Australian Government

Department of Foreign Affairs and Trade

Commonwealth Climate Disclosure

2025–26

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Climate disclosure

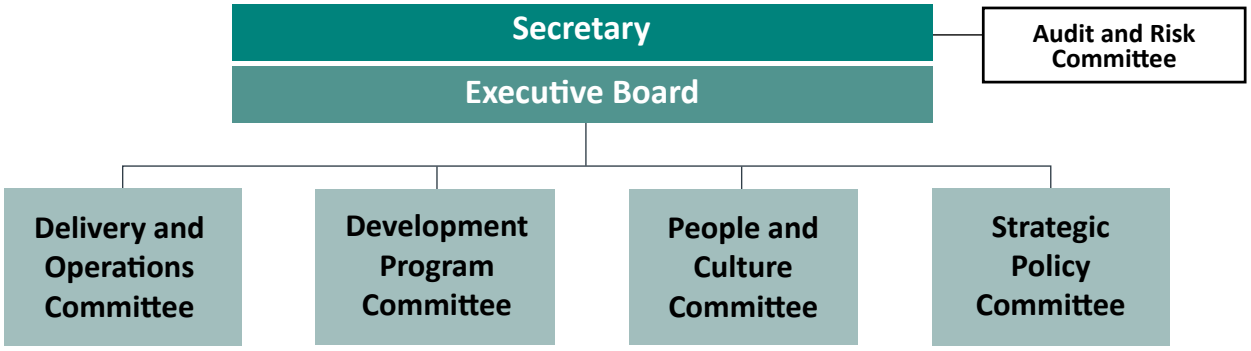
The Commonwealth Climate Disclosure policy requires Commonwealth entities to publicly report on their exposure to climate risks and opportunities, as well as their actions to manage them. Department of Foreign Affairs and Trade (DFAT) is progressively integrating climate-related risk into its overall risk management process.

Governance

DFAT's governance structure facilitates enterprise decision-making and determines the department's strategic priorities. The Secretary is the accountable authority for DFAT's risk management system. DFAT uses its existing governance structure and risk management systems, policies and tools to manage climate risks and opportunities.

Climate-related risk is managed through business area risk processes, documented in relevant risk registers, and escalated as required through business area key risk reporting at the enterprise level. The Executive Board considers enterprise risks, supported by regular risk discussions across senior management committees, including the Audit and Risk Committee. These governance mechanisms support the Secretary, as the accountable authority, to discharge her duties in relation to climate-related risks facing the department.

Figure 1: DFAT's governance committee structure



DFAT is progressively implementing guidance in the Australian Government's Climate Risk and Opportunity Management Program (CROMP) to conduct operational and policy climate risk and opportunity assessments to better support how we embed climate resilience and sustainability into existing risk and decision-making frameworks. Business area risk registers (for our domestic operations and at overseas posts) enable monitoring of climate-related risks and management actions, with expanding coverage planned in future as capacity is further developed.

Using CROMP guidance for 2025–26, DFAT progressed development of climate risk and opportunity assessments, including for trade and development policy, using separate timeframes (2024, 2030 and 2050) and low, moderate and high emissions scenarios.

The department is committed to supporting the APS Net Zero 2030 target, as set out in the Net Zero in Government Operations Strategy. The target coverns DFAT's operations within Australia and its territories for scope 1 and scope 2 emissions, as described in the Strategy. The APS Net Zero 2030 Target factsheet has more details about the 2030 target.[1] DFAT's 2025–26 reporting against the Net Zero in Government Operations Strategy is provided in the 'Metrics and targets' section below.

In accordance with the Commonwealth Climate Disclosure Year 2 Requirements, we have used all reasonable and supportable information available without undue cost or effort to assess our climate-related risks and opportunities.

1 Department of Finance, *APS Net Zero 2030 target factsheet: 2025–26 Commonwealth climate disclosures,* Department of Finance, 17 June 2026.

Strategy

Australia's International Development Policy acknowledges climate change as the greatest shared threat to all countries and has climate action at its heart. It commits Australia to strengthening climate resilience across the development program.

DFAT provides advice to government on international climate issues to advance our foreign policy, economic and development interests internationally. DFAT supports international cooperation on climate change action, including through integrating climate change across the development assistance program.

The threat landscape is larger than Australia has ever faced. Within our region, military build-up, assertive diplomacy and a changing climate create complexity in our international engagements. An El Niño weather pattern, natural disasters and the erosion of the international trade architecture have particularly impacted the Indo-Pacific region. Global economic changes will be driven by shifting supply chains, critical minerals, the digital economy and the transition to green energy. We will expand and buttress Australia's economic relationships and support the rules-based multilateral trading system, so Australian businesses can grasp emerging opportunities.

