Australian Government
Department of Finance

Climate Action
in Government Operations

Year 1 Published Strategy Examples

Commonwealth Climate Disclosure

Climate Action
in Government Operations

Strategy Requirements

This guidance contains examples of how entities have approached the strategy criteria under the Year 1 Reporting Provisions, in particular S2 Identify material risks and opportunities and S4 Operational model effects. This guidance should be read in conjunction with the Year 2 Commonwealth Climate Disclosure (CCD) Requirements to ensure familiarity with the referenced criteria.

The examples show the varied approaches that entities used to communicate this information, including:

- Using tables, bullets and graphics to consolidate the criteria.
- Using the index for supporting information to save space.
- Communicating the link between selected time horizons and business operations and timelines.
- Preparing for the Year 2 Reporting Provisions and beginning to disclose policy effects (criteria S2(a)i), strategy and decision-making effects (S6), and scenario analysis (S14).

Examples are taken from publicly available information in the following entities' 2024–25 annual reports, which can be accessed on their websites or via the Transparency Portal:

- Australia Post
- Department of Climate Change, Energy, the Environment and Water (DCCEEW)
- Special Broadcasting Service (SBS)
- Australian Office of Financial Management (AOFM)
- Northern Australia Infrastructure Facility (NAIF)
- Reserve Bank of Australia (RBA)
- Clean Energy Finance Corporation (CEFC)
- Australian Competition and Consumer Commission (ACCC) and Australian Energy Regulator (AER)
- Prime Minister & Cabinet (PM&C)

This guidance is voluntary and is intended solely to support entities in preparing their disclosures. Entities should consider how the guidance applies to their specific circumstances, provided the General Requirements are met. When your climate disclosure refers to different sections of an annual report, we recommend using an index.

Strategy Example – Australia Post

Using a table to consolidate criteria, with effects and geographic concentration presented in a column

3. Strategy

Tables 3.1 and 3.2 below detail the key outcomes of the climate risk and opportunity assessment, including approaches to mature the assessment of effects of these risks and opportunities and their management over time.

When assessing the effects of the identified climate risks and opportunities and the nature of information to be disclosed, Australia Post acknowledges the definition of materiality set out in the CCD Requirements, which is:

An entity shall disclose meaningful information about its climate-related risks and opportunities. Information is considered meaningful where it concerns climate-related risks and opportunities that have, or may have, a significant impact on the entity, its ability to deliver public policy, and/or its financial prospects.

Australia Post also acknowledges that materiality determinations are specific to the circumstances of the entity. Australia Post's initial assessment of climate risk indicates that it is not highly exposed in at least the short and medium term. The scale and nature of Australia Post's networked assets, combined with a range of business continuity processes, provide resilience to significant disruption to services. However, given its Australia-wide footprint and community presence, diversity of customer needs and services provided, and the broad range of annual report users, fair presentation of material climate risks and opportunities at a granular level is complex.

To provide users of this report with relevant information concerning climate-related risks and opportunities, the following sections detail the key outcomes of the assessment associated with business operations, people and assets. This aligns with the progressive implementation schedule outlined in the CCD Year 1 Requirements. In recognition of the CCD's guiding principle of progressive maturity in climate disclosure, detailed assessment to determine materiality of these risks and opportunities in the context of the CCD Requirements and Australia Post's specific circumstances is being undertaken and will form part of future disclosures.

Time horizon

For each key climate-related risk and opportunity, a short-, medium-, and long-term time horizon has been assigned.

The definition and basis for each time horizon is detailed in the table below, noting alignment to Australia Post decision making while considering the limitation of modelling to meaningfully differentiate anticipated effects of physical climate changes over short time intervals.

Time horizons will continue to be reviewed and updated to align with Australia Post's evolving risk profile and strategy, as well as to take into consideration relevant micro- or macro-economic changes and updates to climate science.

Short Term	Medium Term	Long Term
Time horizon: Current state **Reason:** This time horizon is complementary to current climate conditions and events that align to the most recent reporting period and could materially impact the next reporting period.	**Time horizon:** 2025 to 2030 **Reason:** This time horizon is complementary to climate conditions and events that align with Australia Post overall strategy timelines.	**Time horizon:** 2030 to 2050 **Reason:** As a Government Business Enterprise, Australia Post supports the Australian Government's commitment to Net Zero by 2050. This influences our consideration of 2050 as our strategic 'long-term' time horizon. This period allows Australia Post to consider the more significant and potentially transformative impacts of climate change, ensuring that long-term strategies are in place to address these challenges.

