

Part 5:

Climate-related Disclosures



2025/26 Climate-related Disclosures Reserve Bank of Australia

For the year ended 30 June 2026

Disclaimer

These climate-related disclosures contain statements that are, or may be deemed to be, forward-looking statements, including the RBA's Net Zero Target. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the RBA. This may cause actual results or developments to differ materially from those expressed or implied in such statements. There are uncertainties, assumptions and judgements underlying climate-related information that limit the extent to which climate-related information is useful for decision-making, and readers are cautioned not to place undue reliance on the information in these disclosures. Forward-looking statements in these disclosures reflect the RBA's best estimates, assumptions and judgements as at the date of these disclosures, but the uncertainty in climate-related information may lead the RBA to change its views in the future.

Introduction

In accordance with the Australian Government’s Commonwealth Climate Disclosure (CCD) policy,¹ this disclosure outlines our governance arrangements and approach to managing climate-related risks and opportunities, and sets out the qualitative assessments, strategies and initiatives we have developed in response.² It also discloses quantitative metrics on emissions arising from our physical and internal operations during 2025/26 and progress towards the RBA’s Net Zero Target.³

Governance

Oversight of climate-related risks and opportunities by the RBA’s boards

The Governance Board, as the RBA’s accountable authority, is responsible for, among other things:

- setting our strategic objectives and risk appetite
- approving our strategic plan and budgets
- overseeing our risk management framework.

Climate and sustainability matters form part of each of these activities. In addition, the Governance Board approves the required climate-related disclosures set out in this document.

The Governance Board and its Audit and Risk Committee regularly consider the effectiveness of the RBA’s systems of risk oversight and management and internal controls, including as they relate to climate risks.

Separately, climate-related risks and opportunities are also relevant to the work of the RBA’s two other boards:

- The Monetary Policy Board’s functions require it to consider the implications of climate change and other environmental factors for the Australian economy and financial system, where these are relevant to monetary policy and financial stability.
- The Payments System Board’s functions require it to consider how supervised clearing and settlement facilities are managing risks, which includes climate-related risks.

For further detail on these bodies and our governance structure, see Part 1.2: Governance and Accountability.

Management of climate-related risks and opportunities

The Governor is responsible for the day-to-day management of the RBA. This includes, among other things, implementing the strategic, business and financial plans approved by the Governance Board, and the policies, processes and systems needed to effectively deliver on these and manage our operations and risk profile. The Governor’s responsibility for day-to-day management of the RBA also includes implementing the policies of the Monetary Policy Board and Payments System Board.

Executive oversight of climate-related risks and opportunities, including their identification and mitigation, is the responsibility of several management committees and executives, as outlined in Table 5.1.

Table 5.1: Key Roles for Climate-related Risks and Opportunities

Role	Reports to / Supports	Risk and Opportunity Responsibility
Governor (supported by Executive Committee)	Governance Board, Monetary Policy Board and Payments System Board	The Governor is responsible for implementing the RBA’s policies on climate-related matters and, where relevant, escalating matters to the RBA’s boards. The Executive Committee supports the Governor in this respect, including by reviewing sustainability frameworks and policies (and, where relevant, endorsing them for approval by the Governance Board), and recommending the annual financial plan for approval by the Governance Board. The Governor, supported by the Executive Committee, approves the RBA’s climate and sustainability strategy.
Risk Management Committee <i>Chair: Deputy Governor</i>	Governor	Supports the Governor with risk oversight and monitoring of the RBA’s risk management and internal control frameworks, including processes used in identifying and assessing climate-related risks and opportunities. This includes, where relevant, reviewing matters to be escalated to the Audit and Risk Committee.

Table 5.1: Key Roles for Climate-related Risks and Opportunities (*continued*)

Role	Reports to / Supports	Risk and Opportunity Responsibility
Climate and Sustainability Committee <i>Chair: Deputy Governor</i>	Executive Committee	Guides the strategic direction of the RBA's climate and sustainability initiatives, oversees the implementation of the climate and sustainability strategy, and provides advice to the Executive Committee (and Governor) on prioritisation and resourcing of climate and sustainability initiatives. Membership includes the Deputy Governor, Assistant Governor (Economic), Executive Policy Lead for Climate Change, Head of Workplace Department, and Chief Financial Officer.
Policy Area Climate Steering Group <i>Chair: Executive Policy Lead for Climate Change</i>	Assistant Governors overseeing policy groups	This steering group, comprising heads of relevant policy departments, oversees the Climate Analysis and Policy Team. The team coordinates work on climate and sustainability topics in support of the RBA's monetary policy and financial stability objectives. This steering group also approves the climate work plan to align research priorities across the RBA's Economic, Financial Markets and Financial Stability policy groups.
Head of Workplace Department	Chief Operating Officer	Responsible for managing climate-related risks and opportunities relating to RBA-owned physical assets and supporting infrastructure. This includes implementing the RBA's sustainability principles and managing key projects and internal operational initiatives in support of the RBA's Net Zero Target.
Chief Financial Officer (CFO)	Chief Operating Officer	Responsible for developing the RBA's climate-related disclosures and owner of the RBA's environmental risk class (see Risk Management section below); this includes responsibility for assessing the residual risk rating against the RBA's risk appetite. The CFO is also a member of the Department of Finance's Chief Sustainability Officer Network.
Assistant Governors, Economic, Financial System and Financial Markets	Governor	As owners of the public policy development and financial risk classes (see Risk management section below), they are responsible for developing advice to the Governor and the RBA's boards which may pertain to climate-related risks.

