



Australian Government



Net Zero
Economy
Authority



Annual Report 2024–25





The background of the entire page is a photograph of a dense forest with tall, thin trees and green foliage. Overlaid on this are several geometric shapes: a large orange triangle on the right side, a dark blue arrow-shaped banner at the bottom, and thin white and orange lines on the left side.

Annual Report 2024–25



Acknowledgement of Country

The Net Zero Economy Authority acknowledges the Traditional Custodians of Country throughout Australia and their continuing connection to land, waters, skies and community. We pay our respects to their Elders, past and present, and extend that respect to all Aboriginal and Torres Strait Islander peoples.

About this report

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ISSN 2652-7499 (online)

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Contact

Enquiries about this publication are welcome at:
NZEAGovernance@pmc.gov.au

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Letter of transmittal



Charles Perkins House
16 Bowes Place Woden

Senator the Hon Tim Ayres
Minister for Industry and Innovation
Minister for Science
Parliament House
CANBERRA ACT 2600

Dear Minister,

On behalf of the accountable authority, I am pleased to present the annual report on the activities of the Net Zero Economy Authority (the Authority) for the reporting period ending 30 June 2025, in accordance with Section 46(1) of the *Public Governance Performance and Accountability Act 2013* (PGPA Act). This annual report was approved out of session on 01 October 2025.

This report has also been prepared to meet the requirements of Section 74 of the *Net Zero Economy Authority Act 2024*; subsections 10 and 17AG(2)(b) of the Public Governance, Performance and Accountability Rule 2014; and the guidance set out in Resource Management Guide No. 135: Annual reports for non-corporate Commonwealth entities.

In accordance with the Commonwealth Fraud Control Policy, during 2025, the Authority implemented reasonable measures to prevent, detect and respond to fraud. These measures included:

- preparing fraud risk assessments and fraud control plans
- establishing appropriate mechanisms for prevention, detection, investigation, and for recording and reporting fraud incidents.

Yours sincerely

Dr Iain Ross, AO
Chair
Net Zero Economy Authority Board

1 October 2025

netzero.gov.au



Message from the Board

Governance to support Australia's transition to a net zero economy

The transition to a net zero economy represents a structural shift in Australia's economic, industrial and social landscape. It is a transformation that will require sustained leadership, disciplined governance and the capacity to respond to complex, evolving conditions.

The establishment of the Net Zero Economy Authority (the Authority) under the *Net Zero Economy Authority Act 2024* (the Act) reflects the recognition by Parliament that ambition alone is insufficient. Achieving this transition requires institutions capable of ensuring accountability, and maintaining resilience under pressure.

The path to net zero will not be uniform. It will be influenced by geography, workforce composition, technological readiness and timing of investments. The Authority must be capable of responding to these variations.

The Authority's mandate is to lead, coordinate and oversee Australia's transition to a net zero economy, promoting resilience, fairness and shared economic opportunity for regions, communities and workers. The Board has been entrusted with the stewardship of this mandate. Our priority has been to ensure the Authority is built on a foundation that is robust, enduring and credible. This has involved establishing governance frameworks, accountability mechanisms and systems to rigorously test assumptions and measure value over time.

Key milestones in this foundation work include commencement of processes for the Energy Industry Jobs Plan, development of a regional monitoring framework to reflect the differing starting points and paces of change across communities, and of course establishing the Authority itself.

The creation of the Stakeholder Panel has been a step in embedding consultation into the Authority's operations. This panel provides structured, ongoing input from a diverse range of stakeholders to ensure decision-making is informed by lived experience as well as technical expertise. The Board recognises the central role of First Nations voices, not only in shaping outcomes but in defining legitimacy, place and long-term value in the transition process.

The Board provides oversight, challenges assumptions, and ensures that the Authority's decisions are forward-looking and grounded in evidence. Our membership brings expertise spanning union leadership, corporate governance, investment, law, regional development, Indigenous governance and climate economics – enabling us to understand and manage the pressures inherent in systemic reform.

The Board meets regularly to assess progress against long-term objectives, applying analysis to ensure value is measured over the arc of outcomes rather than by short-term announcements.

The transformation now underway will shape Australia's economic and social trajectory for decades to come. The Board's role is to ensure the Authority remains anchored, resilient and focused on delivering outcomes that endure.

The Board of the Net Zero Economy Authority





Message from the CEO

Bridging Australia's transition to a net zero economy

Australia's transition to a net zero economy is a complex, long-term undertaking. While public debate often focuses on end-state targets, technologies and global markets, the Authority's role is to address the transition itself – the bridge between the existing energy economy and the sustainable systems that will replace it. The structure, integrity and inclusivity of this bridge will be critical to the fairness, resilience and success of the transition.

The Authority's vision is to deliver better futures for industrial regions, communities and workers in a net zero economy. This vision underpins our missions, which centre on three core responsibilities: supporting workers in coal and gas facilities to prepare for and secure long-term employment; enabling economic diversification and investment in the regions most affected; and contributing credible, evidence-based advice to inform national understanding and policy on regional transformation.



I commenced as CEO at the end of last year, coinciding with the formal establishment of the Authority as an operational, independent body with a national mandate. Standing up a new institution is inherently challenging. The shift from an agency to an independent authority, alongside the machinery of government changes and the portfolio transition to the Department of Industry, Science and Resources, required significant structural, strategic and cultural alignment. These challenges have reinforced the capability and commitment of our people, who have demonstrated professionalism, adaptability and a shared focus on delivering the Authority's mandate.

In 2024–25, we have directed our efforts towards early engagement in key regions, including Central Queensland, the Hunter, Latrobe Valley and Collie, with project work extending to the Pilbara and Upper Spencer Gulf. These are locations where energy production and use are central to the local economy, workforce identity and community cohesion. Our approach has been to engage consistently and constructively, ensuring local perspectives inform planning and implementation.

We began two major Communities of Interest consultations – at Torrens Island, South Australia, and Eraring in the Hunter, New South Wales – to inform the Energy Industry Jobs Plan. These consultations involve direct engagement with workers, unions, employers and local leaders to address practical questions about skills, job transitions and investment pathways.

The Authority has also established a national Stakeholder Panel to provide structured advice to both the Board and executive. The panel includes representatives from unions, industry, First Nations organisations, training institutions and environmental groups, ensuring diverse expertise and perspectives are embedded in decision-making.

Practical tools have been developed to support stakeholders during the transition, including the launch of the Authority's website, designed to provide accessible, timely information for people in regions undergoing change. Internally, we have advanced policy development and strengthened intergovernmental coordination to ensure regions are supported in navigating the transition. Our focus remains on ensuring the necessary institutional, economic and social infrastructure is in place to manage change effectively.

While our scope is national, our work has a local impact – in the confidence of a tradesperson preparing for the next decade of employment or the optimism of a regional business owner considering expansion.

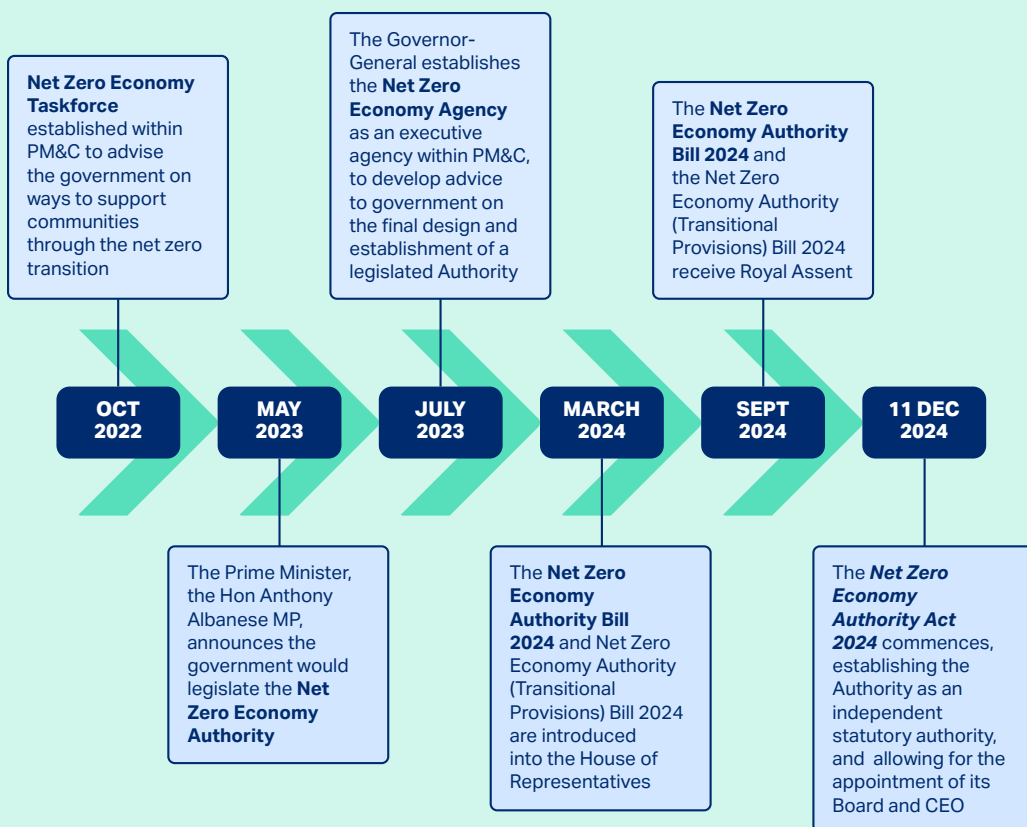
The regions that powered Australia's growth in the last century are already contributing to building the next. While the global measure of progress may be in emissions reductions, the Authority's measure will be in the strength, inclusion and trust we build across the bridge to a net zero economy.

David Shankey
Chief Executive Officer
Net Zero Economy Authority



Spotlight on ...

The Net Zero Economy Authority: our origin story



The Authority can be traced back to October 2022, when a Net Zero Economy Taskforce was established within the Department of the Prime Minister and Cabinet (PM&C) to advise the government on how it can support communities through the net zero transition.



After having consulted across local governments, with First Nations people, unions, state governments, non-government organisations and industry, the taskforce found there was a need for government to establish a national Authority to plan, coordinate and mobilise action across government in support of regions and workers.

On 5 May 2023, the Prime Minister, the Hon Anthony Albanese MP, announced that the government would legislate the Authority. This was the necessary next step to ensure the workers, industries and communities that have powered Australia for generations could seize the opportunities of Australia's net zero transformation.

To develop advice to government on the final design and establishment of the legislated Authority, and commence the Authority's responsibilities, the Governor-General established the Net Zero Economy Agency as an executive agency within the Prime Minister's portfolio on 1 July 2023.

The Net Zero Economy Authority Bill 2024 and Net Zero Economy Authority (Transitional Provisions) Bill 2024 developed by the Agency in consultation with the Office of Parliamentary Counsel were introduced into the House of Representatives on 27 March 2024.

In introducing the legislation to the House of Representatives, the Assistant Minister to the Prime Minister stated it is critical that we support workers and communities throughout the transition. He made clear that the government wanted to partner with communities in navigating the change, by providing opportunities for economic advancement in partnership with workers and communities, and by building understanding and relationships.