The International Development Policy commits Australia to strengthening climate resilience across the development program by:

- ensuring that, from 2024–25, at least half of all new country and regional investments valued over $3 million have a climate change objective – with the goal of reaching 80% in 2028–29
- considering climate risk in our development partnership plans
- aligning our bilateral programs with partners' nationally determined contributions and national adaptation plans.

In 2026, Australia has backed Pacific leadership ahead of the United Nations Framework Convention on Climate Change (UNFCCC) 31st Conference of the Parties (COP31), including through Pacific pre-COP ministerial meeting and Leaders' events in Fiji and Tuvalu, helping drive global climate action around Pacific priorities.

Australia is pursuing a range of trade and investment activities to advance our climate change and energy transition agenda. Trade and investment will be central to addressing climate change and will be necessary to drive growth of clean energy sectors in which Australia will be competitive. Australia is addressing climate risks and opportunities through its trade agenda, including by actively positioning itself as a leader in cooperation on trade policy to support decarbonisation and the net zero transition. Australia has commitments on the environment and the transition to net zero in several of its free trade agreements. As an example, the Singapore–Australia Green Economy Agreement combines trade, economic and climate objectives to support emissions reduction, strengthen cooperation on standards and sustainable finance, and facilitate the growth of emerging low-emissions industries and markets.

In addition to addressing climate risk and opportunity across international policy, DFAT has used CROMP methodology to assess and identify material risks across domestic operations. This included a quantitative scenario analysis focused on energy costs for DFAT's Canberra office. These covered short, medium and long-term horizons (from 2024 to 2050 with a focus on 2024, 2030 and 2050) based on different assumptions regarding global emissions, socioeconomic development and climate policy. The 3 scenarios used were SSP1-2.6 (1.8 °C warming by 2090), SSP2-4.5 (2.7 °C warming) and SSP3-7.0 (3.6 °C warming).[2] The results indicate that the worsening climate conditions result in increases in cooling energy demand and associated costs over time in the absence of any intervention. However, the introduction of improved energy practices and more efficient equipment has the potential to offset

2 A full description of the Shared Socioeconomic Pathway (SSP) scenarios can be found in Intergovernmental Panel on Climate Change (IPCC), *Climate Change 2021: The physical science basis* [IPCC 6th Assessment Report – Working Group 1], IPCC, 2021, pp 232–236.

these increases. DFAT used Australia's National Climate Risk Assessment (2025)[3] for analysis of physical risks and hazards arising from global warming levels of +1.5°C, +2.0°C and +3.0°C.

DFAT works to promote and protect Australia's interests overseas in support of our security and prosperity. To achieve this purpose, DFAT works through Australian based offices in Canberra, state and territory capitals and an international network of posts.

To reduce domestic emissions and contribute to the achievement of the APS Net Zero 2030 target, DFAT has embedded its domestic net zero by 2030 emissions pathway in line with the direction set in the government's Net Zero in Government Operations Strategy. This includes the following key activities detailed in the DFAT Emissions Reduction Plan:

- over 80% of DFAT's electricity is sourced from sustainable supply
- consolidation of 3 major Canberra tenancies into a single A+ grade building, with a base building NABERS 6-star rating, and with relocation planned within the next 18 months
- improved waste management, with commingle, recycle and general waste in all DFAT domestic tenancies
- embedding climate-conscious procurement policies and practices across the department to support sustainability objectives and drive lower-emission purchasing decisions
- installation of electric vehicle charge points by the landlord to the exterior of the RG Casey Building in Canberra, supporting the transition to low-emission transport options.

The Australian Passport Office (APO) is a critical service for Australians in Australia and overseas. To strengthen resilience to climate-related disruption, the APO maintains geographically distributed processing and printing capability, actively manages inventory levels, and works closely with operational partners to mitigate climate-related risks, including supply chain dependencies and severe weather events. These arrangements contribute to DFAT's broader approach to maintaining essential services, protecting staff and managing operational risk, without compromising security or service standards.

It is critical for DFAT to maintain business continuity to deliver on its purpose for government and for all Australians. To strengthen workforce and operational resilience, DFAT provides a range of supports for staff and their families, including access to medical and psychological services, the Employee Assistance Program, mental health and wellbeing officers, flexible and remote work arrangements, business continuity and emergency management plans, and robust work health and safety policies and procedures.

