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27 February 2025

The Chair
Ian Carruthers
277 Wellington Street West
Toronto, ON M5V 3H2
CANADA

Dear Mr Carruthers

Request for comment: Exposure Draft 1, Proposed International Public Sector Accounting Standards Board Sustainability Reporting Standard – Climate-related Disclosures

The Australasian Council of Auditors-General (ACAG) welcomes the opportunity to respond to the specific questions raised in the *Proposed International Public Sector Accounting Standards Board Sustainability Reporting Standard – Climate-related Disclosures*.

ACAG agrees in principle that a public sector entity should provide disclosures about the climate-related risks and opportunities that are expected to materially affect its own operations. However, it does not support the requirement for disclosures about climate-related public policy programs and their outcomes when an entity has responsibility for those programs and their outcomes as part of ED 1, which in ACAG's view may be more appropriate to be considered as part of a separate standard.

The views expressed in this submission represent those of all Australian members of ACAG. ACAG's comments are primarily in the context of the public sector, which reflects ACAG's significant experience and involvement in the sector.

ACAG's detailed response is attached, addressing the questions asked by the International Public Sector Accounting Standards Board.

ACAG appreciates the opportunity to respond and trust that you will find the following comments useful.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. L. Harris', with a horizontal line drawn underneath it.

Michael Harris
Chair Financial Reporting and Accounting Committee
ACAG

Attachment

ACAG Feedback**Exposure Draft 1, Proposed International Public Sector Accounting Standards Board Sustainability Reporting Standard – Climate-related Disclosures****Specific Matter for Comment 1: Public sector operations and regulatory role (paragraphs 1-4)**

This Exposure Draft requires a public sector entity to provide disclosures about (i) the climate-related risks and opportunities that are expected to affect its own operations, and (ii) climate-related public policy programs and their outcomes when an entity has responsibility for those programs and their outcomes (see paragraphs 3 and AG2.7–AG2.8).

Do you agree the proposed approach meets the information needs of primary users (see paragraphs 1–4)? If not, what alternative approach would you propose and why?

The Exposure Draft includes an Alternative View on the approach to climate-related public policy programs.

ACAG agrees in principle that a public sector entity should provide disclosures about the climate-related risks and opportunities that are expected to materially affect its own operations. However, ACAG does not support the requirement for disclosures about climate-related public policy programs and their outcomes when an entity has responsibility for those programs and their outcomes, which in ACAG's view may be more appropriate to be considered as part of a separate standard.

ACAG considers the alternative view presented in the exposure draft (ED) has merit and shares the following concerns:

- the current standard is confusing and may be difficult to implement in practice as public sector entities are only starting to build their capacity and capability to provide their own operations disclosures. Adding public policy disclosures will likely introduce significant additional challenges and reduce the uptake of the standard.
- only a limited amount of information will be disclosed against these new climate-related public policy program disclosure requirements because the ED focuses only on policies that have a primary objective to achieve climate-related outcomes. There may be other policies that have a material impact that may be relevant. Also, the current proposal focuses on disclosure of policies that are specifically designed to have a positive impact on the climate and not policies of government that may have a negative impact on the climate. ACAG considers that users would also be interested in the negative impacts of government policies on climate.
- the limited public sector guidance that has been included for public sector entities making their own operations disclosures. There are several areas where further public sector guidance is required. See also response to specific matter for comment (SMC) 2.
- different jurisdictions and countries are at various levels when it comes to service performance reporting (SPR). As the Australian Accounting Standards Board (AASB) is currently consulting on SPR, entities will need time to fully embrace the concept of outcomes and how to report those. Therefore, to report further on the climate-related policy programs may prove to be onerous and disclosures may best be aligned with the SPR.