Following debate, and consideration by the Senate Finance and Public Administration Legislation Committee, the bills were passed by both Houses of Parliament and received Royal Assent on 5 September and 17 September 2024 respectively.



The Authority was formally established on 11 December 2024, which enabled the appointment of the Authority's Board and the initial administrative arrangements to be put in place.

The *Net Zero Economy Authority Act 2024* (the Act) established the Authority as an independent statutory body with a focused remit and distinct responsibilities which underpin our important work. This includes supporting workers in emissions-intensive industries to access new employment or acquire skills to improve their employment prospects, including through an Energy Industry Jobs Plan, to help workers affected by closing coal and gas-fired power stations transition to new jobs.

We also play a role in facilitating public and private sector participation and investment in emissions reduction and net zero transformation projects across Australia. Our focus is on supporting communities, including First Nations communities, to participate in, and benefit from, the economic shift to net zero emissions.

Finally, we continue to promote coordination across government policies and programs and share information about Australia's transformation to a net zero economy, educating communities and supporting social licence for the transition.

The Act also provides that the Authority is to be governed by a Board with a diverse range of expertise and experience from areas such as industry, regional development, the union movement, First Nations community leadership and advocacy, and investment.





Part 1: Overview

Who we are and why we're here

The Net Zero Economy Authority (the Authority) is a non-corporate Commonwealth entity established under the *Net Zero Economy Authority Act 2024* (the Act).

Our objects under the Act are to:

- ♦ promote an orderly and positive economic transformation as the world decarbonises
- ♦ facilitate the achievement of Australia's greenhouse gas emissions reduction targets
- ♦ ensure Australia's regions, communities and workers are supported to manage the impacts and share the benefits of Australia's transition to a net zero emissions economy.

In practice, this means our purpose is to help people and support communities impacted by Australia's transition to a net zero economy.

To achieve these objectives, the Act also articulates our functions as being to:

- ♦ support workers in emissions-intensive industries affected by Australia's net zero transition to access new employment or other opportunities or to acquire skills to improve their job prospects
- ♦ promote coordination and consistency in the design and implementation of net zero transition-related policies, programs and plans
- ♦ facilitate public and private sector participation and investment in the net zero transformation
- ♦ support First Nations people to participate in, and benefit from, the transition to net zero
- ♦ deliver educational and promotional initiatives to promote an understanding of, and encourage participation in, Australia's transition to a net zero emissions economy.

Our vision is for a better future for industrial regions, communities and workers in the net zero economy.

Our missions guide our efforts to deliver on our purpose and vision, to:

- ♦ help workers in coal and gas facilities affected by the transition prepare for and find new, well-paid, safe and secure jobs
- ♦ support communities significantly affected by the transition to net zero to prosper, including through economic development and investment
- ♦ be a trusted and influential voice to build understanding of, and shape policy on, the regional net zero transition.



Spotlight on ...

Torrens Island Community of Interest process

Introduction

On 13 January 2025, the Authority launched a public consultation to assess whether the Energy Industry Jobs Plan (EIJP) should apply to the closure of Torrens Island B Power Station, a gas-fired power station in Adelaide, scheduled to close in June 2026. This process was part of the Authority's mission to support industrial regions, workers and communities as Australia transitions towards net zero.

What we did

The Authority led a consultation process to gather feedback on how workers and local businesses would be affected by the closure, what supports already exist, and how the EIJP framework could help connect employees with new job opportunities. Authority staff travelled to Adelaide to meet directly with the power station's owner, AGL, and the AGL Transition Working Group, union representatives, the South Australian Business Chamber, state government officials and local employers with a potential interest in offering jobs to affected power station workers. An information session led by the Authority CEO, David Shankey, at the Torrens Island facility, enabled workers to share firsthand insights on their skills, career aspirations and support needs.

Insights from in-person consultations and written submissions informed the Authority's assessment process. Key considerations included the number of workers affected, existing transition support, employers' capacity to redeploy staff, and local labour market opportunities.



What we heard

Stakeholder feedback highlighted the importance of aligning training with future employer requirements, providing flexible leave for retraining and upskilling, and ensuring transition supports are tailored to workers' specific needs.

The next steps

From the analysis gathered, the CEO will make a decision on whether the EIJP is needed for the closure of Torrens Island B Power Station, and which employers it should apply to. If required, the CEO will apply to the Fair Work Commission (FWC) for a formal determination to establish the EIJP. The FWC will then conduct its process and provide key stakeholders with an opportunity to be heard.

If the FWC makes a determination, the EIJP will be established, and obligations will be placed on employers named in the determination to provide transition supports to their employees. The Authority will also provide redeployment supports including an online jobs board and on-the-ground coordinators to help link workers with new job opportunities in the region. Lessons from this process will inform the Authority's broader approach to similar transitions across Australia.

Through careful collaboration and by centring workers and community voices, the Authority demonstrates its commitment to an orderly and positive economic transformation as Australia moves towards a net zero economy.



Portfolio structure

The Authority was established as an independent statutory authority by proclamation on 11 December 2024. Prior to its establishment, the Authority was an executive agency, the Net Zero Economy Agency, within PM&C as an interim step towards creating the legislated Authority.

Pursuant to the Administrative Arrangements Order of 13 May 2025, responsibility for administering the Act and the *Net Zero Economy Authority (Transitional Provisions) Act 2024* was transferred to the Industry, Science and Resources portfolio. The relevant minister for the Authority is the Minister for Industry and Innovation.

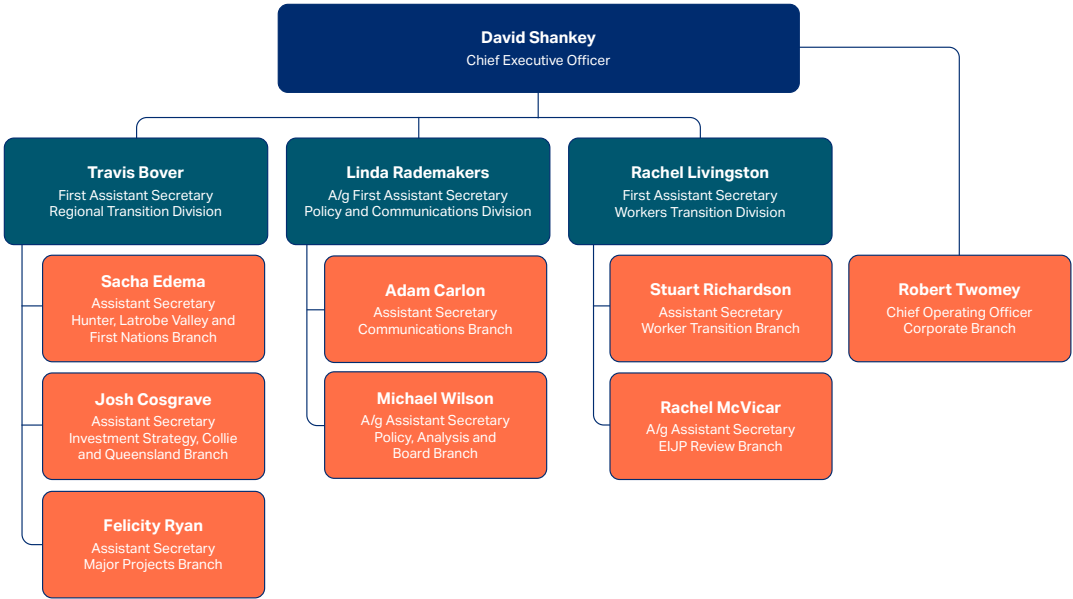
The Authority continues to be operationally supported by PM&C while machinery of government processes are undertaken and the Authority establishes its own corporate systems. The Authority expects that it will operate completely independently in the 2025–26 financial year.

Further information about the Authority's governance structure can be found in the Corporate governance section on page 38.

Organisational structure

Figure 1 outlines the Authority's organisational structure as at 30 June 2025.

Figure 1: Organisational structure at 30 June 2025



Our outcome and key activities

Australian government entities are required to measure their performance in terms of outcomes. These are the results, impacts or consequences of their actions on the Australian community.

The performance of the Authority is expressed in terms of a single outcome:

Facilitate the achievement of Australia's greenhouse gas emissions reduction targets by empowering Australia's communities, regions and workers most affected by Australia's transition to a net zero emissions economy to anticipate and respond to the risks and opportunities of the transition, including through facilitating investment, supporting workers, building community engagement, and coordinating net zero-related policies and programs.

Key activities

Our key activities in 2024–25 focused on establishing the Authority and the fundamental enabling frameworks, policies and procedures that position us to deliver on our 3 core missions. At the same time, we are building capability out to 2027–28 to meet longer-term objectives.

Our performance against these activities is explained in Part 2 of this report.

Key activity 1: Establish the Net Zero Economy Authority	We will establish the Authority, including operationalising the Board and governance frameworks.
Key activity 2: Help workers	We set and drive baseline standards for worker transition in coal and gas facilities using our legislative powers, ensuring fair and structured pathways to new employment. We work with employers to fill critical gaps in worker support; align efforts across governments, employers and unions; and provide redeployment services for affected workers.
Key activity 3: Support communities	We partner with communities, including industry and investors and other economic actors in priority regions, to support transition in a way that reflects local priorities, rights and interests of First Nations people, and ensures regions shape their own economic future. We act as a trusted convenor across all levels of government advocating for funding pathways, and assist the flow of investment into new industries, infrastructure and training to enable long-term economic transformation as Australia works towards meeting its greenhouse gas emissions reduction targets. Where tasked by government, we also provide advice on a small number of nationally significant projects across Australia that are high impact in terms of the transformation of the economy.
Key activity 4: Be a trusted and influential voice	We provide independent, regionally grounded, data-driven analysis to inform decision-making. We build understanding, shape policy, enliven positive stories of change and ensure that the experience of workers and communities drives an inclusive and successful transition.

The year in focus

The Authority has delivered on its purpose and mission over the past 12 months. We have supported the government in driving a better future for industrial regions, communities and workers in the net zero economy across Australia.

Mission 1 – Help workers in coal and gas facilities affected by the transition to prepare for, and find, well-paid, safe and secure jobs

Energy Industry Jobs Plan consultations

In January 2025, the Authority launched a public consultation to assess whether the Energy Industry Jobs Plan (EIJP) should apply to the closure of Torrens Island B Power Station, a gas-fired power station in Adelaide, currently scheduled to close in June 2026. The process sought feedback on how workers and local businesses will be affected by the closure, what supports already exist, and how the EIJP framework could help connect employees with new job opportunities in the region. The valuable insights collected from in-person consultations and written submissions from key stakeholders form the basis of the Authority's assessment process.

Mission 2 – Support communities significantly affected by the transition to net zero to prosper, including through economic development and investment

Regional Identification Framework and Profiles

We developed an evidence-based Regional Identification Framework and Profiles to advise government on which regions to prioritise for support and investment. The framework identifies regions most exposed to the risks of decarbonisation and best placed to benefit from the transition, based on workforce, industry strengths, investment potential and infrastructure. The framework is complemented by regional profiles that offer a clear snapshot of key information about each region. The framework was designed to support better engagement, decision-making and planning by bringing together key metrics from different sources into one place.

