



Australian Government
Department of Finance

Climate Disclosure 2025–26

Acknowledgement of Country and Traditional Owners

The Department of Finance acknowledges the traditional owners and custodians of the land in which we live and work. We extend that acknowledgement to their continuing connection to country, waters and community. We pay our respects to all elders past and present, and extend that respect to all Aboriginal and Torres Strait Islander peoples.



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This document was edited with the assistance of generative artificial intelligence (AI) technology. All outputs have been reviewed and validated by a human.

Introduction

Commonwealth Climate Disclosure is the government's policy for Commonwealth entities to publicly disclose their exposure to climate risks and opportunities, as well as their actions to manage them.

Under the policy, the Department of Finance (Finance) has prepared a climate disclosure for reporting period 2025-26 following the [Year 2 Reporting Provisions](#).

Governance

Effective governance is crucial to enabling our Secretary, as our accountable authority, to oversee our agency's management of climate-related risks and opportunities in line with their duties under the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*. With a comprehensive governance framework already in place, we use existing policies and procedures to manage our risks, including climate-related risks and opportunities. Finance manages its risks in line with the Commonwealth Risk Management Policy and related guidance, taking a holistic approach to the identification, articulation, management, and accountability for key risks. Refer to the Corporate Governance section and the Enterprise Risk Management section of [Finance's 2025-26 Annual Report](#) for further information on our agency-wide approach to governance, risk management, related policies and procedures and the roles and responsibilities of our executive committees.

Finance recognises in its [2025-26 Corporate Plan](#) that climate change presents a range of environmental, economic, social and security challenges for all Australians. The impact of extreme climate events affects our economy in various ways, including budgetary impacts related to disaster recovery activities and the impact on Commonwealth owned assets that we insure. Climate change is identified as one of the 4 key challenges that influences our operating environment. Finance is committed to assisting the APS to address climate impacts in government operations through the implementation of key whole-of-government initiatives, including working to meet the APS Net Zero 2030 Target, transitioning the COMCAR fleet to low emissions vehicles and building sustainability considerations into Finance-owned property.

Our approach to climate governance

We manage climate-related risks and opportunities through our existing governance and risk management policies and planning processes.

Our Enterprise Risk Management Framework is aligned with the Commonwealth Risk Management Policy and PGPA Act. The Executive Board supports the Secretary, as accountable authority, in overseeing the department's risk management arrangements. In 2025-26, the Executive Board considered Finance's key risks – including risk exposure, management strategies and accountabilities for controls and treatments. Oversight of the department's risk profile will remain a key focus throughout 2026-27.

The Secretary, supported by the Chief Risk Officer (CRO) and Performance and Risk Committee (PRC), also plays a central role in Finance's risk management arrangements. The PRC provides oversight and advice on our strategic direction and monitors and advises the Executive Board on Finance's risk profile, risk culture and maturity, to ensure Finance's approach to managing risk is fit for purpose. The PRC oversees strategic, enterprise and operational risks, including climate-related risks, opportunities and capability, and considers these via quarterly risk reports. During the next reporting period we will consider the committee's role in overseeing Finance's strategy and risk management processes as they relate to climate risks and opportunities as appropriate.

Senior executives are responsible for monitoring and managing operational risks and overseeing strategic and enterprise risks within their areas of responsibility. The enterprise risk team supports executives and the PRC through risk monitoring, quarterly reporting and building risk capability, including climate-related capability, through Finance's network of risk champions.

In 2024-25, the PRC established a working group to conduct an organisation-wide climate risk and opportunity assessment, with members drawn from business areas and the risk champion network. The assessment was not finalised during the reporting period and remains a focus of ongoing work. Additionally, Finance has appointed a Chief Sustainability Officer (CSO) to lead climate action initiatives, including emissions reporting and climate risk management and disclosure.

Climate skills and capability

Our People and Capability Framework sets out the behaviours, skills, knowledge and 5 core capabilities. As at 30 June 2026, our People and Capability Framework did not specifically identify climate risk as a core competency. Risk capability building activities, including climate risk maturity, are regularly communicated to the PRC in their role to advise the Secretary on the effectiveness of the department's risk management systems.

Finance determines capability needs through its existing workforce planning, recruitment and learning and development processes. Business areas identify skills and competency requirements based on their operational responsibilities and emerging priorities, including responsibilities relating to climate-related risks and opportunities where relevant. Where capability needs are identified, they are addressed through recruitment, targeted training and development activities, and access to specialist expertise.

During 2025-26, the Risk Champion Network continued to operate as a key forum for collaboration and capability building, bringing together representatives from across Finance to discuss risk management and improvement opportunities. The network supported implementation of an enhanced risk reporting platform, which embeds the climate risk assessment guidance alongside existing risk guidance and tools, as part of regular environmental scanning by business areas feeding into reporting to governance committees.

Finance continues to strengthen climate-related capability through the work of specialist teams responsible for climate action in government operations, emissions reporting and climate disclosure implementation. In 2026-27 Finance is committed to assessing capability requirements through our climate risk and opportunity assessment.

Case Study

Supporting Commonwealth entities and companies to build their climate action capabilities

The Climate Action in Government Operations (CAIGO) team delivers a range of initiatives to support and build climate action capability across the Commonwealth. We do this through:

- Facilitating a network of Chief Sustainability Officers across Commonwealth entities and Commonwealth companies. The network includes participation from 103 Commonwealth entities and companies. Over 2025-26, the CAIGO team organised 4 events which brought together senior officials with climate and sustainability responsibilities to share insights, support implementation of the Net Zero in Government Operations Strategy, and learn from APS case studies. The CAIGO team also published 4 newsletters showcasing key policy updates, guidance and practical examples of climate action across Commonwealth entities.
- Ongoing release of e-learning modules under the CAIGO Program. The program consists of 8 e-learning modules delivered through APS Learn that builds practical skills and foundational knowledge to support APS staff in implementing climate action and achieving net zero emissions across government operations. Four e-learning modules were delivered in 2025-26.
- Development of 2 Greening Government Microcredentials in partnership with RMIT Online funded by the Australian Public Service Commission's Capability Reinvestment Fund.
- Webinars on key climate action in government operations topics, including other presentations upon request. In 2025-26 the CAIGO team hosted 15 webinars for members of the CAIGO Community of Practice.
- Direct engagement with entities and development of supporting resources to facilitate implementation of CAIGO initiatives, including reviewing draft climate disclosures and Emissions Reduction Plans (ERPs), responding to entity enquiries, and releasing templates, guidance and examples.
- Managing the CAIGO Community of Practice available on the GovTEAMS platform. As at 30 June 2026, the Community of Practice had 939 members.
- Other community of practices on specific topics or for specific groups, like emissions reporting and large Commonwealth companies.

Strategy and Risk Management

Climate risks and opportunities

Finance is continuing to develop its approach to climate risk and opportunity assessment in line with [Climate Risk Management: The Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024-26](#). We are progressively integrating climate-related risk and opportunity management into our overall risk management process, including our approach to identifying, assessing, prioritising and managing climate risks and opportunities and their impact on our operations and policy areas.

