



Australian Government
Clean Energy Regulator

2025–26 Climate Disclosure Report





Acknowledgement of Country

We acknowledge the Traditional Owners of Country throughout Australia and recognise their enduring connection to land, waters and community. We pay our respects to the people, the cultures and the Elders past and present. We also acknowledge the First Nations deep tradition of stewardship that has guided the care of this country for tens of thousands of years.

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Climate statement

Climate change is a strategic issue for the Clean Energy Regulator (CER) because it affects both how we operate as an agency and how we deliver public policy on behalf of the Australian Government. As the regulator of schemes that support emissions reduction, renewable electricity and biodiversity, we have a direct role in supporting the transition to a low emissions economy. At the same time, we must ensure our own operations remain resilient to the physical and transitional impacts of climate change.

The Commonwealth Climate Disclosure (CCD) policy is intended to improve transparency, accountability and credibility in the way Commonwealth entities identify, assess and manage climate-related risks and opportunities. It also supports Australia's emissions reduction commitments under the Paris Agreement and the Australian Government's APS Net Zero by 2030 target.

Our 2025–26 climate disclosure has been prepared in accordance with the Commonwealth Climate Disclosure Year 2 requirements. It covers material information about climate-related risks and opportunities that have, or may have, a significant impact on the agency and our ability to deliver public policy. Our [Emissions Reduction Plan](#) sets out the actions we are taking to reduce emissions from our operations, while our broader governance, strategy and risk management processes support a more resilient approach to climate-related impacts over time.

We administer schemes that support Australia's climate and energy objectives, and climate change may affect our people, systems, delivery of regulatory functions and interactions with scheme participants. For that reason, this disclosure considers both the resilience of our operations and the potential effect of climate-related risks and opportunities on our capacity to deliver public policy.

Our approach to identifying, monitoring and managing climate-related risks and opportunities will continue to mature as we further embed climate considerations into governance, risk management and decision-making.

Climate-related governance

Effective governance supports the Chair, as the Accountable Authority, to oversee the agency's management of climate-related risks and opportunities. These risks and opportunities are managed through our established corporate governance and risk management frameworks, including existing policies, committees and reporting processes. This approach ensures climate-related matters are considered alongside broader enterprise risks and reflects the recognition of climate change in the [2026–30 Clean Energy Regulator Corporate Plan](#) as a key challenge that may influence our operating environment.

We have refined our governance arrangements to ensure consideration of climate-related risks and opportunities is embedded in practice. The Chair, as Accountable Authority, oversees the management of climate-related risks and opportunities in line with duties under the *Public Governance, Performance and Accountability Act 2013*. This oversight is supported by the Chief Sustainability Officer, who champions the Net Zero in Government Operations Strategy and related sustainability initiatives, the Chief Risk Adviser, who prepares and presents quarterly risk updates to the Board and Audit Committee, and senior leaders and risk owners, who manage relevant risks within their areas.

These arrangements are supported by capability uplift activities for staff whose roles are most relevant to identifying, managing or responding to climate-related risks and opportunities. This includes risk owners, staff involved in procurement and facilities management, and other teams with responsibilities for planning, operations or policy delivery. Learning is supported through internal guidance, awareness activities, role-relevant training and access to broader Australian Public Service (APS) learning resources, with capability expectations reinforced through induction and periodic refreshers where appropriate. Since 2024–25, we have continued to strengthen awareness of climate-related obligations and practical implementation requirements, including in relation to risk management, emissions reduction and environmentally sustainable procurement (ESP).

Enterprise risks are owned at the Executive General Manager level for strategic risks and at the General Manager level for scheme and corporate risks. These risks, including climate-related risks and opportunities,



are monitored on an ongoing basis and reported quarterly to the Regulator Board and Audit Committee through the Chief Risk Adviser's report. The Chief Operating Officer signs-off on the controls that manage our current climate-related risks, while climate-related targets and emissions reduction activities are developed collaboratively across the agency, signed off by the Accountable Authority and reported annually. Further information on our risk management framework is under Climate-related risk management.

Climate-related strategy

Through our climate-related risk assessment informed by the Climate Risk and Opportunity Management Program (CROMP), we have identified and categorised our material climate-related risks and opportunities. Given the size and nature of our operations, we have not adopted the CROMP methodology in full. Instead, we have used those parts of the approach that are proportionate and relevant to our operating model, including scenario-based consideration of climate risks and opportunities, while tailoring our assessment to the scale of the agency, the materiality of the risks identified and the practical constraints of our operating context.

This tailored approach is reasonable and supportable as we have a relatively concentrated office footprint, a digital service delivery model, established business continuity and information and communication technology (ICT) resilience arrangements, and existing enterprise risk controls that already support the identification, assessment and management of climate-related risks.

In Year 2, we built on this assessment to also consider how climate-related risks and opportunities may affect our ability to deliver public policy through the schemes we administer. This includes considering how physical climate impacts, transition pressures or changing market conditions could affect scheme administration, compliance and assurance activities, stakeholder engagement, participant education, and data and reporting, and how these effects may influence participation, delivery and administration over time.

