

Mandatory Climate Reporting is coming - Is your business ready?

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Details:

Home > Articles > Mandatory Climate Reporting is coming - Is your business ready?

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ASRS (Australian Sustainability Reporting Standards) and NGER (National Greenhouse and Energy Reporting Scheme) are separate mandatory reporting frameworks with different thresholds, deadlines and purposes. ASIC links ASRS sustainability reporting to Chapter 2M financial-reporting obligations with size, emissions or assets tests. NGER uses facility thresholds of 25,000 tonnes CO₂-e or 100 TJ of energy, and corporate thresholds of 50,000 tonnes or 200 TJ. A business may be subject to one, both, or neither depending on its structure and scale. They should not be collapsed into one checklist. We can help you assess applicability separately and reconcile overlapping data if both apply.

Publication context: This article reflects its publication date. Market prices, program rules, reporting duties and deadlines may have changed. Confirm current official guidance before making a decision.

From FY26, businesses with over \$500M in revenue must report climate risks and emissions under new Mandatory Climate Reporting rules, to ASIC. By FY28 all business over \$50M in revenue will need to report. This shift will impact thousands of companies - are you prepared?

The Australian Sustainability Reporting Standards (ASRS) bring global alignment and greater transparency, ensuring investors and regulators can assess corporate climate impact. With reporting deadlines fast approaching, now is the time to understand the requirements and take action.

When does your business need to start reporting? (Meet two of the three reporting thresholds)

FY26, Group 1: Over \$500M turnover, more than 500 employees, or \$1B in assets

FY27, Group 2: Over \$200M turnover, more than 250 employees, or \$500M in assets

FY28, Group 3: Over \$50M turnover, more than 100 employees, or \$25M in assets

Start preparing to meet these deadlines.

What does this mean for your business?

Why is ASRS happening? Australia's Federal Government is committed to achieving 82% renewable energy, in the electricity grid, by 2030 and transitioning the country toward net-zero emissions by 2050.

Mandatory climate reporting under the ASRS plays a crucial role in this transition by:

Promoting corporate accountability : More businesses are now expected to measure and disclose their environmental impact.

Driving investor confidence: Clear and consistent reporting helps investors assess risks and opportunities tied to climate change.

Encouraging sustainable business practices: By requiring transparency, the ASRS incentivises companies to adopt more sustainable and energy-efficient operations. It also urges them to put similar pressure on their suppliers and customers.

The business impact for businesses, the ASRS introduces several challenges and opportunities:

Increased reporting obligations: Commencing FY26, many companies will be required to collect, analyse, and report detailed data on their emissions and climate risks. This requires robust internal systems and resources.

Reputational risk and opportunity: Non-compliance or poor environmental performance will be exposed, damaging poor performers' reputation. Conversely, demonstrating leadership in sustainability can enhance your brand image and attract new clients and investors.

Operational adjustments: Companies will need to adapt their operations to reduce emissions and align with national sustainability targets. This may include investing in energy-efficient technologies or renewable energy.

Regulatory scrutiny: Non-compliance with ASRS standards could result in penalties, increased regulatory oversight, and loss of stakeholder trust.

How to Stay Ahead

The ASRS isn't just a regulatory requirement; it's a chance to future-proof your business. By embedding sustainability into your strategy, you can improve efficiency, reduce costs, and create a competitive advantage.

At Northmore Gordon, we simplify the complexity of ASRS compliance. From carbon footprint assessments to net-zero strategy development, we'll help you navigate these changes confidently and turn challenges into opportunities. Since 2009, we have been supporting our partners in reducing their energy demands, in doing so cutting costs by cutting carbon. We have market leading knowledge on how government can support you in your climate journey through grants, subsidies and certificate schemes.

Choose Northmore Gordon to turn plans into action and do more with less carbon.

Contact Jack Warren at j.warren@northmoregordon.com

Reporting and compliance context

Confirm the reporting entity and period, current thresholds, regulator guidance, evidence boundary and assurance obligations before applying the dated discussion to a live report.

Related guidance

Carbon advisory

Scope 1, 2 and 3 emissions

Contact us

Read the original article for the source publication and its full context.

What is the difference between ASRS reporting and NGER reporting, and do Australian businesses need to comply with both?

ASRS (Australian Sustainability Reporting Standards) and NGER (National Greenhouse and Energy Reporting Scheme) are separate mandatory reporting frameworks with different thresholds, deadlines and purposes. ASIC links ASRS sustainability reporting to Chapter 2M financial-reporting obligations with size, emissions or assets tests. NGER uses facility thresholds of 25,000 tonnes CO₂-e or 100 TJ

of energy, and corporate thresholds of 50,000 tonnes or 200 TJ. A business may be subject to one, both, or neither depending on its structure and scale. They should not be collapsed into one checklist. We can help you assess applicability separately and reconcile overlapping data if both apply.

What is a carbon accounting boundary, and why does it matter for ASRS compliance?

A carbon accounting boundary defines which entities, facilities, activities and reporting periods are included in your emissions inventory. It determines what data you collect, how you measure emissions, and what claims you can support. Different boundaries—such as a product footprint, facility compliance report, or corporate inventory—can use overlapping data but have different purposes and scopes. Specifying your boundary correctly before collecting data prevents misalignment between your reported emissions and actual business operations. We help you establish clear boundaries and map traceable evidence to required ASRS disclosures.