Having identified priority regions, the Authority undertook extensive engagement and established relationships with key stakeholders in the Hunter, Latrobe Valley, Collie, Central Queensland, the Upper Spencer Gulf and the Pilbara. This engagement is building an understanding of the net zero transition needs and opportunities of each region, and the actions required from governments and others to successfully navigate economic and employment changes.



Mission 3 – Be a trusted and influential voice to build understanding of, and shape policy on, the regional net zero transition

Net Zero Economic Transformation

The Authority delivered the Net Zero Economic Transformation campaign to increase awareness and understanding of the Australian Government's plan as we transition to a net zero economy. In the Hunter and Central Queensland we set up information hubs and community events, which provided people with information and captured the positive local stories from each community. Partnerships with media outlets brought the transition to life through case studies featuring the people and projects championing innovation, new technologies and career pathways as Australia shifts to net zero. The campaign demonstrated the importance of adopting a tailored, regions-first approach when engaging with impacted communities, and how this can help to counter misinformation and create a sense of agency for communities facing change.

In May 2025 we launched our new website, with a design informed by research, insights and our broad stakeholders. The website is a tool, guide and starting point for anyone seeking to understand net zero and the Authority's work. We have continued to leverage social media to serve and engage policy, government and community audiences.



Spotlight on ...

In the Hunter with Business Hunter

Introduction

The Hunter Region in New South Wales is Australia's largest regional economy and has long been a powerhouse for electricity generation across the nation. As Australia powers towards net zero, the region is undergoing an economic transformation, creating new industries, jobs and opportunities. The Authority has remained at the forefront of this transition by engaging workers, local businesses and communities at every turn.

What we did

In March 2025, the Authority and Business Hunter co-hosted an event that brought together close to 100 manufacturing and business representatives from across the Hunter. It was an opportunity to discuss the future of the region and key issues such as decarbonising the Hunter's manufacturing sector. In his keynote address, Senator the Hon Tim Ayres reaffirmed that the Authority was established to ensure regions like the Hunter are supported through the transition. He emphasised the importance of planning for every worker and every acre of industrial land when ageing power stations retire.

The Authority is working with Hunter stakeholders to realise the region's economic growth and diversification opportunities, and support local workers and businesses through the change.

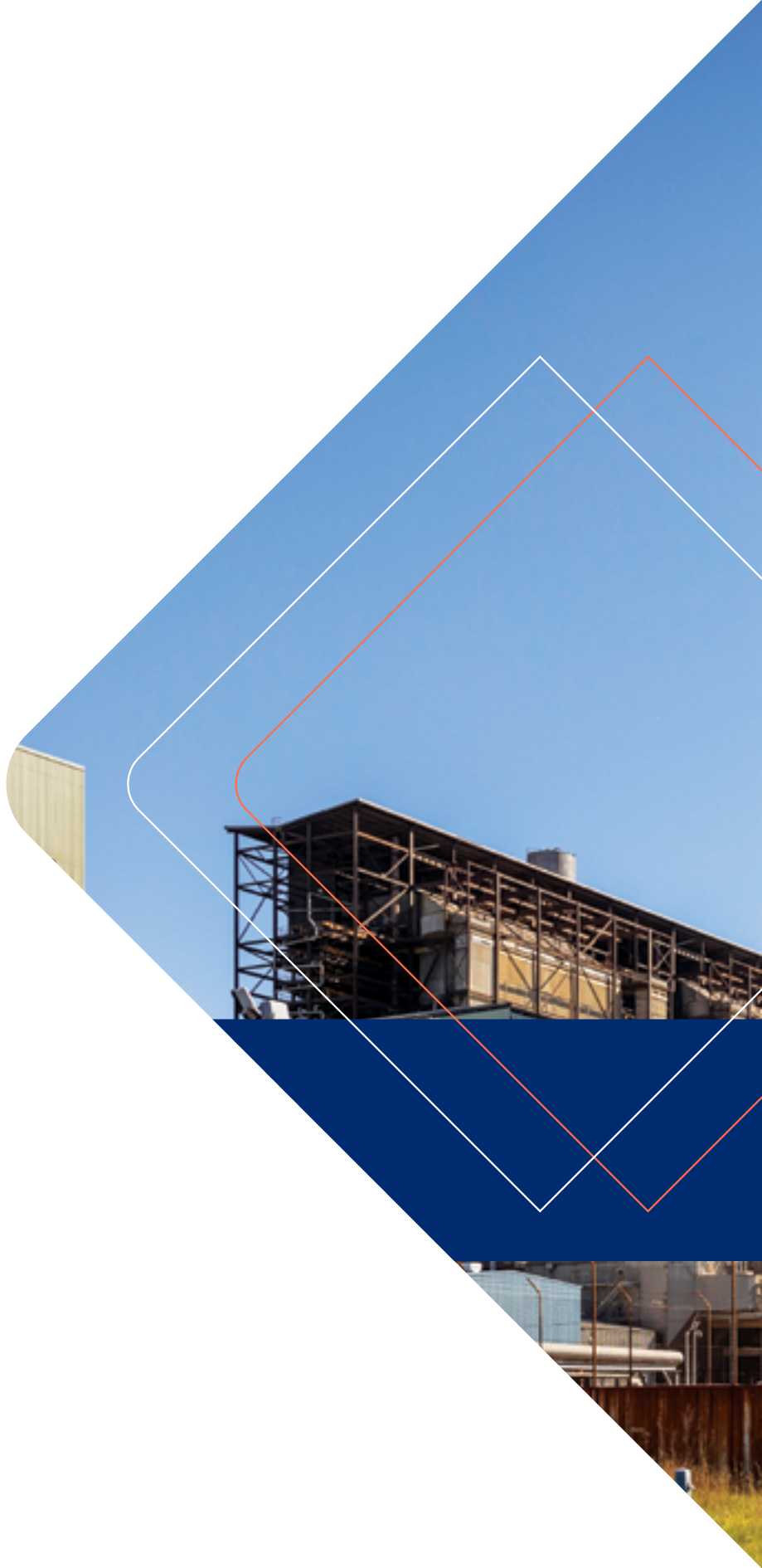


Local businesses and community members shared valuable insights on the opportunities and challenges of the transition. Their input reinforced the importance of government support and showed how being on the ground allowed the Authority to promote its role, listen directly and explain why our presence in the Hunter is critical.

Next steps

The Authority is working to ensure that the Hunter and regions like it, their workers and communities, benefit from Australia's transition to a net zero economy. We are working with state and local governments, and regional stakeholders, to identify and address barriers and opportunities for economic growth and diversification, and support workers in businesses in declining industries to pursue new opportunities.





The background image shows an industrial site with two prominent, tall, cylindrical smokestacks. The smokestacks are light-colored with visible vertical streaks and some rust. They are positioned against a clear, bright blue sky. In the foreground, there are large, rusted metal storage tanks and a concrete wall. The ground is covered with dry, yellowish grass. On the right side, there is a large orange geometric shape. On the left side, there are white and orange geometric lines. A dark blue arrow-shaped banner points to the right, containing the text.

Part 2: Our performance

Annual performance statements



Charles Perkins House
16 Bowes Place Woden

Statement of preparation

The Board, as the accountable authority of the Authority, presents the annual performance statements of the Authority covering the 2024–25 financial year as required under section 39(1)(a) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).

In our opinion, the annual performance statements accurately present information about the Authority's performance in achieving its purpose for the reporting period and comply with any requirements prescribed by the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule).

This statement is made in accordance with a resolution of the Board.

Dr Iain Ross
NZEA Board Chair
Net Zero Economy Authority

1 October 2025

netzero.gov.au

Annual performance statements

The annual performance statements (APS) provide a clear account of the Authority's performance in 2024–25 against the objectives set out in the *Net Zero Economy Authority Act 2024* (the Act), and the performance measures and targets set out in the 2024–25 Corporate Plan, in accordance with section 39 of the PGPA Act.

As the Authority was formally established after the publication of the 2024–25 Portfolio Budget Statements (PBS), it was not included as a standalone entity in that document. Instead, its establishment and associated funding were reflected in the 2024–25 Portfolio Additional Estimates Statements (PAES) under the Department of the Prime Minister and Cabinet (PM&C). The Authority's performance measures were first set out in its inaugural 2024–25 Corporate Plan.

Objectives and purpose

The Authority's objectives and legislated purpose, as set out in the Act, is to promote orderly and positive economic transformation, facilitate achievement of Australia's greenhouse gas emissions reduction targets, and ensure regions, communities and workers are supported to manage the impacts and share in the benefits of Australia's transition to a net zero emissions economy.

In plain terms, this means our purpose is to help people and support communities impacted by Australia's transition to a net zero economy.

Activities and performance

Consistent with these objectives and purpose, the Authority's 2024–25 Corporate Plan defines three missions: helping workers, supporting communities and being a trusted voice. These missions reflect our vision for a better future for industrial regions, communities and workers in the net zero economy.

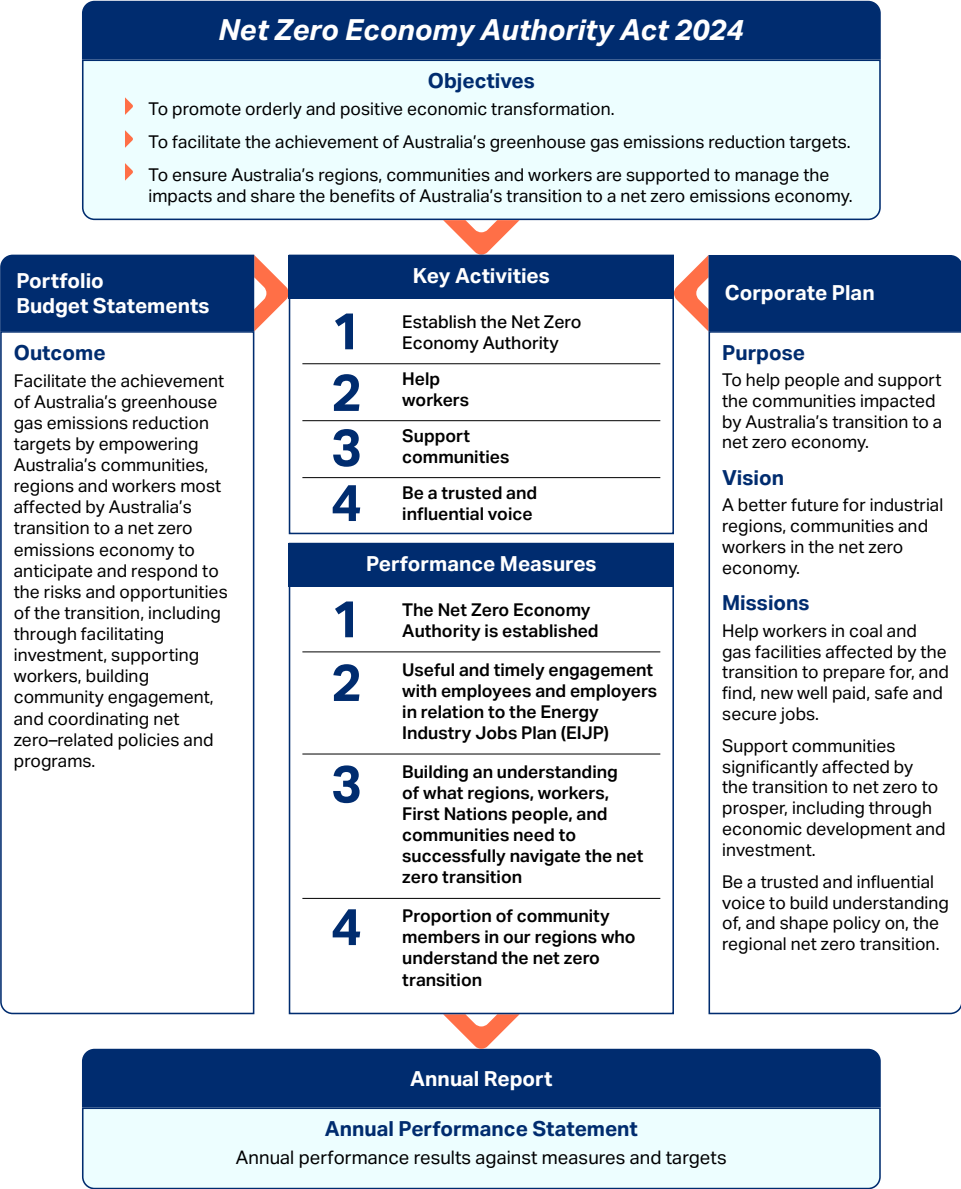
In our first year of operation, the Authority translated these missions into four foundational activities:

- ◆ establish the Net Zero Economy Authority
- ◆ help workers
- ◆ support communities
- ◆ be a trusted and influential voice.

