

# Financial reporting issues and developments

NSW State sector agencies and universities

October 2025

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## Financial reporting issues and developments

The table below details current issues and financial reporting developments that may impact your entity's financial statements. Management should review these issues and developments, determine those applicable to the entity and assess the impact on the financial statements and annual report. Where this relates to an accounting standard issued but not yet effective, management should disclose the anticipated impact of the standard in their financial statements. Management may consult with their audit team for further information and explanation on the issues and developments detailed below.

NSW state sector agencies should refer to Treasury's latest [Treasury Policy and Guidance](#) on mandates of accounting policy options and major policy decisions under Australian Accounting Standards when determining whether an accounting standard can be early adopted.

This document does not replace management's responsibilities to make its own enquiries into issues and developments that may impact your entities financial statements and annual report. This document should not be relied on as an exhaustive list.

### Reporting developments

#### Issue 1: AASB 2022-9 'Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector'

Overview	Applies to
<p>AASB 2022-9 amends AASB 17 'Insurance Contracts' to include modifications that apply to public sector entities. Those modifications relate to providing public sector entities with:</p> <ul style="list-style-type: none"> <li>• pre-requisites, indicators and other considerations that need to be judged to identify arrangements that fall within the scope of AASB 17 in a public sector context</li> <li>• an exemption from sub-grouping onerous versus non-onerous contracts at initial recognition</li> <li>• an exemption from sub-grouping contracts issued no more than a year apart</li> <li>• an amendment to the initial recognition requirements so that they do not depend on when contracts become onerous</li> <li>• guidance on coverage periods in a public sector context, which has consequences for determining the cash flows used to measure insurance liabilities and the pattern of revenue recognition</li> <li>• an accounting policy choice to measure liabilities for remaining coverage applying the premium allocation approach</li> <li>• a transition requirement grandfathering the existing classification of arrangements constituting a liability for settlement of claims incurred before the liability was acquired in a transfer as either a liability for incurred claims within the scope of AASB 17 or a provision within the scope of AASB 137 'Provisions, Contingent Liabilities and Contingent Assets'.</li> </ul>	<p>Public sector entities with arrangements that are insurance contracts within the scope of AASB 17 for annual reporting periods beginning on or after 1 July 2026</p>
AASB 2022-9 also:	
<ul style="list-style-type: none"> <li>• amends AASB 1050 'Administered items' to provide an accounting policy choice for government departments to apply either AASB 17 or AASB 137 in determining the information to be disclosed about administered captive insurer activities</li> <li>• repeals AASB 4 'Insurance Contracts' and AASB 1023 'General Insurance Contracts'</li> <li>• reverses the temporary consequential amendments set out in AASB 2022-8 'Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments' that amended various Standards to permit</li> </ul>	

## Overview

public sector entities to continue applying AASB 4 and AASB 1023 to annual periods beginning on or after 1 January 2023 but before 1 July 2026.

### AASB 2022-8:

- defers the application of AASB 17 to for-profit public sector entities from 1 January 2023 until periods beginning on or after 1 July 2026
- makes amendments to all Australian Accounting Standards that refer to AASB 17 to permit public sector entities (both for-profit and not-for-profit entities) to continue to apply AASB 4 and AASB 1023 until annual periods beginning on or after 1 July 2026, when they are required to apply AASB 17
- repeals AASB 1038 'Life Insurance Contracts' and Interpretation 1047 'Professional Indemnity Claims Liabilities in Medical Defence Organisations' for annual periods beginning on or after 1 January 2023, on the basis that AASB 17 applies to those periods in respect of private sector entities and the pronouncements are not relevant to public sector entities.

