Expansion of the Pilot to Year 1 Requirements

Commonwealth Climate Disclosure

This factsheet provides a summary of changes from the criteria in the [Commonwealth Climate Disclosure Pilot Guidance](https://www.finance.gov.au/sites/default/files/2024-06/Commonwealth-Climate-Disclosure-Pilot-Guidance_v3.pdf) to the [Year 1 Commonwealth Climate Disclosure (CCD) Requirements](https://www.finance.gov.au/sites/default/files/2024-12/ccd-yr-1-requirements_0.pdf) for entities who participated in the Commonwealth Climate Disclosure Pilot (the Pilot). A summary of changes in each category is provided below.

Figure 1: Summary of changes from Pilot to Year 1 CCD Requirements

## Governance

The Governance criteria for Year 1 have not significantly changed from the Pilot. Your entity’s governance section can build upon or be an updated version of your entity’s Pilot disclosure, updated to reflect the wording changes. If there have been changes to your entity’s governance arrangements, consider how this may have flow on effects on your Year 1 disclosure.

The most notable variations include the:

* reduction of G1(a)iv removing the previous requirement to disclosure on how the accountable authority considers trade-offs and policy constraints in regard to   
  climate-related risks and opportunities; and
* inclusion of G1(a)i requiring disclosure of responsibilities for the climate-related risks and opportunities.

## Strategy

The Strategy criteria is new and was not included within the Pilot. The new criteria S0-4 cover the disclosure of how your entity’s strategy intends to manage climate-related risks and opportunities.

These criteria focus on, but are not limited to, the identification of the entity’s climate-related risks and opportunities and information about how these risks and opportunities may affect the entity’s organisational model.

This section is associated, in part, with the [Climate Risk and Opportunity Management Program (CROMP)](https://www.dcceew.gov.au/climate-change/policy/adaptation/climate-risk-opportunity-management-program). An entity’s climate risk and opportunity assessment conducted in adherence with CROMP may be beneficial to considered while creating this section. It may also be useful to engage with the [Materiality Guidance](https://www.finance.gov.au/sites/default/files/2025-02/materiality-guidance-factsheet.docx) and other risk management reports your entity has released publicly, where applicable. For example, your entity may link to their Emissions Reduction Plan to disclose current and future climate actions within the entity’s operations.

## Risk management

The Year 1 Risk management category builds upon the RM1 criteria in the Pilot. In the Pilot, your entity would have reported on the progress in completing its organisation-wide climate risk and opportunity assessment. The Year 1 criteria includes, but are not limited to, the processes and related policies used in identifying, assessing, prioritising, managing and monitoring climate-related risks and opportunities.

While the criteria R1-2 are new this year, your entity may have met some of the criteria within other documents. This could include your entity’s Annual Report, Corporate Plan, Emissions Reduction Plan (ERP), existing risk management documents (for example, policies, frameworks or risk appetite statements) and any reporting done relating to CROMP.

## Metrics and targets

The Metrics and targets criteria have been expanded since the Pilot. The Year 1 CCD Requirements build upon the Pilot to provide a disclosure on the climate-related targets, including their associated objectives, metrics, processes for measuring, monitoring and reviewing them, timeframes, base data, milestones/interim targets, classification of absolute or intensity targets, international agreement impacts and alignment with APS Net Zero by 2030. These targets can include any climate-related targets that your entity has, including and extending beyond the APS Net Zero by 2030.

Please note that the year 1 criteria are not sequential to support a clearer structure in year 2 and year 3 requirements. The ‘missing’ criteria (such as M2, M4 and M7, for example) will be required in later reports; however, are not currently required.

Your entity’s metrics and targets section can build upon your agency’s Pilot disclosure, reflecting the APS Net Zero Emissions Reporting Framework. A summary of changes to the Metrics and targets criteria is tabled below.

##### Table 1: Metrics and targets updated criteria

| Year 1 Criteria | Corresponding Pilot # | Summary of Changes |
| --- | --- | --- |
| M0 and M1 | N/A | New – but addressed through delivery of M3-M9. |
| M3 | MT1, MT2, Pilot Metrics and Targets Factsheet | No significant changes. |
| M5 | MT2, Pilot Metrics and Targets Factsheet | No significant changes. Broadened from focus on APS Net Zero by 2030 target to include targets developed by individual entities not participating in the APS Net Zero by 2030 target. |
| M6 | N/A | New criteria to provide additional detail on the climate-related targets. Note: resources have been developed to support entities with disclosure. |
| M8 | MT4 | No significant changes. |
| M9 | MT3 and MT4 | Broadened to cover targets set on mandatory or voluntary basis (previously focused only on APS Net Zero by 2030 target). |

### Document control

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| 1 | 06/03/2025 | Initial publication |

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