Australian Government
Department of Finance

Emissions Reduction Plan

Department of Finance

2024



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Acknowledgement of Country

The Department of Finance acknowledges the traditional owners and custodians of the lands on 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.

Acknowledgement of Country ..... **iii**

Accountable Authority Sign Off ..... **v**

Emissions Reduction Plan **1**

Purpose 1

Engagement and involved participants 1

Net zero greenhouse gas emissions 1

Governance and reporting 2

Operating context 2

Baseline emissions 3

Emissions reduction targets 3

Priorities and actions 3

Accountable Authority Sign Off

In November 2023, the Australian Government released the Net Zero in Government Operations Strategy, which sets 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 Department of Finance is committed to the achievement of the Government's APS Net Zero 2030 target and reducing our emissions in our operations. This Emissions Reduction Plan describes the priorities and actions the Department will take to reduce our operational emissions and contribute to the APS Net Zero 2030 target.

Jenny Wilkinson PSM

Secretary, Department of Finance

Emissions Reduction Plan

Purpose

We are responsible for managing and implementing emissions reduction initiatives set by the Australian Government's Net Zero in Government Operations Strategy (the Strategy). 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 Department to contribute to the achievement of the APS Net Zero 2030 target through emissions reduction activities. This plan includes existing and new priorities and actions to reduce emissions.

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

Engagement and involved participants

We have engaged with our Landlords and Property Service Provider (PSP) to identify opportunities to lower building emissions.

The following areas within Finance have also been involved in the development of this plan:

Division	Branch
Property and Construction	Property Management and Projects Climate Action and Property Data
Procurement	Strategic Contracting
Corporate Strategy and Operations	Business Services and Support
Enterprise Strategy	Chief Financial Officer
Ministerial and Parliamentary Services	PBR Framework COMCAR and Programs
Information Communication Services	Governance and Procurement Internal Services

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 our progress towards reducing emissions.

Operating context

Whole-of-government role

We assist the Australian Public Service (APS) to address climate impacts in government operations through the implementation of key whole-of-Australian-government (WoAG) initiatives, including:

- The APS Net Zero by 2030 commitment and target as part of the Strategy.
- Leading implementation of greenhouse gas emissions reporting for Australian Government operations.
- Introducing climate disclosure requirements for Commonwealth entities and companies.
- Achieving value for money, including environmental sustainability of goods and services through coordinated WoAG Fleet, Travel and Property Services.

Buildings

We operate and manage leased and owned property portfolios in all Australian states and territories. Our property portfolios support a diverse range of departmental and WoAG operations, including our Commonwealth Parliament Offices (CPO) and COMCAR depot network.

The Finance Owned Estate includes office buildings and specific purpose buildings (such as law courts, police stations, Australian Border Force (ABF) Training College, quarantine facilities and the Royal Australian Mint), in addition to large blocks of land vacant or privately tenanted properties. Finance Owned Estate properties are located in most capital cities (excluding Darwin) and in regional or remote locations (including Kakadu, Cox Peninsula, Jervis Bay and Ettamogah).

Vehicles

We have a fleet of approximately 165 COMCAR vehicles for purposes of providing high quality, secure and confidential transport services to the Governor-General, current and former Prime Ministers, Senators and Members of Parliament, the Federal Judiciary, Heads of Government, visiting dignitaries and major events nationwide. We also maintain a small fleet of 14 vehicles for departmental purposes.

Travel

We manage and participate in the WoAG Travel arrangements for flights, hire cars and accommodation for travel within the APS. Where necessary, our staff undertake travel as part of official duties, when other communication tools such as teleconferencing and videoconferencing are not suitable.

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, as reported in the 2022–23 Annual Report will be used as the reference point against which emissions reduction actions can be measured (see Table 1).

Table 1: Finance location based method 2022–23 emissions

Baseline year	Financial year 2022–23
Scope 1 emissions	1,785.84 tCO_2e
Scope 2 emissions	14,970.24CO_2e
Total emissions	16,756.08 tCO_2e

For a breakdown of Finance's location based method 2022–23 emissions see Appendix A.

Emissions reduction targets

We are following the APS Net Zero 2030 target in full, as per the Strategy. The target covers the entirety of our entity's operations within Australia and its territories, for scope 1 and scope 2 emissions.

Priorities and actions

To achieve the APS Net Zero 2030 target, the following emissions reduction measures are or will be implemented:

- procuring renewable electricity
- improving building standards
- transitioning fleet vehicles to low emission vehicles, and
- sustainable procurement.

Additional actions pending feasibility studies and approved capital expenditure include:

- Light Emitting Diode (LED) lighting planning (new fit outs), and
- solar Photo Voltaic installations

Detailed Actions

The Strategy's Roadmap lays out the Australian Government's pathway to achieve net zero greenhouse gas emissions from its operations by 2030. The following sections set out our journey on the pathway to achieving net zero.

ENERGY

Electricity usage is the largest source of emissions by non-corporate and corporate Commonwealth entities.

The Strategy has set a renewable electricity target of 80% of electricity procured from renewable sources from the market (where available) by 2028, and 100% by 2030.

