



Actuaries
Institute.

2 October 2026

Submitted via [Treasury Consultation Hub](#)

Dear Sir/Madam

Response to the Treasury's Consultation on improving the efficiency of climate-related financial disclosures

The Actuaries Institute ('the Institute') welcomes the opportunity to provide feedback on the Treasury's consultation on improving the efficiency of climate-related financial disclosures.

The Institute is the peak professional body for actuaries in Australia. Our members work in a wide range of fields including insurance, superannuation, investments and retirement incomes, banking, enterprise risk management, data science and AI, climate change impacts and government services. The Institute has a longstanding commitment to contribute to public policy discussion where our members have relevant expertise. The comments made in this submission are guided by the Institute's '[Public Policy Principles](#)' that any policy measures or changes should promote public wellbeing, consider potential impacts on equity, be evidenced-based and support effectively regulated systems.

This submission is also aligned with the Institute's [Climate Change Public Policy Statement](#), which in summary supports an ambitious, orderly and equitable transition to net zero, with co-ordinated, timely investment in adaptation, resilience and nature. Key to supporting this is the credible, consistent disclosure of climate-related information to investors, financiers, and other stakeholders.

The Institute supports the principles underpinning the reform process, which seeks to improve efficiency, while maintaining the objectives of sustainability reporting.

We set out our comments on the three proposals put forward in the consultation below, noting the following overarching considerations:

- The purpose of climate-related financial disclosure should remain central to the reform process: high quality disclosures support the efficient allocation of capital and enable investors, businesses and governments to better understand and manage climate-related risks and opportunities. In turn, this supports both emissions reduction and investment in adaptation and resilience across the economy.

- Given the regime is still in its early stages, implementation challenges may reflect normal market maturation as entities establish systems, capabilities and governance arrangements, as opposed to unduly challenging requirements. Accordingly, changes should be supported by evidence that current costs and challenges are structural and unlikely to reduce over time through experience, improved data availability or evolving market practice.

Proposal 1: Adjusting assurance settings

Reasonable assurance plays an important role in ensuring disclosures are credible, consistent and decision-useful. It will also be an important driver of continuing maturity in climate-related reporting, with current practices strongly influenced by mandatory requirements and the scope of limited assurance. Retaining a clear future requirement for reasonable assurance would encourage continued improvement in capabilities, data, controls, governance and documentation, while strengthening the reliability and comparability of disclosures over time, as market best practices emerge.

However, data availability and quality pose significant challenges for many entities, and translating available information into the form required for climate-related reporting can involve substantial work. While the current 'limited assurance' requirements recognise these challenges, the transition to 'reasonable assurance' could become onerous if introduced before suitable methodologies, robust systems and market practice (including international practices) are sufficiently developed. In this context, the Institute welcomes the additional guidance proposed in Proposals 2 and 3.

The Institute therefore supports **Option 1b**, retaining the transition to reasonable assurance, but delaying its commencement until 2035. This would allow capabilities and market practice to mature, better align Australia's requirements with international practice, and signal that greater diligence will be expected over time. However, we note that while delaying reasonable assurance may reduce near-term costs, it may also create a risk that Australian climate disclosures are perceived as less reliable than those in other jurisdictions. Any changes should therefore consider the potential impacts on investor confidence and international comparability.

Proposal 2: Improving consistency through guidance

The Institute welcomes additional guidance to improve consistency in applying climate-related reporting requirements, particularly in areas requiring significant judgement, including materiality, proportionality, scenario analysis and resilience. Guidance should remain principles-based and should not encourage a compliance checklist approach or be treated as a substitute for appropriate judgement. Entities should remain responsible for appropriately assessing their business model, value chain and exposure to an uncertain future climate. For example, proportionality should not be treated as a shortcut; its application should reflect a reasoned assessment of the entity's exposure, business model, value chain, available information, uncertainty, capabilities and the decision-usefulness of further analysis.

We observe that a significant challenge for preparers is uncertainty about what "good" looks like in practice. ASIC's [REP839](#), released in September 2026, provides useful insights by highlighting better disclosure practices and areas for improvement identified through its review of first-year disclosures. Treasury, ASIC, AASB and AUASB could consider publishing further guidance of this nature, in particular publishing anonymised examples, thematic reviews, and industry benchmarking insights from early reporting cycles. This would improve consistency and implementation efficiency while preserving the principles-based nature of the framework.

The Institute is also seeking to support the development and sharing of good practice across the actuarial profession.

We encourage Treasury to also consider opportunities to reduce duplication across related reporting regimes, beyond the potential misalignment between National Greenhouse and Energy Reporting (NGER) and sustainability reporting periods. Where the same underlying emissions, risk or governance information is being collected for different regulatory purposes, there should be a clear objective of "*report once, use many times*." This could materially reduce compliance costs without reducing disclosure quality.

More broadly, greater standardisation of climate data architecture may provide a significant long-term efficiency opportunity. Common taxonomies, machine-readable reporting formats and interoperability between sustainability, financial and regulatory reporting systems could deliver more enduring efficiency gains.

Proposal 3: Value-chain information and Scope 3 emissions

Scope 3 reporting plays an important role in encouraging decarbonisation and adaptation across supply chains. The Institute supports guidance on reasonable value-chain data requests to reduce the need for suppliers to respond to differently tailored requests from multiple businesses. This supports a "*collect once, provide many times*" approach.

Suppliers should also be able to decline a request, with appropriately conservative domestic emissions factors used instead. This would retain an incentive to provide more accurate primary data, particularly where a supplier can demonstrate a lower emissions intensity that could be reflected in its customers' Scope 3 calculations.

The Institute would be pleased to discuss this submission. If you would like to do so, please contact us on (02) 9239 6100 or public_policy@actuaries.asn.au.

Yours sincerely

(Signed) Elayne Grace
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