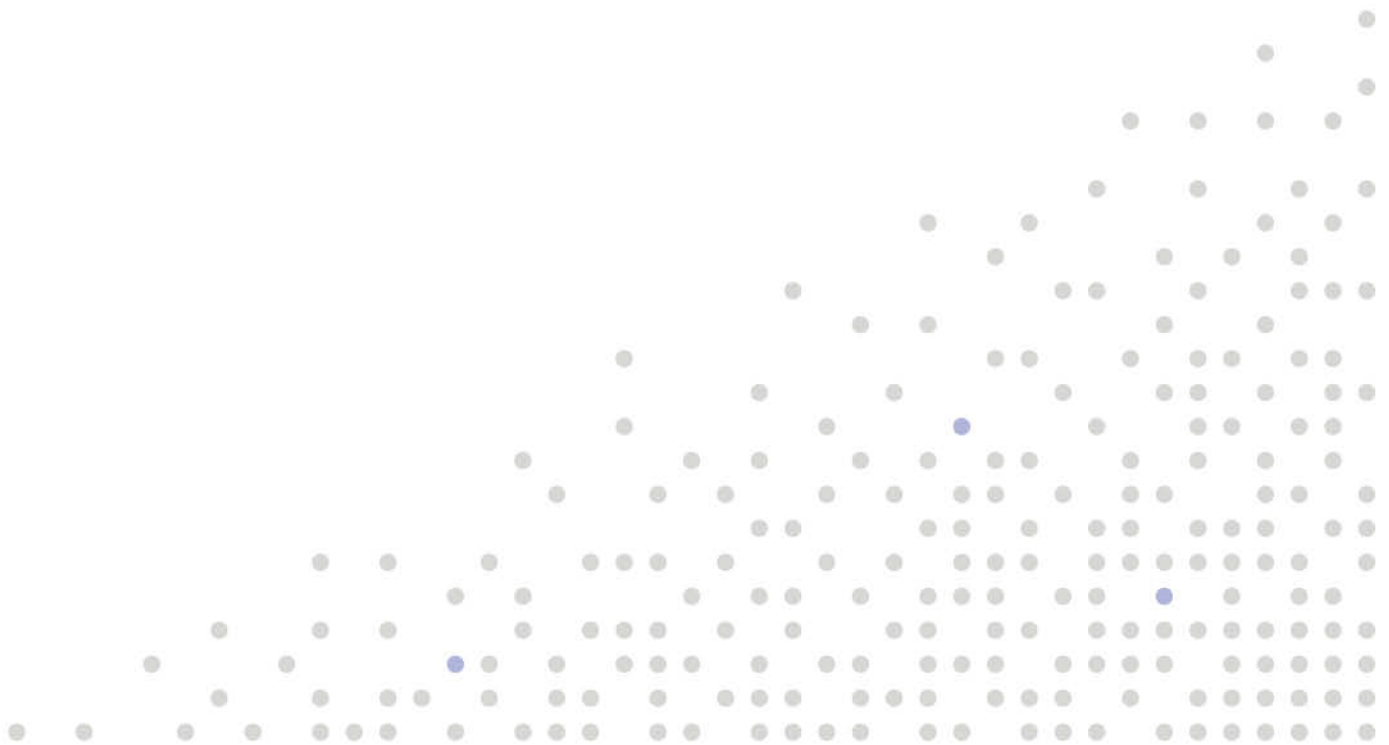




Australian Government
Department of Finance



Department of Finance

Submission to the
Senate Environment and Communications
References Committee
Climate Risk Assessment

September 2025

Transparently reducing emissions in Australian Government operations

The Department of Finance (Finance) makes this submission to the Senate Inquiry into Climate Risk Assessment with a focus on the following terms of reference:

- *(e) the Government's ongoing approach to transparency related to reducing emissions and adaption to a world currently on track for 2.6 to 3.1 degrees of warming.*

The Australian Government is enhancing transparency and accountability in its efforts to reduce emissions and take climate action in its own operations. This is being achieved through the following initiatives led by Finance;

1. individual Commonwealth entity and Commonwealth company reports; and
2. an annual aggregated whole-of-Australian-Government report.

Climate disclosures by individual Commonwealth entities or Commonwealth companies

A climate disclosure is a report by an entity that outlines its greenhouse gas emissions, climate-related risks and opportunities, and strategies for managing these and reducing emissions. Under the [Commonwealth Climate Disclosure initiative](#), all Commonwealth entities and Commonwealth companies are to publish a climate disclosure as an appendix to their annual report.

This initiative aligns with sustainability reporting for Australia's large businesses and financial institutions under the *Corporations Act 2001* but is tailored for the Commonwealth public sector. It aims to:

- Improve Commonwealth entities and Commonwealth companies' preparedness and responsiveness to climate change;
- Provide greater transparency, accountability and credibility around Commonwealth entities and Commonwealth companies' climate action;
- Support the delivery of Australia's emissions reduction targets under the Paris Agreement and the Government's APS Net Zero by 2030 target; and
- Demonstrate Government leadership in enacting climate disclosures.

The initiative commenced with a pilot phase for FY2023-24 reporting period, which marked the first step in a four-year phased implementation. More substantial climate disclosures will be published by departments, large Commonwealth entities, specialist investment vehicles and entities with responsibility for climate change policy as part of FY2024-25 reporting. Medium and small-sized Commonwealth entities and Commonwealth companies will commence making climate disclosures for FY2025-26 and FY2026-27 reporting periods respectively.

The reporting of operational greenhouse gas emissions has been required by all Commonwealth entities and Commonwealth companies since FY2022-23. Entities are required to report their emissions in line with the [Climate Action in Government Operations Emissions Reporting Framework](#).

Emissions reporting is integrated into the Commonwealth Climate Disclosure initiative and is required by all Commonwealth entities and Commonwealth companies, regardless of where the entity sits in the phased implementation of the disclosure initiative. Commonwealth entities and Commonwealth companies must publish their greenhouse gas emissions inventories in their climate disclosure, or as an appendix to their annual report.

Further to this, Commonwealth entities that are part of the APS Net Zero by 2030 Target are required to publish their Emissions Reduction Plans. These plans outline an entity's activities to reduce emissions in line with the Net Zero in Government Operations Strategy. Emissions Reduction Plans are published on the entity's website, and where relevant, are also referenced within the entity's climate disclosure.

Annual report on aggregated greenhouse gas emissions from Australian Government operations

Finance publishes an aggregated report of the greenhouse gas emissions resulting from Australia Government operations - the [Net Zero in Government Operations Annual Progress Report](#). The report for FY2023-24 was published in March 2025.

The primary purpose of this report is to provide transparency of the aggregated efforts to reduce greenhouse gas emissions across Australian Government operations, in line with the APS Net Zero by 2030 Target and the Net Zero in Government Operations Strategy.