



Australian Office of Financial Management

Emissions Reduction Plan

Version Control

Version No.	Date Approved	Description of Revisions Made	Preparer Name	Next Review
1.		Initial AOFM Emissions Reduction Plan		June 2025

Acknowledgement of Country

The Australian Office of Financial Management (AOFM) acknowledges the Traditional Owners and custodians of the lands on which we work, and we pay our respects to their Elders past, present and emerging.

Accountable Authority Sign Off

The Australian Government released the Net Zero in Government Operations Strategy in November 2023, setting out the overall approach and action required by Commonwealth entities to achieve the APS Net Zero 2030 target.

The Net Zero in Government Operations Strategy represents a strong commitment by the Australian Government to lead by example on emissions reduction and contribute to the decarbonisation of Australia's economy.

The AOFM is committed to support the achievement of the Government's APS Net Zero 2030 target, as per the Net Zero in Government Operations Strategy.

This Emissions Reduction Plan describes the priorities and actions AOFM is taking to reduce our operational emissions and contribute to the APS Net Zero 2030 target.



Anna Hughes

Chief Executive Officer, AOFM

Purpose

AOFM has a role in managing and implementing emissions reduction initiatives set by the Australian Government's Net Zero in Government Operations Strategy (the Strategy) developed by Department of Finance. The Strategy sets out the Australian Government's approach to achieving net zero greenhouse gas emissions from its operations by 2030 and the reinstatement of public emissions reporting.

The goal of this Emissions Reduction Plan is to provide a pathway for the AOFM to contribute to the achievement of the APS Net Zero 2030 target through emissions reduction activities. This plan encompasses existing and new priorities and actions within AOFM to reduce emissions.

This Emissions Reduction Plan has been completed in accordance with the Strategy, associated guidance and reporting standards for annual emissions reporting.

Net zero greenhouse gas emissions

APS Net Zero 2030 is the target set by the Australian Government to achieve net zero greenhouse gas emissions from government operations by the year 2030. It includes scope 1 and scope 2 emissions from activities in Australia and its territories, as described in the Strategy. The APS Net Zero 2030 target applies at the aggregate level to non-corporate Commonwealth entities and generally covers the entirety of the entity's organisation. From an organisational perspective, this means minimising the greenhouse gas emissions that are within our control.

Governance and reporting

Progress against actions identified within this Emissions Reduction Plan, and any additional measures adopted, will be included in our annual reports. This, combined with annual emissions reporting, will be used as a measure of AOFM progress towards reducing its emissions.

As part of the Net Zero in Government Operations Annual Progress Report, the Department of Finance will aggregate these measures to provide whole-of-Australian Government emissions reporting.

AOFM Operational context

AOFM issues debt securities on behalf of the Australian Government. We manage its debt and cash portfolios and provide advice on a range of financial risks. The AOFM also manages securitisation investment programs for the Australian Government. We are currently administering a green bond program for a variety of projects that will drive Australia's transition to net zero and support environmental objectives.

The AOFM sub-leases office space from the Department of Treasury (as the primary tenant) in two separate office buildings located in Canberra and Sydney. We currently occupy less than 1000 square metres of office space owned by the Department of Treasury.

Our current staff level is approximately 50 with the majority working in the Canberra office.

Our facilities include office spaces, heating, ventilation, electricity systems, and other building amenities, which are all managed by the Department of Treasury. Currently, the AOFM's electricity emissions

including the transmission and distribution of electricity are recorded in the Department of Treasury's emissions figures.

Due to the nature of our operations, AOFM staff undertake regular domestic and international travel to meet with investors, attend conferences and forums.

The AOFM has already commenced its net zero emissions pathway, prior to this plan, which are in line with the direction set in the Strategy. This includes the following key activities:

- Reporting in line with the current Commonwealth net zero reporting requirements.
- Increasing virtual meetings with internal and external stakeholders to reduce travel required.
- Encouraging officials to consider low emissions alternatives, options, and methods when travelling.
- Installing and operating motion sensor lighting in our office buildings.
- Embedding sustainability guidelines when evaluating suppliers for procurement of services.
- Supporting staff to acquire electric vehicles through novated leases.
- Reducing business communications by physical mail and increasing e-commerce.
- Minimising need for physical records by deploying electronic record keeping systems.
- Reducing waste and performing efficient waste management practices.
- Maintaining indoor plants located in the office.
- Providing access to end of trip facilities for cyclists or those using utilising similar transport.