ACAG recommends the International Public Sector Accounting Standards Board (IPSASB) conduct further research to identify:

- the level of government entity (i.e. whole-of-government (WoG), individual entity level) that the standard should be aimed at¹
- the objective of climate-related reporting in the public sector
- who the intended users are for each level of government entity
- the climate-related information users need and are likely to need for each level of government entity, and whether all disclosures are required for all entities (including smaller entities) (e.g. policy programs aiming to influence consumer/market behaviour are better aimed at WoG reporting levels not agency levels).

In our view, it is only after the IPSASB has done the research to understand the differing needs of each level of government, their intended users and the information needs of those users, that they will be in a position to develop authoritative sustainability or climate-related reporting requirements.

Specific Matter for Comment 2: Own Operations (Appendix A1: Application Guidance – Own Operations)

The Exposure Draft primarily aligns disclosure requirements about an entity's own operations with private sector guidance (IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*), with public sector guidance, including a rebuttable presumption that entities use the GHG Protocol: A Corporate Accounting and Reporting Standard (2004), unless another established method of measuring its greenhouse gas emissions is more appropriate or required by a jurisdictional authority (see paragraph AG1.72).

Do you agree with the proposed approach and guidance? If not, what alternative approach would you propose and why?

ACAG generally agrees (see below for areas that one jurisdiction has alternate views) with aligning the disclosure requirements about an entity's own operations with private sector guidance including the rebuttable presumption that entities use the *GHG Protocol: A Corporate Accounting and Reporting Standard (2004)* unless another established method of measuring its greenhouse gas emissions (GHG) is more appropriate or required by a jurisdictional authority. This promotes consistency whilst allowing public sector entities to apply a method required by their jurisdictional authority.

However, ACAG recommends the IPSASB make Scope 3 GHG emissions disclosures voluntary for public sector entities. Scope 3 GHG emissions is an area which is significantly more complex from the public sector perspective than from the private sector perspective and which has yet to be appropriately considered or addressed by the Global GHG Protocol. Scope 3 GHG emission disclosures should not be required until their usefulness for the public sector environment has been established on a cost/benefit basis. There is limited evidence that supports the assumption that Scope 3 GHG emissions disclosures will provide useful information to primary users of general-purpose financial reports given the lack of quality data and information needed to make disclosures that comply with the conceptual foundations proposed in Appendix B to the ED.

¹ As an example, please refer to [Victorian Government's Climate-related Risk Disclosure Statement 2022](#) that provides information about the Victorian Government's approach to climate-related risks and opportunities in Victoria. The information about climate-related public policy programs may be better reported in this way at a whole-of-government level rather than at an entity level. Refer to section 3 of this report where a high-level reporting is done for significant programs.

ACAG also recommends that the IPSASB consider the following:

- there are inherent challenges in measuring and disclosing Scope 3 GHG emissions in the public sector, such as determining the value chain and the upstream and downstream impacts for entities implementing a range of government programs on behalf of government (see also later dot point on additional guidance on determining the value chain in the public sector). A requirement to measure and disclose Scope 3 GHG emissions could result in significant costs for public sector entities and in many cases, the cost is anticipated to outweigh any potential benefit to users.
- whether Scope 3 GHG emissions-like reporting (i.e. attribution of harm upstream and downstream through value chains) is likely to be required for other future sustainability topic disclosures in the public sector (e.g. biodiversity, water usage, waste management etc)? If not, then IPSASB should consider whether there is benefit for users in requiring Scope 3 disclosures for GHG emissions.
- if Scope 3 GHG emissions disclosures are included in the final standard, additional guidance to address:
 - WoG reporting and consolidation:
 - the WoG has a very large number of individual entities that are consolidated to form the WoG accounts. Aggregation of Scope 1, Scope 2 and Scope 3 GHG emissions for WoG reporting will require a large number of eliminations to obtain consolidated emissions. This may be difficult due to the level of estimation and judgement required to determine the emissions (e.g. an electricity generator's Scope 1 GHG emissions could be double counted in another entity's Scope 2 GHG emissions (purchased electricity)).
 - scalability for the public sector:
 - whilst materiality and the concept of reasonable and supportable information available to the entity will help, there are still scalability issues with these disclosures, including how public sector entities apply these in practice. Applying materiality and reasonable and supportable information don't lend themselves to a pragmatic scalability without a significant level of judgement being exercised and the need for specialist expertise in climate related matters. Additional work is required by small agencies to assess whether they have any material climate-related risks and opportunities, and for scenario analysis to align with WoG scenario analysis models. ACAG considers more practical guidance or disclosure relief would benefit small public sector entities.
 - government restructures:
 - in the public sector there are often a number of changes to the structure of public sector agencies due to changes in government and priorities (e.g. creating, modifying and abolishing entities). ACAG recommends further guidance on measuring and making climate-related disclosure when there are government restructures, including any relief that may be given to allow time for these entities to restructure their metrics and targets disclosures, including associated data collection.
 - determination of the value chain for public sector entities:
 - there are specific issues for the public sector in determining the value chain that do not apply to the private sector (e.g. the boundary of the value chain for WoG given the number of activities undertaken by the government, the different tiers of government and the overlap impact of policy programs). In the ED, it is not clear whether it is necessary for governments to undertake extensive analysis of the underlying sources of taxation and grant revenue, and certain types of expenses such as grants, subsidies and social benefits, to be able to comply with Scope 3 GHG emissions reporting requirements.

- the scope of Scope 3 disclosures, particularly in complex environments. It may be the case that upstream Scope 3 disclosures are valuable, but downstream Scope 3 disclosures are costly and irrelevant. For example:
 - how should hospitals measure downstream Scope 3 GHG emissions for the patients they treat? Should they record an increase in Scope 3 GHG emissions when a patient's life is saved and a decrease in Scope 3 GHG emissions when a patient dies?
 - how should schools measure downstream Scope 3 GHG emissions for the students it teaches? Is the output a successful life consuming/contributing to specified volume of GHG emissions?
 - How should a department responsible for roads measure downstream Scope 3 GHG emissions from their road network? Would it be an estimate based on car sales? The type of vehicles on the road? or from traffic surveys?
 - are Scope 3 boundaries clear for policy departments such as a local government department (where the output is supporting a local government in totality or certain programs) or a stadiums management authority?
- applying the undue cost or effort relief in the public sector:
 - it should be very clear that Scope 3 reporting can be undertaken without undue cost or effort and does not require any additional cost burdens on value chain participants (suppliers and customers).
 - currently, the ED is inconsistent, with references in AG1 to an entity prioritising direct measurement and primary data being interpreted as requiring the entity to obtain data from value chain participants (the public). Applying undue cost or effort relief should enable the entity to use data it generates itself without additional cost burdens imposed on others. This might include activity data already available internally such as electricity usage and flight distance travelled, but not requiring additional data from external suppliers or other value chain participants. However, this may lead to inconsistencies in reporting and also significant assurance challenges owing to interpretational differences regarding 'what may be considered as undue cost or effort'.
- assurance framework for public sector emissions:
 - consideration should be given to the practicality of how an assurance framework for public sector emissions reporting may be developed in future. Requiring a common standard for public sector emissions reporting may be required for assurance work to be conducted by a government audit office without specialist knowledge across multiple sustainability standards.

Alternate views held by one jurisdiction

One ACAG jurisdiction does not agree that public sector climate or sustainability-related requirements should be developed on the basis of IFRS sustainability disclosure standards or that alignment with the International Sustainability Standards Board (ISSB) should be prioritised over the cost-benefit considerations or needs of the public sector.

They would also like to draw the IPSASB's attention to the 2024 responses of ACAG and Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC) to AASB ED SR1 *Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information*, which highlighted the complexities and challenges associated with the use of IFRS S2 from a public sector perspective ([EDSR1 Submission Letters to AASB](#)).