Source: RBA.

Risk management

The Climate Risk and Opportunity Management Program (CROMP)⁴ is the Australian Government's tool for climate-related risk and opportunity assessment. While the use of CROMP is encouraged, we manage climate-related risks using our enterprise risk management arrangements. This supports a consistent approach to risk management and effective operational governance.

The RBA's risk management approach

We assess, monitor and manage climate-related risks using our enterprise-wide risk and compliance management framework (the framework), which is discussed in more detail in Part 3.3: Risk and Compliance Management. Governance and oversight of risk are enabled through structured committees, clearly defined roles and responsibilities and

established escalation pathways. The framework is subject to ongoing review and enhancement to ensure it remains effective and aligned with our activities and external environment. During 2025/26, and as discussed in Part 3.3, this included strengthening the risk appetite statement, improving consistency of risk assessment and reporting, and enhancing second line review and challenge.

The framework assigns accountability for managing climate-related risks. Risk owners are responsible for identifying, assessing and managing climate-related risks within their departments and for ensuring appropriate controls are in place to manage these within our risk appetite. Risk class owners provide aggregate oversight of a risk class at an enterprise level, including monitoring performance against risk appetite and escalating material issues to executive committees or our boards where required. This process is applied consistently across all risks. The level of oversight, monitoring and

escalation is determined by the assessed materiality of each risk and its potential impact on our operations and charter objectives, considering our risk appetite.

In addition to the Environment risk class, climate-related risks are also assessed within other risk classes, including those affecting our operations and those relevant to the delivery of our policy mandates.

Departments are responsible for the day-to-day management of identified climate-related risks with support and challenge from the Risk and Compliance Department and oversight from the Risk Management Committee. Our Audit Department considers climate-related risks within a broader risk-based approach to determining its audit and assurance activities.

Climate-related risk assessment

The approach to assessing climate-related risks is supplemented by additional climate-specific analysis where relevant, including consideration of longer time horizons. Further analytical processes and approaches specific to climate risk assessment may be developed over time to support application within the framework.

Our assessment of physical climate risks to our internal operations, physical assets, infrastructure and people has been informed by the analysis of past climate-related events. This includes the review of incident registers, and consideration of potential future exposures arising from the location, design and construction of our physical infrastructure that may be impacted by climate-related events like flooding or bushfires.

Transition risks to our operations, physical assets, infrastructure and people have been informed by an analysis of our emissions reporting data, review of climate-related government policies and learnings from other similar entities both domestically and internationally. To support learnings from other entities and our understanding of climate-related policy and regulation in Australia, we are a member of the Department of Finance's Climate Action in Government Operations group.

The Monetary Policy Board regularly reviews the risks associated with the framework for monetary policy and financial stability decision-making. These risks include having inadequate frameworks for, or giving inadequate attention to, changes in the structure or supply potential of the economy and/or financial markets, including those arising from climate change

or transition, in Board decision-making relevant to these policy objectives (which is discussed in Part 1.2: Governance and Accountability).

That assessment of risks is driven by the Monetary Policy Board's judgement, informed by advice about the status of efforts to understand possible material changes to the structure or supply potential of the economy and/or the structure of financial markets.

To support our assessment of the risks posed to monetary policy and financial stability, we are represented across various workstreams of the Network for Greening the Financial System (which brings together central banks to discuss and advance best practice in climate-related risk management). Analysis of the financial system impacts of climate change also informs the RBA's assessment of climate-related financial risk to our portfolios.

Strategy

We undertake a range of climate and sustainability initiatives across our internal operations, including our physical infrastructure, to improve environmental performance and minimise the environmental impact of our activities (see Part 3.1: Management of the RBA). We have also developed a work program to understand and manage the implications of climate change and the energy transition for monetary and financial stability policies and operations. During 2025/26, the Climate and Sustainability Committee commenced development of a climate and sustainability strategy to provide direction and support effective prioritisation of climate and sustainability activities. The strategy, which was approved by the Executive Committee in July 2026, will be overseen by the Climate and Sustainability Committee.

While both risks and opportunities are considered as part of our climate risk assessment process, we have prioritised the assessed risks given their assessed materiality and potentially adverse effects on our critical operations and policy mandates. Climate-related opportunities largely stem from work to mitigate these risks, and act as controls to minimise the potentially adverse effects of climate change on our people, critical operations and physical assets. These initiatives are being embedded within normal work processes and are managed and assessed accordingly – for example, as part of our property management and related projects, or policy development (see initiatives outlined below).

Identification of climate-related risks⁵

Internal operations, infrastructure, physical assets and people

The climate-related risks to our internal and physical operations are listed in Table 5.2.

