Pilot Metrics and Targets Factsheet

### 2023-24 Annual Reporting

##### This document sets out the whole-of-Australian-Government requirements that relate to the metrics and targets criteria under the Commonwealth Climate Disclosure Pilot.

##### Departments of State, and those entities participating in the Pilot on a voluntary basis, can provide a link to this Factsheet as an alternative to specifying the emissions accounting method that underpins disclosures of greenhouse gas emissions made under the APS Net Zero Emissions Reporting Framework. Similarly, Departments of State, and those entities participating in the Pilot on a voluntary basis who have adopted the APS Net Zero by 2030 target in full, can provide a link to this Factsheet as an alternative to specifying the scope, metrics and concepts underpinning the target. However, any modifications to the entities’ adoption of the target must be clearly identified within the entities’ climate disclosure.

## Climate-related metrics

### MT2 Approach used to measure greenhouse gas emissions

**MT2 (a): the measurement approach, inputs and assumptions the department uses to measure its greenhouse gas emissions**

The Department of Finance, supported by the Department of Climate Change, Energy, the Environment and Water, has developed the [APS Net Zero Emissions Reporting Framework](https://www.finance.gov.au/government/climate-action-government-operations/australian-government-emissions-reporting). The Framework sets out a consistent methodology for emissions reporting across Commonwealth entities and Commonwealth companies and is updated periodically. The Framework was developed based on existing greenhouse gas emissions-related reporting frameworks to leverage best practice. Details of the APS Net Zero Emissions Reporting Framework can be found within [Net Zero in Government Operations Strategy](https://www.finance.gov.au/government/climate-action-government-operations/aps-net-zero-emissions-2030).

The APS Net Zero Emissions Reporting Framework was designed to be suitable within the context of Australian Government operations and to meet reporting obligations as outlined in Australia’s Nationally Determined Contribution under the Paris Agreement.

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| **Notes:**   * Commonwealth entities and Commonwealth companies are required to report using the APS Net Zero Emissions Reporting Framework. If entities meet the requirements for reporting under the National Greenhouse and Energy Reporting (NGER) Scheme legislation, they must also report under that Scheme. Under the APS Net Zero Emissions Reporting Framework, the activity data required to calculate scope 1 and scope 2 greenhouse gas emissions is the same as that required for tier 1 methods in NGER Scheme legislation reporting. If entities are using any tier 2, 3 or 4 NGER Scheme legislation methodologies, Climate Action in Government Operations can work with those entities to ensure alignment and consistency with the APS Net Zero Emissions Reporting Framework. * The APS Net Zero Emissions Reporting Framework includes scope 3 sources and emission factors which are not included in NGER Scheme legislation. Additionally, the APS Net Zero Emissions Reporting Framework requires property data not required under NGER Scheme legislation to enable further in-depth analysis in the future. * It is important to note that the APS Net Zero Emissions Reporting Framework is designed to assist entities to take responsibility for identifying and implementing climate action to support the APS Net Zero by 2030 target and will involve a continuous improvement cycle as public reporting matures. |

The APS Net Zero Emissions Reporting Framework outlines the whole-of-Australian-Government approach, inputs and assumptions used to measure greenhouse gas emissions, including:

* **Emissions reporting boundary**: The APS Net Zero Emissions Reporting Framework utilises the [operational control approach](https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf#page=18) to set the operation boundary. The operational control approach is the entity’s ability to introduce and implement its own operating policies. In the case of Commonwealth entities, it includes domestic emissions sources that are created as a result of government operations. The Framework has been designed to enable expansion over time to allow for APS capability uplift, more robust data collection methodologies and an emissions factor upgrade program.
* **Greenhouse gas emissions** included in the APS Net Zero Emissions Reporting Framework: carbon dioxide (CO2); methane (CH4); nitrous oxide (N2O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); sulphur hexafluoride (SF6); and nitrogen trifluoride (N3). The emissions of the seven main classes of greenhouse gases are aggregated into a single carbon dioxide equivalent (CO2-e) estimate for emission sources.
* **Emission factors** are reviewed each year and published within the latest [Net Zero in Government Operations Annual Progress Report](https://www.finance.gov.au/government/climate-action-government-operations/australian-government-emissions-reporting).

Further details on the whole-of-Australian-Government approach to emissions reporting can be found on the Climate Action in Government Operations [website](https://www.finance.gov.au/government/climate-action-government-operations/). This includes:

* [Net Zero in Government Operations Strategy](https://www.finance.gov.au/government/climate-action-government-operations/aps-net-zero-emissions-2030), which includes details on the APS Net Zero Emissions Reporting Framework (such as scope, boundary, expansions, reporting boundaries and emissions included).
* [Net Zero in Government Operations Annual Progress Reports](https://www.finance.gov.au/government/climate-action-government-operations/australian-government-emissions-reporting), which cover:
* emission sources, emission factors, emission calculations, data post-processing and time series consistency for each annual reporting period.
* annual aggregated reporting.