However, should the IPSASB insist on moving forward with finalising the [draft] Standard, the following is recommended in relation to an entity's own operations:

- financial versus impact materiality:
 - It is unclear whether the focus of the requirements in the [draft] Standard is directed at making public sector entities disclose climate-related financial information (i.e. the impact that climate change has on the entity's financial statements) or if the proposals are also intended to require disclosure of the impact climate change has on the entity's ability to continue to provide goods and services to the community (i.e. the impact that the entity has on society, the environment and the economy).

As drafted, the proposals commit to neither approach, leading to proposals that lack focus and clarity and may result in disclosures that are confusing, do not appropriately address either financial or impact materiality perspectives and do not meet the information needs of the intended users. More guidance is also needed to explain how climate-related financial disclosure requirements are to be effectively applied within a public sector perspective.
- climate-related financial opportunities:
 - climate-related financial opportunities should not be considered within the scope of the [draft] Standard. This is because, from a public sector perspective, even if a climate-related financial opportunity is present, a public sector entity does not have the ability to exploit or benefit from that opportunity unless directed to do so by the Government (or other ultimate authority). If the IPSASB's intent is for public sector entities to identify and disclose climate-related opportunities related to improving/mitigating their impacts on society, the environment and the economy, then these proposals do not adequately or appropriately address broader considerations that relate to impact materiality.
- Climate-related metrics – metrics (other than GHG emissions):
 - Consistent with the comments above on the relevance of climate-related opportunities from the public sector perspective, it is recommended that proposed paragraph 17(d) is not included.
 - proposed paragraph 20 (which requires a public sector entity to make industry-based metrics disclosures) should not be included. Reference to the ISSB's *Industry-based Guidance on Implementing IFRS S2* should also not be included as these were not developed for, or intended to be used by, entities operating in the public sector. It is recommended that the IPSASB do more work to explain 'peer metrics' and develop an approach to identify peer metrics to which it is referring.

Specific Matter for Comment 3: Scope of Public Policy Programs (paragraph 3 and AG2.4–AG2.6)

This Exposure Draft requires disclosures about public policy programs with a primary objective to achieve climate-related outcomes. Do you agree with this approach and the scope of public policy programs included in required disclosures? If not, what alternative approach would you propose and why?

The Exposure Draft includes an Alternative View on the approach to climate-related public policy programs.

As noted at SMC 1, ACAG does not support the requirement for disclosures about climate-related public policy programs and their outcomes when an entity has responsibility for those programs and their outcomes, which in ACAG's view may be more appropriate to be considered as part of a separate standard.

Regulations and standards, and many policy programs may encourage others to make choices. There are many variables that would be outside the full control of an entity and would be difficult to provide evidence for an assurance report. Evidence of direct causation (and not correlation) will be difficult to prove.

Paragraph IG4 implies that state level government programs will only be in scope if the state has responsibilities for the achievement of outcomes at the national level. This may mean that many worthy programs are excluded unless there is a formal national partnership agreement (or similar), and/or direct federal funding for the state-based scheme.

Specific Matter for Comment 4: Public Sector-Specific Definitions (paragraph 7)

This Exposure Draft provides public sector-specific definitions and related guidance for:

- (a) Public policy programs;**
- (b) Public policy program outcomes; and**
- (c) Climate-related public policy programs.**

Do you agree with the proposed public sector-specific definitions and guidance? If not, what alternative definitions would you propose and why?