The risks are mitigated through established resilience and continuity arrangements that support staff safety, ICT resilience and the continuity of regulatory services in extreme conditions, including scheme administration, compliance and stakeholder engagement activities. Our business continuity, incident management, disaster recovery and cyber security planning will continue to be refined as over time as climate risk management matures.

In accordance with the CCD Year 2 requirements, we have utilised all reasonable and supportable information available without undue cost or effort to assess our climate-related risks and opportunities.

Climate-related scenario analysis

In 2025–26, we undertook a qualitative climate-related scenario analysis as part of our climate risk assessment. The analysis considered 3 plausible and distinct temperature scenarios—1.5°C, 2°C and 3°C warming— across short-, medium- and long-term horizons to 2030, 2050 and 2090, based on Year 2 CCD requirements. It focused on the agency's main operating environment, including our:

- Canberra head office
- national regulatory functions
- site visit activities
- dependence on digital systems and shared infrastructure.

The analysis drew on reasonable and supportable information available at the reporting date, including:

- the agency's operational experience
- the location and nature of our activities
- transition pressures
- infrastructure disruption
- workforce impacts.

The analysis was further informed by an internal strategic brief on physical climate risks and implications for CER-administered schemes, which considered how climate hazards may affect scheme delivery, integrity, investment and public policy outcomes.



Key policy, macroeconomic, geographic, energy and technology assumptions are set out in Table 1 while broader assumptions about the frequency and severity of climate hazards as shown in Figure 1.

Table 1: Scenario analysis assumptions

Climate-related policies	Climate policy supports emissions reduction, renewable energy, nature repair and climate risk management.
Macroeconomic trends	Economic conditions, investment and participant capacity influence scheme demand, viability and costs.
National and regional variables	Local weather patterns, land use, infrastructure condition and natural resource availability will shape the severity of climate-related impacts on CER-administered schemes.
Energy usage and mix	Australia's energy mix will continue shifting toward renewable electricity, distributed energy resources and low-emissions fuels.
Developments in technology	Technological advancements, including low-emissions solutions, distributed energy products, digital assurance and artificial intelligence (AI), will influence scheme delivery and climate resilience.

Figure 1: National summary of potential changes to climate hazards

		Current	Future change relative to current			
		GWL +1.2°C	GWL +1.5°C	GWL +2.0°C	GWL +3.0°C	
	Severe/extreme heatwave days	4 days	+2 days ○	+5 days ○	+14 days ○	
	Time spent in drought	19 months per decade	-10% to +36% ○	-8% to +69% ○	-15% to +89% ○	
	Fire susceptibility		↑ in south, east ○	↑↑ then ↓ in south, ↑ east ○	↑↑ then ↓ in south, ↑ east ○	
	Frequency of extratropical lows	88 hours per year	No clear change ○	-19% to +8% ○	-25% to -3% ○	
	Frequency of large hail events	5–10 events in east	Insufficient data	↑ in east ○	Insufficient data	
	Tropical cyclone frequency (cat 4/5)	2–3 per year on average	Little change or small ↑ ○	Little change or ↑ ○	Little change or ↑ ○	
	Maximum daily runoff	2.6mm	-39% to +47% ○	-53% to +58% ○	-57% to +59% ○	
	Marine heatwave duration	18 days	+22 days ○	+77 days ○	+161 days ○	

		Current rise since 1880	Future change relative to current sea level			
			GWL +1.5/ +2.0°C at 2050	GWL +2.0°C at 2090	GWL +3.0°C at 2090	Planning benchmark
	Sea level rise	0.2m	+0.14m	+0.32m	+0.54m	+0.94m
	Frequency of coastal flooding	15 days ○	+24 days ○	+87 days ○	+193 days ○	+257 days ○
	Extreme water level frequency	x 1.0 ○	x 2.0 ○	x 5 ○	x 14 ○	x 101 ○

Circles indicate a confidence rating based on the direction of change. 3 circles = high confidence, 2 circles = medium confidence, 1 circle = low confidence (Australian Climate Service, 2025).

Note: Confidence in regional changes will differ from national confidence ratings and in many cases will be higher.

Source: National Climate Risk Assessment 2025



The scenario analysis indicated that, under all scenarios, we will need to continue strengthening operational resilience. The higher warming scenario points to greater disruption risks over time, particularly for staff safety, business continuity, site-based assurance activities and the delivery of public policy. These insights have informed our assessment of material risks and opportunities and will support further maturation of our climate-related planning and decision-making.

Material risks and opportunities

Our material climate-related risks and opportunities, identified in line with the disclosure requirements, are set out below. For each risk and opportunity, the information identifies whether it is physical or transition-related, the relevant time horizons and concentrations of impact, and the current and anticipated effects on our operational model and public policy delivery. It also outlines actions taken or planned to manage those effects.