To achieve this target, we are leading a key initiative to establish WoAG arrangements for electricity procurement for use by entities. We will also be participating in this arrangement as it commences in relevant jurisdictions.

ACTION:

> Participate in WoAG electricity procurement as per the Strategy and replace electricity contracts (where available) and permitted under leases and market conditions, with renewable electricity by 1 July 2025.

BUILDINGS

Owned Estate

The Department of Finance (Finance) owns a small number of properties with over 1000sqm of office space.

ACTION:

> Finance will identify (through audits and feasibility studies) actions and projects to ensure these properties achieve and maintain a 4.5 star or higher energy rating by 2030; and a 5.5 star energy rating by 2035.
>
> We will continue to conduct National Australian Built Environment Rating System (NABERS) assessments on all applicable buildings to maintain their operational efficiency and NABERS star ratings.

Refurbishments

Finance Owned Estate has an ongoing rolling program of planned works which includes asset refurbishment and replacement works.

ACTION:

> For refurbishment works from 1 July 2026, where a contract is entered for refurbishment of office space over 1,000 square metres leased for over four years, Finance will identify actions and projects to ensure the office space achieves and maintains a 5.5 star or higher tenancy NABERS Energy rating.

Feasibility Studies for owned buildings

Sustainability assessment reports have been developed for properties and various parcels of land within the Finance Owned Estate portfolio, detailing viable emission reduction initiatives currently available to meet NZGO strategy building requirements referred to above and help reach Net Zero Emissions by 2030. Feasibility of the initiatives is assessed and implemented through our Capital Expenditure Budget.

ACTION:

> Feasibility assessments for all relevant properties will be conducted by end of 2026; initiatives where feasible will be fully implemented by 2030.

Projects already identified include:

Upgrading lighting to LED ceiling grids as opportunities arise

ACTION:

As part of the Finance Owned Estate Capital Expenditure Budget for 2022–23, 2023–24 and 2024–25, out of date lighting systems are being replaced with LED systems with motion sensors or timers to turn off lighting in rooms that are not in use. The projects are being delivered by our Property Service Provider (PSP), under the WoAG Property Services arrangements, on our behalf.

Undertaking upgrades to Heating Ventilation and Air Conditioning (HVAC) and Building Management Systems (BMS) systems for operational efficiency

ACTION:

As part of the Finance Owned Estate Capital Expenditure Budgets from 2021–22, 2023–24 and 2025–26, the replacement of HVAC, chillers and BMS has and will continue as assets reach end of life or when newer technology is considered more feasible. This will require updating systems to utilise advanced technologies such as variable refrigerant flow systems, high efficiency heat pumps or geothermal heat pumps. The projects are being delivered by the Finance Owned Estate PSP on our behalf.

De-gasification and Electrification

ACTION:

As base building assets in the Finance Owned Estate reach end of life, they will be replaced by electric base building plant; subject to infrastructure constraints and budget availability. De-gasification and electrification projects will be brought forward where feasible. As the percentage of the Commonwealth's electricity usage that is renewable increases, this will reduce emissions significantly.

ACTION:

Finance Owned Estate properties will be assessed on a case by case basis to identify the most suitable properties for the installation of rooftop solar subject to infrastructure constraints and budget availability.

New Builds

Where Finance has responsibility to deliver new buildings for office space on behalf of the Commonwealth, we will ensure the acquisition, design and construction meet NZGO strategy building requirements.

ACTION:

From 1 July 2026, where a contract is entered by or for the Commonwealth for the purchase or construction of office space with a value greater than $15 million, the office space must have and maintain a 6 star NABERS Energy rating.

ACTION:

From 1 July 2026, where a contract is entered for the purchase or construction by or for the Commonwealth of office space, the office space must be all-electric where available. This includes building heating, cooling and water heating but excludes backup generation, subject to the 2026-27 review.

Leased Estate

Our primary tenancy in the ACT is currently NABERS rated at 5.5 stars. We have improved utilisation of existing office space through our Future Ways of Working approach which is anticipated to further improve our NABERS tenancy rating by reducing our footprint in the building. If considering a new lease, a base building NABERS rating of 5.5 will be a mandatory requirement, consistent with the Strategy.

ACTION:

In 2024–25 we will continue to implement Finance's Future Ways of Working approach across the organisation to improve alignment with our accommodation utilisation to achieve a more efficient and effective use of existing office space.

ACTION:

Any future approach to market to lease office space over 1,000 square metres will require the relevant base building to maintain a 5.5 star or higher NABERS rating.

ACTION:

Where any future lease is entered into for office space, Finance will prefer all-electric buildings, particularly if the Commonwealth is directly responsible for base building services costs.

Data centres

We continue to invest in modern information and communications technology (ICT) used within our operations to improve energy usage and help meet the APS net zero 2030 target.

ACTION:

Reduce the size of dedicated data centre space by continuing to transition to cloud-based services where appropriate, modernise legacy hardware, and consolidate data centre holdings.