## Applies to

Public sector entities for annual reporting periods beginning on or after 1 January 2023

## Entities' responsibilities

To effectively implement AASB 17 and the public sector modifications entities will need to:

- understand the requirements of AASB 17 and the public sector modifications
- assess whether their arrangements are insurance contracts within the scope of AASB 17
- discuss their assessment on the application of AASB 17 with the ARC and auditors
- disclose the impact of AASB 17 and the associated public sector modifications in the current year's financial statements as required by AASB 108

If the entity's arrangements are within the scope of AASB 17, the entity should:

- consider setting-up a project team to perform a detailed assessment of the impact of AASB 17
- determine the system and information requirements they need to report under the new standard, and the changes required to existing systems and processes to meet the requirements
- develop an implementation plan
- ensure key matters are communicated to the ARC
- determine the proposed measurement model and policy positions
- discuss the proposed measurement model and policy positions with their ARC and auditors
- plan training for staff
- consider the impact on reporting to stakeholders regarding the entity's financial position and performance.

## Responsibilities of ARCs and those charged with governance

ARCs and those charged with governance should:

- make inquiries of management to understand the requirements of AASB 17 and the public sector modifications
- review management's assessment of whether AASB 17 applies and the associated impact on the entity's financial statements
- ensure the impact of AASB 17 and the associated public sector amendments are disclosed in the current year's financial statements.

## Overview

## Applies to

If the entity's arrangements are within the scope of AASB 17, ARCs and those charged with governance should:

- ensure management has adequately planned for the effective application of AASB 17
- monitor progress against the plan and against the requirements of AASB 17.

## Issue 2: AASB 18 'Presentation and Disclosure in Financial Statements'

### Overview

### Applies to

AASB 18 outlines the requirements for presenting and disclosing information in Tier 1 general purpose financial statements, ensuring they provide relevant information that accurately represents an entity's assets, liabilities, equity, income, and expenses. The disclosure requirements for Tier 2 will be determined through a separate process, with subsequent amendments made to AASB 1060 'General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-For-Profit Tier 2 Entities' as needed.

AASB 18 will replace AASB 101 'Presentation of Financial Statements' when it becomes effective. Consequently, the requirements in AASB 101 will either be:

- replaced by new requirements in AASB 18;
- transferred to AASB 18 with minimal wording changes; or
- moved to AASB 108, which will be renamed as 'Basis of Preparation of Financial Statements' or AASB 7 'Financial Instruments: Disclosures' with minimal wording changes.

Applies to annual reporting periods beginning on or after:

- 1 January 2027, for for-profit entities
- 1 January 2018 for NFP public sector entities and, superannuation entities applying AASB 1056

with early application permitted.

The key presentation and disclosure requirements established by AASB 18 include:

- the presentation of newly defined subtotals in the statement of profit or loss. AASB 18 requires an entity to:
  - classify income and expenses into operating, investing and financing categories in the statement of profit or loss, in addition to income taxes and discontinued operations
  - present two newly defined subtotals – operating profit and profit before financing and income taxes
- the disclosure of management-defined performance measures (MPMs). MPMs are alternative or non-GAAP performance measures (that is, measures that are not defined by Australian Accounting Standards) that are subtotals of income and expenses used in public communications. AASB 18 requires an entity to disclose a reconciliation between MPMs and the subtotals required by AASB Standards
- enhanced requirements for grouping information (that is, aggregation and disaggregation). AASB 18 provides guidance for entities on grouping transactions and other events into the line items in the primary financial statements and information disclosed in the notes. These principles generally require entities to:
  - aggregate items that share characteristics and disaggregate items that have different characteristics
  - group items in a way that does not obscure material information or reduce the understandability of the information presented
  - place items in the primary financial statements and the notes to fulfil their complementary roles.

## Overview

## Applies to

Upon issuing AASB 18, the AASB recognised the need for further work to determine its application to not-for-profit (NFP) entities (both private and public sectors) and superannuation entities. Consequently, the application date for these entities was deferred to annual periods beginning on or after 1 January 2028, instead of 1 January 2027.

In October 2025, the Board considered stakeholder feedback from targeted outreach and issued an Exposure Draft (ED) on how AASB 18 should apply to the Tier 1 GPFS of NFP and superannuation entities.