Baseline emissions

Baseline emissions are a record of greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. The baseline emissions from financial year 2022-23 are the reference point against which emissions reduction actions can be measured.

The baseline emissions for this plan focus on scope 1 and scope 2 emissions, consistent with the APS Net Zero 2030 target. Electricity-related emissions were calculated using the location-based method. The complete 2022-23 greenhouse gas emissions inventory tables for AOFM are presented in our 2022-23 annual report.

Baseline year	Financial year 2022-23
*Scope 1 emissions	0 tCO ₂ e
*Scope 2 emissions	0 tCO ₂ e
**Total emissions	0 tCO ₂ e

*The AOFM's Scope 1 and Scope 2 emissions are reported in *the Department of Treasury's* emissions reporting.

**The AOFM reported 15.2 tCO₂e in Scope 3 emissions in its 2022-23 annual report – this related to business travel. Scope 3 emissions are the most challenging to identify and measure.

Engagement

In the development of this plan AOFM has been working with;

- Climate Action in Government Operations Team (Department of Finance) – to ensure that this plan aligns with the Net Zero in Government Operations Strategy and the Commonwealth Climate Disclosure requirements.
- The Department of Treasury.

Emissions reduction targets

The AOFM's Scope 1 and 2 emissions are reported by the Department of Treasury who are following the APS Net Zero by 2030 Strategy and are undertaking a suite of actions to reduce emissions.

In the 2022-23 annual report, AOFM did not report any Scope 1 or 2 emissions.

Currently this plan does not include calculations of emissions reduction targets due to the complexity and high degree of uncertainty involved. In the future, AOFM will commit to measuring emissions reduction impacts should modelling tools be provided by the Climate Action in Government Operations team within the Department of Finance.

AOFM remains committed to reducing emissions and will be proactive in undertaking the necessary actions to contribute to a more sustainable future.

This Emissions Reduction Plan has been completed in accordance with the Net Zero in Government Operations Strategy, associated guidance, reporting standards for annual emissions reporting.

Priorities and actions

For AOFM to contribute to the achievement of the APS Net Zero 2030 target, targeted action on existing emissions reduction measures and the introduction of further or new measures is required. These actions are summarised in the following points, with further detail provided below:

Procuring renewable electricity

- The Department of Treasury will participate in the Whole of Government Electricity Contract (WoAGEC) arrangement in the future. As a result, the AOFM will be an indirect participant in this arrangement as Treasury operates and maintains our electricity systems.

Updating procurement activities

- Integrating Department of Climate Change, Energy, the Environment and Water (DCCEEW) sustainability guidelines in AOFM procurement activities. Note that in the future, the AOFM will report mandatory climate risk disclosures from suppliers, where required.

Buildings

The Department of Treasury manages and maintains the buildings and office spaces (as the primary tenant) which are occupied by AOFM as a sub-lessee.

- No action by AOFM. The Department of Treasury may identify and implement initiatives to reduce emissions in the office buildings occupied by AOFM. Refer to the Department of Treasury's emissions reduction plan for further details.

Electricity

The Department of Treasury operates and maintains the electricity network on behalf of AOFM as part of the sub-lease MOU.

- No action by AOFM. Department of Treasury to consult with the Department of Finance to ensure participation in WoAGEC electricity procurement as per the APS Net Zero in Government Operations Strategy and replace all electricity contracts with renewable electricity. When the Department of Treasury signs up to WoAGEC, that will also reduce AOFM's electricity emissions.

Fleet

AOFM does not operate or manage its own fleet of vehicles. No action required by AOFM.

Additional AOFM actions

- Working with our retail debt registrar to maximise electronic communications with investors.
- Amending the AOFM's policy to encourage new staff car salary packaging arrangements to full electric and hybrid vehicles only.
- Providing recommended accommodation and travel options for travelling staff, to minimise their carbon footprint. For example, arranging staff to stay in certified sustainable hotels and accommodation, and using direct flights where available.

- Participating in government approved airline offset programs, where available.