ACAG provides the following feedback on the public sector specific definitions for consideration:

- public policy programs:
 - refers to a public sector entity exercising its sovereign powers, when it is the government exercising sovereign power through their machinery of government.
 - one of the main elements of the definition of public policy programs is the public sector entity exercising its sovereign powers. This would usually be interpreted as imposing taxes or penalties, or regulating behaviours. Paragraph AG2.4 states that a public policy program may include public procurement policies requiring that specific attributes (such as GHG emissions) be considered as part of the public procurement processes. A procurement program is something that private sector entities can implement and consequently does not seem to be the application of sovereign powers (i.e., only powers the sovereign entity has), and therefore a procurement program does not seem to meet the definition of a public policy program. While a procurement policy might be seen to meet the definition of a 'public policy program' in the ordinary use of the term, it does not seem to meet the definition provided.
 - could include supporting citizens not just influencing decisions or behaviours (e.g. adaptation programs, relocation, financial grants to organisations or individuals).
- public policy outcomes:
 - there is a risk that an entity may not be able to prove an outcome is reasonably attributable to a program (e.g. water usage changes may be the result of drought or good rainfall instead of a public policy program).
- climate-related public policy program:
 - appropriately narrows the scope, but risks leaving out programs (e.g. discrete programs with other objectives may also impact on emissions).

ACAG also provides feedback on the following definitions:

- carbon credit:
 - this definition should be expanded to consider carbon credits that have not been uniquely serialised (e.g. not all carbon credits that have been issued under the Australian Carbon Credit Unit (ACCU) Scheme are uniquely serialised). If a public sector entity uses carbon credits issued under the ACCU Scheme it would not be able to recognise those carbon credits when applying the IPSASB standard. To avoid unintended consequences, such as de-legitimising or undermining the work of public sector entities utilising carbon credits that may not be uniquely serialised, we recommend adding a transition relief which permits the recognition of carbon credits that are not uniquely serialised for a period of three to five years after the effective date. This would allow public sector entities sufficient time to identify and replace carbon credits that do not meet the definition.
- greenhouse gases:
 - ACAG is comfortable with the seven GHGs identified but disagrees with referencing the Kyoto Protocol. The Kyoto Protocol expired on 31 December 2020 and has since been superseded by the Paris Agreement. ACAG would also like to draw attention to the definition of GHGs in the *GHG Protocol: A Corporate Accounting and Reporting Standard (2004)*, which only references six of the seven GHGs identified in the IPSASB definition (i.e. nitrogen trifluoride is not identified in the Global GHG Protocol for Scope 1 and Scope 2 GHG emissions measurement).
- international agreement on climate change
 - it is unclear why the IPSASB removed the reference to the United Nations Framework Convention on Climate Change. There is no other current international agreement on climate change that a public sector entity would be able to refer to.
- Scope 3 greenhouse gas emissions
 - noting the proposal to include in the IPSASB standard the rebuttable presumption that entities use the *GHG Protocol: A Corporate Accounting and Reporting Standard (2004)*, ACAG does not agree that Scope 3 GHG emissions should be defined by reference to the 15 categories of Scope 3 GHG emissions and suggest removing from the definition. By defining Scope 3 GHG emissions with reference to the Global GHG Protocol, IPSASB is, in effect, mandating the GHG Protocol.
- value chain:
 - the full scope of a public sector entity's value chain is not clear. ACAG recommends the definition explain the boundary of the value chain from a public sector perspective.

Specific Matter for Comment 5: Strategy for Climate-related Public Policy Programs (paragraphs 12 and AG2.24–AG2.31)

This Exposure Draft proposes disclosure requirements about an entity's strategy for climate-related public policy programs which include information that enables primary users to understand the entity's strategy and decision-making, anticipated challenges to achieving intended outcomes and financial implications of the climate-related public policy program.

Do you agree that the disclosure requirements on strategy for climate-related public policy programs meet the information needs of primary users? If not, what alternative approach would you propose and why?

Refer to ACAG's response to SMC 1 and SMC 2. ACAG also considers that the required disclosures should be auditable. Asking entities to assess their success in achieving outcomes may be difficult to audit or result in modified opinions if metrics and targets are not clear and measurable.