The Exposure draft proposes modifying:

- AASB 18 Presentation and Disclosure in Financial Statements to:
  - require superannuation entities applying AASB 1056 Superannuation Entities to:
    - present their statement of profit or loss in the format specified in AASB 1056 instead of the format specified in AASB 18
    - classify and present expenses in accordance with AASB 1056 instead of applying the requirements in AASB 18 paragraph 78 and B80–B82
  - require Not-For-Profit (NFP) entities in the private and public sectors to:
    - refer to the common information needs of users of general purpose financial reports of NFP entities described in the Conceptual Framework for Financial Reporting when applying AASB 18
    - when applying AASB 18 paragraph 78, consider what line items provide the most useful information to users of financial statements about the entity’s operations or main activities, instead of considering what line items provide the most useful information about the main components or drivers of the entity’s profitability as set out in AASB 18 paragraph B80(a)
  - provide a policy choice for NFP public sector entities, including governments applying AASB 1049 ‘Whole of Government and General Government Sector Financial Reporting’, to elect to not:
    - classify income and expenses into the operating, investing and financing categories
    - consider the matters set out in AASB 18 paragraphs 78 and B80–B82 regarding determining how to use the characteristics of nature and function to provide the most useful structured summary of expenses
    - disclose information about management-defined performance measures
  - require governments to present their financial statements in the format specified in AASB 1049
- AASB 107 Statement of Cash Flows – to permit superannuation entities and NFP public sector entities to:
  - classify interest paid and received and dividends received as cash flows from operating activities
  - use the profit or loss total reported in the statement of profit or loss as the starting point for the indirect method to report operating cash flows when the operating profit or loss subtotal is not reported in the statement of profit or loss.

**Overview**

**Applies to**

**Entities' responsibilities**

To effectively implement the changes to AASB 18, entities will need to:

- understand the requirements of AASB 18
- keep a watching brief on proposals to amend AASB 18 for the NFP public sector and superannuation entities (if applicable)
- disclose the impact of the standard in the current year's financial statements as required by AASB 108.

**Responsibilities of ARCs and those charged with governance**

ARCs and those charged with governance should:

- make inquiries of management to understand the requirements of AASB 18, including the proposals to amend AASB 18 for NFP public sector entities
- ensure management assesses the impact on their financial statements
- ensure the impact is disclosed in the current year's financial statements.

**Other new financial reporting pronouncements**

The following pronouncements, which may affect entity financial statements and/or annual reports, were issued<sup>1</sup> between 1 January 2025 and 14 October 2025.

**New Australian Accounting Standards**

The table below does not include accounting standards issued during the period if an overview has already been provided in the table above.

Reference/Title	Effective date	Standards amended/replaced
<b>AASB 2025-1 'Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity'</b>		
<p>The standard amends AASB 7 'Financial Instruments: Disclosures' and AASB 9 'Financial Instruments' to help entities better reflect nature-dependent electricity contract in their financial statements.</p> <p>The amendments:</p> <ul style="list-style-type: none"> <li>• clarify the 'own-use' criteria applies to nature-dependent electricity contracts</li> <li>• permit hedge accounting if these contracts are used as hedging instruments</li> <li>• add new disclosure requirements to help users of financial statements understand how these contracts effect an entity's financial performance and cash flows.</li> </ul> <p>Nature-dependent electricity contracts help entities secure their electricity supply from sources such as wind and solar power. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions.</p>	<p>Applies to annual periods beginning on or after 1 January 2026, with early application permitted</p>	<p>AASB 7, AASB 9</p>

<sup>1</sup> Note this table only includes new standards issued and does not include compiled standards issued.