What does ASIC mean by 'applicable size, emissions or assets tests' for ASRS reporting, and how do I know if my business qualifies?

ASIC links mandatory sustainability reporting to Chapter 2M financial-reporting obligations and assesses applicability using three separate tests: corporate size (turnover, employee count, assets), emissions scale, or asset value. Businesses meeting two of three thresholds in their cohort must report. Financial year start matters: cohorts phase in for years starting 1 January 2025, 1 July 2026, and 1 July 2027. The entity and consolidated group structure also affects applicability. You should not infer mandatory reporting from sector, net-zero interest, or NGER registration alone. We can assess your entity structure, reporting year and applicable tests to clarify your actual obligations.

What is the connection between ASRS reporting and energy efficiency investment, and how can emissions reductions support compliance?

ASRS requires reporting of Scope 1 and 2 emissions, which reflect your energy consumption and procurement. Energy efficiency improvements—such as building upgrades, equipment replacement, or renewable electricity—directly reduce reported emissions and strengthen your sustainability narrative. However, an energy efficiency investment alone does not satisfy ASRS reporting; you must measure and document the emissions reduction within your defined boundary. Our energy optimisation services combine engineering assessment with measurement and verification to establish credible energy savings. These outcomes feed into your emissions inventory and transition planning, turning operational improvements into reportable progress toward climate goals.

What should I include in a carbon inventory as the foundation for ASRS reporting?

A carbon inventory documents organisational emissions across defined boundaries for a specified reporting period using consistent methodology. It should include documented boundaries (entities and facilities included), activity data (energy consumption, production volumes), emissions factors (from recognised sources), and calculations clearly traced to source records. Scope 1 (direct emissions) and Scope 2 (purchased electricity) are mandatory under ASRS; Scope 3 (value-chain emissions) requirements depend on materiality and framework. An inventory alone is not a complete sustainability report, but it provides the emissions baseline and reporting record essential for compliance. We support emissions inventory development, data-readiness assessment, and mapping evidence to reporting frameworks.

What is transition planning under ASRS, and what should a credible decarbonisation pathway include?

Transition planning defines your pathway to reduced emissions and eventual net-zero operations. It should document options considered, assumptions underpinning each pathway, dependencies (such as technology availability or capital), accountability (who owns each initiative), and financial implications (costs, savings, investment required). A credible pathway connects each opportunity to implementation

timeframes, tracking progress separately from forecast outcomes. ASRS requires disclosure of transition strategies; vague commitments or unsupported targets lack credibility. We provide transition planning support covering emissions reductions, electrification feasibility, scenario analysis, and financial assessment. This work package helps you move from inventory baseline to actionable decarbonisation strategy.

How does mandatory climate reporting create both risk and opportunity for my business, and where should I start?

Mandatory reporting creates compliance risk (penalties and regulatory scrutiny for non-compliance), reputational risk (poor environmental performance damages stakeholder trust), and operational risk (need for energy-efficient investments). It also creates opportunity: sustainability leadership enhances brand image, attracts investors and talent, and can unlock government support through grants, subsidies and certificate schemes. Starting with a carbon-management diagnostic clarifies your current position, data gaps, and next tasks. This two-hour workshop produces a prioritised action list with owners and decision dates. From there, you can assess energy efficiency opportunities, renewable electricity procurement, and formal reporting pathways. We help you navigate this transition and turn compliance obligations into competitive advantage.

What government support is available to help businesses reduce emissions and meet climate reporting requirements?

Australia administers multiple support mechanisms including grants (through the Australian Government's business grants finder), environmental certificates (ACCUs, REGOs, energy-efficiency certificates under Victorian or NSW schemes), and financing arrangements. These support funding for energy audits, renewable energy installation, and decarbonisation projects. Importantly, grants, certificates and financing should be assessed separately and on their own terms—eligibility criteria, timing, evidence requirements, and commercial conditions differ significantly. Do not assume support can be combined without checking programme restrictions. Our knowledge library covers relevant schemes including Victorian Energy Upgrades, NSW Energy Savings Scheme and ACCU projects. The company can help assess which pathways suit your business and evidence requirements.

What data and information should I prepare before engaging Northmore Gordon for ASRS support?

Prepare your corporate structure, reporting year, existing financial or sustainability advice, current emissions inventory (if available), designated data owners, and key investment or strategy documents. Document what exists rather than delaying until every gap is closed. Include energy bills, interval meter data, production records, equipment information, and any previous studies. State your reporting deadline, business objectives, and the decision needed. For product-level questions, specify the product, intended use, customer requirements, and system boundary. This preparation enables proportionate scoping of your engagement. We can then define the work packages needed—applicability assessment, inventory, transition planning, reporting preparation, or climate-risk analysis—and identify which evidence gaps must be closed.

Can I reuse data collected for NGER to support ASRS reporting, or must I prepare separate inventories?

Data collected for NGER may serve as an input to ASRS reporting, but boundaries, methods and required disclosures must be reconciled explicitly. Do not copy a facility NGER result directly into a corporate ASRS report without verifying how it was prepared, what boundaries were used, and whether it aligns with your ASRS scope. NGER and ASRS may use different facility definitions, reporting periods, or emissions inclusions. Misalignment between frameworks creates compliance risk and erodes credibility. Our ASRS support includes data-readiness assessment and boundary reconciliation. This work ensures your emissions data serves multiple reporting purposes accurately while maintaining traceable evidence for each framework's specific requirements.