Performance against these activities is assessed through measures published in the 2024–25 Corporate Plan. Together, these measures ensure that the Authority's work remains aligned with its legislated objectives, purpose and government priorities.

Figure 2 illustrates the line of sight between the Authority's legislated objectives, PBS outcomes, Corporate Plan activities and performance measures, and APS reporting.

Figure 2: Alignment between the Authority’s legislated objectives, PBS outcomes, Corporate Plan activities and APS reporting



Note: The Authority was formally established on 11 December 2024, after the publication of the 2024–25 PBS. Accordingly, no PBS outcome statement for the Authority was included in that year. Its establishment and associated funding were reflected in the 2024–25 Portfolio PAES under the PM&C. From 2025–26 onwards, the Authority’s measures will be presented in the PBS.

The annual performance statement reports on the Authority’s achievements in 2024–25 against those measures and targets, providing Parliament and the community with a transparent assessment of how the Authority has delivered on its objectives and legislated purpose.

Results

This section presents the Authority’s performance against the measures set out in the Authority’s 2024–25 Corporate Plan.

Key activity 1: Establish the Net Zero Economy Authority

Measure 1.1: The Net Zero Economy Authority is established

2024–25 target: Board and governance frameworks operationalised by 1 January 2025

Result

Achieved: The Authority’s Board was established and met for the first time on 12 December 2024. The Board also met on 13 and 14 February, 2 April and 14 May 2025. Board communiques have been published after each meeting, providing a summary of the issues considered by the Board.

The foundational governance arrangements and frameworks to allow the Authority to operate independently have been established. Specifically, the following policies and frameworks are in place:

- the Board Charter
- a risk management policy and framework, fraud and corruption control plan, and interim work health and safety management system
- accountable authority instructions and a financial delegations instrument
- information governance arrangements, including freedom of information, information publication scheme and privacy framework
- a conflict of interests policy, setting out processes for managing potential, actual and perceived conflicts of interest.

In accordance with the PGPA Act, the Board issued its first Corporate Plan in June 2025.

An Audit and Risk Committee has been established and has met three times, exercising its governance oversight responsibilities.

Information on the Authority’s accountability and reporting arrangements has been published on the Authority’s website.

Data source / methodology

Authority records, published policies and frameworks, and public communications including Board communiques.

Rationale for measure

The establishment and operationalisation of the Board and governance arrangements are foundational requirements for the Authority to undertake its functions and deliver on its objectives.

Key activity 2: Help workers

Measure 2.1: Useful and timely engagement with employees and employers in relation to the Energy Industry Jobs Plan (EIJP)

2024–25 target: EIJP regulatory functions operationalised by 30 June 2025

Result

Achieved: The EIJP regulatory functions were operationalised prior to 30 June 2025.

This included the Authority undertaking a public consultation process on the scheduled closure of Torrens Island B Power Station. Authority staff travelled to South Australia to meet stakeholders in person, including union representatives, business groups, state government and local businesses. The Authority also received written submissions.

In the reporting period, the Authority also began a consultation process to consider if an EIJP framework should be applied to businesses impacted by the closure of Eraring Power Station. This included holding meetings in the Hunter region with impacted businesses, union representatives, state and local government, and employer groups. The Authority has also begun receiving written submissions to the consultation process.

The CEO also took a decision in the reporting period not to specify a trigger notice under the Act in relation to the closure of the Muja C Unit 6 at the Muja Power Station in Collie, informed by consultation with a broad range of affected stakeholders.

Data source / methodology

Authority records and public communications, including announcements about the Authority's assessment process and relevant consultation

Rationale for measure

One of the objects of the Act is to ensure Australia's regions, communities and workers are supported to manage the impacts, and share in the benefits, of Australia's transition to a net zero emissions economy. Most of Australia's coal-fired power stations, and some gas-fired power stations, have announced closure dates. This will have significant impacts for workers, their families and their communities – both as these industries exit, and as new opportunities emerge. The operationalisation of the EIJP regulatory functions enables an important support for workers. The CEO and Authority's obligations in relation to the EIJP are set out in Part 5 of the Act.

Key activity 3: Support communities

Measure 3.1: Building an understanding of what regions, workers, First Nations people and communities need successfully navigate the net zero transition

2024–25 target: The Authority establishes relationships with key stakeholder groups by 30 June 2025

Result

Achieved: The Authority undertook extensive engagement and established relationships with key stakeholders across the priority regions of the Hunter, Latrobe Valley, Collie and Central Queensland in 2024–25. This included engaging with state and local government officials, industry bodies, community groups, unions, businesses and others.

Relationships were initiated by Authority staff in priority regions, with a focus on building trust and developing mutual understanding with a broad range of stakeholders. Engagements in these priority regions also provided opportunities to deepen the Authority's knowledge of the local economies, their challenges and opportunities.

Authority staff visited the Hunter, Latrobe Valley, Collie and Central Queensland in the reporting period and met stakeholders in both bilateral and group meetings. The Authority also built relationships through participation in conferences, events and industry engagements that are relevant to our focal regions and legislated functions.

In relation to First Nations engagement, the Authority is taking a partnership approach to co-developing a First Nations action plan with First Nations representatives, in alignment with commitments under the National Agreement on Closing the Gap and the United Nations Declaration on the Rights of Indigenous Peoples principles.

Data source / methodology	Rationale for measure
Authority records, including lists of stakeholder relationships and records of engagement.	In order to undertake its functions and deliver its outcome, the Authority requires a comprehensive understanding of the challenges and opportunities arising from the transition for regions, workers, First Nations people and communities, including what they need to successfully navigate the transition. This requires the Authority to establish productive relationships with key stakeholder groups, particularly in its focal regions.



Key activity 4: Be a trusted and influential voice

Measure 4.1: Proportion of community members in our regions who understand the net zero transition

2024–25 targets:

At least 1 pilot communications campaign implemented in selected priority regions

Establish an approach and baseline percentage of community members in priority regions who report understanding of net zero

Result

Target 1: Pilot communications campaign – Achieved

Achieved: Two pilot communications campaigns were delivered in late 2024 – in the Hunter and Central Queensland – under a single overarching communications strategy.

The evaluation showed the campaigns performed above the normal level (with 41% recognition), when compared to other geo-targeted campaigns (29% recognition). The campaigns increased awareness and understanding of the net zero transformation, particularly in Central Queensland, and created a notable shift in community attitudes, with people actively seeking further information.

The campaign had two main streams of activity – traditional advertising elements and community engagement activities:

- the advertising campaign component included television and radio advertisements, print, social media and billboards
- community engagement and partnership activities were held for mainstream, multicultural and First Nations audiences. Activities included community information hubs, media and stakeholder partnerships, sponsorships, ambassadors, business forums and case studies.

This integrated approach proved to be more effective at positively shifting attitudes, perceptions and increasing confidence in the transition than traditional advertising alone.

While the campaign has initiated positive conversations, sustained communication and engagement is required to continue to build support and help communities feel empowered to play an active role in the transition in their region.



Measure 4.1: Proportion of community members in our regions who understand the net zero transition

Target 2: Establish an approach and baseline (in progress)

Co-design work to develop a benchmark of community understanding of the transition has been completed. Work is underway to collect data and the benchmark is on track to be established by 31 December 2025.

Data source / methodology

Communications campaign materials and campaign evaluation results.

The Authority has engaged a research partner to co-design and implement an annual survey (qualitative and quantitative) to evaluate the extent to which communities in priority regions understand the net zero transition. The initial survey is expected to be completed by September 2025, and will establish baseline assessment.

Rationale for measure

The net zero economic transition will create a number of impacts and opportunities for regions. To promote an understanding of, and enable participation in, the transition the Authority has a legislated function to encourage, support, develop and deliver educational and promotional initiatives. Increasing communities' understanding of the net zero transition can also contribute towards a more equitable transition, with individuals understanding how they will be impacted and the opportunities available to them. Multiple targets for this measure have been included to reflect a one-off communications campaign delivered during the establishment of the Authority and the importance of establishing a baseline to enable future performance to be measured. With two measures, the Authority's tolerance is to achieve one of the targets and at least partially achieve the second target. This tolerance reflects the complexity of the establishment phase of the Authority.



Spotlight on ...

A future made in Collie

Introduction

Collie, in south-west Western Australia, is well placed to transform from an economy centred on coal to a hub of advanced future industries. Collie's Just Transition Working Group developed a plan that brings the community together to celebrate the town's industrial heritage and shape its future.





What we did

The Authority is working with Collie stakeholders to build on the strong foundation established by the Just Transition Working Group and its alignment with the Future Made in Australia agenda. Our focus has been to understand what is required to develop new industries and create employment pathways for transitioning workers. This includes exploring options to enable new industrial land and attract investment, and considering how the Energy Industry Jobs Plan can support workers and communities ahead of the scheduled closure of the Collie Power Station in 2027.

What we heard

There is strong support from the Western Australian Government and the Collie community for the transition but more is required to help Collie through the next 5 years when power stations are scheduled to close. The community wants to prosper through new economic development and investment, and industry stakeholders emphasised the need for coordinated government support and infrastructure.

Next steps

The Authority is identifying how the Australian Government can support Collie as part of the next 5-year Collie Just Transition Plan (2026–30).

Collie is a prime opportunity to demonstrate how the transition process can be managed when the Australian and state governments and communities work together in partnership to invest in the future of the regions.



The background image shows an industrial facility with several large, cylindrical storage tanks and a complex network of pipes and structural steel. A crane is visible in the distance. The sky is blue with scattered white clouds. The foreground is filled with dense green vegetation. A large, semi-transparent blue arrow points from the left towards the right, containing the text. A red, flame-like graphic element is on the right side, partially overlapping the industrial scene.