Reference/Title	Effective date	Standards amended/replaced
<b>AASB 2025-2 'Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures'</b>		
<p>The Standard amends AASB 1060 'General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities' to:</p> <ul style="list-style-type: none"> <li>require a Tier 2 entity to disclose information about financial instruments with contingent features that are not related directly to basic lending risks and costs. This helps users of financial statements to better understand how contractual terms could change the amount of contractual cash flows. However, the Standard does not add further specific disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income</li> <li>renumber the supplier finance arrangement disclosures (currently in paragraphs 119A–119C) and relocate them along with their related heading, from the 'Basic Financial Instruments' section to the 'Statement of Cash Flows' section.</li> </ul>	Applies to annual periods beginning on or after 1 January 2026, with early application permitted	AASB 1060
<b>AASB 2025-3 'Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity: Tier 2 Disclosures'</b>		
This Standard amends AASB 1060 to require a Tier 2 entity to disclose information about nature-dependent electricity contracts that meet the 'own-use' criteria and are recognised as procurement contracts. Only some of the disclosure requirements added by AASB 2025-1 to AASB 7 for Tier 1 entities are extended to Tier 2 entities.	Applies to annual periods beginning on or after 1 January 2026, with early application permitted	AASB 1060

## New Treasury publications<sup>2</sup>

### Treasurer's directions – refer to [Treasury Website](#)

- TD 25-01 'Revocation of TD19-02 – Mandatory Early Close as at 31 March each year'
- TD 25-02 'Financial Reporting Requirements'
- TD 25-03 'Contingency Management Special Access Protocols'
- TD 25-05 'Annual reporting information requirements'
- TD 25-06 'Financial and annual reporting by former reporting GSF agencies'

\* Treasurer's Direction TD 23-11 was updated on 1 July 2024.

### Treasury policy and guidelines papers – refer to [Treasury Website](#)

- TPG 25-01 'Agency Direction for the 2024–25 Mandatory Early Close'
- TPG 25-02 'Mandates of options and major policy decisions under Australian Accounting Standards'
- TPG 25-03 'Financial reporting code for NSW General Government Sector agencies'
- TPG 25-04 'NSW Government Faster Payment Terms Policy'
- TPG 25-05 'Guidance on security for construction projects'

<sup>2</sup> Includes pronouncements which may affect entity financial statements and/or annual reports.

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### Treasury policy and guidelines papers – refer to [Treasury Website](#)

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TPG25-06 ‘Contingency Management Special Access Protocols’

TPG 25-07 ‘NSW Infrastructure’

TPG 25-08 ‘Agency Direction for the 2024-25 Mandatory Annual Returns to NSW Treasury’

TPG 25-09 ‘TPG25-09 Accounting for Superannuation’

TPG 25-10 ‘TPG25-10 Framework for Financial and Annual Reporting’

TPG 25-10a ‘Group 1 – Annual Report’

TPG 25-10b ‘Group 2 – Annual Information Statement’

TPG 25-10c ‘Group 3 – Financial Information Return’

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\* TPG 24-01 was updated on 14 February 2025.

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### Treasury guidance – refer to [Treasury Website](#)

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GSF Agency List

Guidance on the application of AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

Guidance on how to reflect the effects of climate-related matters in financial statements

Risk Management Toolkit

Framework for financial and annual reporting 2025 – Summary of changes

Framework for financial and annual reporting 2025 – Frequently Asked Questions (FAQs)

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### Other new pronouncements by NSW public sector bodies<sup>3</sup>

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#### Premier's Department memoranda and circulars – refer to [Premier's Department Website](#)

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M2025-01 ‘Government Property and Workplace Operating Principles’

M2025-02 ‘NSW Government submissions to inquiries’

M2025-03 ‘NSW Government responses to inquiries’

M2025-04 ‘NSW Government Fair Pay and Bargaining Policy 2024–25’

C2025-02 ‘Parental Leave Entitlements – Paid No Safe Job Leave’

C2025-05 ‘Whole of Government Core Work Circular’

C2025-06 ‘Meal, Travelling and Other Allowances for 2025-26’

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#### NSW Procurement Board directions and pronouncements – refer to [ProcurePoint Website](#)

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PBD-2025- 01 ‘Approved procurement arrangements for the ICT Services Scheme’

Guidance on implementing Procurement Board Direction 2024-02 Increasing opportunities for local suppliers to supply to government

Guide to environmentally sustainable procurement

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<sup>3</sup> Includes pronouncements which may affect entity financial statements and/or annual reports.

