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OF NEW SOUTH WALES

Financial reporting issues and developments

NSW State sector agencies and universities

June 2026

FROM INSIGHTS TO IMPACT

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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
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: • 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 • an exemption from sub-grouping onerous versus non-onerous contracts at initial recognition • an exemption from sub-grouping contracts issued no more than a year apart • an amendment to the initial recognition requirements so that they do not depend on when contracts become onerous • 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 • an accounting policy choice to measure liabilities for remaining coverage applying the premium allocation approach • 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*. AASB 2022-9 also: • 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 • repeals AASB 4 *Insurance Contracts* and AASB 1023 *General Insurance Contracts*	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

Overview	Applies to
• 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 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.	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 AAAB 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	

Overview	Applies to
• 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. 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: Disclosure*s with minimal wording changes. 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	Applies to annual reporting periods beginning on or after: • 1 January 2027, for for-profit entities • 1 January 2028 for NFP public sector entities and, superannuation entities applying AASB 1056 with early application permitted.

Overview	Applies to

- 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.

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 Board considered feedback on the ED, and in May 2026 decided to amend:

- 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
    - disclose information about management-defined performance measures
  - provide a policy choice for NFP public sector entities, (excluding universities) 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
    - disclose information about management-defined performance measures
- AASB 107 *Statement of Cash Flows* – to permit superannuation entities and NFP public sector entities (excluding universities) 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.

The AASB will issue an amending standard to give effect to the above decisions and consider feedback on the remaining topics in the ED at its next meeting.

Additionally, the Board decided to proceed to develop an Exposure Draft to address the following matters:

- how the income and expense categorisation requirements in AASB 18 should be applied to universities (including how income recognised under AASB 1058 *Income of Not-for-Profit Entities* should be categorised)
- whether, and in what circumstances, universities might be considered to be investing in assets or providing financing as a specified main business activity.

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 • 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[1] between 15 October 2025 and 31 May 2026.

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
AASB 2025-4 *Amendments to Australian Accounting Standards – Translation to a Hyperinflationary Presentation Currency*		
This Standard amends AASB 121 *The Effects of Changes in Foreign Exchange Rates* and AASB 129 *Financial Reporting in Hyperinflationary Economies* to clarify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy, in the following circumstances: • the entity's functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; and • the entity is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy. The amendments also address the effect of the entity's presentation currency ceasing to be the currency of a hyperinflationary economy.	Applies to annual periods beginning on or after 1 January 2027, with early application permitted	AASB 121, AASB 129
AASB 2026-1 *Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements*		
This Standard amends AASB 136 *Impairment of Assets* and AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* to introduce new Illustrative Examples to those standards. The new examples illustrate how an entity applies the requirements of the Standards to report the effects of uncertainties in the financial statements, in particular: • how an entity discloses information about key assumptions it uses to determine the recoverable amount of assets under AASB 136 • how an entity might disclose information about plant decommissioning and site-restoration obligations even if their effect on the carrying amount of the entity's plant decommissioning and site-restoration is immaterial under AASB 137.	Applies to annual periods beginning on or after 1 July 2025 (that end on or after 28 February 2026), with early application permitted	AASB 136, AASB 137

[1] Note this table only includes new standards issued and does not include compiled standards issued.

New Treasury publications[2]

Treasurer's directions – refer to Treasury Website
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*
TD 26-06 *Valuation of Physical Non-Current Assets at Fair Value*

Treasury policy and guidelines papers – refer to Treasury Website
TPG 24-26 *First Nations Assessment Policy***
TPG 25-10 *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**
TPG 25-10d *Final Financial and Annual Reporting*
TPG 25-11 *Valuation of Physical Non-Current Assets at Fair Value*
TPG 25-12 *Guidelines for the reduction in land value for certain build to rent properties for land tax purposes*
TPG 25-14 *Acceptance of Guarantees from Financial Institutions by Government Agencies*
TPG 25-15 *Guidance for AASB 15 Revenue from contracts with customers*
TPG 25-16 *Guidance for AASB 1058 Income for not-for-profit entities*
TPG 26-01 *Budget Disaggregation by Program*
TPG 26-02 *NSW Performance and Wellbeing Framework*
TPG 26-03 *Financial Reporting Code for NSW General Government Sector*
TPG 26-04 *Mandates of options and major policy decisions under Australian Accounting Standards*
TPG 26-05 *Interim Financial Reporting and Audit Readiness Procedures*
TPG 26-07 *Mandatory Use of the Treasury Managed Fund (TMF) for All Government Insurance Requirements*
TPG 26-08 *NSW Intergovernmental Agreements*
TPG 26-09 *Contributions by Owners - Treatment of Inter-Sector Transfers as Equity Injections or Grants*

* TPG 25-10 *Framework for Financial and Annual Reporting* (and the associated TPG 25-10a, 25-10b, 25-10c) were updated on 29 May 2026.

** TPG 24-26 *First Nations Assessment Policy* was updated on 10 November 2025.

Treasury guidance – refer to Treasury Website
Framework for financial and annual reporting 2025 – Summary of changes
Framework for financial and annual reporting 2025 – Frequently Asked Questions (FAQs)
Consolidated Budget Management Guidance (January 2026)
GSF Agency List Guide (March 2026)

[2] Includes pronouncements which may affect entity financial statements and/or annual reports.