Table 5.2: The RBA's Climate-related Operational Risks

Risk Statement	Risk Description	Risk Type
Failure to identify, manage or mitigate the physical impacts from climate change, including from both acute (e.g. severe weather events) and chronic physical risks (e.g. sea level rise and increasing temperatures)	Damage to the RBA's physical infrastructure, or unavailability of external infrastructure systems and services, may compromise the operations of our critical services due to the physical impacts of climate change. Environmental changes may also impact staff productivity and their ability to work.	Physical
Failure to identify, manage or mitigate the impacts from the global and national transition towards a low carbon economy, including changes in government or stakeholder expectations, regulation, technology, social trends and behaviours	Failure to keep pace and comply with evolving national climate-related policies, regulations or expectations. Lack of adaptation leading to reputational damage and loss of public trust and potential associated financial costs. Infrastructure or building design or operations are misaligned with national climate targets.	Transition

Source: RBA.

Policy mandates and operations

Climate-related risks to our policy setting and regulatory functions arise from the impact of climate change and the transition to the economy and financial system. They include having an inadequate framework to consider, or giving insufficient attention to, developments in the structure or supply potential of the economy and/or structure of financial markets, including those arising from climate impacts. This could, in turn, lead to monetary policy errors, a less resilient financial system and/or inadequate financial policy responses. Incorrect policy decisions or advice could also lead to reputational damage and erosion of public trust.

Climate change and the transition to a low emissions economy may also amplify financial risks across the Australian financial system, potentially affecting our domestic and international portfolio of financial assets.

Current and anticipated effects

Internal operations, infrastructure, physical assets and people

We operate in locations across Australia, with most of our staff located at our head office in the Sydney CBD. Our physical assets and infrastructure are located across the Sydney CBD, at our business recovery site and leased data centre located in greater Sydney, and in outer Melbourne in the case of our banknote sites (including our banknote storage and distribution facility, and our premises leased to Note Printing Australia Ltd (NPA) and others involved in banknote manufacturing)⁶. Our physical climate risks are therefore largely concentrated in Sydney and Melbourne.

Climate-related risks have the potential to affect our internal operations, infrastructure, physical assets and people in several ways:

- Severe weather-related events could compromise energy supply or damage physical infrastructure, including assets, IT equipment, archived materials and banknotes. These disruptions may impact our ability to continue providing critical services that support the payments system, our operations in financial markets and wholesale banknote distribution. They may also create additional costs to restore physical assets or result in the potential loss of critical data or archival information.

- Failure to align with applicable climate policies, undertake climate-related actions that are required through legislation or regulation, or meet the RBA's Net Zero Target may harm our reputation and impair trust in the organisation.
- Severe weather events or higher temperatures could impair staff productivity due to limited access to premises or systems for critical operations. Workplace health and safety could also be impacted if we fail to address safety hazards promptly. We could also fail to provide staff with adequate resources and capability to collect, analyse and report on climate-related data accurately.

While climate-related events are expected to increase in frequency and severity over time, the assessed residual climate risk rating for our physical assets, taking into account controls in place, infrastructure lifecycle timeframes, the strategic location and design of the assets, is very low. This assessment, including the nature, likelihood and magnitude, is informed by our experience with climate-related events in recent years and their impacts on our infrastructure (i.e. risk incidents), as well as consideration of future climate trends using data from Australian Government climate websites, including the Australian Climate Service and Climate Change in Australia.

Business recovery facilities are specifically selected and designed to withstand certain natural disasters and to provide alternative sites so that critical operations can continue if other locations suffer disruption (including, but not limited to, climate-related events). Physical risk adaptation has also been a focus for projects involving critical physical assets. For newly identified sites, we have incorporated climate risk assessments to evaluate the resilience of proposed locations to environmental factors such as bushfires, flooding and, where relevant, risks related to electricity supply (including selection of our leased data centre).

Policy mandates and operations

Climate change and the transition to lower emissions may impact how we discharge our monetary policy and financial stability responsibilities over time.

We operate monetary policy using a flexible inflation target of between 2 and 3 per cent. Inflation through the short run economic cycle and its key determinants can be influenced by the physical effects of a changing climate, as well as the transition to a lower-emissions economy. Climate change and the transition may also have an impact on longer run concepts like potential

output and the neutral real interest rate, which inform assessments on the appropriate stance of monetary policy. Failing to recognise, understand or incorporate these effects into our monitoring and forecasting framework could result in policy errors.

We are also responsible for contributing to the stability of the financial system. More frequent and severe weather events, along with higher average temperatures, would reduce the value of some physical assets and certain income streams. This could result in unexpected credit losses for banks, increased claims on insurers and writedowns to the value of financial investments. If these risks are not adequately managed by the institutions involved, there could be implications for the stability of the financial system. A failure to identify, understand or integrate these risks into the RBA's monitoring frameworks for systemic risk could undermine our ability to fulfil our financial stability responsibilities, including to work with the government and other agencies to coordinate policies that address financial stability risks.

Climate-related risks to the Australian financial system may also affect our domestic and international portfolios of financial assets through increased risks of valuation losses on securities held outright and credit risks from counterparties and collateral.

The risk that monetary or financial stability frameworks give insufficient attention to climate-related changes in the structure or supply potential of the economy and/or financial markets over a policy-relevant horizon of around three years is currently judged to be medium. That risk rating is anticipated to reduce over time via the initiatives discussed in the Strategy and decision-making effects section (below). The residual risk to our financial asset portfolio is currently assessed as very low in the near term; this assessment will be revisited periodically to ensure that risks remain within appetite (including over longer horizons).