Risk 1 – Physical climate hazards disrupt scheme delivery, regulated activities and business continuity

Time horizon: Short (2030), Medium (2050), Long (2090)

Concentration: Australian wide

Risk type: Physical

Current effect 2025–26 reporting period	Anticipated effects	Actions to manage effects
<p>Physical hazards such as bushfire, flood, heat, drought and storms can affect the operating environment for CER-administered schemes:</p> <p>Operational: Events such as smoke-related poor air quality or flood disruption to office access may affect the timeliness of regulatory, corporate and support functions.</p> <p>Public policy: These hazards can disrupt projects and facilities meeting their obligations under the schemes we administer. Contributing factors include:</p> <ul style="list-style-type: none"> – damage to infrastructure – reduction in participant access to physical locations – reduced continuity of activities that support delivery of carbon sequestration – uptake of renewable energy options. 	<p>These risks are expected to increase in severity under higher warming scenarios:</p> <p>Operational: Prolonged or more frequent smoke-related air quality events may increasingly disrupt access to workplace infrastructure and supporting functions. Staff health and safety, the continuity of scheme administration, stakeholder engagement and timely delivery of regulatory services could be affected as average temperatures increase.</p> <p>Public policy: More frequent acute climate events alongside emerging chronic impacts (e.g. sea-level rise and drought) are likely to cause greater disruption to scheme administration, scheme participation, project implementation, carbon abatement and emissions reduction assurance activities, and the delivery of scheme objectives.</p>	<p>Undertaken: Over the previous reporting period, we have integrated climate risk into work, health and safety and business continuity planning and strengthened flexible and remote operating arrangements and associated ICT to reduce the immediate effect on scheme administration and business activities.</p> <p>Planned – short-, medium- and long- term: Continue to strengthen climate risk monitoring, use climate evidence to inform strategic planning, and progressively adapt scheme administration and assurance approaches to changing operating conditions. This includes using scenario analysis, improving business continuity responses and considering where guidance or administration settings may need to evolve.</p>



Risk 2 – Compliance and assurance challenges

Time horizon: Short (2030), Medium (2050)

Concentration: Australia wide

Risk type: Physical

Current effect 2025–26 reporting period	Anticipated effects	Actions to manage effects
<p>Operational: No effect.</p> <p>Public policy: Climate-related disruption can make it more difficult to undertake compliance, monitoring and assurance activities, especially where we rely on site access, stable operations or participant capacity. This can increase complexity in administering schemes and maintaining confidence in delivery.</p>	<p>Operational: No effect.</p> <p>Public policy: Anticipated effects include:</p> <ul style="list-style-type: none"> – needing to adapt our compliance activity with initiatives such as greater use of remote and technology-enabled assurance – more variable participant capability – increased complexity in identifying, assessing and responding to compliance risks linked to climate disruption. 	<p>Undertaken: Strengthening risk-based regulation, digital monitoring, intelligence-led compliance and flexible assurance approaches, supported by participant engagement and guidance.</p> <p>Planned – short-term: Continue to strengthen risk-based regulation, digital monitoring, intelligence-led compliance and flexible assurance approaches. We will also continue participant engagement and guidance to support compliance in a more climate-affected operating environment.</p>

Risk 3 – Reduced abatement, certified production or scheme performance

Time horizon: Short (2030), Medium (2050)

Concentration: Australia wide

Risk type: Physical

Current effect 2025–26 reporting period	Anticipated effects	Actions to manage effects
<p>Operational: No effect.</p> <p>Public policy: Climate impacts can already reduce the volume or reliability of abatement, renewable generation and other outcomes delivered through CER-administered schemes. These impacts can affect the agency's ability to support efficient delivery of emissions reduction, renewable energy and related public policy goals.</p>	<p>Operational: No effect.</p> <p>Public policy: The anticipated effect is that climate change will increasingly reduce performance of legislative provisions, project viability and renewable energy output across our schemes, particularly where outcomes depend on climate-sensitive natural systems, generation assets or production inputs. This may lower the scale, reliability or timing of public policy outcomes if risks are not managed effectively and opportunities are not harnessed.</p>	<p>Undertaken: Monitoring performance impacts across our schemes and maintaining evidence-based settings where appropriate.</p> <p>Planned – short-term: Continue to monitor performance impacts across schemes over future reporting periods and review with the Department of Climate Change, Energy, the Environment and Water (DCCEEW) whether scheme methods, rules or assurance settings remain fit for purpose under changing climate conditions.</p>



Risk 4 – Higher exposure of nature-based schemes and stored carbon

Time horizon: Short (2030), Medium (2050)

Concentration: Australia wide

Risk type: Physical

Current effect 2025–26 reporting period	Anticipated effects	Actions to manage effects
<p>Operational: No effect.</p> <p>Public policy: The Australian Carbon Credit Unit (ACCU) Scheme and Nature Repair Market are currently more exposed to climate risk as they rely on natural systems and, in some cases, stored carbon. Bushfire, drought and ecosystem degradation can reduce vegetation growth, affect biodiversity outcomes and increase reversal risk.</p>	<p>Operational: No effect.</p> <p>Public policy: We anticipate that climate change will increasingly impact performance of legislative provisions, project viability across the ACCU Scheme and Nature Repair Market, particularly where outcomes depend on climate-sensitive natural systems. This may lower the scale, reliability or timing of public policy outcomes if risks are not managed effectively and opportunities are not harnessed.</p>	<p>Undertaken: Applying and refining existing control measures, including permanence plans, reporting obligations, method reviews, reversal buffers, relinquishment powers and participant guidance. These measures provide a foundation that can be adjusted over time if climate-related exposure increases.</p> <p>Planned – short- and medium-term: Continue to refine existing controls.</p>