The next iteration of a Climate Risk and Opportunity Management Program (CROMP) assessment and climate scenario analysis, flagged in Appendix E of the [2024-25 Finance Annual Report](#), was not completed for this reporting period. Instead, Finance prioritised building the foundations for a more mature and integrated approach to climate risk management by strengthening internal capability, improving climate-related data inputs and reporting processes, and enhancing coordination across business areas. These efforts supported the integration of climate change considerations into key departmental activities and programs. Finance also continued to deliver its climate commitments including Commonwealth Climate Disclosure, the APS Net Zero 2030 Target (the 2030 Target) and the Net Zero in Government Operations (NZGO) Strategy, the Emissions Reporting Framework, the whole-of-Australian-Government Electricity Services Arrangements, and the Low Emission Vehicle (LEV) Target.

Finance is intending to commence the next stage of a CROMP assessment and scenario analysis in 2026-27.

In 2025-26, Finance established a cross-departmental working group bringing together areas where action was being taken on climate across the business. This was to improve coordination of climate-related activities and build a shared understanding of climate risks and opportunities faced by Finance at a high-level. This was supported by a series of internal presentations with climate action-aligned business areas to uplift capability and strengthen linkages between operational, policy and enabling functions.

This year, Finance has focused on climate action and emissions reductions in the whole-of-Australian-Government policies that Finance is responsible for or can directly influence. Work during 2025-26 has focused on these areas:

- COMCAR fleet transition: accelerating electrification of the car-with-driver transport services for parliamentarians, the Governor-General, the federal judiciary and international guests of government, reducing Scope 1 emissions and demonstrating the operational viability of zero-emissions vehicles in government use.
- Finance Owned Estate (FOE): developing a portfolio-wide sustainability strategy to support targeted emissions reductions across Finance's diverse portfolio of Commonwealth-owned property assets.
- Finance Leased Estate (FLE): leveraging leasing and landlord engagement to improve energy performance, support renewable energy uptake and embed sustainability into workplace and procurement decisions.

- CAIGO: building capability across the APS through guidance, tools and engagement to support consistent implementation of emissions reduction initiatives and the NZGO Strategy.
- Emissions Reporting Framework: helping Commonwealth entities and companies to measure and report on emissions in a consistent and transparent way, to enable tracking progress towards the APS Net Zero 2030 Target and operational decision-making.
- Commonwealth Climate Disclosure initiative: supporting Commonwealth entities and companies to implement their climate disclosure obligations, to enhance the transparency of climate action taken by the government and maintain competitive neutrality with businesses and financial institutions subject to sustainability reporting under the *Corporations Act 2001*.
- Whole-of-Australian-Government electricity procurement arrangements: implementing coordinated procurement arrangements to leverage Commonwealth demand and increase access to renewable electricity across government operations.

This work provides an important foundation for more comprehensive climate risk assessment over time, by improving the quality of emissions data, strengthening capability across the APS, and embedding climate considerations into the policy and operational levers that Finance directly controls.

Case Study

Finance Owned Estate Sustainability Strategy

The Finance Owned Estate (FOE) comprises a diverse portfolio of Commonwealth-owned property assets managed by the Department of Finance, including major office accommodation buildings, Commonwealth Law Courts and other special-purpose properties. During 2025-26, Finance developed the FOE Sustainability Strategy to provide a portfolio-level framework for integrating sustainability considerations into the management, operation and renewal of these assets, while maintaining safety, functionality, heritage obligations and value for money.

The FOE Sustainability Strategy supports implementation of the APS Net Zero 2030 Target, NZGO Strategy, and Finance's associated reporting obligations for the FOE.

The FOE Sustainability Strategy initially focuses on reducing greenhouse gas emissions from the FOE properties that fall within Finance's operational emissions reporting boundary under the Emissions Reporting Framework. As of 2025-26, this includes 15 Finance-owned properties, primarily Commonwealth Law Courts and several office accommodation buildings. These properties form part of the broader FOE portfolio of 54 properties, with future reviews expected to consider how sustainability initiatives and performance monitoring can be progressively expanded across the broader Estate.

Key outcomes of the FOE Sustainability Strategy include achieving net zero Scope 1 and Scope 2 greenhouse gas emissions by 2030 for FOE properties in Finance's operational emissions reporting boundary, achieving a 4.5 star NABERS Energy rating for eligible FOE buildings by 2030, progressing eligible buildings to 5.5 stars by 2035 where applicable, and reducing reliance on fossil fuels through electrification of base building services where feasible.

Before the FOE Sustainability Strategy was developed, emissions reduction measures across the FOE had commenced through Finance's Emissions Reduction Plan and good building management practices to reduce property operating costs. These include:

- Installation of LED lighting at all Commonwealth Law Court buildings and several office accommodation buildings
- Installation of rooftop solar panels at 3 Commonwealth Law Court Buildings; and
- Installation of electric heat pumps to provide electric space heating at 2 Commonwealth Law Court buildings



Figure 1: Paramatta CLC solar panels – Photo: Ventia, used with permission

The FOE Sustainability Strategy builds on these foundations by identifying further opportunities to achieve emissions reductions through coordinated asset renewal, energy efficiency and electrification projects.

The FOE Sustainability Strategy contains sequenced, time-bound actions. Early implementation priorities include electrification of building services, reducing emissions from refrigerants, increasing renewable electricity use and improving energy performance. Together, these priorities are intended to reduce operational emissions while improving the long-term sustainability and performance of the FOE. These actions will be reviewed annually to reflect delivery progress, improved data and changing policy settings.

To support the early implementation priorities, the FOE Sustainability Strategy includes portfolio-specific performance metrics that will help inform future investment, prioritisation and asset management decisions. Some of these metrics are particularly relevant for special purpose buildings (for example a Commonwealth Law Court) that are not eligible to receive a NABERS Energy rating for office buildings. These metrics include:

- Energy use intensity (an alternative to a NABERS Energy performance rating)
- Total count of gas boilers remaining across the portfolio and their replacement date
- Total count of domestic hot water boilers, their energy source (that is, electric or gas) and replacement date
- Type and total quantity of refrigerants contained in FOE operated assets; and
- Total size of rooftop solar

The FOE Sustainability Strategy provides Finance with a structured framework for delivering, monitoring and reporting sustainability outcomes across the FOE. It guides operational decision-making and annual reporting obligations for sustainability matters to ensure the FOE contributes to the APS Net Zero 2030 Target and beyond.

Case Study

COMCAR Fleet Electrification

COMCAR fulfils a critical role in supporting the legislative, executive and judicial functions of government by providing secure, discreet and highly professional ground transport services nationally. Its core responsibility is the safe and reliable transport of high-profile office holders, including the Governor-General, federal parliamentarians and members of the federal judiciary. In addition, COMCAR delivers specialised transport coordination and logistical support for official Guests of the Australian Government, visiting foreign dignitaries and major national and international events, helping to ensure the effective delivery of the Government's diplomatic, ceremonial and operational responsibilities.

