Example Strategy Disclosure

Large non-corporate Commonwealth entity

## Introduction

This document has been prepared as a hypothetical example of disclosing the Strategy criteria in an entity’s Annual Report. This example has been prepared by the Department of Finance’s Climate Action in Government Operations Unit to support Commonwealth entities participating in Tranche 1 of the [Commonwealth Climate Disclosure (CCD) Initiative](https://www.finance.gov.au/government/climate-action-government-operations/commonwealth-climate-disclosure-policy) in FY2024-25. The example disclosure can also be used by other entities opting into Tranche 1.

The example disclosure has been prepared for **a fictional Commonwealth entity**, the Resilient Infrastructure Agency, which is presented as a large non-corporate Commonwealth entity (NCE). It demonstrates a possible approach that entities could take when preparing their climate disclosure, and is tailored for entities at the start of their climate risk maturity journey.

This example Strategy disclosure should be considered in conjunction with the [CCD Year 1 Requirements](https://www.finance.gov.au/government/climate-action-government-operations/commonwealth-climate-disclosure-requirements) and either Resource Management Guide (RMG) [135](https://www.finance.gov.au/government/managing-commonwealth-resources/annual-reports-non-corporate-commonwealth-entities-rmg-135) or [136](https://www.finance.gov.au/government/managing-commonwealth-resources/annual-reports-corporate-commonwealth-entities-rmg-136) when preparing an entity’s FY2024-25 Annual Report.

Note: Commonwealth entities are encouraged to disclose more detail and progress than outlined in this example climate disclosure where they have the opportunity to do so.

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| **Tip:** Guidance on how to use this example is identified throughout in these boxes.  The following section provides an example of the Strategy component of a climate disclosure by the fictional entity, the Resilient Infrastructure Agency. The disclosure is included as an Appendix in the entity's Annual Report.  An [index](https://www.finance.gov.au/sites/default/files/2025-03/Example_Index.docx) is recommended when cross-referencing information outside of the climate disclosure to enable readers to connect to all relevant information. |

# Appendix C: Climate Statement

## Commonwealth Climate Disclosure

Commonwealth Climate Disclosure is the Government’s policy for Commonwealth entities to publicly disclose their exposure to climate-related risks and opportunities, as well as their actions to manage them, delivering transparent and consistent climate disclosures to the Australian public.

Under the policy, non-corporate Commonwealth entities are required to complete climate disclosures. As the Resilient Infrastructure Agency (RIA) meets the thresholds of Tranche 1 in the [CCD Policy Architecture](https://www.finance.gov.au/government/climate-action-government-operations/commonwealth-climate-disclosure-policy), we are required to start including climate disclosures in our Annual Report from FY2024-25. This climate statement has been prepared in accordance with the [Year 1 Reporting Provisions](https://www.finance.gov.au/government/climate-action-government-operations/commonwealth-climate-disclosure-requirements) for Tranche 1 entities.

## Risk Management

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| **Note:** The Risk Management and Strategy criteria are closely linked. While Risk Management looks at an entity’s framework for identifying and managing risks and opportunities (the process), Strategy examines how the entity is managing its identified risks and opportunities (the action taken). This example only meets the Strategy criteria, without the supporting information covered by meeting the Risk Management criteria. See the Risk Management [example disclosure for large NCE](https://www.finance.gov.au/sites/default/files/2025-03/Example-risk-management_large-NCE.docx). |

## Climate action strategy

Through our climate risk assessment, we have identified and categorised our material climate-related risks and opportunities.

Table 1: Categorisation of material climate-related risks and opportunities

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| Risk or Opportunity Statement | Risk/Opportunity | Risk type |
| Health and safety of staff in extreme weather events | Risk | Physical |
| Safe and reliable access to infrastructure and assets to enable business continuity in extreme weather events | Risk | Physical |
| Switching to renewable energy sources | Opportunity | Transition |
| Educating stakeholders in climate resilience | Opportunity | Transition |
| Facilitating access to new markets through Government investment in resilient infrastructure | Opportunity | Transition |

### Effects on our operational model

The current and anticipated effects of our identified material climate-related risks and opportunities on RIA’s operational model include:

* reduced staff productivity due to extreme weather events
* disruption to business continuity if extreme weather/natural disasters impact staff safely accessing office locations and required technology
* supply chain delays or issues impacting access to materials or technologies supporting resilient infrastructure development
* supply chain delays or issues impacting access to materials or technologies supporting RIA’s transition to renewable energy sources.

Our [Emissions Reduction Plan](https://www.finance.gov.au/publications/plan/emissions-reduction-plan-2024)[[1]](#footnote-2) outlines the actions we plan to take in the short term (2030) to reduce our emissions and mitigate and manage climate-related risks.

Over the past 5 years, we have already seen an increase in extreme weather events that have impacted our staff safely accessing our offices. The risk of these impacts are likely to increase in the future with the likely increase in frequency of extreme weather events associated with climate change. For RIA, we are particularly focused on building the resilience of our head office location in Canberra as this where most of our operations are concentrated.

To ensure the geographical concentration of risks in Canberra are incorporated into our work, our Chief Sustainability Officer and Chief Operating Officer have led the review and update of our business continuity plan to ensure the material organisational climate risks and opportunities have been considered.

Commonwealth Climate Disclosure Index

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| **Tip:** Where information is provided across different sections of an annual report and/or external publications, it is recommended that an index is used to ensure readers to see that all requirements have been addressed. The index can also be used to respond to any disclosure gaps within the annual report. |

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| Core Requirement | Overview | Disclosed |
| S0 | Strategy objective | Achieved through S1 |
| S1(a) | Material information on climate risks and opportunities | Achieved through S2-3 |
| S1(b) | Operational model effects | Achieved through S4 |
| S2(a) | Material climate-related risks and opportunities | Appendix C, Table 1  In year 1, the scope covers our entity’s organisational risks and opportunities. |
| S2(b) | Physical and transition risks | Appendix C, Table 1 |
| S2(c) | Time horizon specification | The relevant timeframes include 2030 (short-term), 2050 (mid-term) and 2090 (long-term). We expect the identified risks to increase in severity over time, with the likely increase in extreme weather events associated with climate change. |
| S2(d) | Time horizon definition | Time horizons align with the recommendations in the [Climate Risk Management Guide: Organisation Application Guide](https://www.dcceew.gov.au/sites/default/files/documents/climate-risk-management-organisation-application-guide.pdf). See also Climate action strategy, page 2 |
| S3(a) | Climate Risk and Opportunity Management Program or alternative methodology | RIA has adopted the CROMP methodology in full. |
| S4(a) | Current and anticipated effects on operational model | Appendix C, Climate action strategy, para. 3, page 3 |
| S4(b) | Concentration of effects | Appendix C, Climate action strategy, para. 4, page 3 |

## Document control

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| Version number | Date of issue | Brief description of change |
| 1 | 23/04/2025 | Initial publication |

1. As the RIA is fictional and does not have an Emissions Reduction Plan, the Department of Finance’s 2024-25 Emissions Reduction Plan has been used as an example of how to reference public-facing documents within a climate disclosure. [↑](#footnote-ref-2)