Part 3: Management and accountability

Corporate governance

Our minister

From 29 July 2024 till 13 May 2025, Senator the Hon Tim Ayres served as the Assistant Minister for a Future Made in Australia assisting the Prime Minister with respect to the Net Zero Economy Agency and thereafter Authority.

From 13 May 2025, Senator the Hon Tim Ayres, Minister for Industry and Innovation is the responsible Minister.

Ministerial directions

In accordance with section 74(a) of the *Net Zero Economy Authority Act 2024* (the Act), the Authority must include particulars of any directions issued by the minister under section 20.

No ministerial directions were issued to the Board during the reporting period.

Ministerial requests and advice

Under the Act, the minister can:

- ♦ issue directions of a general nature to the Board about the performance of the functions of the Board and the Authority (section 20)
- ♦ request reports or advice from the CEO on matters relating to the CEO functions, powers or duties, or those of the Authority (section 72)
- ♦ request reports or advice from the Board on matters relating to the Board's functions, powers or duties (section 72).

The minister also has responsibility for a number of other matters under the Act in relation to the Board and CEO, including appointments, acting arrangements, leave and termination. Section 20 of the Act is intended to balance the independence of the Authority with government's ability to set broad policy direction.

The minister's ability to request reports and advice allows them to remain informed about the operation of the Authority, as well as specific aspects of the performance of the Board, the CEO and the Authority, where appropriate.

Statement of Expectations

No Statement of Expectations was issued during the reporting period.

Operation of the Act

In accordance with section 74(b) of the Act, the Authority must report on the operation of the Act during the reporting period, including how it has responded to the needs and circumstances of communities, regions, industries and workers significantly affected by Australia's transition to a net zero emissions economy.

During 2024–25 the Authority operated in line with its statutory objectives. Key outcomes included:

- ♦ implementing the Energy Industry Jobs Plan, including establishment of community interest processes (see pages 15, 30)
- ♦ engaging with and supporting workers and regions affected by the closure of coal and gas-fired power stations (see page 31)
- ♦ facilitating orderly economic transformation to support equitable outcomes for impacted workers and communities (see page 32).

Authority executive and management structure

Executive responsibilities



CEO – David Shankey

Mr David Shankey serves as the inaugural Chief Executive Officer of the Authority, appointed on 29 November 2024, for a period of 5 years. In this role he leads a dedicated team of 150 professionals committed to supporting Australia's regions and communities through the transition to a net zero emissions economy.

Prior to this appointment, Mr Shankey was Deputy Director-General at Queensland's Department of Energy and Public Works. In this capacity he spearheaded the development of Queensland's 10-year Energy and Jobs Plan, which outlined how the state could transition from coal-fired to renewable energy generation within a decade and achieve a 90% reduction in electricity-sector carbon emissions by 2035. He was instrumental in demonstrating how Queensland could lead in energy reform, notably through successful negotiations with energy trade unions and the establishment of the Queensland Energy Workers Charter.

Before his tenure as Deputy Director-General, Mr Shankey served as Executive Director in the Queensland Department of Energy and Public Works, Energy division for 4 years, overseeing Strategic Policy and Renewables. His diverse professional background also includes experience in the resources sector and the media industry.

Mr Shankey's experience in energy and climate policy, combined with his commitment to community-centric reforms, positions him as a key leader in driving Australia's transition to a sustainable and prosperous net zero economy.

Mr Shankey supports the Board and is responsible for the day-to-day running of the authority and delivering its vision and missions.

Accountable authority

The *Net Zero Economy Authority Act 2024* (the Act) establishes the Board as the Authority's accountable authority. The Board is responsible for ensuring the Authority is compliant with the requirements of the *Public Governance, Performance and Accountability Act 2013*. This includes governing the Authority in a way that promotes the proper use and management of public resources and establishing and maintaining appropriate risk oversight and management systems.

The Board is also responsible for determining the strategies and policies to be followed by the Authority and the CEO, who is responsible for the day-to-day administration of the Authority.

Board members

The Act sets out the eligibility criteria for membership of the Authority's Board to ensure an appropriate balance of experience, professional credibility and significant industry standing across the trade union movement, business, industry, finance or investment, economics, regional development, and Indigenous advocacy or community leadership, or other relevant technologies and policy areas.

In addition to the chair, the Board must consist of at least 6 and up to 8 other members appointed by written instrument by the portfolio minister. Board members are appointed for a term of up to 5 years.

The position, skills and experience, and other information relating to our current Board members is listed below.

Table 1: Details of accountable authority during the reporting period (2024–25)

Name	Position	Start date	End date
Dr Iain Ross AO	Chair	11 December 2024	Current
Mr Anthony (Tony) Maher	Member	11 December 2024	Current
Mr Mike Mrdak AO	Member	11 December 2024	Current
Ms Michele O'Neil	Member	11 December 2024	Current
Prof Robynne Quiggin AO	Member	11 December 2024	Current
Ms Anna Skarbek AM	Member	11 December 2024	Current
Ms Zoe Whitton	Member	11 December 2024	Current

All accountable authority members continued in office as at 30 June 2025.



Dr Iain Ross AO (Chair)

Dr Ross's career experience includes president of the Fair Work Commission, partner in the workplace relations practice group at Corrs Chambers Westgarth, and assistant secretary of the Australian Council of Trade Unions.

His extensive career includes significant roles such as the president of the Victorian Civil and Administrative Tribunal and a commissioner of the Victorian Law Reform Commission. His leadership positions have consistently reflected his dedication to upholding fairness and adapting systems to meet evolving needs.

Dr Ross was made an Officer of the Order of Australia for service to industrial relations through contributions for institutional reforms. His election as a Fellow of the Academy of the Social Sciences in Australia underscores his broad recognition and respect in the field.

Dr Ross brings with him a wealth of experience and a deep understanding of labour markets and economics.



Mr Anthony (Tony) Maher (Member)

Mr Maher has been general president of the Mining and Energy Union for over 25 years. Since 2006, Mr Maher has been particularly engaged with the impacts of energy transition on coal jobs. He has represented Australian unions at several meetings of the United Nations Framework Convention on Climate Change and has been instrumental in developing an Australian model for supporting workers through energy transition.

Mr Maher has also taken part in the ACTU Climate Group, the Australian Government's Carbon Capture and Storage Taskforce, the Prime Minister's Energy Efficiency Advisory Group and the Australian Government Roundtable on Climate Change.



Mr Mike Mrdak AO (Member)

Mr Mrdak currently holds a number of non-executive director roles in the transport, infrastructure and regional development sectors. He is chair of the Airports Development Group of companies, including the NT Airports Group. He is a director of NBN Co and serves on the advisory boards of the Australian Infrastructure Financing Facility for the Pacific and LEK Consultants.

Mr Mrdak had an extensive senior career in the Australian Public Service, including as Secretary of the Department of Infrastructure, Transport and Regional Development and the Department of Communications and the Arts.

Mr Mrdak was made an Officer of the Order of Australia in 2016 for his work in transport and infrastructure reforms and is an adjunct professor in the School of Business, Government and Law at the University of Canberra.

Ms Michele O'Neil (Member)



Ms O'Neil is president of the Australian Council of Trade Unions and brings over 30 years' experience as a union official.

Before being elected as ACTU president in 2018, Ms O'Neil represented workers in the textile, clothing and footwear industry and was the national secretary of the Textile Clothing and Footwear Union of Australia, where she represented her union nationally and internationally.

Ms O'Neil was appointed as a director to the Australian Super Board in 2021 and in 2024 was elected to the Governing Body of the International Labour Organization.

Prof Robynne Quiggin AO (Member)



Prof Quiggin is Pro-Vice Chancellor, Indigenous Leadership and Engagement at the University of Technology Sydney. She ran her own legal and consulting practice for 15 years and was senior manager of ASIC's Indigenous Outreach Program and Deputy Aboriginal and Torres Strait Islander Social Justice Commissioner at the Australian Human Rights Commission.

Prof Quiggin is a member of the Wiradjuri nation. She has chaired the boards of the NSW Aboriginal Housing Office and the Human Rights Law Centre and chaired the Westpac Indigenous Advisory Committee. She has served on the boards of the Australian Sustainable Finance Institute, Bangarra Dance Theatre, the Council of AIATSIS, the Australian Museum and the Powerhouse Museum. She is currently a member of the First Nations Clean Energy Network Steering Group and a board member of NAISDA Dance College.



Ms Anna Skarbek AM (Member)

Ms Skarbek has been the CEO at Climateworks Centre since 2009, where she leads the analysis of emissions reduction opportunities and partners with business and government to unblock barriers to their implementation.

Ms Skarbek has previous experience as an investment banker in Macquarie Bank's energy and utilities team and in London at specialist investment firm Climate Change Capital, and as a policy adviser to the Victorian Deputy Premier and Minister for Water, Environment and Climate Change, and as a solicitor with Mallesons Stephen Jacques.

She was a founding director of the Clean Energy Finance Corporation and is currently a director of the State Electricity Commission of Victoria, the Green Building Council of Australia and the Centre for New Energy Technologies.



Ms Zoe Whitton (Member)

Ms Whitton is managing director and head of Investor Strategy and Impact at Pollination. She is chair of the Centre for Policy Development and a director of the Investor Group on Climate Change. She is also an advisory council member of the Australian Institute of Company Directors' Climate Governance Initiative Australia, an expert advisory panel member for the Powering the Regions Fund, a member of the advisory group of the Sydney Environment Institute, and a mentor at EnergyLab.

Ms Whitton was previously a member of the advisory committee for the National Hydrogen Strategy and a member of the Technical Advisory Group for the Australian Sustainable Finance Initiative. She previously led ESG Research for Citi in Asia Pacific and supported investors on climate and sustainability at Credit Suisse and Bank of America Merrill Lynch.

Board operations

Functions

The Board's primary function is to ensure the proper, efficient and effective performance of the functions of the Authority and the CEO; and determine the objectives, strategies and policies to be followed by the Authority and the CEO in the performance of their respective functions.

Board governance

The Board's Charter sets out operational requirements and proceedings.

The Board's business and meetings are conducted in accordance with the requirements of the Act and in line with best practice. Its members regularly review the Board's operation as part of their responsibility to continually improve the efficiency and effectiveness of governance processes.

The Board's Charter is available on the Authority's website.

Conflict of interest

Board members are required to make disclosures to the minister in line with section 26 of the Act. All Board members fulfilled this requirement for the 2024–25 reporting period. The Board manages declarations of interest as a standing item at all Board meetings, and the secretariat includes any changes to declared interests as part of its report to the responsible minister after each meeting. Declarations of interest are also published on the Authority's website.

Board meetings

The Board formally met 4 times during the 2024–25 reporting period and published a communique following each meeting, which is available on the Authority's website.

Stakeholder Panel

In accordance with the Act, the Board has established a Stakeholder Panel as a key mechanism through which the Board and Authority will engage with stakeholders at a national level.

Panel members are selected for their skills and knowledge or expertise in fields related to the work of the Authority and, collectively, are responsible for giving non-binding advice and information to the Board.