## Climate-related reporting issues and developments

Entities may be required to prepare climate-related financial disclosures under the NSW climate-reporting framework or the *Corporations Act 2001* (Corps Act). The NSW Government has elected to mandate climate reporting as best practice and in the spirit of transparency.

Management should determine whether their entity is required to prepare climate-related financial disclosures under either the Corps Act or the NSW climate-reporting framework.

If an entity is required to prepare climate-related financial disclosures, management should review the pronouncements, determine those applicable to the entity and assess the impact on their climate-related financial disclosures and annual report.

Management may consult with their audit team for further information and explanation on the issues and developments detailed below.

This document does not replace management's responsibilities to make its own enquiries into issues and developments that may impact your entities financial statements and annual report. This document should not be relied on as an exhaustive list.

### NSW Climate Reporting Framework

#### Overview

The NSW Government has introduced mandatory climate-related financial disclosures as part of selected entities' annual reporting. Climate-related financial disclosures will be phased in over three years, commencing from 1 July 2025 (that is, for the 2024–25 financial year or the 2025 calendar year, where applicable, for example, universities). The disclosure obligation will commence first for the largest entities or those entities likely to be most exposed to material climate-related risks, based on Treasury's preliminary assessment (phase 1 entities).

Disclosures must be made either:

- within the entity's annual report as part of the Sustainability chapter, with the climate-related financial disclosures clearly identified and demarcated from the rest of the chapter
- on a standalone basis, alongside annual reports for the same period.

#### Requirements

NSW Treasury has issued:

- [TD 25-04 'Climate-related financial disclosures'](#) which specifies the mandatory climate-related financial disclosures that must be included in the annual reporting information for a reporting GSF agency in accordance with section 7.11(1)(e) of the *Government Sector Finance Act 2018* (GSF Act). The Treasurer's Direction applies to the reporting GSF agencies listed in Appendix A and to the accountable authorities of those agencies
- [TPG 24-33 'Reporting framework for climate-related financial disclosures'](#) as a mandatory policy which sets out the minimum content requirements for mandatory climate-related financial disclosures for a phase 1 and 2 entity. It also provides suggestions on how entities should approach their disclosures.

The NSW reporting framework is closely informed by the Australian Accounting Standards Board's (AASB) Australian Sustainability Reporting Standard (ASRS) AASB S2 'Climate-related Disclosures'. It has been tailored to reflect NSW Government circumstances and reporting entity capability and capacity.

NSW Treasury has consulted with the sector on the minimum content requirements for climate-related financial disclosures. The disclosures cover four key pillars: governance, strategy, risk management and metrics and targets. For phase 1 and 2 entities, the minimum content requirements will not exceed those set out in the June 2025 version of TPG 24-33 for both the first and second year disclosures. Content requirements for later years, as well as reporting requirements for phase 3 entities, will be the subject of future consultation with reporting entities.

The entities within phases 1 and 2 are listed below. Phase 1 entities are listed in TD25-02. TD 25-02 will be subsequently updated for entities in phases 2 and 3.

### Entities required to prepare climate-related disclosures under TPG 24-33

#### Phase 1

- Department of Climate Change, Energy, the Environment and Water
- Department of Communities and Justice
- Department of Creative Industries, Tourism, Hospitality and Sport
- Department of Customer Service
- Department of Education
- Department of Planning, Housing and Infrastructure
- Department of Primary Industries and Regional Development
- Environment Protection Authority
- Essential Energy
- Forestry Corporation of New South Wales
- Hunter Water Corporation
- icare
- Landcom
- Ministry of Health
- New South Wales Land and Housing Corporation
- New South Wales Treasury Corporation
- Newcastle Port Corporation
- NSW Police Force
- Premier's Department
- Sydney Metro
- Sydney Trains
- Sydney Water Corporation
- The Cabinet Office
- Transport Asset Holding Entity
- Transport for NSW
- Treasury
- University of New South Wales
- University of Sydney
- Water NSW