Other new pronouncements by NSW public sector bodies[3]

Premier's Department and the Cabinet Office memoranda and circulars – refer to Premier's Department website and Administrative Requirements Portal website
M2025-08 *Domestic and Family Violence Workplace Support Policy*
M2025-09 *Investment Delivery Authority NSW*
M2025-10 *NSW Government Return to Work Strategy*
M2025-11 *NSW Government Workforce Mobility Placement and Employee Transition Policy*
C2025-09 *Skills Shortage Allowance Implementation Guidelines*
C-2025-10 *Lactation and Work Policy*
C-2025-11 *Crown Employees Wages Staff (Rates of Pay) Award 2024*
C2026-1 *Payment of fees for use of copyright material*

NSW Procurement Board directions and pronouncements – refer to buyNSW: Policy library and News
Guide to environmentally sustainable procurement
PBD-2025-02 *Engagement of professional services suppliers*
PBD-2025-03 *Mandated use of the ICT Purchasing Framework*
PBD-2025-04 *Mandate for the publication of NSW Government open tender opportunities on buy NSW*
PBD-2025-05 *Modern slavery tender clauses for high modern slavery risk procurements*
PBD-2026-01 *Approved procurement arrangements for the ICT Services Scheme*
PBD-2026-02 *Engagement of professional services suppliers*
Decommission of the ICT and Digital Sovereign Procurement Taskforce (SPT) and retirement of associated SME commitments
New Microsoft Licensing Solution Providers (MS LSP) Panel contract

Office of the Public Service Commissioner – refer to website circulars and memos
OPSCC-2025-02 *NSW Public Service Senior Executive Remuneration Management Framework*
OPSCC-2025-03 *NSW Government Sector Senior Executive Work Level Standards*
OPSCC-2026-01 *NSW Public Sector Capability Framework*

[3] 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 are 2 are listed below. Phase 1 entities are listed in TD25-04. Phase 2 entities are listed on Treasury's 'climate-related financial disclosures' website. The Treasurer's Direction for phase 2 entities and details for phase 3 entities will be communicated in 2026.

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 NSW
- 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
- Museum of Applied Arts and Sciences
- 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

Assurance for phase 1 entities will commence in 2025–26, one year after the mandatory reporting commences in 2024–25. Mandatory assurance for phase 2 entities has been deferred to until at least

2027–28, two years after the mandatory reporting commences in 2025–26, although phase 2 agencies can opt in for voluntary assurance from 2026-27. Assurance for phase 3 entities has not been determined.

Climate reporting under the *Corporations Act 2001*

The Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024 (the Act) amended 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 *Two out of Three* 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[1]		
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
AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* [Voluntary]	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.
AASB S2 *Climate-related disclosures*	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. Climate-related risks and opportunities that could not reasonably be expected to affect an entity's prospects are outside the scope of this Standard. 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.	Applies to annual reporting periods beginning on or after 1 January 2025 with early application permitted.

Other new climate reporting pronouncements

The following pronouncements, may affect entity financial statements and/or annual reports.

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
Disclosing information about anticipated financial effects
Climate-related risks and opportunities and the disclosure of material information (educational material)
Climate resilience and climate-related scenario analysis requirements in AASB S2 (educational material)
Climate resilience and climate-related scenario analysis in AASB S2 (video)
High-level comparison of GHG emissions reporting under AASB S2 and the NGER Scheme
AASB S2025-1 *Amendments to greenhouse gas emissions disclosures* and *AASB S2 Amendments FAQ*

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 Action Plan 2025-2029
NSW Climate Change Policy Framework
Climate Risk Ready NSW Guide
Climate Risk Maturity Health Check Tool
Climate Risk Assessment Tool
Greenhouse gas emissions accounting and reporting guidelines *(and accompanying template)*
NSW Climate Data Portal
Net Zero Government Operations Policy
NSW Recycled content reporting guide
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

NSW Department of Climate Change, Energy, the Environment and Water Pronouncements* Refer to AdaptNSW, NSW Climate and Energy Action and Climate Risk Ready Hub**
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.

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

NSW Procurement Board directions and pronouncements – refer to buyNSW website (Policy library and News)
Guide to environmentally sustainable procurement
New whole-of-government agreement for electricity metering and data services (C778)

Australian Securities and Investment Commission* – Refer to ASIC Sustainability reporting page
Regulatory Guide RG 280 *Sustainability reporting*
Regulatory Guide RG 51 *Applications for relief*
Information Sheet 271 How to avoid greenwashing when offering or promoting sustainability-related products
Form 398 *Copy of sustainability report and auditor's report*
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
Education Modules:
Module 1 – Corporations Act and climate-related disclosure requirements
Module 2 – Introduction to climate change
Module 3 – Climate-related physical risks

Australian Securities and Investment Commission* – Refer to ASIC Sustainability reporting page
Module 4 – Climate-related transition risks
Module 5 – Climate-related opportunities
Module 6 – Emissions accounting
Module 7 – Scenario analysis
Module 8 – Governance and risk management

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

Australian Institute of Company Directors* – Refer to Tools and resources
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

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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