Specific Matter for Comment 6: Metrics and Targets for Climate-related Public Policy Programs (paragraphs 26–27 and AG2.34–AG2.44)

This Exposure Draft proposes to require disclosures about metrics and targets, including (a) the change in greenhouse gas emissions reasonably attributed to climate-related public policy programs and (b) other metrics to measure and monitor performance in relation to climate-related public policy programs.

Do you agree these disclosures meet the information needs of primary users of the report (see paragraph 26)? If not, what alternative approach would you propose and why?

Refer to ACAG responses at SMC 1 and SMC 2. ACAG also considers that the proposals are likely to present significant challenges for the public sector. Public sector entities will have enough difficulty with obtaining Scope 3 GHG emissions for their own operations without also trying to measure the impact of public policy programs.

ACAG questions whether the required disclosure on climate-related public policy programs would provide useful information to users:

- due to the difficulty in determining what is 'reasonably attributable' to the policy program and practical difficulties in separating the impacts
- the measure would not show the complete picture of the impact of government policies as it would only show the positive impact on climate and would not include the impact of other government policies that may have a negative impact on climate
- if there are issues over the reliability of the data due to the significant estimations and judgements involved.

Notwithstanding, ACAG also notes that paragraph AG2.37 could be interpreted as not requiring relevant disclosures of climate-related public policy programs that end in the current year. ACAG does not support such an interpretation.

Specific Matter for Comment 7: Conceptual foundations (paragraphs B2–B15)

This Exposure Draft includes conceptual foundations aligned with the IPSASB Conceptual Framework including the definition of materiality (see paragraphs B8–B10) and primary users of public sector general purpose financial reports (see paragraphs B.AG28–B.AG33).

Do you agree that the proposed definition of materiality based on the IPSASB Conceptual Framework meets the information needs of primary users for climate-related disclosures? If not, what alternative approach would you propose and why?

The majority of ACAG members agree with the proposed definition of materiality and consider that application guidance examples will be important to promote consistency. However, one jurisdiction:

- considers the conceptual framework concepts (at Appendix C) should not be made an authoritative part of the IPSASB standard as it explains the fundamental concepts for reporting that were never developed with the intention of being enforceable.
- disagrees with the definition of material. Public sector reporting, especially within the context of sustainability and climate-related reporting, goes beyond financially relevant information. As such, we question whether the financial definition of material is fit for purpose within the public sector context.
- questions the applicability of the reporting entity concept when considering the various levels of government that could be required to report. If reporting at a consolidated WoG level, there will not always be a set of related financial statements at that level available (i.e. WoG may not prepare a consolidated set of financial statements in a way that is presented as a traditional set of financial statements or annual reporting package that can be used for the purposes of meeting the proposed requirements in the ED).
- notes the issue noted directly above arises in relation to connected information. At certain levels of government there may not be a single set of related financial statements to which they can refer to or report on/against in order to meet the requirements proposed in the ED. It is recommended that the IPSASB develop guidance for public sector entities that do not have a public set of financial statements to which they can refer to or report against for the purposes of meeting the requirements proposed in the ED.

Specific Matter for Comment 8: General requirements (paragraphs B16–B46)

This Exposure Draft includes general requirements aligned with private sector guidance (IFRS S1) including the requirements for (a) an entity to include its climate-related disclosures in its general purpose financial reports (see paragraphs B22–B25) and (b) an entity to report its climate-related disclosures at the same time as its related financial statements (see paragraphs B26–B31).

Do you agree that the disclosure requirements proposed in the general requirements are appropriate for public sector entities? If not, what alternative approach would you propose and why?

ACAG generally agrees that the disclosure requirements proposed in the general requirements are appropriate for public sector entities.

As noted at SMC 2, one jurisdiction does not agree that public sector climate or sustainability-related requirements should be developed on the basis of IFRS sustainability disclosure standards or that alignment with the International Sustainability Standards Board (ISSB) should be prioritised over the cost-benefit considerations or needs of the public sector.