Given the size, utilisation and operational profile of its fleet, COMCAR has an important role in supporting the Australian Government's commitment to reducing emissions from government operations. The transition to electric vehicles was driven by the Australian Government's *Powering Australia* plan and its commitment to achieve net zero across the APS by 2030. As part of these commitments, the government established a target for 75% of new Commonwealth passenger vehicle purchases and leases to be low-emissions or zero-emission vehicles by 2025.

In response, COMCAR commenced a phased transition to a lower-emissions fleet in 2023. The initiative was designed to reduce operational greenhouse gas emissions, support the government's net zero ambitions, modernise fleet assets, demonstrate the operational viability of electric vehicles in high-utilisation government transport services, and contribute to broader Commonwealth fleet decarbonisation objectives.

The transition commenced with the delivery of the first 6 zero-emission electric vehicles (EVs) in May and June 2023. Building on earlier charging infrastructure testing and preparatory work undertaken during the early 2020s, these vehicles were deployed to evaluate performance under real-world operating conditions, confirm vehicle suitability across a range of duty cycles, inform fleet deployment decisions, support driver familiarisation and training, and validate charging infrastructure requirements. Lessons from this initial phase informed the broader rollout strategy and enabled the refinement of operational procedures, charging practices, workforce readiness activities and asset management arrangements.

As one of the most significant operational transformations in COMCAR's history, the transition represented a substantial technological and cultural shift following more than 120 years of reliance on conventional internal combustion engine vehicles. The pilot phase provided valuable insights into factors critical to a successful implementation, including driver confidence and familiarity with the new technology, vehicle performance and usability, passenger experience, charging infrastructure readiness and the integration of electric vehicles into day-to-day operations. The knowledge gained during this period informed change management approaches, workforce preparation and infrastructure investment, helping ensure the transition was delivered while maintaining the high standards of safety, reliability, discretion and customer service expected of COMCAR.

Following the successful pilot, fleet and supporting infrastructure rollout commenced in Perth and Adelaide in December 2023, followed by Sydney and Brisbane in mid-2024, and Melbourne and Hobart in mid-2025. The national deployment program culminated with the opening of COMCAR's new Canberra facility in April 2026 by the Governor-General, Her Excellency the Honourable Sam Mostyn AC. The facility is COMCAR's largest electrified operating location and represents a significant investment in the infrastructure required to support fleet electrification. It provides the charging infrastructure necessary to support an increasingly electrified fleet while enhancing operational flexibility, resilience and the long-term sustainability of government transport services.



Figure 2: Opening of the COMCAR's new Canberra facility in April 2026 by the Governor-General, Her Excellency the Honourable Sam Mostyn AC

COMCAR has reached a significant milestone in its fleet electrification journey, with 138 electric vehicles now in operation across Australia, representing approximately 88 per cent of the operational fleet. This achievement has been realised through a phased national rollout of vehicles and supporting infrastructure, significantly increasing the proportion of journeys undertaken in zero tailpipe emissions vehicles across both metropolitan and longer-distance operations. The transition has reduced Scope 1 emissions while maintaining the reliability, availability and service standards essential to the delivery of government transport services.

To support fleet electrification, COMCAR progressively deployed charging infrastructure across its network of operational depots in Perth, Adelaide, Sydney, Brisbane, Melbourne, Hobart and Canberra. By 30 June 2026, EV charging infrastructure had been installed at all COMCAR depots nationwide, ensuring sufficient capacity to support the rollout of electric vehicles and ongoing operational requirements. This investment has enabled reliable overnight and between-shift charging, reduced reliance on public charging networks and established a scalable platform to support future fleet electrification. The new Canberra facility represents COMCAR's largest electrified operating location and has significantly enhanced network capacity, operational flexibility and service resilience.

COMCAR has also invested in renewable energy generation as part of its broader decarbonisation efforts. Solar photovoltaic systems have been installed at the Canberra, Sydney and Melbourne depots, contributing renewable electricity to onsite charging and depot operations. These investments reduce Scope 2 emissions, improve energy efficiency and increase the proportion of renewable energy used to support government transport services.



Figure 3: Inside the new COMCAR Canberra facility

A key focus of the transition was supporting employees through organisational change. Operational policies and procedures were updated to reflect new vehicle technologies and charging requirements, while a comprehensive national program of driver familiarisation and training was delivered. Fleet management systems and data collection capabilities were also enhanced, improving visibility of vehicle utilisation, energy consumption and emissions performance. These measures have strengthened COMCAR's ability to monitor performance, identify opportunities for improvement and support evidence-based decision-making.

The fleet electrification initiative is delivering measurable environmental and operational benefits. The transition to electric vehicles has significantly reduced COMCAR's reliance on internal combustion engine vehicles, lowered operational emissions and established the capability required to support future fleet requirements. The rollout of charging infrastructure, renewable energy generation, updated operating procedures, workforce training and enhanced data systems has ensured the transition is sustainable, scalable and operationally effective. Importantly, these outcomes have been achieved while maintaining the high levels of service, reliability and operational readiness expected of government transport services.

Looking ahead, COMCAR will continue its fleet decarbonisation journey through further electrification as suitable vehicle options become available, ongoing optimisation of charging infrastructure, greater integration of renewable energy and continued enhancement of data-driven fleet management practices. These initiatives will support further reductions in emissions and ensure COMCAR remains well positioned to meet future government sustainability objectives, including the APS Net Zero 2030 Target.

Finance has identified organisational and policy-related risks and opportunities in line with the CCD Year 2 progressive implementation schedule. These are being considered against current, short (2030) and medium (2050) time horizons as recommended by the Climate Risk Management Organisation Application Guide. The risks and opportunities identified below are not intended to be an exhaustive list and may be refined as Finance’s climate risk maturity develops. In accordance with the CCD Year 2 Requirements, we have utilised all reasonable and supportable information available at the time of drafting without undue cost or effort to assess our climate-related risks and opportunities.

Table 1: Finance’s organisational and policy-related climate-related risks and opportunities

