Australian Government
Australian Office of Financial Management

AOFM

AOFM EMISSIONS REDUCTION PLAN 2026-27

Version No.	Date Approved	Description of Revisions Made	Preparer Name	Next Review
1		2026-27 AOFM Emissions Reduction Plan		June 2027

1. 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.

2. DECLARATION OF TARGETS AND ACCOUNTABLE AUTHORITY SIGN-OFF

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

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

AOFM is committed to the 2030 Target in full, as per the NZGO Strategy.

The 2030 Target is the target set by the 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 NZGO Strategy. It applies at the aggregate level to non-corporate Commonwealth entities and those Commonwealth entities and companies who opt in 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.

AOFM is committed to the achievement of the Government's 2030 Target. This Emissions Reduction Plan describes the priorities and actions AOFM is taking to reduce our operational emissions and contribute to the 2030 Target.

Declared target: AOFM target is Net Zero for Scope 1 and Scope 2 operational emissions by 2030.

Anna Hughes: A. Hughes

Chief Executive Officer, AOFM

Date: 16 June 2026

3. PURPOSE

AOFM is implementing emissions reduction initiatives in line with the Australian Government's NZGO Strategy, developed by the Department of Finance. The NZGO Strategy sets out the Government's approach to achieving net zero greenhouse gas emissions from its operations by 2030, including the reinstatement of public emissions reporting.

The purpose of this Emissions Reduction Plan (ERP) is to provide a pathway for AOFM to contribute to achievement of the APS Net Zero 2030 Target through emissions reduction activities. The ERP encompasses existing and new priorities and actions within AOFM to reduce emissions.

This ERP has been developed in accordance with the NZGO Strategy, associated guidance and relevant reporting standards for annual emissions reporting.

4. GOVERNANCE AND REPORTING

This ERP sets AOFM's emissions reduction targets, outlines the actions AOFM will deliver to support them, and defines how progress will be monitored and reported each year through annual updates to the ERP.

Progress against actions identified within this ERP, and any additional measures adopted, will be included in AOFM's annual reporting processes. This, combined with annual emissions reporting, will be used as a measure of AOFM's progress towards reducing 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 will review this ERP annually and prepare annual updates to reflect achievements, emerging priorities, new or revised actions, updated emissions data, percentage-change analysis and any new guidance issued by the Department of Finance.

5. OPERATIONAL CONTEXT

AOFM issues debt securities on behalf of the Australian Government. AOFM manages the Australian Government's debt and cash portfolios and provides advice on a range of financial risks. AOFM also manages securitisation investment programs for the Australian Government.

AOFM is currently administering a green bond program for a variety of projects that will drive Australia's transition to net zero and support environmental objectives.

AOFM sub-leases office space from the Department of Treasury, as the primary tenant, in two separate office buildings located in Canberra and Sydney. AOFM currently occupies less than 1,000 square metres of office space owned or managed through arrangements held by the Department of Treasury. Current staff levels are approximately 50, with the majority working in the Canberra office.

AOFM's facilities include office spaces, heating, ventilation, electricity systems and other building amenities, which are managed by the Department of Treasury. Currently, AOFM's electricity emissions, including the transmission and distribution of electricity, are recorded in the Department of Treasury's emissions figures.

6. ENGAGEMENT

In developing and updating this ERP, AOFM has engaged with relevant internal and external stakeholders to ensure the plan is practical, accurate and aligned with the NZGO Strategy, Commonwealth Climate Disclosure requirements and the March 2026 guidance.

AOFM has worked with:

- the Climate Action in Government Operations team in the Department of Finance, to ensure alignment with the NZGO Strategy, Commonwealth Climate Disclosure requirements and ERP guidance

- the Department of Treasury, as the primary tenant and manager of the office buildings and electricity systems occupied by AOFM
- internal corporate services, procurement, travel, governance and finance stakeholders responsible for implementing emissions reduction initiatives
- relevant suppliers and service providers, where procurement or operational practices can support reduced emissions

AOFM will continue to engage with the Department of Finance, the Department of Treasury and internal stakeholders as annual updates are prepared and as new guidance, reporting requirements or operational changes arise.

7. EMISSIONS INVENTORY AND ANNUAL PROGRESS

Baseline emissions record greenhouse gas emissions before emissions reduction measures were introduced. AOFM's baseline emissions were established using data from the 2022–23 financial year, consistent with the NZGO Strategy. 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 are presented using both the market-based and location-based methods. AOFM did not directly report Scope 1 or Scope 2 emissions in its 2022–23 Annual Report because AOFM's Scope 1 and Scope 2 emissions are reported through the Department of Treasury's emissions reporting arrangements. AOFM's Scope 1 and Scope 2 emissions have been 0 tCO_2-e since 2022–23. AOFM reported 15.2 tCO_2-e in Scope 3 emissions in its 2022–23 Annual Report, relating to business travel. Scope 3 emissions are currently outside the APS Net Zero 2030 Target.