Specific Matter for Comment 9: Transition (paragraphs 30–33)

This Exposure Draft proposes to provide transitional relief only in the first year of adoption (see paragraphs 30–33) for disclosures relating to an entity’s own operations and where applicable, relating to climate-related public policy programs and their outcomes.

Do you agree that the proposed transition provisions approach should be applicable to both own operations and climate-related public policy programs? If not, what alternative approach would you propose and why?

Noting ACAG’s responses to SMC 1, ACAG agrees that a transition approach should be applicable to own operations. Further, ACAG considers that the IPSASB should consider extending the transitional relief and implementing a phased in approach for:

- Scope 3 GHG emissions due to the concerns raised at SMC 2. There should be a longer phase-in period for reporting of these emissions by public sector entities. Guidance is needed on what the value chain is for the public sector including the level of reporting. If Scope 3 GHG emissions are mandated, consideration should be given to deferring mandatory disclosures until this guidance has been issued.
- certain types of disclosures given that climate reporting is a significant change for the public sector. Consideration should be given to phasing in certain disclosures as public sector entities may not have the current capability or capacity to deliver evidence-based disclosures. Examples of disclosures where phasing in may be appropriate include:
 - quantitative disclosures on how climate risks and opportunities impact the entity’s long-term fiscal sustainability
 - scenario analysis and the resilience of the entity’s strategy and operational model to climate-related changes, developments and uncertainties, and considering the applicability of peer metrics.

Additional time will allow entities to develop their capability and capacity to provide accurate and credible disclosures before making these more advanced disclosures (e.g. in one Australian jurisdiction, the regulator has excluded the disclosures above from first year disclosures due to a lack of readiness for agencies to implement these disclosures and will look to closer alignment with AASB S2 *Climate-related Disclosures* in the future).

Specific Matter for Comment 10: Other Comments

Do you have any other comments on the proposed Exposure Draft?

ACAG has the following other comments:

- paragraph 16 of the ED outlines that the objectives of climate-related disclosures for metrics and targets is to ‘enable primary users of general-purpose financial reports to understand an entity’s performance, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation in relation to ...’. ACAG recommends expanding the objective to include government policies as many climate-related metrics or targets may be set by government policy and not by the individual entity or specifically outlined in legislation.
- More public sector specific guidance is needed in relation to requirements relating to ‘risks and opportunities that could be reasonably expected to affect the long-term fiscal sustainability of the entity’. With government entities being frequently funded through appropriations, often approved annually by representatives of the public, an argument could be made that their financial sustainability extends only to the desires of the government to fund them while others might interpret long-term fiscal sustainability as

the indefinite provision of services (refer [AUASB GS023](#) *Special Considerations – Public Sector Engagements* on going concern in the public sector).

- additional public sector guidance is needed for “internal carbon price”. Specifically, do the disclosures apply when a public sector entity uses a “carbon price” for evaluation of approvals of projects of other bodies (e.g. the private sector). For example, Australia has a “shadow carbon price” called a “value of emissions reduction” which is used by the Australian Energy Regulator when it calculates the benefits and costs of rule changes.
- paragraph AG1.28 is not clear in terms of the tax authority. Is the tax authority’s contribution to the climate-related public policy programs because it is collecting carbon taxes, or because it is collecting tax through paperless communications? If the latter, then the paperless communications would apply to any tax collected.
- paragraph 26(a) is unclear in how entities would approach the GHG emissions calculation. The IPSASB would need to provide a measurement methodology and framework as the GHG Protocol does not address this scope of GHG reporting.
- SASB standards are not relevant to public sector entities and should not be included in the IPSASB standard.
- given the limited resources in the public sector, investment in sustainable development may need to be funded from a combination of reductions in other expenditure, additional taxes or debt. Therefore, opportunities and risks for sustainable development may not always be able to be assessed at the individual entity level and may need to be assessed at the WoG level. This creates additional complexities when aggregating entity level data into WoG disclosures.