Risks and opportunities	Current effects 2025-26 reporting period	Anticipated effects Short-, medium-, and long-term time horizons	Strategy and decision making Actions planned or undertaken to manage effects
Risk 1: Climate-related disruption to enabling services, people and capability, health and safety. Time horizon: Short (2030), medium (2050) Concentration: Canberra-based head office and enabling service functions. Risk type: Physical	Operational model: Health and safety impacts to staff from acute weather events. Public policy delivery: N/A.	Operational model: Increasing frequency and severity of extreme weather events (e.g. heatwaves, smoke, storms) may adversely affect staff health, safety and productivity Public policy delivery: Increasing frequency and severity of extreme weather events (e.g. heatwaves, smoke, storms) may disrupt Finance’s enabling services (ICT, property, corporate systems). This creates risks to Finance’s ability to support whole-of-government financial management and parliamentary services during high-risk periods.	Actions undertaken: • Maintained business continuity and emergency management arrangements. • Maintained flexible and hybrid working arrangements, enabling staff to work remotely. • Continued investment in ICT systems and digital service delivery capabilities that support operational resilience and remote access. • Maintained work health and safety arrangements to support staff. Planned actions: • Continue to embed climate-related physical risks into risk management framework through CROMP, roles and responsibilities, and governance, business continuity arrangements, and emergency management processes. • Improve understanding of climate-related impacts on Finance’s workforce, workplaces and enabling services through CROMP.
Risk 2: Delayed or ineffective transition to net zero across Commonwealth operations, reducing the Australian Government’s ability to achieve APS Net Zero by 2030 and associated climate commitments. Time horizon: Short (2030) Concentration: Climate Action in Government Operations policies, whole-of-government procurement arrangements, emissions reporting systems and Commonwealth operational emissions sources. Risk type: Transition	Operational model: Commonwealth entities, including Finance, face varying levels of capability, resourcing, maturity and access to emissions reduction opportunities. These factors may limit the pace and consistency of implementation of requirements under the NZGO Strategy, increasing delivery risks and costs for the APS Net Zero 2030 Target. Public policy delivery: As the policy owner for the NZGO Strategy, Finance has invested in guidance, capability building, emissions reporting frameworks, procurement mechanisms and stakeholder engagement to support implementation across government. Progress to date has highlighted the importance of coordinated whole-of-government approaches to address common barriers and accelerate emissions reduction.	Operational model: If emissions reduction initiatives are not embedded across Commonwealth operations, entities may face increasing reliance on future emission abatement measures, reduced flexibility in achieving emissions reduction targets and higher transition costs. Failure to achieve meaningful emissions reductions under the APS Net Zero 2030 Target may reduce confidence in government-led climate action and create delivery pressures for Finance as policy steward. Public policy delivery: Delayed progress towards the APS Net Zero 2030 Target could reduce the Government’s ability to demonstrate leadership in climate action and sustainable public administration. It may also limit emissions reduction opportunities available through whole-of-government initiatives, procurement arrangements and operational reforms. Conversely, successful implementation provides opportunities to reduce operational emissions and costs, improve efficiency, strengthen climate capability and demonstrate government leadership in the transition to a low-emissions economy.	Actions undertaken: • Continued implementation of the NZGO Strategy across Commonwealth entities. • Progressed a mid-term review of the NZGO Strategy to assess progress, identify barriers and consider opportunities to accelerate emissions reductions. • Delivered whole-of-government emissions reporting arrangements to improve visibility of emissions performance. • Provided guidance, educational resources, webinars and engagement to support implementation by Commonwealth entities. • Progressed whole-of-government initiatives including renewable electricity procurement arrangements, climate disclosure requirements and low-emission vehicle targets. Planned actions: • Consider outcomes of the NZGO Strategy mid-term review. • Continue monitoring APS emissions performance and implementation of NZGO Strategy requirements. Continue to provide support for entities to align with whole-of-government net zero policies. • Continue delivering whole-of-Australian-Government renewable electricity procurement arrangements to support achievement of renewable electricity targets. • Work with entities to identify and address implementation barriers, particularly in emissions-intensive operational areas. Work to enhance entity and officer understanding on implementing the NZGO Strategy.

Risks and opportunities	Current effects 2025-26 reporting period	Anticipated effects Short-, medium-, and long-term time horizons	Strategy and decision making Actions planned or undertaken to manage effects
Risk 3: Physical, financial and operational constraints limiting emissions reduction across Finance’s uniquely diverse operational footprint (including owned and leased estate, fleet, parliamentary and ministerial properties and operational activities). Time horizon: Short (2030), Medium (2050) Concentration: Finance Owned Estate, Finance Leased Estate, fleet and travel operations, ICT infrastructure and asset renewal programs. Risk type: Physical and transition	Operational model: A number of emissions reduction opportunities within Finance’s operations are dependent on asset replacement cycles, third-party service providers, landlord decisions, budget availability and heritage considerations. These constraints can affect the timing, scale and feasibility of emissions reduction projects and may delay implementation of measures that support the APS Net Zero 2030 Target. Public policy delivery: As a policy owner for climate action in government operations, Finance is also expected to demonstrate leadership through its own operational emissions reductions. Constraints affecting implementation may reduce opportunities to showcase practical approaches to decarbonisation across government and generate insights that can be shared with other entities.	Operational model: If emissions reduction projects cannot be implemented at the required pace, Finance may face increased reliance on future emission abatement measures and reduced flexibility in achieving the APS Net Zero 2030 Target. Delayed electrification, building upgrades or energy efficiency improvements may also result in ongoing operational emissions and increased exposure to future transition costs. Public policy delivery: See ‘current’ public policy delivery effects.	Actions undertaken: • Developed and implemented sustainability strategies and emissions reduction initiatives across Finance operations, including Finance’s Emissions Reduction Plan, and the Finance Owned Estate Sustainability Strategy. • Voluntary purchase of renewable electricity for Finance Owned Estate locations outside ACT. • Ongoing engagement with teams within Finance responsible for implementing emission reduction projects or initiatives. • Continued implementation of electric vehicle transition activities through COMCAR and related infrastructure investments. Planned actions: • Participated in whole-of-Australian-Government renewable electricity procurement initiatives. • Continue identifying and prioritising emissions reduction opportunities across Finance-owned and leased assets. • Progress electrification, energy efficiency and renewable electricity initiatives where feasible. • Incorporate emissions reduction and fuel supply considerations into asset lifecycle and investment decisions. • Work with landlords, service providers and relevant stakeholders to address implementation barriers, including heritage and infrastructure constraints. • Monitor implementation progress through governance arrangements established under Finance’s Emissions Reduction Plan.
Risk 4: Increasing climate-related natural peril losses affecting the financial sustainability and risk management effectiveness of the Commonwealth self-insurance scheme (Comcover). Time horizon: Short (2030), medium (2050) Concentration: Entities covered by Comcover. Risk type: Physical and transition	Operational model: Comcover’s operating model is exposed to climate-related natural peril risk through its role in pricing, monitoring and managing insured risks for Commonwealth entities covered by the scheme. This includes the ongoing need to assess Property Event exposure, monitor claims experience, consider changes in declared asset values and risk profiles, and maintain premium adequacy for weather-related losses. Current claims information reviewed for the reporting period does not provide a basis for presenting significant current-year weather-related events as the primary current effect of Risk 4. The current effect is therefore best described as the continuing need to manage natural peril exposure within Comcover’s pricing, claims monitoring and risk management processes, rather than as a material current-year weather-event impact. Public policy delivery: Comcover provides insurance and risk management services to Commonwealth General Government Sector entities. Climate-related natural peril risk can affect that role where weather-related losses increase claims costs, create volatility in Property cover outcomes, or place pressure on premiums for entities with higher exposure to natural peril risk.	Operational model: Comcover is expected to continue managing climate-related natural peril risk through premium-setting, claims monitoring, exposure analysis and engagement with entities covered by the scheme. The risk is expected to remain relevant to the operating model because significant weather-related events are recognised as a Property exposure, and Comcover’s assessment processes consider claims experience, exposure information and changes in risk profile. This may require continued refinement of how natural peril exposure is identified, assessed and reflected in scheme management processes. Public policy delivery: Climate-related natural peril losses may continue to affect Comcover’s ability to support entities through stable, sustainable and risk-reflective insurance arrangements, particularly for entities with higher concentrations of insured assets exposed to severe weather, flood, cyclone, bushfire or other natural peril risks.	Actions undertaken: • Revised approach to calculating Comcover premiums from 2024-25 to place greater emphasis on individual Fund Member risk profiles. Planned actions: • Continue to ensure insurance premiums reflect the cost of risks covered by Comcover. • Improve understanding of climate-related natural peril exposures across the Fund. • Continue monitoring claims experience and emerging climate-related risks to support the long-term sustainability of the Commonwealth self-insurance scheme.