Table 1: Baseline emissions

APS Net Zero 2030 Target emission source	Baseline tCO_2-e	Baseline year
Total Scope 1	0	2022–23
Natural gas	0	2022–23
Fleet and other vehicles	0	2022–23
Refrigerants	0	2022–23
Other energy	0	2022–23
Total Scope 2	0	2022–23
Electricity – market-based	0	2022–23
Electricity – location-based	0	2022–23
Total Scope 1 and Scope 2	0	2022–23

Percentage-change methodology: AOFM's Scope 1 and Scope 2 emissions have remained 0 tCO_2-e since the 2022–23 baseline year. For annual progress reporting, AOFM reports a 0% change against the baseline and describes the trend as no change in reported Scope 1 and Scope 2 emissions.

Table 2: Greenhouse gas emissions inventory and annual progress towards net zero emissions

Emission source	FY2022–23 baseline tCO_2-e	FY2023–24 tCO_2-e	FY2024–25 tCO_2-e	FY2025–26 tCO_2-e	FY2026–27 tCO_2-e	% change since baseline	Year-on-year change
Electricity – market-based (Scope 2)	0	0	0	0	0	0%	0% / no change
Natural gas (Scope 1)	0	0	0	0	0	0%	0% / no change
Refrigerants (Scope 1)	0	0	0	0	0	0%	0% / no change
Fleet and other vehicles (Scope 1)	0	0	0	0	0	0%	0% / no change
Other energy (Scope 1)	0	0	0	0	0	0%	0% / no change
Total Scope 1 and Scope 2	0	0	0	0	0	0%	0% / no change

Annual progress summary: AOFM's reported Scope 1 and Scope 2 emissions have been 0 tCO_2-e in each year from the 2022–23 baseline through to the 2026–27 ERP reporting period. The percentage change since baseline is therefore reported as 0% for each Scope 1 and Scope 2 emission source and for total Scope 1 and Scope 2 emissions. The year-on-year trend is also 0% / no change.

Supplementary Scope 3 indicator

Indicator	FY2022–23 baseline	FY2023–24	FY2024–25	FY2025–26	FY2026–27	Comment
Business travel emissions (Scope 3)	15.2 tCO_2-e	17.6 tCO_2-e	17.6 tCO_2-e	TBC	TBC	Scope 3 is outside the APS Net Zero 2030 Target but monitored as a supplementary indicator.

Trend analysis

AOFM's Scope 1 and Scope 2 emissions have remained 0 tCO_2-e since the 2022–23 baseline year because emissions associated with electricity, facilities and building services are reported by the Department of Treasury under current sub-lease and facilities arrangements. This reporting structure means the reported trend for AOFM's Scope 1 and Scope 2 emissions is 0% / no change, even where emissions reduction activity may be occurring through Treasury-managed electricity procurement, building efficiency measures or facilities improvements.

AOFM will continue to monitor the appropriateness of this treatment and will work with the Department of Treasury and Department of Finance to improve visibility of emissions attributable to AOFM-occupied office space where feasible. AOFM will also continue to monitor Scope 3 business travel emissions as a supplementary indicator, noting that Scope 3 emissions are not included in the APS Net Zero 2030 Target.

8. NET ZERO TARGETS

AOFM is in scope of the APS Net Zero 2030 Target. The disclosures below address target-related requirements in the March 2026 guidance and relevant Commonwealth Climate Disclosure metrics and targets requirements.