Panel members as at 30 June 2025

- ◆ Mr David Alexander, Australian Chamber of Commerce and Industry
- ◆ Dr Amanda Cahill, The Next Economy
- ◆ Ms Kellie Caught, Australian Council of Social Service
- ◆ Mr Robert Coluccio, Collieries' Staff and Officials Association
- ◆ Mr Scott Cowen, Australian Services Union
- ◆ Ms Amy Crawford, Australian Local Government Association
- ◆ Ms Louise Davidson AM, Australian Council of Superannuation Investors
- ◆ Mr Paul Farrow, Australian Workers Union
- ◆ Ms Kristy Graham, Australian Sustainable Finance Institute
- ◆ Mr Grahame Kelly, Mining and Energy Union
- ◆ Ms Louisa Kinnear, Australian Energy Council
- ◆ Ms Heidi Lee, Beyond Zero Emissions
- ◆ Mr Thomas Mayo, First Nations Clean Energy Network
- ◆ Ms Louise McGrath, Ai Group
- ◆ Ms Rebecca Mikula-Wright, Investor Group on Climate Change
- ◆ Mr Steve Murphy, Australian Manufacturing Workers' Union
- ◆ Mr Paul Paton, Coalition of Peaks
- ◆ Mr Dan Sherrell, Australian Council of Trade Unions
- ◆ Mr Francis Vierboom, Rewiring Australia
- ◆ Mr Michael Wright, Electrical Trades Union of Australia
- ◆ Mr Steven Wright, Business Council of Australia
- ◆ Mr Daniel Zavattiero, Minerals Council of Australia

The Panel met once in 2024–25.

Committees

Audit and Risk Committee

Consistent with subsection 17(2) of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule), the Audit and Risk Committee (ARC) provides independent advice to the Board as the accountable authority on the appropriateness of the Authority’s financial reporting, performance reporting, system of risk oversight and management, and system of internal control.

The ARC Charter outlines its functions, in accordance with section 17 of the PGPA Rule. The ARC Charter is available on the Authority’s website <https://www.netzero.gov.au/audit-and-risk-committee>

Table 2: Audit and Risk Committee independent chair and member qualifications, knowledge and experience

Member name, qualifications, knowledge, skills and experience	Number of meetings attended	Total annual remuneration
Mr Matthew Cahill (Chair) Mr Cahill is a former deputy secretary with over 20 years’ experience as a senior executive in multiple Commonwealth public service portfolios, leading policy, operational, service delivery, program, regulatory, corporate and assurance leadership teams. He is a former group executive director of the Australian National Audit Office and has extensive expertise in financial and performance reporting, audit and assurance, risk management and internal control systems. Mr Cahill currently chairs and serves on several audit and risk committees and is also an independent member of executive boards. Mr Cahill is a Fellow of CPA Australia, a graduate of the Australian Institute of Company Directors, and holds a Masters of Business Administration and degrees in economics and science.	3/3	\$15,675

Member name, qualifications, knowledge, skills and experience	Number of meetings attended	Total annual remuneration
Ms Alexandra Spark (Member) Ms Spark is a chartered accountant with more than 25 years' experience in audit, financial reporting, risk management and regulatory compliance. Ms Spark serves on several audit and risk committees for Commonwealth and ACT Government entities, with a focus on climate, finance and regulatory sectors. She is a non-executive director of a private investment fund and serves as a non-executive director of not-for-profit entities in the ACT. Her executive career was with Deloitte Touche Tohmatsu. Ms Spark is a Fellow of Chartered Accountants ANZ, a CA ANZ risk specialist, and a graduate of the Australian Institute of Company Directors.	3/3	\$10,500
Mr Timothy Youngberry (Member) Mr Youngberry has over 25 years' experience in public sector finance, governance and performance reporting. Mr Youngberry chairs the Audit and Risk Committee for the Department of Health, Disability and Ageing and the Department of Agriculture, Fisheries and Forestry, and serves on several other Australian Government and not-for-profit audit committees. Mr Youngberry has held chief finance officer roles in major departments and was a senior executive in the Department of Finance, where he contributed to government-wide financial reporting and budget reforms. He has also contributed to international public finance initiatives with the World Bank and the International Monetary Fund and served on the International Public Sector Accounting Standards Board. Mr Youngberry is a Fellow of CPA Australia and Chartered Accountants ANZ.	3/3	\$9,900

Risk management and fraud and corruption control

Effective risk management is an integral part of how we work and an inherent part of our culture. It is a critical factor in achieving the successful delivery of our vision and missions and all staff at the Authority play an important role in our risk management activities.

Our Risk Management Policy and Framework sets out the Authority's approach to managing risk by creating a mutual understanding of our risks and mitigation strategies. It has been developed in accordance with section 16 of the PGPA Act and the Commonwealth Risk Management Policy. We conduct a holistic review of our Risk Management Policy and Framework every 2 years.

We have several layers of risk oversight embedded throughout the Authority and we support a culture where risk is managed and communicated across all levels. Staff are encouraged to adopt positive risk behaviours.

The Authority Board meets 6 times per year, as prescribed by the NZEA Act s31 (2). Under the Board Charter, the Board receives regular reports on risk management and oversight activities. During 2024–25, as the Authority was in its establishment phase, climate and enterprise risk discussions centered on the initial review and adoption of the risk management framework. The Enterprise Risk Register was subsequently developed and first presented to the Board at its July 2025 meeting. From 2025-26, oversight will be strength through regular risk deep dives, supported by the Audit and Risk Committee's reviews.

Our ARC's risk oversight role includes annual assessment of the effectiveness of our risk management policy, framework and practices.

The CEO and his executive leadership team are responsible for risk management, including the enterprise level risks, and processes, and for escalating to the Board where appropriate.

We use division and team business plans in a continuous cycle of improvement to strengthen the effectiveness of our risk mitigation strategies and enhance processes for identifying, managing and escalating emerging risks.

In accordance with section 10 of the PGPA Rule 2024, the Authority has conducted a fraud risk assessment and maintains a Fraud and Corruption Control Plan approved by the Board. Work is underway to update and finalise the Fraud Risk Register through a deep dive process with risk owners, to be completed in December 2025. Oversight of fraud control arrangement's is through the Audit and Risk Committee.

External scrutiny

During the 2024–25 financial year, there were:

- ◆ no decisions of administrative tribunals or decisions of the Australian Information Commissioner that had or may have a significant impact on the operations of the Authority
- ◆ no judicial decisions made in proceedings to which the Authority was a party
- ◆ no reports on the operations of the Authority by a parliamentary committee or the Commonwealth Ombudsman
- ◆ no capability reviews released in relation to the Authority.

Parliamentary committee reports

On 27 March 2024, the Senate referred the provisions of the Net Zero Economy Authority Bill 2024 and the Net Zero Economy Authority (Transitional Provisions) Bill 2024 to the Senate Finance and Public Administration Legislation Committee. The committee provided its final report on 13 May 2024. The government tabled its response on 20 November 2024.

Freedom of information and Information Publication Scheme

The Authority is subject to the *Freedom of Information Act 1982* (FOI Act). Under Part II of the FOI Act the Authority is required to publish information as part of the Information Publication Scheme (IPS).

The Authority publishes information on its website, www.netzero.gov.au, as required by the IPS including:

- ◆ governance arrangements
- ◆ compulsory reporting
- ◆ freedom of information including our FOI disclosure log
- ◆ consultations and authority submissions
- ◆ contact details.



The background image shows two workers in high-visibility yellow and blue uniforms operating a large yellow industrial machine, possibly a pump or generator, on a gravel site. The sky is clear blue. A large red semi-transparent shape is on the right side of the image. A dark blue arrow-shaped banner points to the right at the bottom, containing the text.

Part 4: Our people and culture

The Net Zero Economy Authority (the Authority) continues to be operationally supported by the Department of the Prime Minister and Cabinet (PM&C) while machinery of government processes are undertaken and the Authority establishes its own corporate systems. The Authority expects to operate independently in 2025–26.

Work health and safety

Upon commencement of the *Net Zero Economy Authority Act 2024* (the Act) on 11 December 2024, the Authority enacted an interim work health and safety (WHS) framework. During 2024–25, WHS policies and procedures from PM&C applied to Authority staff, who were seconded from PM&C.

Recruitment and working arrangements

Throughout the reporting period, Authority staff were seconded from PM&C. Recruitment, employment terms and conditions, and related reporting obligations are reflected in PM&C's annual report.

Diversity and inclusion

The Authority is committed to building a diverse and inclusive workforce. In 2024–25, staff were seconded from PM&C, and diversity and inclusion activities, including reporting under the *Workplace Gender Equality Act 2012*, are reported in PM&C's annual report.

In line with the Australian Government's Disability Strategy 2021–2031, disability reporting is provided through whole-of-government reporting available at the Disability Gateway and the Australian Public Service Commission's State of the Service Report and APS Statistical Bulletin.

Performance management

Performance management policies and arrangements applying to Authority staff in 2024–25 were those of PM&C. All relevant reporting is provided in PM&C's annual report.

Strategic Commissioning Framework

The Authority's workforce leads the delivery of its core activities. Consistent with the APS Strategic Commissioning Framework, contractors and consultants are used sparingly, and only where specialist skills or advice are required, or where services cannot be sourced within the APS. In 2024–25, this included support for building corporate systems and information and communications technology capability.

Staffing statistics and remuneration

In addition to salary, employees were entitled to non-salary benefits consistent with PM&C arrangements, including superannuation, flexible working provisions and various leave entitlements.

Executive remuneration

Introduction

This disclosure relates to the Authority's key management personnel (KMP) only. The Authority's senior executives and other highly paid staff were seconded from PM&C over the entire reporting period – refer to the executive remuneration section of PM&C's 2024–25 Annual Report for their remuneration.

Remuneration policies, practices and governance arrangements

The KMP of the Authority include the members of the Board and the executive leadership team, comprising the Chief Executive Officer and senior executive service (SES) Band 2 officers. The remuneration of the Board and the Chief Executive Officer is determined by the Remuneration Tribunal. The SES Band 2 officers are seconded from PM&C and therefore, are remunerated under its employment policies, practices and governance arrangements.