Strategy and decision-making effects

We recognise that climate-related risks have implications for our physical and internal operations and our policy functions. To address the effects of climate-related risks and opportunities on our strategies and public policy delivery, we continue to embed climate considerations in our governance arrangements, operating models and through ongoing climate-related initiatives. These initiatives support our response to climate-related risks, contribute to achieving our Net Zero Target and assist in monitoring and reducing exposures to climate-related impacts.

Internal operations, infrastructure, physical assets and people

We have undertaken several initiatives to help manage and monitor the effects of climate-related risks to our internal operations, infrastructure and physical assets, and in support of the RBA's Net Zero Target (see Metrics and targets section below):

- From 1 July 2025, all our owned sites use 100 per cent GreenPower (see the Glossary).
- We regularly review and maintain business continuity plans for our physical assets to manage the response to disruption that may impact critical infrastructure, physical assets and internal operations (including natural disaster events and power outages).
- We have embedded sustainability principles – aligned with the RBA's Environmental Statement and climate and sustainability strategies – to guide our approach to climate and sustainability as part of our physical and internal operations and processes, in an effort to reduce our impact on the environment.
- Approved and funded investments are in place to minimise the emissions impact of our operations on the environment, and in line with our target. These include the redevelopment of our head office building in Sydney, transition to a new third party-owned data centre in outer Sydney and the commencement of a major program to upgrade our banknote production facility in outer Melbourne (see Part 3.1: Management of the RBA for further details of initiatives relating to energy and waste management).

Policy mandates and operations

To support effective management of current and emerging climate-related risks and opportunities, we are building our understanding of the implications of climate change for the economy and financial system by investing in dedicated staffing and a structured program of work.

- In 2025/26, we worked on assessing the implications for the macroeconomy and monetary policy of climate change and the transition to lower emissions. This included developing our capacity to model the macroeconomic implications of climate change and the transition. We are also building capacity to monitor the macroeconomic impacts of the transition, with a focus on investment and demand for commodities.

- We assessed financial stability risks from physical and transition risks. This included examining the systemic implications of reduced access to property insurance due to the materialisation of physical climate risks and computing climate risk metrics to consider their usefulness for monitoring and identifying data gaps.

To further build our capability, we have created new climate and energy specialist positions to enhance our modelling and analytical work – a small team coordinates and supports work on climate and energy transition topics across policy areas. We have also deepened our ties with the expert community through external presentations and engagement.

Climate-related scenario analysis

Internal operations, infrastructure, physical assets and people

Scenario analysis was undertaken in the prior financial year to assess operational and financial climate risks across multiple time horizons, and to support future resilience assessments. This work focused on three types of events:

1. flood-related damage to buildings, equipment and inventory (acute physical risk)
2. bushfire-related damage to buildings, equipment and inventory (acute physical risk)
3. increased cooling energy usage due to more frequent and intense heatwaves (chronic physical risk).

The analysis used two Network for Greening the Financial System (NGFS) scenarios – Current Policies and Net Zero 2050 – across three time horizons (2030, 2050, 2100) to determine how physical risks may escalate over time, including changes in the likelihood or severity of weather-related events. This was supplemented by other Australia-specific data sources and internal operational data to inform the assumptions, including:

- local and state government floodplain management reports and historical events which informed site-specific flood risk based on annual exceedance probabilities
- CSIRO's fireline intensity potential and data on the fraction of land annually exposed to bushfires, to estimate the likelihood and consequences of bushfire damage

- the Bureau of Meteorology climate data for heatwave projections, combined with the Australian Energy Market Operator's state-based cooling day thresholds and internal electricity data to estimate changes in expected cooling days and energy consumption.

Discretionary overlays were applied to refine the final consequence estimates, incorporating considerations such as the resilience features of existing buildings and infrastructure, contingencies built into operational sites, and any relevant projects underway that were expected to reduce grid reliance and energy costs in future.

The scope covered the RBA's Australian owned assets and activities only, with international assets excluded.

Our scenario analysis informed our assessment of operational climate-related risks. Final consequence ratings from the analysis were considered along with other mitigating factors, as discussed above, to derive the final risk assessment (see 'Current and anticipated effects' section).

Policy mandates and operations

In recent years, scenario analysis has been used to explore a range of potential macroeconomic and financial system effects of climate change and the transition to lower emissions, for example:

- Climate risks to the banking sector:** Our macro-financial model was used to consider how adverse macroeconomic conditions could affect bank capital ratios in two scenarios, one with severe physical risks and another with significant transition risks. Climate hazard data was used to measure the expected increase in insurance costs due to climate-related damage – such as more frequent flooding and more damaging cyclones – which were translated into housing price falls. This showed that around 7.5 per cent of properties are in postcodes that could see prices decline by 5 per cent or more due to climate change by 2050.⁷
- Climate impacts on GDP forecasts:** Country-level energy demand profiles from NGFS Net Zero and Current Policies scenarios were used to consider the impact of the global energy transition on demand for Australian exports, and hence GDP. This showed that annual GDP growth could be on average 0.1 percentage points lower during the period to 2050 in the Net Zero scenario, with flow-on impacts to associated activity.⁸