Risks and opportunities	Current effects 2025-26 reporting period	Anticipated effects Short-, medium-, and long-term time horizons	Strategy and decision making Actions planned or undertaken to manage effects
Opportunity 1: Achieving and maintaining a net zero Australian public service, as defined by the Net Zero in Government Operations Strategy. Time horizon: Short (2030), medium (2050) Concentration: Non-corporate Commonwealth entities. Opportunity type: Transition	Operational model: The NZGO Strategy describes the approach for implementing the Australian Government's commitment to achieve net zero in government operations by 2030. The Strategy sets out the activities, emissions sources and Australian Government entities (such as departments and agencies) that are included in the APS Net Zero 2030 Target and reporting, and actions required by entities. Public policy effects: The NZGO Strategy contains requirements and guidance for entities. The NZGO Strategy is a devolved framework and has been designed such that entities are responsible for identifying and implementing necessary action to support the Government's commitment, assisted by Finance. The Strategy is also designed to support and integrate with existing whole-of-government policies and frameworks, such as the Commonwealth Procurement Framework and Commonwealth Property Management Framework.	Operational model: The NZGO Strategy includes staged deliverables and targets that will advance progress towards the APS Net Zero 2030 Target. The NZGO Strategy will be complemented by guidance that will further explain obligations and provide practical advice for implementation and achieving net zero. Public policy effects: Requirements under the NZGO Strategy will be introduced in stages, allowing relevant entities to progressively improve their emissions reduction efforts and progress towards the target. Capability uplift across the APS, including targeted learning and development, collaboration and sharing knowledge and experience across entities will be important to enable successful outcomes.	Actions undertaken: • A mid-term review was conducted in 2025-26 to consider overall progress to date, domestic and international expectations on climate action in government operations, and recommended changes to policy or strategy to ensure the government is still meeting its commitment to demonstrate leadership. Planned actions: • Ongoing work with entities to support the transition to net zero.
Opportunity 2: Developing and implementing a whole-of-government Emissions Reporting Framework and Emissions Data Portal to allow better understanding of the emissions produced by Commonwealth entities and companies, supporting achievement of the APS Net Zero 2030 Target and Commonwealth Climate Disclosure. Time horizon: Short (2030) Concentration: Commonwealth entities and Commonwealth companies. Opportunity type: Transition	Operational model: The Emissions Reporting Framework (the Framework) and Emissions Data Portal (EDP) support more consistent and efficient internal processes for compiling emissions data used for reporting against the NZGO Strategy, the APS Net Zero 2030 Target, and Finance's own climate disclosure. Public policy effects: The Framework details how entities are to measure and report greenhouse gas emissions from Australian Government operations. The Framework helps Commonwealth entities and companies to measure and report on emissions in a consistent way; report on as wide a range of emissions as possible; and ensure underlying data is robust, defensible, and transparent. The Framework is supported by the development of the EDP to calculate entities' greenhouse gas emissions inventories. The EDP is a bespoke, centralised platform designed to enhance the way all Commonwealth entities and companies manage emissions reporting in line with the Framework. The Framework and EDP work alongside the NZGO Strategy, APS Net Zero 2030 Target, and Commonwealth Climate Disclosure policies to strengthen transparency and credibility in government emissions reporting.	Operational model: Over time, the Framework and EDP are expected to improve data quality, consistency and timeliness, reducing manual effort and rework for Finance and entities. This will support more robust emissions tracking, trend analysis and scenario planning as reporting obligations expand and mature. Public policy effects: Improved emissions data will strengthen government decision-making by providing a clearer evidence base to monitor progress towards the APS Net Zero 2030 Target and inform future climate-related policy settings. Consistent reporting across entities supports accountability, comparability, and alignment with broader climate disclosure and assurance expectations.	Actions undertaken: • Refreshed the Emissions Reporting Framework for the 2025-26 reporting period. • Provided and invested in guidance, tools and technical support to Commonwealth entities and companies to support consistent emissions data collection and reporting. • Used reported data to inform Finance's own emissions inventory, emissions reduction planning, and climate disclosure processes. Planned actions: • Continue to refine and uplift the Emissions Reporting Framework as data quality, coverage and entity capability improve. • Leverage reported emissions data to support enhanced analysis, assurance and transparency over time. • Align future enhancements with evolving Commonwealth Climate Disclosure requirements and assurance expectations. • Engage an Electricity Metering Service Provider for improved frequency and consistency of site electricity consumption data of Commonwealth entities participating under the new Australian Government Electricity Services Arrangements.
Opportunity 3: Designing and leading implementation of a climate disclosure initiative for Commonwealth entities and Commonwealth companies. Time horizon: Short (2030) Concentration: Commonwealth entities and Commonwealth companies. Opportunity type: Transition	Operational model: N/A Public policy effects: Supporting the transparent communication of how Commonwealth entities and Commonwealth companies are managing their climate risks, harnessing climate opportunities and reducing emissions, in a way that is commensurate with climate disclosure obligations for large businesses and financial institutions under the <i>Corporations Act 2001</i>.	Operational model: N/A Public policy effects: • Maintenance of competitive neutrality between Commonwealth entities and large businesses and financial institutions. • Greater transparency, accountability and credibility of climate action by Commonwealth entities and Commonwealth companies. • Demonstrates Government leadership on climate action, supporting commitments under the Paris Agreement and enabling the APS Net Zero 2030 Target. • Strengthens long-term resilience, by encouraging entities to identify, plan for and manage climate risks and opportunities in their operations.	Actions undertaken: • Supported the implementation of the climate disclosures by large Commonwealth entities, specialist investment vehicles and those that are responsible for climate change policy (Tranche 1) following Year 1 Commonwealth Climate Disclosure (CCD) Requirements. This has led to 50 climate disclosures being published. • Delivered Year 2 and Year 3 (Full) CCD Requirements, and Year 1 and Year 2 Simplified CCD Requirements in October 2025, for use from 2025-26 reporting periods. • Progressed amendments to s516A <i>Environment Protection and Biodiversity Conservation Act 1999</i> to clarify climate disclosure obligations by Commonwealth entities and companies. • Delivered a range of guidance, webinars, e-learning and engagements to build capability in climate disclosure. • Released CCD RMG 140 and climate disclosures on the Transparency Portal. Planned actions: • Supporting implementation of Commonwealth Climate Disclosure by Commonwealth entities in forthcoming reporting years.