Technology and innovation offer key opportunities for DFAT across operations, programs and policy. DFAT's international development investments in economic productivity, climate change, innovation and the clean energy transition are opportunities for Australia to make the most of our national strengths and respond to the needs of our region.

In the next reporting period, DFAT aims to further refine its approach to undertaking assessments of climate risks and opportunities to ensure effectiveness.

3 Australian Climate Service, *Australia's National Climate Risk Assessment (2025),* Australian Climate Service website, n.d., accessed 28 September 2026.

Risk management

DFAT progressed its risk and opportunity assessment in line with the CROMP. The geographic region for the operational assessment was Australia. In addition to our domestic footprint, DFAT is responsible for ensuring a consistent and efficient use of government resources overseas. This includes managing properties, staff and conditions of service, health and safety, security, information and communications technology, and finance. The network provides consular and passport services to Australians travelling overseas.

This is the second year that the department has undertaken a climate disclosure. For 2025–26, the disclosure brings together policy and operations. It complements DFAT's accordance with the principles of ecologically sustainable development, as required by section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* and the APS Net Zero 2030 target for reducing greenhouse gas emissions.

Metrics and targets

The Australian Government is taking strong action on climate change at home and internationally. Australia delivered $3.9 billion in climate finance from 2020 to 2025.

DFAT publishes annual official development assistance (ODA) climate finance expenditure through DFAT's annual *Australia's Official Development Assistance: Statistical Summary* and climate webpages. Development finance for climate and the environment is also reported annually to the Organisation for Economic Co-operation and Development (OECD).

A key commitment under the International Development Policy is to publish an annual Performance of Australian Development Cooperation report, reflecting our focus on accountability and our commitment to a world-class development program, including addressing climate change.

In 2024–25, Australia's development program supported 2.9 million people to improve adaptation to climate change and resilience to disasters. It also assisted 1.7 million people to use climate-resilient agriculture practices.

Table 1: Greenhouse gas emissions inventory, location-based method, 2025–26

Emission source	Scope 1	Scope 2	Scope 3	Total
Electricity (location-based approach)[1]	n.a.	6,550.47	357.2	6,907.67
Natural gas	417.77	n.a.	106.21	523.98
Solid waste	5.39	n.a.	0	5.39
Refrigerants[2]	0	n.a.	n.a.	0
Fleet and other vehicles	35.27	n.a.	8.74	44.01
Domestic commercial flights	n.a.	n.a.	1,861.23	1,861.23
Domestic hire cars	n.a.	n.a.	37.94	37.94
Domestic travel accommodation	n.a.	n.a.	550.64	550.64
Other energy	27.1	n.a.	6.68	33.78
Total t CO_2−e	**485.53**	**6,550.47**	**2,928.64**	**9,964.64**

1 Electricity emissions are calculated using the location-based method.

2 Refrigerants are being reported using a phased approach and are an optional source in 2025–26 emissions reporting. For more details, see Department of Finance, *Emissions Reporting Framework 2025–26: Version 2.1*, Department of Finance, 2026, p 16.

Note: Scope 1, Scope 2, Scope 3 and total emissions are presented as tonnes carbon dioxide equivalent (t CO_2-e).

Table 2: Electricity greenhouse gas emissions, 2025–26

Emission source	Scope 2	Scope 3	Total	Electricity
Location-based electricity emissions	6,550.47	357.2	6,907.67	10,311,312.93
Market-based electricity emissions	1,032.44	140.21	1,172.64	1,274,608.61
Total renewable electricity[1]	n.a.	n.a.	n.a.	9,036,704.32
Renewable power percentage[2]	n.a.	n.a.	n.a.	1,782,826.01
Jurisdictional renewable power[3]	n.a.	n.a.	n.a.	7,253,878.32
GreenPower	n.a.	n.a.	n.a.	–
Large-scale generation certificates	n.a.	n.a.	n.a.	–

1 Total renewable electricity excludes behind-the-meter solar other than generation used to create large-scale generation certificates (LGCs)

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

3 Jurisdictional renewable power refers to the jurisdictional renewable power percentage (JRPP). Currently, the Australian Capital Territory is the only jurisdiction with a JRPP.

Notes: The table presents emissions related to electricity usage using both the location-based and the market-based accounting methods.

Scope 1, Scope 2, Scope 3 and total emissions are presented as tonnes carbon dioxide equivalent (t CO_2-e). Electricity data is reported as kilowatt hours (kWh).