- Physical climate risks to Australian residential mortgage-backed securities (RMBS):**

Forward-looking climate risk metrics were calculated for RMBS, which can be used as collateral in our market operations. Projections to 2050 were based on the Intergovernmental Panel on Climate Change's Representative Concentration Pathway 8.5 scenario. This showed that expected increases in physical risks by 2050 would reduce average housing prices by no more than 2 per cent in all repo-eligible RMBS. The share of high loan-to-value ratio (LVR) loans would increase, but by a small amount, and almost all high LVR loans have some level of lenders mortgage insurance.⁹

Metrics and targets

Climate-related target

We are committed to improving the performance of our physical and internal operations and minimising the impact of our activities on the environment, as demonstrated by the RBA's Net Zero Target for Scope 1 and 2 emissions by 2030.¹⁰ Achieving our target is contingent on several projects that include climate and sustainability initiatives. Table 5.3 provides further detail on our Net Zero Target.

Table 5.3: The RBA's Climate-related Target for Physical and Internal Operations

CCD Criterion	Criterion summary	Climate-related target
M1c	Targets set by the entity including metrics used to measure progress towards these targets	Our climate-related target is net zero Scope 1 and 2 emissions by 2030 (referred to in these disclosures as the RBA's Net Zero Target).
M5a	The metric used to set the target	The metric used to set our target is carbon dioxide equivalent (CO ₂ -e) emissions in tonnes (t).
M5b	The objective of the target	The objective of our target is to reduce greenhouse gas (GHG) emissions and minimise the impacts of our internal operations on the environment.
M5c	The part of the entity to which the target applies e.g. entity in its entirety or only a part of the entity, such as a specific divisional unit or geographical region	Our target applies to our Australian-based operations and locations (including owned and leased sites). Our international offices and our wholly owned subsidiary, NPA, are excluded from the target.
M5d	The period over which the target applies	The timeframe for achieving our target is from 2018 to 2030.
M5e	The base period from which progress is measured	The initial baseline is the 2018/19 financial year.
M5f	Any milestones and interim targets	There are currently no milestones or interim targets.
M5g	If the target is quantitative, whether it is an absolute target or an intensity target	Our target is an absolute target.
M5h	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target	Our target is in line with the Australian Public Service (APS) Net Zero 2030 Target, included under Australia's <i>Nationally Determined Contribution Communication 2022</i> under the Paris Agreement.
M6a	Whether the target and the methodology for setting the target have been validated by a third party	The target and methodology were recommended by a third-party external consultant, who developed a comprehensive carbon inventory for the RBA and a comparison benchmark against other central banks.
M6b	The entity's processes for reviewing the target	The Climate and Sustainability Committee will track progress against targets and escalate issues requiring decisions to the Executive Committee.
M6c	The metrics used to monitor progress towards reaching the target	An external consultant conducts an annual emissions inventory (in line with the Greenhouse Gas (GHG) Protocol methodology) across all three emission source types for our Australian operations (Scope 1, 2 and 3). From 2022/23, our GHG emissions inventory has been reported under the APS Net Zero Emissions Reporting Framework in our annual report. The Climate and Sustainability Committee is responsible for tracking progress against the targets and escalating issues and decisions to the Executive Committee as required. The Governance Board reviews progress against our target annually, and as required. The key differences between the two emissions reporting frameworks are that the GHG Protocol approach includes a broader range of Scope 3 emissions.

Table 5.3: The RBA's Climate-related Target for Physical and Internal Operations (*continued*)

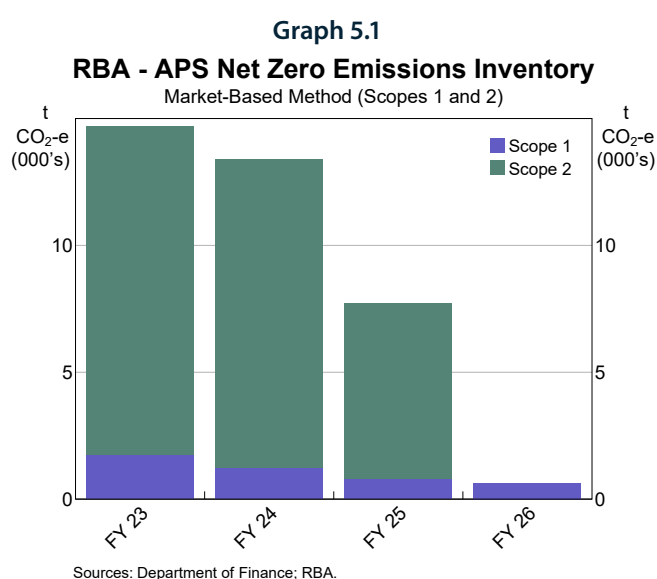
CCD Criterion	Criterion summary	Climate-related target
M6d	Any revisions to the target and an explanation for those revisions	During the 2025/26 reporting period, there were no changes to our target.
M8a	Which greenhouse gases are covered by the target	The following GHGs are included in the APS Net Zero Emissions Reporting Framework: carbon dioxide (CO ₂); methane (CH ₄); nitrous oxide (N ₂ O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); sulphur hexafluoride (SF ₆); and nitrogen trifluoride (NF ₃). The RBA's Net Zero Target includes GHGs relevant to Scope 1 and 2 emissions, predominately carbon dioxide.
M8b	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target	Our target includes Scope 1 and 2 emissions only.
M8c	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target	Our target is a net GHG emissions target.
M8d	Whether the target was derived using a sectoral decarbonisation approach	Our target was not derived using a sectoral decarbonisation approach.
M9a	Disclose information on the APS Net Zero by 2030 Target (set out in the <i>Net Zero in Government Operations Strategy</i>), as well as any other obligatory or voluntary targets set out in the entity's emissions reduction plan	Not applicable – the RBA has not formally signed up to the APS Net Zero by 2030 Target, nor aligned with the Net Zero in Government Operations Strategy (which is optional for corporate Commonwealth entities).