Risks and opportunities	Current effects 2025-26 reporting period	Anticipated effects Short-, medium-, and long-term time horizons	Strategy and decision making Actions planned or undertaken to manage effects
Opportunity 4: Using aggregated Commonwealth purchasing power to support renewable electricity uptake and achievement of the APS Net Zero 2030 Target. Time horizon: Short (2030), medium (2050) Concentration: Commonwealth entities and companies participating in the Australian Government Electricity Procurement Arrangements; Australian electricity market. Opportunity type: Transition	Operational model: The Australian Government Electricity Services Arrangements provide Finance and participating Commonwealth entities with access to coordinated electricity procurement solutions that support achievement of renewable electricity requirements under the NZGO Strategy. The arrangements simplify procurement processes, improve access to renewable electricity products and support more consistent electricity purchasing across government. Public policy effects: As the administrator of a major whole-of-government procurement arrangement, Finance can leverage aggregated Commonwealth electricity demand to support the transition to a lower-emissions electricity system. The arrangements provide participating entities with a pathway to achieve renewable electricity targets while enabling more coordinated implementation of government climate policy. The arrangements strengthen Finance's stewardship role by integrating climate objectives into core resource management and procurement activities. By aggregating demand across entities, the Australian Government is better positioned to secure favourable commercial outcomes, improve consistency in renewable electricity procurement, and send stronger market signals supporting investment in renewable electricity generation and related infrastructure.	Operational model: As participation expands across jurisdictions, the arrangements are expected to improve procurement efficiency, reduce duplication of effort across entities and increase access to renewable electricity procurement options. Greater visibility of electricity consumption and renewable electricity purchasing may also support improved emissions reporting, planning and monitoring across government operations. Public policy effects: Over time, the arrangements are expected to contribute to achievement of the APS Net Zero 2030 Target by increasing the proportion of renewable electricity purchased across Commonwealth operations. The arrangements also provide a scalable mechanism for integrating climate considerations into future whole-of-government procurement activities and supporting government leadership on climate action.	Actions undertaken: - Established new Australian Government Electricity Services Arrangements for large market customers in the Australian Capital Territory and Western Australia during calendar year 2026 for Commonwealth entities' use in meeting renewable electricity requirements under the NZGO Strategy. - Designed the arrangements to leverage aggregated Commonwealth purchasing power and improve access to renewable electricity procurement solutions. - Worked with participating entities and suppliers to support consistent implementation of renewable electricity procurement requirements and reporting outcomes. Planned actions: - Deliver the Australian Government Electricity Services Arrangements across the remaining state and territory jurisdictions by 30 June 2027. - Continue engagement with Commonwealth entities to support uptake of the arrangements and achievement of renewable electricity targets. Scope and plan Australian Government Electricity Services Arrangements for the small market for use by Commonwealth entities to contribute to renewable electricity targets.
Opportunity 5: COMCAR's implementation and rollout to an electric vehicle fleet. Time horizon: Short (2030), medium (2050) Concentration: COMCAR fleet. Opportunity type: Transition	Operational model: Reducing government operational emissions in support of the APS Net Zero 2030 Target. Public policy effects: Alignment with the Commonwealth low-emissions vehicle target and Finance's ownership of sustainable procurement and climate action in government operations. Demonstrates Finance's stewardship role and leadership in low-emissions transport, including how EVs can meet operational, security and reliability requirements. Strengthens EV capability across government and confidence in EV adoption.	Operational model: Reduces long-term exposure to fuel price volatility and transition risk. As leased vehicles are cycled out of the COMCAR fleet at the end of their lease term, they will help expand the availability of affordable zero-emission vehicles in the second-hand market. Expected savings in running costs and maintenance. The rollout is supported by EV charging infrastructure and COMCAR's digital booking and dispatch system (CARS), which improves fleet utilisation and operational efficiency. This creates opportunities to optimise routes, vehicle use and future emissions tracking as EV deployment scales. Public policy effects: See 'current' public policy delivery effects.	Actions undertaken: - EV rollout and support EV infrastructure completed nationwide. See case study for more information. - New COMCAR depot opened in Canberra in April 2026. Planned actions: - Enhance knowledge sharing with other entities to support their own rollouts in the vehicle and infrastructure spaces.

Climate scenario analysis

A climate scenario analysis was not undertaken for this reporting period.

Finance is progressing capability in this area and intends to incorporate scenario-based insights into future reporting as data, systems and internal processes mature.

Climate-related metrics (emissions reporting)

As part of the [Net Zero in Government Operations Strategy](#), and the reporting requirements under section 516A of the [Environment Protection and Biodiversity Conservation Act 1999](#), all Commonwealth entities and Commonwealth companies are required to report on their operational greenhouse gas emissions.

The Greenhouse Gas Emissions Inventory and Electricity Greenhouse Gas Emissions tables present greenhouse gas emissions over the 2025-26 financial year. The greenhouse gas emissions reported are calculated as Carbon Dioxide Equivalents (CO₂-e) and in line with the [2025-26 Emissions Reporting Framework](#). This is consistent with a whole-of- government approach, outlined in the NZGO Strategy and [Commonwealth Climate Disclosure](#) Requirements.

Finance's emissions inventory includes emissions from Finance Leased Estate, Finance Owned Estate, COMCAR, Finance data centres and Ministerial and Parliamentary Services properties, where data was available for the reporting period. The inventory includes Scope 1, Scope 2 and selected Scope 3 emissions sources required under the Framework.

Where activity data was unavailable, incomplete or subject to later reconciliation, this has been identified in the caveats below and may be addressed through a future amendment process.

Table 2: Finance greenhouse gas emissions inventory, location-based method 2025-26

Emission Source	Scope 1 t CO ₂ -e	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e
Electricity (location-based approach)	n/a	13,903.48	1,280.38	15,183.86
Natural gas	721.08	n/a	134.65	855.73
Solid waste	0.00	n/a	155.00	155.00
Refrigerants ¹	478.62	n/a	n/a	478.62
Fleet and other vehicles	109.20	n/a	27.19	136.39
Domestic commercial flights	n/a	n/a	205.55	205.55
Domestic hire car	n/a	n/a	6.23	6.23
Domestic travel accommodation	n/a	n/a	105.79	105.79
Other energy	14.99	n/a	3.70	18.69
Total t CO₂-e	1,323.89	13,903.48	1,918.49	17,145.86

Note: The table above presents emissions related to electricity usage using the location-based accounting method. CO₂-e = Carbon Dioxide Equivalent.

Table 3: Finance electricity greenhouse gas emissions 2025-26

	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e	Electricity kWh
Location-based electricity emissions	13,903.48	1,280.38	15,183.85	22,790,543.02
Market-based electricity emissions	8,524.79	1,157.69	9,682.48	10,524,426.66
Total renewable electricity²	n/a	n/a	n/a	12,266,116.36
Renewable power percentage ³	n/a	n/a	n/a	3,940,484.89
Jurisdictional renewable power percentage ⁴	n/a	n/a	n/a	5,457,950.88
GreenPower	n/a	n/a	n/a	15,711.36
Large-scale generation certificates	n/a	n/a	n/a	2,851,969.25

Note: The table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO₂-e = Carbon Dioxide Equivalent. Electricity usage is measured in kilowatt hours (kWh).