Key management personnel

During the reporting period, the Authority had 11 individuals who met the definition of KMP. Their names and term as KMP are summarised below:

Table 3: Key management personnel details for the reporting period

Name	Position	Term as KMP
Mr David Shankey	Chief Executive Officer	11 December 2024–30 June 2025
Mr Travis Bover	First Assistant Secretary	11 December 2024–30 June 2025
Ms Rachel Livingston	First Assistant Secretary	11 December 2024–30 June 2025
Ms Linda Rademakers	First Assistant Secretary (acting)	3 March 2025–30 June 2025
Dr Iain Ross	Chair	11 December 2024–30 June 2025
Mr Tony Maher	Board member	11 December 2024–30 June 2025
Mr Mike Mrdak	Board member	11 December 2024–30 June 2025
Ms Michele O’Neil	Board member	11 December 2024–30 June 2025
Prof Robynne Quiggin	Board member	11 December 2024–30 June 2025
Ms Anna Skarbek	Board member	11 December 2024–30 June 2025
Ms Zoe Whitton	Board member	11 December 2024 – 30 June 2025



Table 4: Information about remuneration for key management personnel, 2024–25

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits			Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits and allowances		Superannuation contributions	Long service leave	Other long-term benefits		
Mr David Shankey	Chief Executive Officer	259,577	0	0	0	18,145	3,120	0	0	280,842
Mr Travis Bover	First Assistant Secretary	163,602	0	700	0	26,235	10,486	0	0	201,023
Ms Rachel Livingston	First Assistant Secretary	163,393	0	700	0	29,943	461	0	0	194,497
Ms Linda Rademakers	First Assistant Secretary (acting)	99,331	0	401	0	11,816	4,711	0	0	116,259
Dr Iain Ross	Chair	65,334	0	0	0	7,765	0	0	0	73,099
Mr Tony Maher	Board member	31,319	0	0	0	3,714	0	0	0	35,033
Mr Mike Mrdak	Board member	31,319	0	0	0	3,714	0	0	0	35,033
Ms Michele O'Neil ¹	Board member	31,319	0	0	0	3,714	0	0	0	35,033
Prof Robynne Quiggin	Board member	31,319	0	0	0	3,714	0	0	0	35,033
Ms Anna Skarbek	Board member	31,319	0	0	0	3,714	0	0	0	35,033
Ms Zoe Whitton	Board member	31,319	0	0	0	3,714	0	0	0	35,033
Total		939,152	0	1,801	0	116,186	18,778	0	0	1,075,917

1 - As at 30 June 2025, Ms O'Neil's total remuneration (both salary and super contribution) for 2024–25 had not been paid.

Table 5: Information about remuneration for senior executives, 2024–25

Total remuneration bands	Number of senior executives	Short-term benefits				Post-employment benefits		Other long-term benefits			Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration			
\$0–\$220,000	0	0	0	0	0	0	0	0	0	0	0	0
\$220,001–\$245,000	0	0	0	0	0	0	0	0	0	0	0	0
\$245,001–\$270,000	0	0	0	0	0	0	0	0	0	0	0	0
\$270,001–\$295,000	0	0	0	0	0	0	0	0	0	0	0	0
\$295,001–\$320,000	0	0	0	0	0	0	0	0	0	0	0	0
\$320,001–\$345,000	0	0	0	0	0	0	0	0	0	0	0	0
\$345,001–\$370,000	0	0	0	0	0	0	0	0	0	0	0	0
\$370,001–\$395,000	0	0	0	0	0	0	0	0	0	0	0	0
\$395,001–\$420,000	0	0	0	0	0	0	0	0	0	0	0	0
\$420,001–\$445,000	0	0	0	0	0	0	0	0	0	0	0	0
\$445,001–\$470,000	0	0	0	0	0	0	0	0	0	0	0	0
\$470,001–\$495,000	0	0	0	0	0	0	0	0	0	0	0	0
\$495,001–\$520,000	0	0	0	0	0	0	0	0	0	0	0	0

Table 6: Information about remuneration for other highly paid staff 2024–25

Total remuneration bands	Short-term benefits				Post-employment benefits		Other long-term benefits			Termination benefits	Total remuneration
	Number of other highly paid staff	Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration		
\$260,000–\$270,000	0	0	0	0	0	0	0	0	0	0	0
\$270,001–\$295,000	0	0	0	0	0	0	0	0	0	0	0
\$295,001–\$320,000	0	0	0	0	0	0	0	0	0	0	0
\$320,001–\$345,000	0	0	0	0	0	0	0	0	0	0	0
\$345,001–\$370,000	0	0	0	0	0	0	0	0	0	0	0
\$370,001–\$395,000	0	0	0	0	0	0	0	0	0	0	0
\$395,001–\$420,000	0	0	0	0	0	0	0	0	0	0	0
\$420,001–\$445,000	0	0	0	0	0	0	0	0	0	0	0
\$445,001–\$470,000	0	0	0	0	0	0	0	0	0	0	0
\$470,001–\$495,000	0	0	0	0	0	0	0	0	0	0	0
\$495,001–\$520,000	0	0	0	0	0	0	0	0	0	0	0

Table 7: All ongoing employees, 2024–25 (as at 30 June 2025)

	Man/male			Woman/female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Qld	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 8: All non-ongoing employees, 2024–25 (as at 30 June 2025)

	Man/male			Woman/female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Qld	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 9: All on going employees, by classification and gender, 2024–25 (as at 30 June 2025)

	Man/male			Woman/female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EL 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EL 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 10: All non-ongoing employees, by classification and gender, 2024–25 (as at 30 June 2025)

	Man/male			Woman/female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EL 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EL 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 11: Australian Public Service Act employees by full-time and part-time status, 2024–25 (as at 30 June 2025)

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	
SES 3	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0
EL 2	0	0	0	0	0	0	0
EL 1	0	0	0	0	0	0	0
APS 6	0	0	0	0	0	0	0
APS 5	0	0	0	0	0	0	0
APS 4	0	0	0	0	0	0	0
APS 3	0	0	0	0	0	0	0
APS 2	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

Table 12: Australian Public Service Act employees by employment type and location, 2024–25 (as at 30 June 2025)

	Ongoing	Non-ongoing	Total
NSW	0	0	0
Qld	0	0	0
SA	0	0	0
Tas	0	0	0
Vic	0	0	0
WA	0	0	0
ACT	0	0	0
NT	0	0	0
External territories	0	0	0
Overseas	0	0	0
Total	0	0	0

Table 13: Australian Public Service Act employees by Indigenous employment, 2024–25 (as at 30 June 2025)

	Total
Ongoing	0
Non-ongoing	0
Total	0

Table 14: Australian Public Service Act employees by employment arrangements, 2024–25 (as at 30 June 2025)

	SES	Non-SES	Total
Enterprise Agreement	0	0	0
Individual Flexibility Arrangements	0	0	0
Determinations under subsection 24(1) of the <i>Public Service Act 1999</i>	0	0	0
Total	0	0	0

Table 15: Australian Public Service Act employment salary ranges by classification level (minimum/maximum), 2024–25

	Minimum salary	Maximum salary
SES 3	-	-
SES 2	-	-
SES 1	-	-
EL 2	-	-
EL 1	-	-
APS 6	-	-
APS 5	-	-
APS 4	-	-
APS 3	-	-
APS 2	-	-
APS 1	-	-
Other	-	-
Minimum/maximum range	-	-

The Authority did not make any performance payments to employees during 2024–25. Accordingly, no information is reported against PGPA Rule 17AG(4)(d)(i)-(iv). Tables 5-15 report zero values because, throughout the reporting period, all staff supporting the Authority were seconded from PM&C. Recruitment, employment terms and conditions, diversity and inclusion activities, and related workforce reporting are therefore reflected in PM&C's annual report. These tables are included to comply with PGPA Rule requirements.





Part 5: Financial reporting

Financial performance 2024–25

The Net Zero Economy Authority’s 2024–25 financial statements are presented at Part 5 of this report. The Auditor-General issued an unmodified audit opinion on these statements.

The Authority reported an operating surplus of \$19.3 million. The surplus was driven by delays in recruitment and major procurements and is consistent with the establishment phase of a new entity.

In 2024–25, the Authority’s total administered expenditure was \$4.3 million for supplier expenses relating to the Net Zero Economic Transformation campaign.

Resourcing tables

Table 16: Net Zero Economy Authority resource statement 2024–25

	Current available appropriation	Payments made	Balance remaining
	2024–25 \$'000 (a)	2024–25 \$'000 (b)	2024–25 \$'000 (a) - (b)
Departmental			
Departmental appropriation ^{1,2}	47,343	20,639	26,704
Total departmental resourcing	47,343	20,639	26,704
Administered			
Annual appropriations - ordinary annual services	5,115	4,477	638
Total administered resourcing	5,115	4,477	638
Total resourcing and payments for the Net Zero Economy Authority	52,458	25,116	27,342

¹ Includes PGPA Act section 74 retained receipts and section 75 transfers.

² Includes an amount of \$2.086 million for the departmental capital budget. For accounting purposes, this amount was designated as 'contributions by owners'.

Table 17: Expenses for Net Zero Economy Authority Outcome 1 2024–25

Outcome 1: Facilitate the achievement of Australia's greenhouse gas emissions reduction targets by empowering Australia's communities, regions and workers most affected by Australia's transition to a net zero emissions economy to anticipate and respond to the risks and opportunities of the transition, including through facilitating investment, supporting workers, building community engagement, and coordinating net zero-related policies and programs.	Budget*	Actual expenses	Variation
	2024–25	2024–25	2024–25
	\$'000	\$'000	\$'000
	(a)	(b)	(a) - (b)
Program 1.1: Net Zero Economy Authority			
Administered expenses			
Ordinary annual services (Appropriation Act Nos. 1, 3 and 5)	5,115	4,317	798
Administered total	5,115	4,317	798
Departmental expenses			
Departmental appropriation ¹	43,040	22,941	20,099
Expenses not requiring appropriation in the Budget year ²	-	850	(850)
Departmental total	43,040	23,791	19,249
Total expenses for Program 1.1	48,155	28,108	20,047
Outcome 1 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Act Nos. 1, 3 and 5)	5,115	4,317	798
Administered total	5,115	4,317	798
Departmental expenses			
Departmental appropriation ¹	43,040	22,941	20,099
Expenses not requiring appropriation in the Budget year ²	-	850	(850)
Departmental total	43,040	23,791	19,249
Total expenses for Outcome 1	48,155	28,108	20,047
2024–25			
Average staffing level (number)	1		

* The Budget for the Net Zero Economy Authority was first presented in the Department of the Prime Minister and Cabinet Portfolio Budget Statements 2025-26 as Estimated Actuals for 2024–25.

¹ Departmental appropriation combines ordinary annual services (Appropriation Acts Nos 1, 3 and 5), section 75 transfers and retained receipts under section 74 of the PGPA Act.

² Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and resources received free of charge.

Net Zero Economy Authority

Financial statements

for the period ended 30 June 2025

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INDEPENDENT AUDITOR'S REPORT

To the Minister for Industry and Innovation

Opinion

In my opinion, the financial statements of the Net Zero Economy Authority (the Entity) for the year ended 30 June 2025:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2025 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2025 and for the year then ended:

- Statement by the Board, Chief Executive Officer and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Board is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Board is also responsible for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Board is also responsible for disclosing, as applicable, matters related

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Philip Collier

Acting Executive Director

Delegate of the Auditor-General

Canberra

1 October 2025

Net Zero Economy Authority
STATEMENT BY THE BOARD, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2025 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Net Zero Economy Authority will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board.