S2(a)

S2(b)

S4(a)

S4(b)

S2(c), S2(d)

Current and anticipated effects of climate-related risks and opportunities

Australia Post has utilised climate scenario analysis to assess the current and anticipated effects of the identified climate-related risks and opportunities on the operational model, and their geographic concentration. For this analysis, current refers to the immediate annual reporting period, and anticipated refers to the effects beyond this period.

3.1 Effects of identified key physical risks on Australia Post's operating model and the concentration of those risks

Risk Identification	Current Effects	Anticipated Effects	Geographic concentration
Flooding (Physical Risk) **Time horizon:** Short to long term	Flooding may directly disrupt Australia Post operations, damage equipment and infrastructure, and pose elevated risk to safety; particularly for employees in exposed or remote areas. If not directly impacting an Australia Post facility, flooding may also impair access to facilities and transport networks, leading to delivery delays.	The anticipated effects of flooding are the same as the current effects, but there are some assets showing increased exposure to flooding and an escalation of the magnitude of the effects under future climate scenarios. Australia Post is mitigating these risks through asset-specific flood modelling (i.e. exposure mapping and vulnerability assessment). Operational controls such as adjusted rosters, alternate routes and resilience planning are being explored.	Certain facilities within the Group are at elevated risk of riverine and stormwater flooding, with exposure concentrated along the Eastern coastline.
Bushfire (Physical Risk) **Time horizon:** Short to long term	Bushfire may cause operational disruption, asset loss and pose health and safety risks. Vehicles and infrastructure are vulnerable to flame, heat and smoke, with increased likelihood of mechanical failures during extreme conditions. While controls such as indoor air quality protocols are in place, facility access and general transport restriction may impact service delivery.	The anticipated effects of bushfire are the same as the current effects, but assets may face increased exposure and more severe impacts under future climate scenarios. It is expected that the frequency and intensity of bushfire events will increase over time. Effectiveness of risk controls, including Business Continuity Planning, will be monitored and adjusted to maintain effectiveness.	Assets located in central Australia, regional Victoria and outer South Australia are anticipated to have the greatest increased risk of bushfire over time. Many assets in these areas already face medium to high exposure, which are projected to increase by 2050, particularly under the RCP 8.5 scenario.

Source: Australia Post 2025 Annual Report, https://auspost.com.au/content/dam/auspost_corp/media/documents/2025-australia-post-annual-report.pdf

Strategy Example – Department of Climate Change, Energy, the Environment and Water

Using a table with effects presented alongside each risk and opportunity, and informative descriptions relevant to the entity's mandate

Strategy

The department has completed a climate risk assessment in accordance with the framework in the CROMP. Climate risks and opportunities were identified and assessed for the department's *values at risk*, which were determined based on the key outcomes and enterprise risks in the department's Corporate Plan 2024–25:

- Positive and effective stakeholder relationships.
- Appropriate management of financial processes, assets, projects, budgets and investments.
- Protecting the health, safety and wellbeing of our people.
- Delivery and implementation of effective regulatory practice, or influential, integrated and innovative policy.
- Strong, respectful and genuine engagement with first nations people.
- Managing climate-related risks that impact delivery of the department's operations and purposes.

The department has identified the following organisational risks and opportunities as having material risk or benefit to its objectives:

Transition	Opportunity for future policy, programs, regulation and legislative reforms to consider and embed climate risk into their design. Embedding climate risk considerations into the department's work builds resilience and capacity to manage climate change and ensures our policies and programs deliver better outcomes. Some areas of the department already consider climate risk and include disaster clauses in their design. The number of areas that consider climate risk will increase over time as our risk management practices mature. The climate risk assessment outlined in this disclosure is a key tool to help the department embed climate risk into the department's activities.
Transition	Risk of a lack of accurate, consistent or current climate information to meet the needs of the department, impacting project and program delivery and management of Australia's environmental assets. The department plays an important role in providing climate information to the public and broader public sector. There are gaps across some areas of the department in climate information availability and in capability to source climate information to incorporate it into decision-making. Capacity building is underway through the activities of the Climate Risk and Opportunity Management Program, the Australian Climate Service, and broader engagement activities domestically and internationally to address these gaps.
Physical	Risk of an increasing rate of climate hazards causing an increased rate of environmental harm to sites of operation, heritage sites and areas of national environmental significance. Climate hazards pose risks to many of the department's sites of operation, including the degradation of areas of significance to heritage and the environment. Climate considerations are included in Australian Antarctic Division (AAD), National Parks and Heritage divisional management plans.

S2(a)

S2(b)

S4(a)

Operational model effects

The impacts of climate-related risks and opportunities has already and will continue to affect the department's operations across Australia including state offices, National Parks, and the Murray–Darling Basin. This includes the department's operations in the Australian Antarctic Territory (AAT). The department's staff working on the ground and in remote areas are more likely to be at risk of impacted health and safety from the physical impacts of climate change, compared to those staff located in state offices across Australia. This is due to their greater time spent out of doors and the heightened risk of disruptions to key infrastructure such as transport and communications links.

S4(b)

Source: DCCEEW Annual Report 2024-25, https://www.transparency.gov.au/publications/climate-change-energy-the-environment-and-water/department-of-climate-change-energy-the-environment-and-water/department-of-climate-change-energy-the-environment-and-water-annual-report-2024-25

Strategy Example – Australian Office of Financial Management

Using a table to link S2(a) and S2(b)

Table 34: AOFM material climate-related risks and opportunities

Risk or Opportunity Statement	Risk/ Opportunity	Timeframe	Risk type
The costs of transition and the physical impacts of climate change may increase the AOFM's funding task and could affect Australia's credit ratings and interest rates.	Risk	Long term	Physical/ Transition
The AOFM retains the confidence of the market in our ability to meet our purposes, despite increased uncertainty in global and domestic economic conditions caused by extreme weather events or changes in government policy.	Risk	Short–medium term	Physical/ Transition
The increased size of the Green Bond Program will assist in financing Australia's transition to a net-zero emissions economy.	Opportunity	Short–medium term	Transition
Safe and reliable access to IT networks, systems, infrastructure and assets may be disrupted during a major business continuity event caused by extreme weather conditions, potentially impacting the effective functioning of the Australian Government Securities (AGS) market.	Risk	Short–long term	Physical
Improving the health and safety of staff will increase resilience to direct impacts of climate change, including extreme weather events and indirect impacts such as increased chronic and acute health effects.	Opportunity	Short–long term	Physical

S2(a), S2(b)

Supporting information listed in index

S2(a)

S2(c)

S2(d)

Core Requirement	Overview	Description
G2(a)	Regard to CROMP approach	The AOFM has embedded climate risk in existing frameworks to ensure we align to the Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024–26. See 'Risk management' in Part 3 in this annual report.
G2(b)	Alignment with other policies	AOFM aligns with the Net Zero in Government Operations Strategy and Commonwealth Risk Management Policy.
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)	Progressive implementation schedule	In year 1, the scope covers our entity's organisational risks and opportunities.
S2(b)	Physical and transition risks	See Table 34: AOFM material climate-related risks and opportunities, in AOFM Climate Statement above.
S2(c)	Time horizon specification	The relevant timeframes include short-term (2030), mid-term (2050) and long term (2090). The physical and transition drivers of AOFM's risks and opportunities are already having an impact on our organisation and will continue to do so over the short to long term.
S2(d)	Time horizon definition	Time horizons align with the recommendations in the Climate Risk Management Guide: Organisation Application Guide[20]

S4(a)

S4(b)

Core Requirement	Overview	Description
S4(a)	Current and anticipated effects on operational model	Current and anticipated effects of climate-related risks predominantly include physical risks such as disruptions to business continuity procedures when conducting AGS market activities, and AOFM personnel health and safety. The AOFM will continue to work with Treasury to co-manage the Australian Green Bonds Program to provide funds for eligible green projects as well as understand the impact that climate change will have on government funding needs and the liquidity of the AGS market.
S4(b)	Concentration of effects	The AOFM relies on a number of key suppliers and external market participants to deliver the funding needs of government. Climate-related risks will predominantly affect AGS market activities though impacts on business continuity for the AOFM and our key suppliers in Canberra and Sydney.