#### Phase 2

- Aboriginal Housing Office
- Art Gallery of New South Wales
- Australian Museum
- Corrective Services NS
- Energy Corporation of New South Wales
- Infrastructure NSW
- Legal Aid Commission of New South Wales
- Local Land Services
- Museums of History NSW
- New South Wales Government Telecommunications Authority
- NSW Reconstruction Authority
- NSW Rural Fire Service
- NSW Trains
- Place Management NSW
- Property and Development NSW
- Royal Botanic Gardens and Domain Trust
- Service NSW
- State Library of New South Wales
- Sydney Olympic Park Authority
- Sydney Opera House Trust
- TAFE Commission
- Venues NSW
- Zoological Parks Board of New South Wales
- Charles Sturt University
- Macquarie University
- University of New England
- University of Newcastle
- University of Technology Sydney
- University of Wollongong
- Western Sydney University

## Assurance

The first year of mandatory disclosures will not be subject to assurance by our Office unless the entity has volunteered to participate in the pilot assurance engagement.

Mandatory assurance will be phased in from the second year of mandatory disclosures as follows:

Phase	Reporting commences	Assurance commences
Phase 1	2024–25	2025–26
Phase 2	2025–26	2026–27
Phase 3	2026–27	2027–28

## Climate reporting under the *Corporations Act 2001*

The *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024* (the Act) was assented on 17 September 2024. The Act amends the Corps Act to require certain organisations to make mandatory climate-related financial disclosures in their annual reports for financial years commencing after 1 January 2025.

### Who reports and when

Mandatory climate reporting will be required for entities that already prepare annual financial reports under Chapter 2M of the Corps Act. These reports must be included in a Sustainability Report within that annual financial report in accordance with Australian Sustainability Reporting Standards (ASRS).

Group 1 reporting entities must comply with these obligations for financial years commencing after 1 January 2025. Group 2 and Group 3 entities will need to comply for financial years commencing after 1 July 2026 and 1 July 2027 respectively. The climate reporting requirements will also apply to not-for-profit and public sector entities that meet the same thresholds for Group entities. However, charities registered with the Australian Charities and Not-for-profits Commission (ACNC) and certain public authorities are exempt from these requirements.

First annual reporting period commences on	Reporting Entities Which Meet <i>Two out of Three</i> of the Following Reporting Criteria			National Greenhouse and Energy Reporting (NGER) Reporters	Asset Owners
	Consolidated revenue for fiscal year	Consolidated gross assets at end of fiscal year	Full-time equivalent (FTE) employees at end of fiscal year <sup>1</sup>		
1 Jan 2025 (Group 1)	AU\$500 million or more	AU\$1 billion or more	500 or more	Above the NGERs publication threshold	N/A
1 July 2026 (Group 2)	AU\$200 million or more	AU\$500 million or more	250 or more	All other NGER reporters	AU\$5 billion or more of the assets under management
1 July 2027 (Group 3)	AU\$50 million or more	AU\$25 million or more	100 or more	N/A	N/A

## Modified liability regime

To encourage comprehensive disclosure in areas subject to high measurement or outcome uncertainty, the Corps Act proposes a period of regulator-only enforcement for certain disclosures (Modified Liability) until the financial year ending 31 December 2028.

Under the modified liability settings, no legal action can be taken regarding certain types of statements ('protected statements') made within a sustainability report or accompanying auditor's report. These liability settings do not apply to action taken by ASIC or any voluntary statements made outside of sustainability reports or auditors' reports, such as those in advertising material.

A 'protected statement' is one made in a sustainability report, or an auditor's report of an audit or review of the sustainability report, for the purpose of complying with the sustainability standards and is about:

- scope 3 greenhouse gas emissions (including financed emissions)
- scenario analysis
- a transition plan.

The following table outlines when the modified liability settings apply.