Source: RBA.

Performance against the climate-related target

We remain on track to achieve the RBA's Net Zero Target for Scope 1 and 2 emissions by 2030. Our Scope 1 and 2 emissions under the market-based approach (see Glossary) decreased by 91.7 per cent over 2025/26 compared with 2024/25 (Graph 5.1). This was primarily driven by the transition to 100 per cent GreenPower from 1 July 2025 for all our domestic locations, except our four small interstate representative offices in Adelaide, Brisbane, Melbourne and Perth.

Our path to net zero includes initiatives to improve the energy efficiency of our operations, such as the major redevelopment of our head office in Sydney and major infrastructure upgrades at our Craigieburn site in outer Melbourne. We may also need to consider other offsets to manage minor residual emissions (e.g. from our diesel and gas-powered equipment).



Climate-related metrics

Our GHG emissions have been calculated in line with the APS Net Zero Emissions Reporting Framework,¹¹ and the whole-of-Australian-Government approach as part of the APS Net Zero by 2030 Target policy.¹² These set out the approach, assumptions and methodologies used to measure GHG emissions, including the Scope 3 emission categories included with the measurement.¹³

The GHG emissions inventory in Table 5.4 shows our carbon-dioxide equivalent (CO₂-e) GHG emissions over the 2025/26 reporting period.¹⁴ Details of the data inputs used to compose the emissions sources are outlined in the footnotes to Table 5.4. Not all data sources or reliable usage data were available at the time of finalising the report. Amendments, where material, may be required in future years.

Table 5.4: Greenhouse Gas Emissions Inventory – Location-based Accounting Method

2025/26; t CO₂-e^(a)

Emission source	Scope 1	Scope 2	Scope 3	Total	Total
	2025/26				2024/25 ^(l)
Electricity (location-based method) ^{(b),(c)}	n/a	16,309.75	1,341.21	17,650.96	17,188.52
Natural gas ^{(c),(d)}	352.73	n/a	38.10	390.83	684.27
Solid waste ^{(e),(f)}	0.05	n/a	62.21	62.26	63.32
Refrigerants ^{(e),(g)}	256.39	n/a	n/a	256.39	152.42
Fleet and other vehicles ^{(e),(h)}	5.07	n/a	1.29	6.36	4.05
Domestic commercial flights ⁽ⁱ⁾	n/a	n/a	115.52	115.52	143.45
Domestic hire car ^{(e),(j)}	n/a	n/a	1.41	1.41	0.41
Domestic travel accommodation ^{(e),(j)}	n/a	n/a	31.03	31.03	38.68
Other energy ^(k)	27.52	n/a	6.79	34.31	40.66
Total t CO ₂ -e	641.76	16,309.75	1,597.56	18,549.07	18,315.78

(a) CO₂-e = carbon dioxide equivalent.

(b) Electricity emissions reported contain some energy consumption for IT equipment, which is currently out of scope of the Emissions Reporting Framework. Where billing cycles did not align with the end of the financial year and data were not available during the collection process in July–August 2026, a daily average was used to determine the emissions for the reporting period. Amendments to estimated data used this year and in prior years' reporting may be required in future reports once more reliable usage data are available.

(c) Electricity and natural gas include emissions output from RBA-owned buildings and leased premises where available. While care has been taken to report on RBA-specific emissions where possible, some of the reporting may include usage from tenants that also use the same premises (including NPA and other government agencies).

(d) For the 2025/26 financial year, natural gas emissions are based on direct meter readings. Where billing cycles did not align with the end of the financial year and data were not available during the collection process in July–August 2026, a daily average was used to determine the emissions for the reporting period. Amendments to estimated data used this year and in prior years' reporting may be required in future reports once more reliable usage data is available.

(e) Emission sources may be incomplete due to a lack of robust data from third-party sources or data not available at the time of the report. The quality of data is expected to improve over time as emissions reporting matures. Amendments to the current year reporting may be required in future reports once more reliable usage data are available.

(f) Solid waste data from some leased premises could not be sourced for inclusion in the emissions reporting. As per the APS Net Zero Emissions Reporting Framework, solid waste emissions include waste disposed of via landfill only and do not consider any landfill gas capture.

(g) Reporting on refrigerants is optional for the 2025/26 reporting year and will be phased in over time as emissions reporting matures.