Risk 5 – Investment and financial pressures faced by scheme participants reduce participation and delivery

Time horizon: Short (2030), Medium (2050)

Concentration: Australia wide

Risk type: Physical

Current effect 2025–26 reporting period	Anticipated effects	Actions to manage effects
<p>Operational: No effect.</p> <p>Public policy: Higher project operation costs, asset devaluation, supply chain disruption and tighter access to funding is already affecting the viability of some projects, facilities and technologies relevant to CER-administered schemes. This can reduce participation or delay investment needed to support policy outcomes such as ACCU supply.</p>	<p>Operational: No effect.</p> <p>Public policy: These pressures are likely to intensify for scheme participants as climate threats have more impact. This may reduce uptake in some schemes, constrain project successes and make delivery of public policy outcomes more costly or uneven across sectors and regions.</p>	<p>Undertaken: Monitoring scheme operations signals through our regulatory functions, using available data to identify emerging delivery risks, and considering whether administration, guidance or engagement activities should be adjusted to support effective scheme participation.</p> <p>Planned – medium-term: Continue to monitor scheme operations and participation signals.</p>



Risk 6 – Transition pressures affect participants and scheme settings

Time horizon: Short (2030), Medium (2050)

Concentration: Australia wide

Risk type: Transition

Current effect 2025–26 reporting period	Anticipated effects	Actions to manage effects
<p>Operational: No effect.</p> <p>Public policy: Transition pressures, including government expectation, changing market expectations, technology shifts and evolving stakeholder demands, are already shaping the context in which we administer our schemes (delivery of public policy).</p>	<p>Operational: No effect.</p> <p>Public policy: Over time, transition risks will affect participant behaviour, investment choices, demand for scheme participation and expectations of regulatory settings. These changes will require us to adapt quickly to maintain efficiency and policy effectiveness.</p>	<p>Undertaken: Incorporated transition considerations into our strategy, policy advice and scheme administration.</p> <p>Planned – medium-term: Continue to incorporate transition considerations into strategy, policy advice and scheme administration, and use CCD processes to improve visibility of emerging risks and opportunities across business areas.</p>

Opportunity 1 – Switching to onsite renewable energy sources

Time horizon: Short (2030)

Concentration: Head office (Canberra)

Opportunity type: Transition

Current effect 2025–26 reporting period	Anticipated effects	Actions to manage effects
<p>Operational: Initial investment may reduce electricity expenses, potentially freeing up operational budget in future years.</p> <p>Public policy: Demonstrates practical implementation of clean energy and supports the credibility of our role in administering climate and energy schemes, while aligning agency operations with whole-of-government emissions reduction commitments.</p>	<p>Operational: Lower operating risk over time resulting in operations that are more aligned with emissions reduction goals; increased efficiency and reduced future transition risk compared with delaying action; and strong reputation potentially leading to recruitment and retention benefits.</p> <p>Public policy: Supports Commonwealth climate action obligations, e.g. APS Net Zero 2030. Over time, lower energy costs may allow resources to be redirected to other products and services delivered to the Australian public.</p>	<p>Undertaken: A scope of work has been completed, acknowledging that we are subtenants of our office building and not the primary decision-maker.</p> <p>Planned – short-term: Continue to work with IP Australia as the lead tenant to progress installation of renewable energy infrastructure where feasible. In addition, IP Australia will procure renewable electricity through whole-of-government arrangements once these are finalised.</p>



Opportunity 2 – Educating stakeholders in the role of carbon markets in mitigating climate-related risks and leveraging the opportunities

Time horizon: Short (2030)

Concentration: Australia wide

Opportunity type: Transition

Current effect 2025–26 reporting period	Anticipated effects	Actions to manage effects
<p>Operational: Supports more informed stakeholder engagement and may improve the effectiveness of communications, outreach and education activities linked to CER-administered schemes.</p> <p>Public policy: Improved stakeholder understanding of carbon offsets and related schemes can support informed participation, strengthen confidence in scheme administration and contribute to effective delivery of government climate policy.</p>	<p>Operational: More targeted education and engagement can improve service efficiency over time by reducing confusion, supporting self-service and improving the quality of participant interactions with the CER.</p> <p>Public policy: Over time, stronger stakeholder capability and confidence can support scheme uptake, improve compliance and reinforce our contribution to Australia's transition to net zero.</p>	<p>Undertaken: Delivered targeted stakeholder education and engagement on carbon markets, Australian carbon credit units and CER-administered schemes through guidance material, webinars, digital content and direct engagement with scheme participants and market stakeholders.</p> <p>Planned – short-term: Continue to strengthen education and engagement activities to improve stakeholder understanding of carbon offsets, support informed participation and compliance, and build confidence in the integrity and role of CER-administered schemes in Australia's transition to net zero.</p>

Opportunity 3 – Greater demand for credible scheme participation and trusted regulation

Time horizon: Short (2030), Medium (2050)