Type of protected statement	Modified liability period
Scope 3 greenhouse gas emissions, scenario analysis and transition plan	Reports prepared for financial years commencing between 1 January 2025 and 31 December 2027
Forward looking statements relating to climate	Reports prepared for the financial year commencing between 1 January 2025 and 31 December 2025

## Audit and Assurance

Sustainability Reports will be audited in accordance with the Standard on Sustainability Assurance [ASSA 5000 'General Requirements for Sustainability Assurance Engagements'](#). For financial years commencing:

- before 1 July 2030, the Corps Act allows the AUASB to make standards specifying the extent to which information in the sustainability report must be audited and/or reviewed. The Australian Standard on Sustainability Assurance [ASSA 5010 'Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001'](#) specifies the timeline for auditing and/or reviewing information in a sustainability report for financial years commencing from 1 January 2025 to 30 June 2030
- after 1 July 2030, the Corps Act requires Sustainability Reports to be audited, providing reasonable assurance over all mandatory climate disclosures.

## What to Report?

An entity's Sustainability Report must include:

- a climate statement for the relevant year, including any applicable notes
- any statement prescribed by the Regulations for the relevant year, including any applicable notes
- the directors' declaration as to the compliance of such statements with the Corps Act and relevant ASRS.

In summary, the core disclosures for a climate statement will include:

- Governance – the governance processes, controls and procedures the entity uses to monitor and manage climate-related risks and opportunities
- Strategy – the approach the entity uses to manage climate-related risks and opportunities, including the now expanded scenario analyses and climate change resilience assessments

- Risk management – the processes the entity uses to identify, assess, prioritise and monitor climate-related risks and opportunities
- Emissions – Scope 1 and Scope 2 greenhouse gas emissions and Scope 3 emissions from the second year of reporting for all reporting entities
- Financial effects – the impacts of climate-related risks and opportunities on the entities’ cash flows, revenues and asset values in the relevant reporting period and anticipated future impacts over time
- Metrics and targets – the entity’s performance in relation to climate-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.

A directors’ declaration must be made in accordance with a board resolution approving the contents of the relevant statements. During the first three years, the directors are only required to state whether, in their opinion, “the entity has taken reasonable steps to ensure the substantive provisions of the Sustainability Report” comply with the Corps Act.

### Interaction with NSW government requirements

Only entities that report under the Corps Act and meet the criteria above will be required to prepare sustainability reports under the Corps Act. Only a small number of public sector entities in NSW are expected to be impacted by this legislation. State agencies and universities that are not required to prepare sustainability reports under the Corps Act will need to comply with the NSW requirements outlined above.

## Climate reporting pronouncements

**Australian Sustainability Reporting Standards (ASRS)\* – refer to [AASB Standards Portal](#)**

Reference/Title	Description	Effective date
<a href="#">AASB S1 ‘General Requirements for Disclosure of Sustainability-related Financial Information’ [Voluntary]</a>	Entities may elect to apply this voluntary Standard, which requires disclosure of information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity’s cash flows, its access to finance or cost of capital over the short, medium or long term.	Applies to annual reporting periods beginning on or after 1 January 2025 with early application permitted provided AASB 2 is applied at the same time.
<a href="#">AASB S2 ‘Climate-related disclosures’</a>	<p>The Standard applies to climate-related physical risks and climate related transition risks to which the entity is exposed and climate-related opportunities available to the entity.</p> <p>Climate-related risks and opportunities that could not reasonably be expected to affect an entity’s prospects are outside the scope of this Standard.</p> <p>The Standard requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity’s cash flows, its access to finance or cost of capital over the short, medium or long term.</p>	Applies to annual reporting periods beginning on or after 1 January 2025 with early application permitted.

**Other AASB pronouncements – refer to [AASB S2 Knowledge Hub page](#)**

[An Overview of Australian Sustainability Reporting Standards](#)

[Australian Sustainability Reporting Standards \(ASRS\)—Frequently Asked Questions \(FAQs\)](#)

[Greenhouse Gas Emissions Disclosure requirements applying AASB S2 ‘Climate-related Disclosures’](#)

[Proportionality Mechanisms in AASB S2](#)

**Treasury pronouncements – refer to [Climate-related financial disclosures](#) page**

[TD 25-04 ‘Climate-related financial disclosures’\\*](#)

[TPG24-33 ‘Reporting framework for climate-related financial disclosures’\\*](#)

[TPG 24-34 ‘Carbon emissions in the Investment Framework’](#)

[Guidance on how to reflect the effect of climate-related matters in financial statements](#)

\* Only applies to entities required to comply with the NSW Climate Reporting Framework.