Source: Australian Office of Financial Management Annual Report 2024–25, https://www.transparency.gov.au/publications/treasury/australian-office-of-financial-management-aofm/australian-office-of-financial-management-aofm-annual-report-2024-25

Strategy Example - SBS

Assessment considers the entity's operational context and uses tables to communicate risk and opportunity impact area, scenarios, effects, concentration, and planning and action

Potential mitigations, timeframes and degree of impact were also explored. Time horizons were identified as follows:

- **Short term** – up to 2030 – selected as SBS's near-term emissions reduction target is 2030
- **Medium term** – 2030 to 2045 – selected as SBS's long term Net Zero target is 2045
- **Long term** – 2045+ – selected as this is the period beyond SBS's Net Zero target

S2(d)

The draft risk assessment was shared with the SBS Executive Committee for endorsement and subsequently with the Board Audit & Risk Committee for noting.

Material Climate Related Risks for SBS

S2(a)

Risks		Opportunities
Physical: acute/chronic	**Transition**	
Impact on **transmission & business continuity** for distribution to audiences	**Downturn & disruption in economy leads to greater stress on advertising revenues** for SBS	**Content** – opportunity to position SBS as a reliable trusted news & information provider on climate in multiple languages and a distinctive storyteller of First Nations stories of Caring for Country
Reduced **staff productivity & health & safety** impacts	Conflict between achieving carbon-intensive strategic initiatives (eg **AI, large emission producing content events**) and making progress towards SBS's Net Zero goals may create strategic, or reputational/ compliance risk	**Sales** – revenue opportunity to align with sustainability-focused advertising clients
Impact on **continuity of production and supply of content** (news, audio, television, community events)		**Lower Costs** – due to more sustainable production and more efficient energy and resource utilisation
Increased costs (energy, insurance, disrupted supply chains)		

S2(c)

S2(b)

S4(b)

S14 Year 2 Reporting Provisions

Concentration of Risks

The most significant risks for SBS are concentrated in the business continuity and staff health and safety areas as outlined in the detail below.

Detail of Key Risks and Opportunities

Risk 1 – Impact of Severe Weather Events on SBS Facilities & Critical Transmission Infrastructure

Context	Scenarios	Likely Impacts
Increased frequency and severity of extreme weather events and higher average temperatures will create pressure on SBS offices and the critical transmission infrastructure it depends on for broadcast services, creating a risk of disrupting core operations and making repairs and upgrades challenging, impacting television, digital and audio services to audiences and disrupting community engagement. **Time horizon** 2030 **Impact area** Service disruption Financial cost Staff safety **Type of risk** Physical – acute Physical – chronic	**1.5C increase in temperature (Net Zero by 2050)**	• Moderate impact on business continuity • Minor financial impact • Major transition costs to upgrade offices and infrastructure
	3C increase in temperature (Hotter more challenging world)	• Major impact on business continuity • Major cost impacts to support investment in resilience & disaster repair
Risk mitigation and resilience planning To mitigate this risk we are investigating the following approaches: • Working with transmission partners to map out & mitigate specific risks • Investigating back up transmission and energy sources • Future-proofing SBS facilities for extreme weather events and higher temperatures		

S6(a)v Year 2 Reporting Provisions

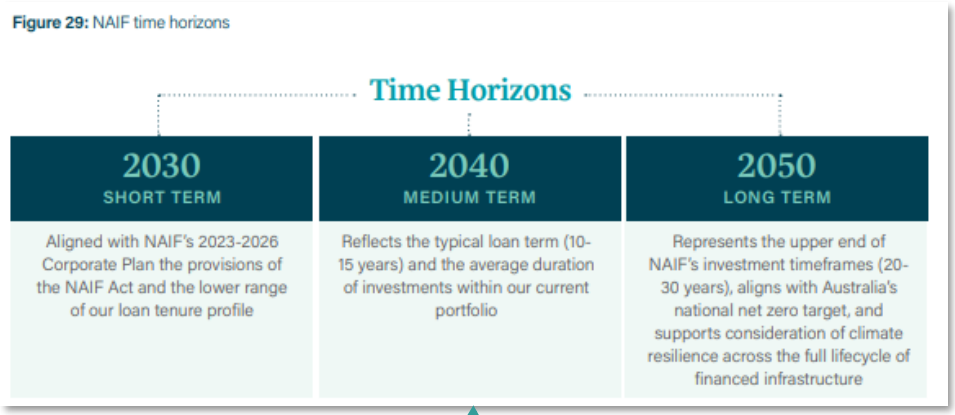
S4(a)