Concentration: Australia wide

Opportunity type: Transition

Current effect 2025–26 reporting period	Anticipated effects	Actions to manage effects
<p>Operational: No effect.</p> <p>Public policy: Growing climate awareness is already increasing interest in emissions reduction practices, renewable energy transition, low-emissions manufacturing and biodiversity-related activity. This creates an opportunity for the CER to support public policy delivery through credible scheme administration, adaptation and trusted regulatory oversight.</p>	<p>Operational: No effect.</p> <p>Public policy: Demand for participation in schemes that support the transition to a low-emissions and climate-resilient economy will continue to grow. This demand will strengthen the reach and impact of our effective administration of our schemes, so they remain credible and accessible.</p>	<p>Undertaken: We are supporting transparent and effective participation through clear guidance, robust assurance, fit-for-purpose administration and ongoing refinement of regulatory approaches to maintain confidence in scheme outcomes.</p> <p>Planned – short- and medium-term: Continue to refine our regulatory approach as necessary to maintain confidence in scheme outcomes.</p>



Opportunity 4 – Modernised delivery through digital, data and risk-based approaches

Time horizon: Short (2030), Medium (2050)

Concentration: Australia wide

Opportunity type: Transition

Current effect 2025–26 reporting period	Anticipated effects	Actions to manage effects
<p>Operational: No effect.</p> <p>Public policy: Climate-related disruption is already reinforcing the value of digital monitoring, remote assurance, better data use and more risk-based regulation. We harness these approaches to strengthen scheme resilience and maintain confidence in scheme administration as conditions change.</p>	<p>Operational: No effect.</p> <p>Public policy: Future operating conditions are likely to increase the importance of modernised scheme delivery models that are less dependent on physical access and more responsive to variable risk patterns.</p>	<p>Undertaken: We are building our capability in digital assurance, analytics, intelligence-led regulation and integrated climate risk reporting. We are also exploring how AI can assist us in these processes.</p> <p>Planned – short-term: Continue to build this capability to support effective delivery of public policy.</p>

Opportunity 5 – CER-administered schemes contribute to broader climate resilience

Time horizon: Short (2030) Medium (2050)

Concentration: Australia wide

Opportunity type: Transition

Current effect 2025–26 reporting period	Anticipated effects	Actions to manage effects
<p>Operational: No effect.</p> <p>Public policy: Some schemes already support activities that can strengthen resilience, such as distributed energy resources, low-emissions technologies and environmental improvement projects. This supports broader public policy objectives beyond immediate scheme outputs.</p>	<p>Operational: No effect.</p> <p>Public policy: As climate impacts intensify, the role of these schemes in supporting adaptation, resilience and transition outcomes may become more important. This presents an opportunity to strengthen policy delivery by aligning scheme administration with a more climate-resilient economy</p>	<p>Undertaken: We consider both risks and opportunities in our CCD reporting, strategy and scheme administration, and identify where scheme design or implementation can better support resilient and durable public policy outcomes.</p> <p>Planned – short-term: Continue to consider both climate-related risks and opportunities to identify where scheme design or implementation can better support resilient and durable public policy outcomes.</p>



Emissions Reduction Plan

Our Emissions Reduction Plan outlines the actions we are taking in the short-term to 2030 to reduce emissions, support APS Net Zero by 2030 and manage climate-related risks within our operational context. This includes actions to improve energy efficiency, support lower-emissions ways of working and strengthen sustainable procurement practices. Progress against these actions is reported in the [targets and metrics](#) section.

Our [Emissions Reduction Plan annual update](#) provides further detail on progress against the actions and targets in our Emissions Reduction Plan, including performance against the APS Net Zero 2030 target, emissions inventory updates and progress on broader climate-related actions.

Climate-related risk management

We operate in a complex environment and recognise that risk and uncertainty are inherent in all we do. We also recognise that climate-related risks impact our work and integrating climate-related risk and opportunity management into different types of decisions will be important to support the achievement of our objectives.

Our Risk Management Policy and Framework supports us to engage with risk in a positive and transparent way; consistent with the Commonwealth Risk Management Policy and the ISO 31000: 2018 Risk Management Guidelines. The framework provides an effective approach to risk management and aims to:

- support the agency in risk-informed decision-making
- encourage innovation
- assist all staff to identify and manage risks that may undermine our ability to achieve our objectives and meet statutory obligations.

We have integrated climate-related risks and opportunities into our enterprise risk register. They are considered, prioritised, managed and monitored in-line with our existing risk management framework and risk appetite and tolerance, as approved by our Regulator Board. This means climate-related risks are not treated as a separate category for prioritisation; they are considered alongside our enterprise, scheme and corporate risks using the same risk appetite and tolerance settings.

Climate-related risks and opportunities are considered as part of periodic reviews of the agency's risk appetite and tolerance settings, to ensure these settings remain appropriate as our understanding of climate-related impacts matures. In Year 2, this includes more explicit consideration of risks and opportunities that may affect our ability to deliver public policy through the schemes we administer.

Each enterprise risk is owned by a member of the senior executive team and managed by their respective line areas. The risks are monitored on an ongoing basis and reported through the Chief Risk Adviser's quarterly risk update to the Regulator Board and Audit Committee. In 2025–26, these quarterly reports included climate-related risks and opportunities, reflecting a more mature and integrated approach to climate risk management than the previous reporting period.