**NSW Department of Climate Change, Energy, the Environment and Water Pronouncements\* –  
Refer to [AdaptNSW](#), [NSW Climate and Energy Action](#) and [Climate Risk Ready Hub\\*\\*](#))**

[NSW Climate Change Adaption Strategy](#)

[NSW Climate Change Adaption Plan 2025-2029](#)

[NSW Climate Change Policy Framework](#)

[Climate Risk Ready NSW Guide](#)

[Climate Risk Maturity Health Check Tool](#)

[Climate Risk Assessment Tool](#)

[NSW Climate Data Portal](#)

[Net Zero Government Operations Policy](#)

[Net Zero Plan Stage 1: 2020–2030](#)

[Net Zero Emissions Dashboard](#)

[NSW Electricity Strategy](#)

[NSW Hydrogen Strategy](#)

[NSW Electric Vehicle Strategy](#)

[NSW Waste and Sustainable Materials Strategy](#)

[Net Zero Industry and Innovation Investment Plan](#)

Transition risks and opportunities\*\*\*

Adaption Planning\*\*\*

Climate Disclosures Ready 101 - Meeting Recording, Session Slides and Q&As\*\*\*

Gap-self-assessment tool\*\*\*

Climate disclosures project management template\*\*\*

e-Learning Module 1: Governance pillar\*\*\*

e-Learning Module 2: Risk management pillar\*\*\*

e-Learning Module 3: Metrics and targets pillar\*\*\*

e-Learning Module 4: Strategy pillar\*\*\*

\* Only applies to entities required to comply with the NSW Climate Reporting Framework.

\*\* The platform is available to NSW Government employees, including council and agency staff. To request access and instructions, email [climate.risk@environment.nsw.gov.au](mailto:climate.risk@environment.nsw.gov.au).

\*\*\* Only available on the Climate Risk Ready Hub.

**NSW Procurement Board directions and pronouncements – refer to [ProcurePoint Website](#)**

[Guide to environmentally sustainable procurement](#)

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### **Australian Securities and Investment Commission\* – Refer to [ASIC Sustainability reporting page](#)**

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[Regulatory Guide RG 280 ‘Sustainability reporting’](#)

[Who must prepare a sustainability report?](#)

[What should your sustainability report contain?](#)

[How and when to lodge your sustainability report?](#)

[Relief from sustainability reporting requirements](#)

[Modified liability settings](#)

[ASIC’s administration of the sustainability reporting regime](#)

[FAQs: Review or audit of sustainability reports](#)

[24-205MR ASIC urges businesses to prepare for mandatory climate reporting](#)

[25-051MR ASIC issues sustainability reporting regulatory guide](#)

[Sustainability reporting: Further regulatory resources and news](#)

[Sustainability reporting for small business](#)

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\* For entities required to prepare climate-related disclosures under the Corps Act.

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### **Australian Institute of Company Directors\* – Refer to [Tools and resources](#)**

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[A director's guide to mandatory climate reporting](#)

[Principles for setting climate targets](#)

[Climate risk governance guide](#)

[Climate Change – Science Snapshot 2025: An Overview for Australian Directors](#)

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## **Other resources**

Other useful resources include:

- Chartered Accountants Australia and New Zealand [Sustainability Hub](#)
- IFRS Sustainability Disclosure Standards [Knowledge Hub](#)
- Task Force on Climate-related Financial Disclosures [Knowledge Hub](#).

## Our vision

Our insights inform and challenge government to improve outcomes for citizens.

## Our purpose

To help Parliament hold government accountable for its use of public resources.



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