**MT2 (b): the reason(s) why the measurement approach, inputs and assumptions were selected**

The APS Net Zero Emissions Reporting Framework provides a consistent basis for public reporting of greenhouse gas emissions associated with government operations. Emissions reporting was reinstated under the APS Net Zero Emissions Reporting Framework for FY2022-23 annual reports. Greenhouse gas emissions were last reported on a whole-of-Australian-Government level for FY2011-12 in the Energy Use in the Australian Government’s Operations report.

In acknowledging the gap in emissions reporting capability, the implementation of the APS Net Zero Emissions Reporting Framework involves a continuous improvement cycle in public reporting as time goes on. This provides an opportunity to help rebuild capability across Commonwealth entities and Commonwealth companies to measure and report on their emissions, as well as to reduce their overall emissions.

The first reporting period in FY2022-23 focused on emissions associated with the following activities or emissions sources: electricity, natural gas, fleet vehicles, domestic flights and other energy.

In the 2023-24 reporting period, expansion two of the APS Net Zero Emission Reporting Framework requires the following emissions to be included:

* refrigerants (reported as scope 1).
* solid waste disposal and treatment (reported as scope 3).
* employee domestic business travel (hire car and accommodation) (reported as scope 3).

The APS Net Zero Emissions Reporting Framework may expand over time to include additional material emission sources as data quality and methodology improves.

**MT2 (c): for scope 3 greenhouse gas emissions, disclose the categories included within the measurement of scope 3 greenhouse gas emissions and the characteristics of the data inputs used to measure scope 3 greenhouse gas emissions**

The scope 3 greenhouse gas emissions categories included in the APS Net Zero Emissions Reporting Framework for FY2023-24 are:

* domestic air travel;
* employee domestic business travel (hire car and accommodation);
* the extraction, production and transport of energy sources;
* the transmission and distribution losses associated with electricity use; and
* solid waste disposal and treatment.

## [Climate-related](#_Heading_2_here) targets: APS Net Zero by 2030 target

### MT3 Summary of Emissions Reduction Plan

All non-corporate Commonwealth entities are required to develop an Emissions Reduction Plan by June 2024 to define the priorities and actions that the entity will take to support the APS Net Zero by 2030 target.

Emissions Reduction Plans are to be made publicly available and signed off at the accountable authority level to ensure commitment to the net zero outcomes.

Entities must use a standard template provided by the Department of Finance. At minimum, the Emissions Reduction Plans are to include:

* Commitment to the APS Net Zero target;
* Current emissions and emissions reduction target;
* Priorities and actions for Net Zero Buildings, Net Zero Energy, Net Zero Travel, Net Zero Fleet, Net Zero Procurement, Net Zero ICT; and
* Implementation plan and associated actions, owners.

### MT4 Information on the APS Net Zero by 2030 target

Departments of State taking part in the Commonwealth Climate Disclosure Pilot are included in the APS Net Zero by 2030 target as they are non-corporate Commonwealth entities.

The following information summarises the whole-of-Australian-Government approach to climate-related metrics and targets as they apply to Departments of State for the 2023-24 financial reporting year. Any modifications to this approach, such as by security agencies, must be clearly stated within the entity’s climate disclosure.

1. The metric used to set the APS Net Zero by 2030 target is CO2-e. Net Zero is defined in the Net Zero in Government Operations Strategy as:
   1. Net Zero by 2030 / Net Zero 2030: A target set by the Australian Government to achieve net zero greenhouse gas emissions from government operations by the year 2030.
2. The APS Net Zero by 2030 target applies to all non-corporate Commonwealth entities and covers the entirety of the department’s organisation, unless an exemption has been agreed for security or other reasons.
3. The timeframe for achieving the net greenhouse gas emissions reduction target is from 16 June 2022 to 30 June 2031.
4. The APS Net Zero by 2030 target is a net greenhouse gas emissions reduction target.
5. The APS Net Zero by 2030 target is an absolute target, as it is a decrease in greenhouse gas emissions by a set amount within a defined timeframe.
6. The APS Net Zero by 2030 target forms part of Australia’s international climate commitments, including Australia’s Nationally Determined Contribution under the Paris Agreement.
7. The following greenhouse gas emissions are included in the APS Net Zero Emissions Reporting Framework: carbon dioxide (CO2); methane (CH4); nitrous oxide (N2O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); sulphur hexafluoride (SF6); and nitrogen trifluoride (N3).
8. The APS Net Zero by 2030 target includes scope 1 and scope 2 emissions, with decisions on scope 3 to be made in the future as further data becomes available.
9. The APS Net Zero by 2030 target was not derived using a sectoral decarbonisation approach.

# Document control

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| Version number | Date of issue | Brief description of change |
| 1 | March 2024 | Initial release. |
| 2 | May 2024 | MT2 (c): domestic non-air travel amended toemployee domestic business travel (hire car and accommodation). Two broken hyperlinks fixed. |
| 3 | April 2025 | Minor formatting amendments to improve accessibility. |

# Contact us

Department of Finance

[Climate Action in Government Operations](https://www.finance.gov.au/government/climate-action-government-operations/commonwealth-climate-disclosure)

Commonwealth Climate Disclosure

[climateaction@finance.gov.au](mailto:climateaction@finance.gov.au)