To determine the nature, likelihood and magnitude of the effects of climate-related risks, we considered:

- past events
- the nature and location of our operations
- the schemes, regulatory functions and public policy outcomes we administer
- the effectiveness of our control environment
- dependencies on people, systems, data, infrastructure and external providers
- stakeholder and participant impacts, including scheme access, participation, compliance and confidence
- our climate-related scenario analysis
- insights from CROMP and the National Climate Risk Assessment (NCRA) 2025



In addition to our embedded risk management practices, we reviewed climate risks and their implications for the schemes we administer in response to the NCRA. The review considered how physical climate hazards could affect scheme delivery, integrity, investment and public policy outcomes over time. It distinguished between physical and transitional risks and helped to identify climate-induced hazards that could reduce the volume of carbon abatement delivered and those risks that may affect the measurement or credibility of scheme outcomes. This work has aided our assessment of the nature, likelihood and scale of climate-related effects across our schemes, including the potential for higher exposure in nature-based schemes and stored carbon. It has also assisted in identifying existing controls that can be adjusted over time and areas where new controls may be needed as climate-related exposure increases.

Targets and metrics

This section outlines our climate-related targets, the emissions metrics used to monitor performance, and progress in implementing the actions in our Emissions Reduction Plan. It brings together our reporting on operational greenhouse gas emissions and progress towards the APS Net Zero by 2030 target. The CER has considered the option to voluntarily disclose information relevant to cross-industry metrics and has elected not to opt in for the 2025–26 CCD.

Our Emissions Reduction Plan annual update supports the Metrics and Targets pillar of the CCD by reporting progress against the APS Net Zero 2030 target, broader climate-related actions and operational emissions indicators. The update is published on our website with the Emissions Reduction Plan.

APS Net Zero

The APS Net Zero by 2030 target is the Australian Government's commitment to achieving net zero greenhouse gas emissions from government operations by 2030. Details of the target are summarised in the [2025–26 APS Net Zero Target Factsheet](#) on the Department of Finance's website, including the target, scope, emissions sources and timeframes. The target applies to in-scope government operations and is monitored through operational emissions reporting under the Climate Action in Government Operations Emissions Reporting Framework. We monitor our progress through annual emissions reporting and implementation of our Emissions Reduction Plan, which sets out the actions we are taking to reduce emissions from our operations and support delivery of the target.

As part of the Net Zero in Government Operations Strategy and section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*, we are required to report on our operational greenhouse gas emissions. These metrics provide an evidence base for tracking progress, understanding the main sources of emissions across the agency, and identifying where further action is needed. Table 2 presents our 2025–26 greenhouse gas emissions, reported as tonnes of carbon dioxide equivalent (t CO₂-e) and calculated in line with the [2025–26 Emissions Reporting Framework](#), consistent with the whole-of-government approach under the Net Zero in Government Operations Strategy and CCD requirements.

The 2025–26 results include attributable base building electricity emissions for the first time, reflecting improved data collection. Where some data sources were not available at the time of reporting, adjustments may be required in future reporting periods.

Emissions related to electricity usage in 2025–26 is reported in Table 3. There are two accounting methods to estimate emissions associated with electricity use. The location-based method estimates emissions using the average emissions intensity of the grid from which the electricity was consumed. Each state and territory has its own emissions intensity depending on the mix of fossil fuel and renewable generation. To reduce location-based emissions, an entity must either consume less electricity from their home state or physically relocate to a state which has a lower emissions intensity.

Under the market-based accounting method, the main way an entity can reduce its electricity emissions is by purchasing eligible renewable electricity products. Together, the two accounting methods provide complementary information about emissions associated with electricity use.

**Table 2: 2025–26 Greenhouse Gas Emissions Inventory – location-based method**

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) ¹	n/a	148.03	6.94	154.97
Natural gas ²	34.26	n/a	8.71	42.97
Solid waste	–	n/a	0.26	0.26
Refrigerants ³	-	n/a	n/a	-
Fleet and other vehicles	-	n/a	-	-
Domestic commercial flights	n/a	n/a	58.07	58.07
Domestic hire car	n/a	n/a	1.13	1.13
Domestic travel accommodation	n/a	n/a	22.89	22.89
Other energy	–	n/a	–	–
Total t CO₂-e	34.26	148.03	98.00	280.29

¹. Attributable base building electricity emissions is being reported for the first time in 2025–26 as the collection methodology has improved. This portion of electricity emissions was estimated based on the net lettable area occupied by the CER of 5,937.23 m².

². Natural gas consumption data was estimated based on the net lettable area occupied by the CER.

³. Reporting on refrigerants is being phased in over time as emissions reporting matures. In 2025–26 this is applicable to entities with a net lettable area above 15,000m² as per the [Emissions Reporting Framework](#).

Table 3 provides additional information on our 2025–26 electricity-related emissions, including both the location-based and market-based accounting methods, together with renewable electricity consumption.