Source: SBS Annual Report 2024-25, https://www.transparency.gov.au/publications/infrastructure-transport-regional-development-communications-sport-and-the-arts/special-broadcasting-service-corporation/special-broadcasting-service-corporation-annual-report-2024-25

Strategy Example – Northern Australian Infrastructure Facility

Linking time horizons to your operating environment and core business timelines

Figure 29: NAIF time horizons



S2(d)

Preparing for policy effects

During FY24-25, NAIF commenced its climate risk and opportunity program, following initial scoping and design in the previous reporting period. The program assesses the actual and potential impacts of climate change across our operations, aligning with the organisational risks and opportunities scope required in Year 1 of the progressive implementation schedule, with the addition of Investment Decisions. This supports a structured integration of climate considerations into our enterprise risk management and investment processes. The program was designed in alignment with the Climate Risk and Opportunity Management Program (CROMP), which provides guidance for assessing physical and transition risks and opportunities over relevant time horizons and under differing climate scenarios. This alignment ensures consistency with broader Commonwealth expectations and provides a clear foundation for future scenario analysis.

S2(a)i Year 2 Reporting Provisions

Source: NAIF Annual Report 2024-25, https://www.transparency.gov.au/publications/industry-innovation-and-science/northern-australia-infrastructure-facility/northern-australia-infrastructure-facility-annual-report-2023-2024

Strategy Examples – Reserve Bank of Australia and Clean Energy Finance Corporation

Use of bullets

S4(a)

Current and anticipated operational effects

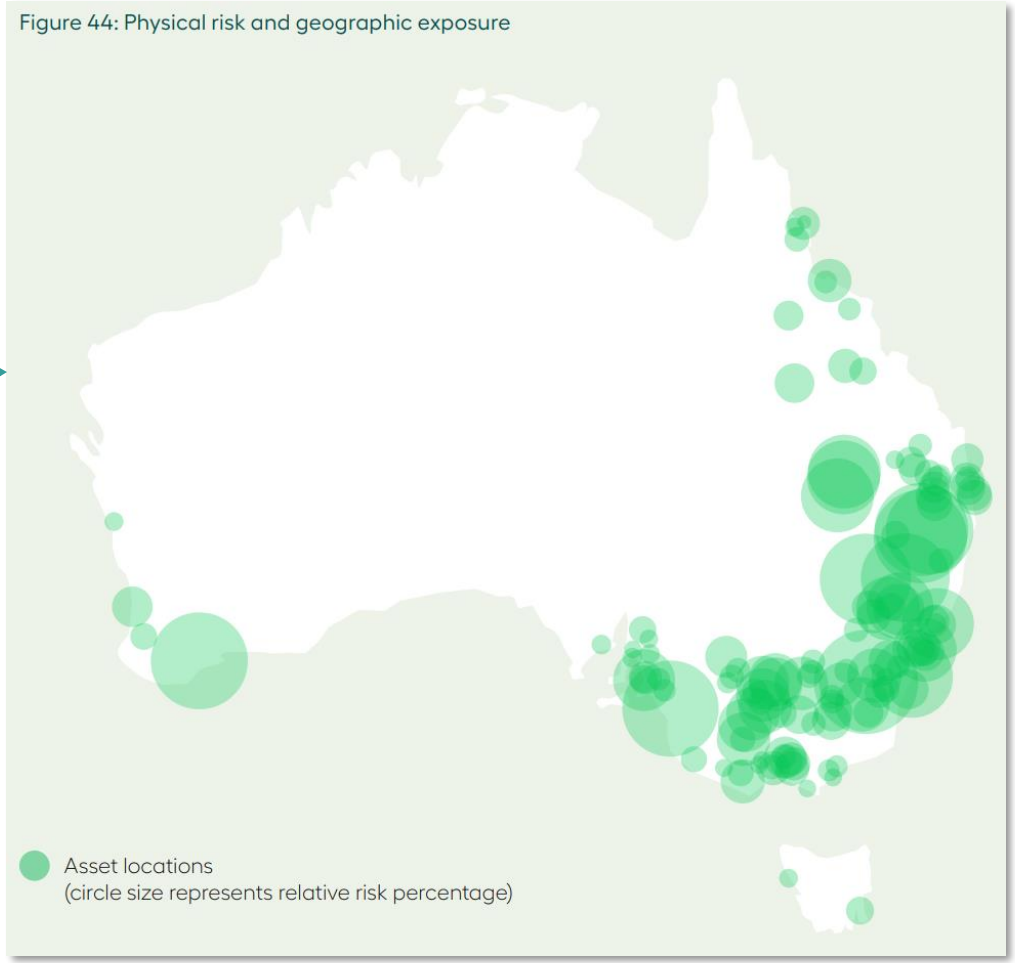
Climate-related risks have the potential to affect our physical and internal operations in several ways:

- Severe weather-related events could compromise energy supply or damage physical infrastructure, including assets, IT equipment, archived materials and banknotes. These disruptions may impact our ability to continue providing critical services supporting the payments system, our operations in financial markets and wholesale banknote distribution. It may also create additional costs to restore physical assets or result in the potential loss of critical data or archival information.
- Failure to align with applicable climate policies, undertake climate-related actions that are required through legislation or regulation, or meet our targets may harm our reputation and impair trust in the organisation.
- Severe weather events or higher temperatures could impair staff productivity due to limited access to premises or systems for critical operations. Workplace health and safety could also be impacted if we fail to address safety hazards promptly. We could also fail to provide staff with adequate resources and capability to collect, analyse and report on climate-related data accurately.

Source: RBA Annual Report 2024–25, https://www.transparency.gov.au/publications/treasury/reserve-bank-of-australia/reserve-bank-of-australia-annual-report-2024-25

Graphics to show geographic exposure

S4(b)



Source: CEFC Annual Report 2024–25, https://www.transparency.gov.au/publications/climate-change-energy-the-environment-and-water/clean-energy-finance-corporation/clean-energy-finance-corporation-annual-report-2024-25

Strategy Example – Department of the Prime Minister and Cabinet and Australian Competition and Consumer Commission

What to disclose if the underpinning work is in progress

Strategy

PM&C has in place a strategy to continuously refine its future assessments and climate disclosures.

The Assessment

For the 2024–25 financial year, PM&C aligned its Assessment with DCCEEW's Climate Risk and Opportunity Management Program (CROMP).

The Assessment's scope focused on PM&C's organisation-wide business operations – including our people, assets and infrastructure – which are primarily located in Canberra. The Assessment has identified a number of physical and transitional climate-related risks and opportunities that will require management. The timeframes considered in the Assessment were the present day, short-term (2030) and medium-term (2050) – as outlined in CROMP's Organisation Application Guide.

Future climate disclosures

A full disclosure of relevant effects – including materiality – will be published in the next reporting period, following endorsement of the Assessment. PM&C recognises the importance of continuously tracking, updating and refining this assessment as more detailed climate data and projections become available. This ensures the Assessment remains fit for purpose and aligns with PM&C's operational model.

Source: PM&C Annual Report 2024–25, https://www.transparency.gov.au/publications/prime-minister-and-cabinet/department-of-the-prime-minister-and-cabinet/department-of-the-prime-minister-and-cabinet-annual-report-2024-25

Strategy

We intend to build on the initial climate risk and opportunity scoping work in the next reporting period. This will include assessing the agency's material climate risks and opportunities in line with the CROMP and describing the current and anticipated effects of these risks and opportunities on the agency's operating model.

Source: ACCC and AER Annual Report 2024–25, https://www.accc.gov.au/about-us/publications/accc-and-aer-annual-reports/accc-and-aer-annual-report-2024-25

Tip: See our webinar *What to disclose if the underpinning work is incomplete* available on our Commonwealth Climate Disclosure GovTeams channel for more information.

Contact us

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