Requirement	AOFM disclosure
M1(c) Targets set by the entity including metrics used to measure progress	The APS Net Zero 2030 Target, as detailed within the Net Zero in Government Operations Strategy.
M5(a) Metric used to set the target M5(b) Objective of the target M5(c) Part of the entity to which the target applies M5(d) Period over which the target applies M5(e) Base period from which progress is measured M5(f) Milestones and interim targets M5(g) Absolute or intensity target M5(h) How international climate agreements informed the target	The metric used to set the 2030 Target is tCO_2-e, tonnes of carbon dioxide equivalent. The objective of the 2030 Target is to reduce emissions to mitigate further impacts of climate change. The 2030 Target applies to AOFM in its entirety, noting that AOFM's Scope 1 and Scope 2 emissions are currently reported by the Department of Treasury due to property and facilities arrangements. The timeframe for achieving the net greenhouse gas emissions target is from 16 June 2022 to 30 June 2031. The initial baseline is the 2022–23 financial year. AOFM's interim targets are detailed in section 9 of this ERP. The 2030 Target is an absolute target. The 2030 Target forms part of Australia's international climate commitments, including Australia's Nationally Determined Contribution under the Paris Agreement.
M6(a) Third-party validation M6(b) Process for reviewing the target M6(c) Metrics used to monitor progress M6(d) Revisions to the target	The 2030 Target methodology has not been reviewed by a third party. In 2026–27, the Department of Finance will undertake a mid-term review of the NZGO Strategy to consider overall progress to date, domestic expectations and any recommended changes to the 2030 Target and associated NZGO Strategy. Interim metrics used to monitor performance are detailed within this ERP and annual updates. Progress against the aggregated APS 2030 Target is detailed within the Climate Action in Government Operations Annual Progress Report prepared by the Department of Finance. During the reporting period there were no changes to the 2030 Target.
M8(a) Greenhouse gases covered M8(b) Scopes covered M8(c) Gross or net target M8(d) Sectoral decarbonisation approach	Carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride. The 2030 Target includes Scope 1 and Scope 2 emissions. Scope 3 emissions are currently outside the target. The 2030 Target is a net greenhouse gas emissions target. The 2030 Target was not derived using a sectoral decarbonisation approach.
M9(a) Disclosure of the 2030 Target and other targets	As part of our commitment to the 2030 Target, we also commit to the relevant targets in the NZGO Strategy. This includes: • developing an ERP and • publishing our annual progress towards the 2030 Target, as measured by percentage of overall emissions reduction each year, in the annual updates to the ERP.

Requirement	AOFM disclosure
	Additional interim targets are detailed within this ERP and subsequent ERPs. The published locations of our previous ERPs are also included in this ERP.

9. INTERIM TARGETS

AOFM's reported Scope 1 and Scope 2 emissions have remained 0 tCO_2-e since the 2022–23 baseline year because these emissions are reported through the Department of Treasury's emissions reporting arrangements. AOFM will therefore maintain this 0 tCO_2-e reported Scope 1 and Scope 2 position where operationally feasible and will continue practical operational milestones and enabling actions that support the APS Net Zero 2030 Target.

Interim target	Measure	Timeframe	Responsible area	Progress approach
Maintain zero directly reported Scope 1 and Scope 2 emissions where operationally feasible	AOFM directly reported Scope 1 and Scope 2 emissions remain 0 tCO_2-e, consistent with the trend since 2022–23, unless reporting boundaries change	2026–27 to 2029–30	Operations Group / Governance, Risk and Assurance	Reviewed annually through emissions inventory

10. BROADER CLIMATE-RELATED TARGETS

In addition to the APS Net Zero 2030 Target, AOFM has set broader climate-related targets to support reductions in operational emissions and enable delivery of this ERP. These targets focus on electricity, buildings, procurement, travel, staff transport, communications, records, waste, governance, capability and data reporting.

Category	Measure	Responsible person / area	Timeframe	Status for annual update
Electricity	Work with Treasury to understand the impact of participation in whole-of-government electricity arrangements on AOFM-occupied office space	Operations Group, in consultation with Treasury	Start: 2024-25; End: ongoing	On Track
Buildings	Engage with Treasury on building-related emissions reduction opportunities, including efficiency, lighting and facilities improvements	Operations Group, in consultation with Treasury	Start: 2024-25; End: ongoing	On Track
Procurement	Integrate relevant sustainable procurement guidance into procurement activities and supplier evaluation	Operations Group / Governance, Risk and Assurance, in consultation with Treasury	Start: 2024-25; End: ongoing	On Track
Travel	Encourage virtual meetings, low-emissions travel choices, direct flights where available and	Operations Group / Governance, Risk and Assurance, in consultation with Treasury	Start: 2024-25; End: ongoing	On Track