Table 3: 2025–26 Electricity Greenhouse Gas Emissions

Emissions source	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e	Electricity kWh
Location-based electricity emissions	148.03	6.97	154.96	231,284.20
Market-based electricity emissions	4.48	0.61	5.09	5,527.70
Total renewable energy consumed¹	n/a	n/a	n/a	225,756.50
Renewable Power Percentage ²	n/a	n/a	n/a	39,989.04
Jurisdictional Renewable Power ³	n/a	n/a	n/a	185,767.50
GreenPower	n/a	n/a	n/a	–
Large-scale generation certificates	n/a	n/a	n/a	–

¹. Excludes behind the meter solar other than generation used to create LGCs.

². The renewable power percentage accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target.

³. Jurisdictional Renewable Power refers to the Jurisdictional Renewable Power Percentage (JRPP). Currently, the Australian Capital Territory is the only jurisdiction with JRPP.



Performance against targets

We remain committed to achieving the APS Net Zero by 2030 target. During 2025–26, we continued to implement actions in our Emissions Reduction Plan and Year 1 climate disclosure. Progress was strongest in areas within the agency's direct control, including energy efficiency, ICT settings, waste management and lower-emissions ways of working such as virtual collaboration. These actions are supporting gradual emissions reduction while building capability for further change over time.

Performance continues to be shaped by our operating context. Electricity use and building-related emissions remain significant, and business travel contributes to scope 3 emissions. The pace of some measures is constrained by factors outside our control, particularly reliance on shared building infrastructure, landlord-led upgrades and whole-of-government procurement arrangements. As a result, emissions reductions are expected to be gradual rather than step-change. Future effort will prioritise improving data quality, targeting emissions reduction activities more effectively, and progressing renewable electricity and building-related initiatives in partnership with external parties, while continuing to embed lower-emissions practices across the agency.

Table 4 summarises progress on the actions in our Emissions Reduction Plan and related Year 1 climate disclosure commitments.

Table 4: Progress on action items to reduce emissions

Action	Progress/update
Signing on to the Government Energy Action Response (GEAR) protocol.	We have agreed to participate in GEAR and a Demand Response Action Plan has been developed. If GEAR is activated, we will look to undertake actions to reduce energy use where possible and safe to do so. These may include turning off unnecessary lighting, powering down non-essential equipment including display screens, closing blinds to keep the temperature regulated, increasing cooling temperatures in summer and decreasing heating temperatures in winter.
Partnering with IP Australia (as the lead tenant) in its proposal to install rooftop solar PV on the Discovery House building.	The project to install rooftop solar PV on Discovery House will commence following necessary rectification works on the building's plant room.
Signing an agreement with IP Australia as lead tenant of Discovery House to procure renewable energy under the Whole of Government Electricity Contract.	IP Australia has received the commencement notice for the Whole of Government Electricity Contract electricity services arrangement for Discovery House.
Working with IP Australia and the building landlord to ensure the efficient running of base building emission producing equipment:	During 2025–26, we continued to work with IP Australia and the building landlord to improve the efficiency of base building equipment and identify practical measures that reduce energy use within the constraints of a shared leased building environment.
– Upgrade LED lighting in storage and parking areas.	Emergency exit lighting and some other fixtures were replaced during 2025–26.
– Seek opportunities to minimise our energy consumption.	The building manager is actively identifying opportunities to reduce energy consumption.
– Improve insulation and reduce unwanted air flow.	A project is expected to be initiated over the next 12 months to address unwanted air flow coming into the building.



Action	Progress/update
Reviewing the lighting, electrical appliances and air conditioning controls including sensor timings with building management to ensure energy efficient operation.	Lighting controls on the ground floor are being reviewed to increase movement-activated zones and improve energy efficiency.
Undertaking a night audit of electricity use to eliminate unnecessary use after hours.	We are scheduling an annual night audit of electricity use to identify and reduce unnecessary after-hours energy consumption.
Reviewing our recycling and waste management.	During 2025–26, we worked with our property service provider to ensure the effective management of our bulk waste and recycling. This included working with contractors to ensure accurate measurement and disposal of secure, recyclable and organic waste.
Investigating settings on ICT equipment to ensure optimum efficiency.	<p>ICT equipment power settings are optimised to balance energy efficiency and usability. Older equipment is iteratively replaced with newer, more energy-efficient devices.</p> <p>New devices incorporate sustainability-focused design features, including improved energy performance, use of recycled materials, and enhanced repairability to support longer lifespans and reduce environmental impact.</p>
Conducting a cost-benefit analysis on transitioning from dual monitors to single curved monitors with an ultra-wide aspect ratio to reduce energy consumption.	As part of a monitor refresh program undertaken in 2025–26, we reviewed monitor size and compared single curved monitors with dual monitors. We found little difference in energy use between the available options.
Complying with the ESP policy.	<p>In 2025–26, the policy did not apply to any of our procurements, as we did not engage in construction services procurements exceeding \$7.5 million, or furniture, fittings and equipment, ICT goods, and textiles valued at \$1 million or more.</p> <p>Guidance on the policy is provided to employees and contractors via our internal SharePoint site.</p>
Updating tender requirements for new tenders to include environment, sustainability and/or circular economy criteria where appropriate.	<p>Tender requirements were updated where appropriate during 2025–26, to include environment, sustainability and/or circular economy criteria. We also applied optional ESP clauses to relevant tender processes including for solar battery testing.</p> <p>Templates for procurement and evaluation plans have also been updated to specify sustainability criteria as a default consideration.</p>
Staff involved in procurement to complete the ESP and the Planning for Environmentally Sustainable Procurement courses through the APS Academy.	Since the modules became active, 11 staff undertook environmentally sustainable procurement training across the 2 courses.



