity setting its own target

We are committed to achieving net zero emissions by 2050, with our organisational emissions reduction targets validated through the Science Based Targets initiative (SBTi). Our science-based targets support the Australian Government's target of a 43 per cent emissions reduction by 2030 under the Paris Agreement.

To achieve this, our interim targets are:

- Reduce absolute Scope 1 and 2 greenhouse gas emissions by at least 80% by 2029-30 financial year (from a 2021-22 financial year baseline).
- Reduce selected Scope 3 greenhouse gas emissions by 50% by 2029-30 financial year (from a 2021-22 financial year baseline).
- Purchase 100 per cent renewable electricity by 30 June 2027.

Full details of our climate-related targets including scope, emissions sources and timeframes are detailed on our Climate-related Targets Factsheet.

Document control

Version number	Date of issue	Brief description of change
1	12/11/2026	Initial publication

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