Category	Measure	Responsible person / area	Timeframe	Status for annual update
	sustainable accommodation where practical			
Travel	Participate in government-approved airline offset programs, where available	Operations Group / Governance, Risk and Assurance, in consultation with Treasury	TBC (Depending on WoAG arrangements)	TBC
Fleet / staff transport	Amend relevant policy settings to encourage new staff car salary packaging arrangements to full electric and hybrid vehicles only	Operations Group, in consultation with Treasury	Start: 2024-25; End: 2026–27	Completed
Communications	Work with AOFM’s retail debt registrar to maximise electronic communications with investors	Operations Group	Start: 2024-25; End: ongoing	On Track
Records management	Continue minimising physical records through electronic record-keeping systems	Data & Digital Solutions	Start: 2024-25; End: ongoing	On Track
Waste	Continue reducing waste and supporting efficient waste management practices	Treasury	Start: 2024-25; End: ongoing	On Track
Governance	Identify a suitable Chief Sustainability Officer or equivalent responsible officer within AOFM	Operations Group / Governance, Risk and Assurance	Start: 2024-25; End: 2025-26	Completed
Capability	Promote staff awareness of emissions reduction concepts and priorities through the Climate Action in Government Operations e-learning program	Operations Group / People	Start: 2026–27; End: ongoing	Not Started
Data and reporting	Improve completeness and quality of operational emissions-related data, including business travel data	Operations Group / Governance, Risk and Assurance	Start: 2024-25; End: ongoing	On Track

11. PRIORITIES AND ACTIONS

AOFM's priorities reflect its operational context as a small entity with approximately 50 staff, limited direct control over building and electricity infrastructure, no operated fleet, and office accommodation managed by the Department of Treasury. AOFM's actions focus on practical measures within its direct control and collaborative measures where emissions sources are managed by other entities.

11.1 Procuring renewable electricity

The Department of Treasury will participate in the Whole of Australian Government Electricity Contract arrangement in the future. As a result, AOFM will be an indirect participant in this arrangement because Treasury operates and maintains AOFM's electricity systems under the sub-lease arrangements. AOFM will continue to engage with Treasury to understand timing, implementation and expected emissions reduction impacts associated with renewable electricity procurement for buildings occupied by AOFM.

11.2 Updating procurement activities

AOFM will integrate Department of Climate Change, Energy, the Environment and Water sustainability guidance into procurement activities. AOFM will also report mandatory climate risk disclosures from suppliers where required in future procurement processes.

11.3 Buildings

The Department of Treasury manages and maintains the buildings and office spaces occupied by AOFM as a sub-lessee. No direct building action is required by AOFM at this stage. Treasury may identify and implement initiatives to reduce emissions in the office buildings occupied by AOFM. AOFM will continue to consult with Treasury and consider any relevant actions identified through Treasury's emissions reduction planning.

11.4 Electricity

The Department of Treasury operates and maintains the electricity network on behalf of AOFM as part of the sub-lease memorandum of understanding. No direct electricity procurement action is required by AOFM at this stage. Treasury is expected to consult with the Department of Finance to ensure participation in whole-of-government electricity procurement arrangements and to replace electricity contracts with renewable electricity in line with the NZGO Strategy.

11.5 Fleet

AOFM does not operate or manage its own fleet of vehicles. No direct fleet transition action is required by AOFM. AOFM will continue to support lower-emissions transport choices for staff where relevant, including through salary packaging policies and access to end-of-trip facilities.

11.6 Travel

AOFM will continue to reduce travel-related emissions by increasing use of virtual meetings, encouraging low-emissions alternatives when travelling, providing recommended accommodation and travel options for travelling staff, encouraging direct flights where available, considering certified sustainable hotels and accommodation where practical, improving organisational capability of APS climate and sustainability requirements through APSC e-learning modules, and participating in government-approved airline offset programs where available.

11.7 Additional AOFM actions

AOFM will work with its retail debt registrar to maximise electronic communications with investors; refreshing our salary sacrifice policy to align with our sustainability objectives and promote new staff car salary packaging arrangements to full electric and hybrid vehicles; continue reducing physical mail and increasing e-commerce; continue electronic record keeping; reduce waste; maintain indoor plants; and provide access to end-of-trip facilities.

12. PUBLICATION, SUBMISSION AND ANNUAL UPDATES

AOFM will publish this ERP on its public-facing website and include relevant hyperlinks in annual reporting processes as appropriate. Annual updates to this ERP will summarise progress against targets, identify emerging priorities, document new or revised actions, report annual changes in Scope 1 and Scope 2 emissions against baseline where directly reported by AOFM, and provide hyperlinks to this ERP and subsequent annual updates for transparency.

AOFM will maintain evidence of Accountable Authority endorsement, including the date of endorsement and intended publication date. Where required, AOFM will provide the Department of Finance with a copy of the ERP in an accessible format, confirmation of endorsement, publication details and responsible officer or team contact details.

If AOFM becomes subject to additional Commonwealth Climate Disclosure requirements or receives revised guidance from the Department of Finance, AOFM will update this ERP and related reporting processes accordingly.