1. Reporting on refrigerants is being phased in over time under the Emissions Reporting Framework. Finance is continuing to improve the availability and quality of refrigerant emissions data to support future reporting. Refer to the [Emissions Reporting Framework](#) for further information.

2. Excludes behind-the-meter solar other than generation used to create large-scale generation certificates (LGCs).

3. The renewable power percentage (RPP) accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target (RET).

4. The Australian Capital Territory is currently the only state with a jurisdictional renewable power percentage (JRPP).

Relevant information on Finance Owned Estate (FOE)

The FOE includes 8 Commonwealth Law Courts, which are among the most energy-intensive and operationally complex assets within the portfolio. As the owner and manager of these facilities, Finance must balance emissions reduction objectives with the need to maintain safe, secure and functional environments that support the operation of the federal judicial system.

Consequently, energy consumption and emissions outcomes can be affected by operational requirements, building condition issues and occupant health and safety considerations. For example, the need to manage air quality and humidity issues at Brisbane Commonwealth Law Court has required extended operation of building systems, while temporary cooling arrangements at Melbourne Commonwealth Law Court are expected to increase electricity consumption until permanent remediation works are completed.

These examples highlight that emissions performance may not always improve in a linear manner and can be influenced by factors outside Finance's direct control or by actions required to maintain critical building operations. Finance continues to pursue opportunities to improve building performance, energy efficiency and electrification across the portfolio while appropriately managing these operational constraints.

Cross-industry metrics

Finance has assessed the optional Year 2 cross-industry metric categories in M2 of the Commonwealth Climate Disclosure Requirements and has elected not to opt in to these voluntary disclosures for 2025–26. Finance has determined that climate-related metrics and targets are more appropriately addressed through its greenhouse gas emissions inventory, APS Net Zero 2030 reporting, and Emissions Reduction Plan update.

Amended 2024-25 Emissions Inventory

Amendments were made to improve the completeness and accuracy of 2024-25 emissions data reported for the Finance Owned Estate (FOE). Two key factors contributed to gaps in the original submission: the transition to a new Property Service Provider (PSP) and the timing of utility billing cycles.

The FOE transitioned to a new PSP on 1 July 2025, shortly before emissions data collection and submission commenced. During the transition, the incoming PSP was unable to locate all electricity and gas invoices held by the outgoing PSP. In addition, new refrigerant reporting requirements required data from asset registers that were not yet fully populated early in the PSP transition period. As PSP processes and data management have matured, additional refrigerant data has been identified and included in the amended 2024-25 submission.

Utility billing cycles across FOE sites are not aligned, and some sites had not received all invoices before the original reporting deadline. The Emissions Reporting Framework only accepts electricity and gas data that is supported by utility invoices, limiting the completeness of some site data at the time of the original submission.

The amended 2024-25 emissions data incorporates a more complete set of electricity and gas utility invoices covering the reporting period. As a result, the amended submission provides a more complete representation of FOE emissions for 2024-25.

Table 4: Amended Finance greenhouse gas emissions inventory, location-based method 2024-25

Emission Source	Scope 1 t CO ₂ -e	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e
Electricity (location-based approach)	n/a	14,534.29	1,520.5	16,054.79
Natural gas	1,421.39	n/a	231.86	1,653.25
Solid waste	0.00	n/a	200.19	200.19
Refrigerants ⁵	268.23	n/a	n/a	268.23
Fleet and other vehicles	184.34	n/a	45.74	230.08
Domestic commercial flights	0.00	n/a	282.93	282.93
Domestic hire car	n/a	n/a	7.24	7.24
Domestic travel accommodation	n/a	n/a	101.33	101.33
Other energy	2.17	n/a	0.54	2.71
Total t CO₂-e	1,876.13	14,534.29	2,390.33	18,800.75

Note: The table above presents emissions related to electricity usage using the location-based accounting method. CO₂-e = Carbon Dioxide Equivalent.

5. Reporting on refrigerants is being phased in over time under the Emissions Reporting Framework. Finance is continuing to improve the availability and quality of refrigerant emissions data to support future reporting. Refer to the [Emissions Reporting Framework](#) for further information.

Climate-related targets

About the APS Net Zero Target

The Australian Government has committed to achieving net zero emissions from government operations by 2030 through the NZGO Strategy.

Finance is committed to reducing emissions from its operations to net zero by 2030 in line with the APS Net Zero 2030 Target. Details of the Target, including its scope, emissions sources, methodology and reporting approach, are set out in the [APS Net Zero Target Factsheet](#). Finance has adopted the whole-of-government approach described in that factsheet and has not deviated from the target scope, methodology or reporting assumptions.

While we have a responsibility for administering and supporting several whole-of-government climate and sustainability initiatives, the performance reported in this section relates to Finance's own operational emissions and progress towards achieving the APS Net Zero 2030 Target.

During 2025–26, Finance continued to implement actions through its [Emissions Reduction Plan](#) to reduce operational emissions associated with buildings, electricity consumption, travel, fleet, resource use and waste.

Progress against the APS Net Zero 2030 Target is monitored through annual greenhouse gas emissions reporting and other operational performance measures outlined below.

Progress towards APS Net Zero by 2030

Finance has achieved a reduction in total operational emissions relative to its baseline year and continues to make progress towards the APS Net Zero by 2030 Target.

Finance's emissions in-scope of the APS Net Zero by 2030 Target decreased from 11,049.82 tCO₂-e in the 2022–23 baseline year to 9,848.68 tCO₂-e in 2025–26 (market-based values). This represents a reduction of 1,201.14 tCO₂-e or 10.87%.

Table 5: Progress towards APS Net Zero by 2030

	2022-23 baseline year tCO ₂ -e	2023-24 ⁶ tCO ₂ -e	2024-25 tCO ₂ -e	2025-26 ⁷ tCO ₂ -e	Change from baseline tCO ₂ -e	% change from baseline
Total emissions from Finance within scope of the APS Net Zero by 2030 Target (location-based)	16,756.08	17,401.31	16,410.42	15,227.37	-1,529.71	-9.12%
Total emissions from Finance within scope of the APS Net Zero by 2030 Target (market-based)	11,049.82	12,667.25	13,142.41	9,848.68	-1,201.14	-10.87%
Scope 1 emissions	1,785.84	1,631.98	1,876.13	1,323.89	-461.95	-25.87%
Scope 2 emissions (location-based)	14,970.24	15,769.33	14,534.29	13,903.48	-1066.76	-7.13%
Scope 2 emissions (market-based)	9,263.98	11,035.27	11,266.28	8,524.79	-739.19	-7.98%

Emissions Reduction Plan

Finance's [Emissions Reduction Plan \(ERP\)](#) is the primary mechanism through which the department implements its transition towards the Australian Government's APS Net Zero 2030 Target. The ERP establishes Finance's emissions reduction priorities, actions, governance arrangements and reporting processes, and provides a pathway for reducing operational Scope 1 and Scope 2 greenhouse gas emissions across the department's operations. The ERP has been developed in accordance with the NZGO Strategy and supports Finance's annual emissions reporting and climate disclosure obligations.