(h) Emissions from electricity consumed by plug-in hybrid vehicles have only been reported for electricity directly purchased by the RBA. Emissions associated with electricity consumption from public charging stations have not been reported for 2025/26.

(i) Emissions data have been provided by Corporate Travel Management (under the whole-of-Australian Government travel contract). As per the APS Net Zero Emissions Reporting Framework, only emissions from domestic flights have been captured (which includes the domestic leg of connecting international flights), but not from international flights themselves.

(j) Emissions data have been provided by Corporate Travel Management and other sources (including invoices from suppliers). As per the APS Net Zero Emissions Reporting Framework, certain data have been excluded if they did not contain adequate information for emissions reporting purposes.

(k) Other energy includes emissions from diesel fuel use.

(l) Figures have been restated where material to include data that was not available for 2024/25 reporting (see footnotes (a) and (d)).

Source: Australian Government Department of Finance calculations under the APS Net Zero Emissions Reporting Framework, based on data provided by RBA from multiple sources.

The electricity emissions reported in Table 5.4 are calculated using the location-based approach (where emissions are based on the local area in which the energy is consumed). When applying the market-based method – which accounts for electricity purchased through contractual instruments (net of offsets and site-generated renewables) and assigns the associated emissions to the purchasing entity – the total emissions for electricity are lower (Table 5.5).

Table 5.5 excludes behind-the-meter solar from total renewable electricity. In 2025/26, behind-the-meter solar produced and consumed (which excludes those used to create large-scale generation certificates) totalled 1,875,638.00 kWh (compared to 297,460.02 kWh in 2024/25).

Table 5.5: Electricity Greenhouse Gas Emissions^(a)

Emissions Source	Scope 2 t CO ₂ -e ^(b)	Scope 3 t CO ₂ -e ^(b)	Total t CO ₂ -e ^(b)	Electricity kWh ^(b)	Total t CO ₂ -e ^(b)	Electricity kWh ^(b)
2025/26					2024/25 ^(h)	
Location-based electricity emissions ^(c)	16,309.75	1,341.21	17,650.96	23,144,760.19	17,188.52	21,819,397.89
Market-based electricity emissions ^{(c),(d)}	–	–	–	–	7,865.30	8,549,229.15
Total renewable electricity^(e)	n/a	n/a	n/a	27,302,126.95	n/a	13,270,168.74
– Renewable power percentage ^(f)	n/a	n/a	n/a	4,001,729.04	n/a	3,970,039.45
– Jurisdictional renewable power percentage ^(g)	n/a	n/a	n/a	222,687.72	n/a	400,055.90
– GreenPower	n/a	n/a	n/a	23,077,710.19	n/a	8,900,073.39
– Large-scale generation certificates	n/a	n/a	n/a	–	n/a	–

(a) This table presents emissions related to electricity usage using both the location-based and the market-based accounting methods. As per the Department of Finance, total market-based electricity equals the total electricity consumed from the grid (total electricity under the location-based approach) minus the renewable electricity consumed from the grid (i.e. Renewable power percentage, Jurisdictional renewable power percentage and GreenPower).

(b) CO₂-e = carbon dioxide equivalent, and electricity usage is measured in kilowatt hours (kWh).

(c) Electricity includes emissions output from RBA-owned buildings and leased premises where available. While care has been taken to report on RBA-specific emissions where possible, some of the reporting may include usage from tenants that also use the same premises (including NPA and other government agencies). Electricity emissions reported contain some energy consumption for IT equipment, which is currently out of scope of the Emissions Reporting Framework.

(d) The market-based method only applies emissions factors to electricity consumption that remains after renewable electricity claims have been taken into account. Our Total Renewable Electricity is equal to or greater than total electricity consumption so both market-based electricity consumption and emissions have been reduced to zero for 2025/26 (see footnote (e)).

(e) The Total Renewable Electricity figure is calculated by combining all applicable renewable sources and may exceed total electricity consumption where multiple renewable claims apply to the same underlying electricity use. Excludes behind-the-meter solar other than generation used to create large-scale generation certificates.

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

(g) The Australian Capital Territory is currently the only state or territory with a jurisdictional renewable power percentage.

(h) Figures have been restated to include data that were not available at the time of our 2024/25 reporting (see Table 5.4, footnotes (a) and (d)).

Source: Australian Government Department of Finance calculations under the APS Net Zero Emissions Reporting Framework, based on data provided to the RBA from multiple sources.

Glossary¹⁵

Absolute target: Target expressed as total amount of greenhouse gas emissions or a change in the total amount of greenhouse gas emissions.

Australian Public Service (APS) Net Zero by 2030

Target: The Australian Government's commitment to achieve net zero in government operations by 2030.

Climate-related physical risks: Risks resulting from climate change that can be event-driven (acute physical risks) or from longer-term shifts in climatic patterns (chronic physical risks). Acute physical risks arise from weather-related events such as storms, floods, droughts or heatwaves, which are increasing in severity and frequency. Chronic physical risks arise from longer-term shifts in climatic patterns including changes in precipitation and temperature which could lead to sea level rise, reduced water availability, biodiversity loss and changes in soil productivity.