ACTIONS:

Where Finance accesses data centre services it will do so through the Australian Government's new Data Centre Panel; and, from 1 July 2025, new data centre facilities that are sourced outside of the Panel arrangement, whether owned or leased by the Commonwealth, will achieve and maintain a rating of 5 stars or equivalent environmental rating, such as a Power Usage Effectiveness of 1.4 or less.

FLEET – COMCAR

COMCAR maintains a fleet of approximately 165 vehicles. The current Internal Combustion Engine (ICE) vehicles will be replaced with new passenger Zero Emission Vehicles (ZEV) in line with the Commonwealth Fleet Vehicle selection policy. COMCAR commenced the replacement

of the ICE sedans in late 2023 and will be completed by 30 June 2025, where operationally viable.

As of July 2024, COMCAR has taken delivery of the EVs in four state depots and has installed charging infrastructure in each site. Finance expects to take delivery of the remaining COMCAR EV fleet by December 2024 and is deploying charging infrastructure to support the continued transition.

Throughout the EV transition COMCAR has installed charging infrastructure in line with the established Electric Vehicle Charging Plan. This process is supported by an approach to market that engaged appropriate skills and expertise.

ACTION:

New fleet orders for passenger vehicles are required to be low emission vehicles, with a preference for zero emission vehicles by 1 July 2025.

COMCAR will continue to explore operationally viable options as they become available in the market for future fleet renewals, specifically for the transition of people movers and light commercial vehicles.

Fleet - Departmental

Finance also has a small fleet of 14 vehicles for departmental use, with three being zero emissions vehicles (ZEV) and another seven scheduled to be replaced with ZEV in 2024-25. In the ACT, we are assessing the viability of installing EV charging infrastructure to support the vehicle at One Canberra Avenue, and commissioned four chargers at our Symonston tenancy in December 2023. In conjunction with the Landlord, the viability of installing EV charging infrastructure will be assessed on a case-by-case basis in line with our EV Charging Plan. Commonwealth Parliamentary Offices in Darwin, Adelaide and Perth utilise Landlord provided charging infrastructure.

ACTION:

Continue to review the remaining fleet of vehicles for departmental use and transition to ZEV where operationally viable as leases approach expiry.

Finance will comply with Net Zero in Government Operations Fleet target for 75% of new passenger vehicle orders to be LEVs by 2025.

ACTION:

Install EV charging infrastructure at sites with office space and fleet allocated parking where cost effective and operationally viable by 1 January 2025.

TRAVEL

We will reduce emissions associated with official travel by avoiding or reducing official travel. Staff will be encouraged to consider zero or lower emission options, when other communication tools such as teleconferencing and videoconferencing are not suitable.

ACTION:

In 2024-25 we will remind staff air travel must only be undertaken where it is assessed that this will deliver measurably better outcomes than other communication tools, such as teleconferencing and videoconferencing. We will also update travel policy and guidance

to encourage staff to use low-emission sources of transport where practicable and select appropriate NABERS rated accommodation where close to business requirements. Selection of low and zero emissions vehicles for hire cars will also be encouraged, where available.

PROCUREMENT

Consistent with the Australian Government's Environmentally Sustainable Procurement (ESP) Policy and Commonwealth Sustainable Procurement Guide, officials are required to consider environmental sustainability in all procurement planning and value for money assessments. Where relevant, officials are also required to include environmental sustainability objectives as part of supplier contract deliverables.

Planning tools, evaluation guidance, model clauses and specific training are made available to support compliance.

ACTION:

In the first half of 2025, finalise our Environment, Social and Governance (ESG) Procurement Framework to support and embed compliance with the ESP and Sustainable Procurement Guide.

Appendices A

Table A1: Finance Leased Estate - location based method 2022–23

Baseline year	Financial year 2022–23
Scope 1 emissions	29.27 tCO_2e
Scope 2 emissions	1,277.79 tCO_2e
Total emissions	1,307.06 tCO_2e

Table A2: Finance Owned Estate - location based method 2022-23

Baseline year	Financial year 2022–23
Scope 1 emissions	1,361.71 tCO_2e
Scope 2 emissions	11,813.55 tCO_2e
Total emissions	13,175.26 tCO_2e

Table A3: Information Communications and Technology (ICT) - location based method 2022-23

Baseline year	Financial year 2022–23
Scope 1 emissions	0.0 tCO_2e
Scope 2 emissions	497.35 tCO_2e
Total emissions	497.35 tCO_2e

Table A4: Ministerial and Parliamentary Services (COMCAR) - location based method 2022–23

Baseline year	Financial year 2022–23
Scope 1 emissions	394.86 tCO_2e
Scope 2 emissions	260.74 tCO_2e
Total emissions	655.60 tCO_2e

Table A5: Ministerial and Parliamentary Services (CPO) - location based method 2022–23

Baseline year	Financial year 2022–23
Scope 1 emissions	0.0 tCO_2e
Scope 2 emissions	1,120.81 tCO_2e
Total emissions	1,120.81 tCO_2e

Notes:

- CPO data only includes scope two emissions, with scope one data reported in the Finance Leased Estate figures
- Ministerial and Parliamentary Services (CPO) data was not reported in the 2022–23 Annual Report