Action	Progress/update
Encouraging staff to complete the climate modules in the APS Academy.	Since 1 July 2025, there have been 31 completions across the 3 climate modules.
Actively promoting sustainable travel obligations.	In 2025–26, we continued to encourage teleconferencing and videoconferencing as effective options for communicating.
Establishing a Net Zero Working Group/Sustainability Working Group	<p>Bi-monthly meetings are held with the government tenants of Discovery House to discuss facilities and building operations, including opportunities for improvements and enhanced energy efficiency.</p> <p>An internal sustainability working group has been established to develop initiatives that can be put forward through the tenant meetings.</p>
Encouraging active transport by promoting Ride to Work and Walk to Work days.	Staff were encouraged to reduce commuting-related emissions through the promotion of Winter Walk to Work Week in August 2025. The initiative supported lower-emissions travel choices by encouraging staff to walk to work, or include walking as part of their commute, where practical.
Educating market participants on the schemes administered by the CER to increase informed participation in schemes that accelerate Australia's transition to net zero.	We continued to educate market participants through the publication of our market information including the Quarterly Carbon Market Report and targeted communications and outreach activities.



Year 2 requirements index

The location of information required under the Year 2 CCD requirements is displayed in Table 5.

Table 5: Year 2 CCD requirements index

Core Requirement	Overview	Location in report
G0	Governance objective	Achieved through G1
G1(a)	Identify Accountable Authority	Climate-related governance
G1(a)i	Responsibilities of Accountable Authority	Climate-related governance
G1(a)ii	Skills and Competencies	Climate-related governance
G1(a)iii	Informing accountable authority	Climate-related governance
G1(a)iv	Strategy and Risk Management	Climate-related governance
G1(a)v	Setting Targets	Climate-related governance
G1(a)vi	Risk Oversight	Climate-related risk management
G1(b)	Controls and procedures	Climate-related governance
G2(a)	Regard to CROMP Approach	Climate-related strategy
G2(b)	Alignment with other policies	Climate statement and Climate-related risk management
S0	Strategy objective	Achieved through S1
S1	Material information on climate risks and opportunities	Achieved through S2, S3, S4, S5, S6 and S14
S2(a)	Progressive implementation schedule	The scope of S2 covers our entity's organisational and policy-related risks and opportunities.
S2(b)	Physical and transition risks	Material risks and opportunities
S2(c)	Time horizon specification	Material risks and opportunities
S2(d)	Time horizon definition	Material risks and opportunities
S3(a)	Climate Risk and Opportunity Management Program or alternative methodology	Climate-related strategy
S4(a)	Current and anticipated effects (operational model)	Material risks and opportunities
S4(b)	Concentration of effects (operational model)	Material risks and opportunities
S5(a)	Current and anticipated effects (public policy)	Material risks and opportunities
S5(b)	Concentration of effects (public policy)	Material risks and opportunities
S5(c)	Exemptions for impracticality	Climate-related strategy



Core Requirement	Overview	Location in report
S6(a)	Response to climate-related risks and opportunities (strategy and decision-making-effects)	Material risks and opportunities, Emissions Reduction Plan, Performance against targets and Table 3: Progress on action items to reduce emissions
S6(c)	Transition plan/Emissions Reduction Plan	Emissions Reduction Plan and APS Net Zero
S14(a)	Climate-related scenario analysis	Climate-related strategy – Climate-related scenario analysis
R0	Risk Management objective	Achieved through R1
R1(a)i	Risk assessment inputs and parameters	Climate-related risk management
R1(a)ii	Nature, likelihood and magnitude of effects	Climate-related risk management
R1(a)iii	Prioritising climate-related risks	Climate-related risk management
R1(a)iv	Managing climate-related risks	Climate-related risk management
R1(a)v	Monitoring climate-related risks	Climate-related risk management
R1(a)vi	Changes to risk management processes	Climate-related risk management
R1(b)	Risk management processes	Climate-related risk management
R1(c)	Integration of processes	Climate-related governance and Climate-related risk management
R2	CROMP	Climate-related strategy
M0	Metrics and targets objective	Achieved through M1
M1	Information on greenhouse gases	Achieved through M3, M5-M9
M2	Cross-industry metric categories – not opted in	Targets and metrics
M3	Climate-related metrics	APS Net Zero, Table 2: 2025–26 Greenhouse Gas Emissions Inventory – location-based method and Table 3: 2025–26 Electricity Greenhouse Gas Emissions
M5	Climate related targets	APS Net Zero factsheet- Targets and metrics
M6	Approach to reviewing and monitoring targets	APS Net Zero factsheet- Targets and metrics
M7	Progress against target	Performance against targets
M8	Target scope	APS Net Zero factsheet- Targets and metrics
M9	Voluntary and obligatory targets	APS Net Zero factsheet- Targets and metrics