Climate-related transition risks: Risks that arise from efforts to transition to a lower-carbon economy. Transition risks include policy, legal, technological, market and reputational risks.

GHG Protocol: Globally recognised framework for measuring, accounting for, and reporting greenhouse gas emissions that includes Corporate Accounting and Reporting Standard (2004) and the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

Greenhouse gas emissions: Emissions of the seven greenhouse gases listed in the Kyoto Protocol – carbon dioxide (CO₂); methane (CH₄); nitrous oxide (N₂O); hydrofluorocarbons (HFCs); nitrogen trifluoride (NF₃); perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆).

GreenPower: A government-accredited renewable energy product offered by most electricity retailers to households and businesses in Australia. It requires GreenPower providers to voluntarily surrender large-scale generation certificates – tradeable certificates issued for eligible renewable electricity generation – equivalent to GreenPower purchases made by customers.

Location-based emissions: Greenhouse gas emissions from the grid location where the electricity is consumed. It does not distinguish between different energy sources (like renewable energy or fossil fuels) but instead uses overall emissions figures from the local grid's energy mix to estimate emissions from electricity use.

Market-based emissions: Greenhouse gas emissions associated with electricity consumption calculated on an entity's specific electricity purchases and contractual arrangements. This includes renewable electricity acquired through voluntary mechanisms, such as renewable energy certificates and power purchase agreements, and mandatory schemes such as the Large-scale Renewable Energy Target. Under the market-based method, renewable electricity purchases are assigned an emissions factor of zero, while emissions from remaining electricity consumption are calculated using a Residual Mix Factor.

RBA's Net Zero Target: The RBA's target of net zero Scope 1 and 2 emissions by 2030, which applies to the RBA's Australian-based operations and locations (including owned and leased sites), but not the RBA's international offices nor the RBA's wholly owned subsidiary, NPA. See Metrics and targets section above. Also referred to as 'our target' in these disclosures.

Scope 1 emissions: Greenhouse gas emissions released to the atmosphere as a direct result of an activity, or series of activities, at a facility level.

Scope 2 emissions: Greenhouse gas emissions released to the atmosphere, indirectly, as a result of the consumption of an energy commodity.

Scope 3 emissions: Indirect greenhouse gas emissions other than Scope 2 emissions that are generated in the wider economy. They occur as a consequence of the activities of a facility, but from sources not owned or controlled by that facility's business.

Endnotes

- 1 Commonwealth Climate Disclosure (CCD) is the Australian Government's policy requiring Commonwealth entities to publicly report on their climate-related risks and opportunities, and actions they are taking to manage them. Under the CCD's three-year phased approach, the RBA is classified as a Tranche 1, Stream 2 entity and is reporting against the Year 2 Requirements in 2025/26.
- 2 The RBA's wholly owned subsidiary, Note Printing Australia Limited (NPA), is not captured in this disclosure. NPA will produce a separate climate-related disclosure in line with the Corporations Act and Australian Sustainability Reporting Standards.
- 3 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.
- 4 As per Department of Climate Change, Energy, the Environment and Water (2024), 'Climate Risk Management: The Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024–2026'.
- 5 The climate-related risks identified have been assessed against the defined time horizons as per Department of Climate Change, Energy, the Environment and Water (2024), 'Climate Risk Management: The Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024–2026 – short term: 2030 (in line with the RBA's Net Zero Target), medium term: 2050 and long term: 2090'.
- 6 Climate-related risks and opportunities arising from the banknote manufacturing operations of NPA and other lessees are not included in this report. However, those arising from our ownership and management of the site are included.
- 7 For more details, see Kurian S, G Reid and M Sutton (2023), 'Climate Change and Financial Risk', *RBA Bulletin*, June.
- 8 For more details, see Kemp J, M McCowage and F Wang (2021), 'Towards Net Zero: Implications for Australia of Energy Policies in East Asia', *RBA Bulletin*, September.
- 9 For more details, see McCarthy R and G Reid (2024), 'Assessing Physical Climate Risk in Repo-eligible Residential Mortgage-backed Securities', *RBA Bulletin*, April.
- 10 While the RBA's Net Zero Target aligns with the APS Net Zero by 2030 Target, the RBA has not formally signed up to the APS Net Zero 2030 Target (which is optional for corporate Commonwealth entities).
- 11 Department of Finance (2026), 'Emissions Reporting Framework – 2025–26 Reporting Period'.
- 12 Department of Finance (2025), 'APS Net Zero Emissions by 2030'.
- 13 See Appendix A of the Department of Finance (2023), 'Net Zero in Government Operations Strategy'.
- 14 As per Department of Finance (2024), 'Commonwealth Climate Disclosure Requirements – Year 2 Reporting Provisions', comparative reporting is required if it helps users better understand the climate disclosures. Information relating to the RBA's energy and water consumption over the financial year is included in Part 3.1 Management of the RBA.
- 15 As per Department of Finance (2025), 'Commonwealth Climate Disclosure Requirements – Year 2 Reporting Provisions', Department of Finance (2024), 'Commonwealth Climate Disclosure Pilot Guidance – FY2023–24 Annual Reporting Climate Disclosure Provisions' and Department of Finance (2026), 'Emissions Reporting Framework – 2025–26 Reporting Period'.