During 2025–26, Finance undertook an annual review of its ERP to assess progress against existing actions, confirm the continued relevance of identified emissions reduction measures, and identify opportunities to strengthen implementation across the department. The review considered current emissions reduction activities and progress across key operational areas including buildings, fleet, electricity, data centres, travel and procurement.

6. Emissions data for 2023-24 and 2024-25 are the amended totals, representing the full scope of activities required by the Emissions Reporting Framework within the operational scope of Finance for that financial year.

7. Emissions data for 2025-26 has been calculated using the best activity data required by the Emissions Reporting Framework at time of estimation in August 2026. Where activity data was unavailable, incomplete or subject to later reconciliation, this may be addressed through a future amendment process.

The updated ERP continues to prioritise actions that support the department's transition to net zero operations, including the procurement of renewable electricity, improvements to building energy performance, electrification and decarbonisation of facilities, transition to low- and zero-emission vehicles, sustainable procurement practices, and improved operational efficiency. The ERP also reinforces existing governance and reporting arrangements to support the monitoring of implementation progress and the achievement of emissions reduction objectives.

The annual review process helps ensure that Finance's transition plan remains responsive to changes in operational requirements, emerging opportunities and implementation progress. Through the ongoing refinement of actions and monitoring arrangements, the ERP continues to provide the framework through which Finance manages and delivers its transition towards net zero government operations by 2030.

Finance is also subject to the interim targets under the Net Zero in Government Operations Strategy, including the renewable electricity targets of 80% by 2028 and 100% by 2030, and the Commonwealth fleet target that 75% of new passenger vehicle orders be low-emission vehicles by 2025, with a preference for zero-emission vehicles.

The Secretary endorsed the Emissions Reduction Plan to support the APS Net Zero 2030 Target. We monitor our progress in line with the governance arrangements listed.

Case study

Emissions reductions by the Department of Finance in 2025-26

This section highlights the actions undertaken by the Department of Finance during the reporting period to support the APS Net Zero 2030 Target and broader climate action objectives. As both the policy owner for key whole-of-government initiatives and a participating APS entity, Finance has progressed a range of measures across the areas it administers, including the Commonwealth fleet, Commonwealth property, procurement, travel and operational sustainability.

Finance Owned Estate

During the 2025-26 reporting period the Finance Owned Estate (FOE) continued to make progress towards the APS Net Zero 2030 Target. Efforts focused on reducing Scope 1 and Scope 2 greenhouse gas emissions by progressing building electrification and increasing the use of renewable electricity. These activities align with the key implementation priorities identified in the FOE Sustainability Strategy, including electrification of building services, reducing emissions from refrigerants, increasing renewable electricity use and improving energy performance.

To support decarbonisation, Finance installed electric heat pumps at the Hobart and Adelaide Commonwealth Law Courts. The heat pumps replace gas-based heating systems and reduce reliance on natural gas for space heating. These upgrades will deliver ongoing reductions in Scope 1 emissions from this year onwards and form part of a broader program of work to identify and assess electrification opportunities.

Finance also continued to explore opportunities to reduce direct emissions associated with refrigerants. During 2026-27, Finance will trial an alternative refrigerant with a global warming potential approximately 55% lower than the product currently in use. The results of this trial will inform future rollout opportunities and support efforts to reduce Scope 1 emissions from building plant and equipment.

Finance increased the use of renewable electricity across the FOE through the voluntary purchase of renewable energy for non-ACT sites. These purchases currently support approximately 50% of electricity supplied to Finance's largest energy-consuming assets and are expected to significantly reduce Scope 2 emissions. This work supports Finance's pathway towards achieving 80% renewable electricity coverage by 2028 and complements broader emissions reduction activities.

Supporting infrastructure to enable broader net zero targets is also being delivered. Sixteen electric vehicle charging stations at the John Gorton Campus are scheduled to commence operation during the second half of 2026. These chargers will support increased adoption of electric vehicles and are expected to contribute to increased electricity consumption from 2026-27 as utilisation increases.

Improving the energy performance of existing buildings will be a priority for 2026-27. Finance will investigate opportunities to optimise HVAC energy consumption. This is expected to contribute to improved operational efficiency and support future improvements in NABERS-rated properties, particularly the Commonwealth Offices Building in East Melbourne.

In addition to activities within Finance's emissions reporting boundary, the FOE contributed capital funding for emissions reduction projects at buildings whose emissions comprise part of the APS Net Zero 2030 Target but are reported by other Commonwealth agencies. Finance provided funding to replace gas-fired hot water boilers with an electric alternative at the Post Entry Quarantine (PEQ) Avian Centre. When complete, the project will enable greater use of onsite solar generation and reduce operational emissions reported by the Department of Agriculture, Fisheries and Forestry. Finance also delivered a major refurbishment of the Neutral Bay Administration Building for handover to the Department of Home Affairs. The refurbishment included the installation of a 35.5 kW rooftop solar system that is expected to provide a significant proportion of the site's energy needs and reduce consumption of grid-supplied electricity at the site.

Finance Leased Estate

The Finance Leased Estate (FLE) comprises the office accommodation leased by Finance to support its operations. Through the management of its leased portfolio, Finance seeks to improve the environmental performance of its workplaces and support the Australian Government's APS Net Zero 2030 Target. While reducing greenhouse gas emissions remains a priority, Finance is also extending its sustainability efforts to broader outcomes such as resource efficiency, renewable energy uptake and waste reduction.

A key achievement in 2025-26 was the continued success of FLE's organic waste diversion program across Canberra tenancies. Through a partnership with a local provider, organic waste is diverted from landfill and processed using black soldier fly larvae to produce high-protein animal feed and fertiliser. This circular economy initiative significantly reduces the emissions by up to 97% compared with landfill disposal, has already avoided more than 900 kilograms of carbon dioxide equivalent emissions, and supports broader resource recovery objectives.

COMCAR

As per the case study on page 11, COMCAR continued to make strong progress towards fleet decarbonisation during 2025-26, supporting both the APS Net Zero 2030 Target and the Fleet Vehicle Selection Policy target.

As of 30 June 2026, COMCAR operated 138 electric vehicles, representing approximately 88% of its operational fleet, exceeding the Commonwealth target and substantially increasing the proportion of journeys undertaken using zero tailpipe-emission vehicles. This transition has reduced reliance on conventional internal combustion engine vehicles and contributed to reductions in operational Scope 1 emissions.

Table 6: Progress against key fleet decarbonisation measures

Metric / Target	Status of 30 June 2026	Progress
Commonwealth target of 75% low-emission passenger vehicle purchases and leases by 2025	88% of COMCAR operational fleet is electric	Target exceeded
Electric vehicles deployed	138 EVs	Continued fleet electrification across all operational locations
National charging infrastructure	161 EV chargers installed	Supports ongoing operation and future fleet expansion
Renewable energy generation	Solar PV installed at Canberra, Sydney and Melbourne depots	Supports renewable electricity use for charging and depot operations