Dr Iain Ross	David Shankey	Danielle Jakubowski
Chair	Chief Executive Officer	Chief Financial Officer
1 October 2025	1 October 2025	1 October 2025

Net Zero Economy Authority
Statement of Comprehensive Income
for the period ended 30 June 2025

	Notes	2025 ¹ \$'000	Original Budget ² \$'000
NET COST OF SERVICES			
Expenses			
Employee benefits ³	1.1A	570	20,780
Suppliers	1.1B	22,371	22,260
Depreciation and amortisation	3.2A	780	-
Finance costs	1.1C	70	-
Total expenses		23,791	43,040
Own-source income			
Own-source revenue			
Other revenue	1.2A	70	-
Total own-source revenue		70	-
Total own-source income		70	-
Net (cost of)/contribution by services		(23,721)	(43,040)
Revenue from Government	1.2B	43,041	43,040
Surplus/(Deficit)		19,320	-
Total comprehensive income/(loss)		19,320	-

1. The reporting period commenced on the Net Zero Economy Authority's establishment date of 11 December 2024 and ended on 30 June 2025.
2. The original budget for the Net Zero Economy Authority was first presented in the Department of the Prime Minister and Cabinet Portfolio Budget Statements 2025-26 as Estimated Actuals for 2024-25.
3. The original budget assumed the *Public Service Act 1999* section 72 transfer of staff from the Department of the Prime Minister and Cabinet to the Net Zero Economy Authority would occur during the reporting period. This did not happen and is now expected to occur in the 2025-26 financial year. Actual employee benefits relate to the Chief Executive Officer and Board members only. All other staff were on secondment from the Department of the Prime Minister and Cabinet. Secondment costs are treated as supplier expenses.

The above statement should be read in conjunction with the accompanying notes.

Net Zero Economy Authority
Statement of Financial Position
as at 30 June 2025

	Notes	2025 ¹ \$'000	Original Budget ² \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	3.1A	10	10
Trade and other receivables	3.1B	27,427	5,571
Total financial assets		27,437	5,581
Non-financial assets³			
Buildings	3.2A	2,852	1,261
Plant and equipment	3.2A	72	125
Computer software	3.2A	293	700
Total non-financial assets		3,217	2,086
Total assets		30,654	7,667
LIABILITIES			
Payables			
Suppliers	3.3A	4,387	-
Employees	3.3B	71	-
Total payables		4,458	-
Interest bearing liabilities			
Leases	3.4A	2,780	-
Total interest bearing liabilities		2,780	-
Provisions			
Employee provisions ⁴	5.1A	20	3,591
Total provisions		20	3,591
Total liabilities		7,258	3,591
Net assets		23,396	4,076
EQUITY			
Contributed equity		4,076	4,076
Retained surplus/(Accumulated deficit)		19,320	-
Total equity		23,396	4,076

- The reporting period commenced on the Net Zero Economy Authority's establishment date of 11 December 2024 and ended on 30 June 2025.
- The original budget for the Net Zero Economy Authority was first presented in the Department of the Prime Minister and Cabinet Portfolio Budget Statements 2025-26 as Estimated Actuals for 2024-25.
- Right-of-use assets are included in Buildings.
- The original budget assumed the *Public Service Act 1999* section 72 transfer of staff from the Department of the Prime Minister and Cabinet to the Net Zero Economy Authority would occur during the reporting period. This did not happen and is now expected to occur in the 2025-26 financial year. Actual employee provisions relate to the Chief Executive Officer only.

The above statement should be read in conjunction with the accompanying notes.

Net Zero Economy Authority
Statement of Changes in Equity
for the period ended 30 June 2025

		2025 ¹ \$'000	Original Budget ² \$'000
	Notes		
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period		-	-
Transactions with owners			
Contributions by owners			
Restructuring	9.1	1,990	1,990
Departmental capital budget appropriation		2,086	2,086
Total transactions with owners		4,076	4,076
Closing balance as at 30 June		4,076	4,076
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period		-	-
Comprehensive income			
Surplus/(Deficit) for the period		19,320	-
Total comprehensive income		19,320	-
Closing balance as at 30 June		19,320	-
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period		-	-
Comprehensive income			
Surplus/(Deficit) for the period		19,320	-
Total comprehensive income		19,320	-
Transactions with owners			
Contributions by owners			
Restructuring	9.1	1,990	1,990
Departmental capital budget appropriation		2,086	2,086
Total transactions with owners		4,076	4,076
Closing balance as at 30 June		23,396	4,076

1. The reporting period commenced on the Net Zero Economy Authority's establishment date of 11 December 2024 and ended on 30 June 2025.
2. The original budget for the Net Zero Economy Authority was first presented in the Department of the Prime Minister and Cabinet Portfolio Budget Statements 2025-26 as Estimated Actuals for 2024-25.

The above statement should be read in conjunction with the accompanying notes.

Accounting policy

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangements

Net assets received from another Government entity under a restructuring of administrative arrangement are adjusted at their book value directly against contributed equity.

Net Zero Economy Authority
Cash Flow Statement
for the period ended 30 June 2025

	Notes	2025 ¹ \$'000	Original Budget ² \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		19,738	39,459
Section 74 receipts		226	-
Total cash received		19,964	39,459
Cash used			
Employees ³		479	17,189
Suppliers		17,914	22,260
Interest payments on lease liabilities		70	-
GST paid		949	-
Total cash used		19,412	39,449
Net cash from/(used by) operating activities		552	10
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		75	125
Purchase of intangibles		293	700
Purchase of buildings		-	1,261
Total cash used		368	2,086
Net cash from/(used by) investing activities		(368)	(2,086)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		675	2,086
Total cash received		675	2,086
Cash used			
Principal payments of lease liabilities		849	-
Net cash used		849	-
Net cash from/(used by) financing activities		(174)	2,086
Net increase/(decrease) in cash held		10	10
Cash and cash equivalents at the beginning of the reporting period		-	-
Cash and cash equivalents at the end of period	3.1A	10	10

1. The reporting period commenced on the Net Zero Economy Authority's establishment date of 11 December 2024 and ended on 30 June 2025.
2. The original budget for the Net Zero Economy Authority was first presented in the Department of the Prime Minister and Cabinet Portfolio Budget Statements 2025-26 as Estimated Actuals for 2024-25.
3. The original budget assumed the *Public Service Act 1999* section 72 transfer of staff from the Department of the Prime Minister and Cabinet to the Net Zero Economy Authority would occur during the reporting period. This did not happen and is now expected to occur in the 2025-26 financial year. Actual cash used on employees relates to remuneration paid to the Chief Executive Officer and Board members only. All other staff were on secondment from the Department of the Prime Minister and Cabinet. Payments for secondment costs are treated as cash used on suppliers.

The above statement should be read in conjunction with the accompanying notes.

Net Zero Economy Authority
Administered Schedule of Comprehensive Income
for the period ended 30 June 2025

	Notes	2025 ¹ \$'000	Original Budget ² \$'000
NET COST OF SERVICES			
Expenses			
Suppliers	2.1A	<u>4,317</u>	<u>5,115</u>
Total expenses		<u>4,317</u>	<u>5,115</u>
Net (cost of)/contribution by services		<u>(4,317)</u>	<u>(5,115)</u>
Surplus/(Deficit)		<u>(4,317)</u>	<u>(5,115)</u>
Total comprehensive income/(loss)		<u>(4,317)</u>	<u>(5,115)</u>

1. The reporting period commenced on the Net Zero Economy Authority's establishment date of 11 December 2024 and ended on 30 June 2025.
2. The original budget for the Net Zero Economy Authority was first presented in the Department of the Prime Minister and Cabinet Portfolio Budget Statements 2025-26 as Estimated Actuals for 2024-25.

The above statement should be read in conjunction with the accompanying notes.

Net Zero Economy Authority
Administered Schedule of Assets and Liabilities
as at 30 June 2025

	Notes	2025 ¹ \$'000	Original Budget ² \$'000
ASSETS			
Financial assets			
Trade and other receivables	4.1A	145	-
Total financial assets		145	-
Total assets		145	-
Net assets/(liabilities)		145	-

1. The reporting period commenced on the Net Zero Economy Authority's establishment date of 11 December 2024 and ended on 30 June 2025.
2. The original budget for the Net Zero Economy Authority was first presented in the Department of the Prime Minister and Cabinet Portfolio Budget Statements 2025-26 as Estimated Actuals for 2024-25.

The above statement should be read in conjunction with the accompanying notes.

Net Zero Economy Authority
Administered Reconciliation Schedule
for the period ended 30 June 2025

	2025¹
	\$'000
Opening assets less liabilities as at 1 July	-
Net cost of services	
Income	-
Expenses	
Payments to entities other than corporate Commonwealth entities	(4,317)
Total Expenses	(4,317)
Transfers (to)/from the Australian Government	
Appropriation transfers from Official Public Account	
Annual appropriations	
Payments to entities other than corporate Commonwealth entities	4,748
Appropriation transfers to Official Public Account	
Transfers to Official Public Account	(286)
Total Transfers (to)/from the Australian Government	4,462
Closing assets less liabilities as at 30 June	145

1. The reporting period commenced on the Net Zero Economy Authority's establishment date of 11 December 2024 and ended on 30 June 2025.

Net Zero Economy Authority
Administered Cash Flow Statement
for the period ended 30 June 2025

	Notes	2025 ¹ \$'000	Original Budget ² \$'000
OPERATING ACTIVITIES			
Cash received			
Other receipts		142	-
GST received		144	-
Total cash received		286	-
Cash used			
Suppliers		4,477	5,115
GST paid		271	-
Total cash used		4,748	5,115
Net cash from/(used by) operating activities		(4,462)	(5,115)
Cash from Official Public Account			
Annual appropriations		4,748	5,115
Total cash from Official Public Account		4,748	5,115
Cash to Official Public Account			
Appropriations		286	-
Total cash to Official Public Account		286	-
Net cash from/(to) Official Public Account		4,462	-
Net increase/(decrease) in cash held		-	-
Cash and cash equivalents at the beginning of the reporting period		-	-
Cash and cash equivalents at the end of the reporting period		-	-

1. The reporting period commenced on the Net Zero Economy Authority's establishment date of 11 December 2024 and ended on 30 June 2025.
2. The original budget for the Net Zero Economy Authority was first presented in the Department of the Prime Minister and Cabinet Portfolio Budget Statements 2025-26 as Estimated Actuals for 2024-25.

The above statement should be read in conjunction with the accompanying notes.

Net Zero Economy Authority
Notes to and forming part of the financial statements
for the period ended 30 June 2025

Overview

The Net Zero Economy Authority is a non-corporate Commonwealth entity, established on 11 December 2024 under the *Net Zero Economy Authority Act 2024* (the Act). The Act has the following objectives:

- promote orderly and positive economic transformation
- facilitate the achievement of Australia's greenhouse gas emissions reduction targets
- ensure regions, communities and workers are supported to manage the impacts, and share in the benefits, of Australia's transition to a net zero emissions economy.

To this end, the Net Zero Economy Authority's functions are to:

- support workers in emissions-intensive industries affected by Australia's net zero transition to access new employment or other opportunities or to acquire skills to improve their job prospects
- promote coordination and consistency in the design and implementation of net zero transition-related policies, programs and plans
- facilitate public and private sector participation and investment in the net zero transformation
- support First Nations people to participate in, and benefit from, the transition to net zero
- deliver educational and promotional initiatives to promote an understanding of, and encourage participation in, Australia's transition to a new zero emissions economy.

The Net Zero Economy Authority's primary place of operation is Canberra, with offices located in Sydney, Melbourne and Brisbane.

The Basis of Preparation

The financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b) Australian Accounting Standards and Interpretations - including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

The continued existence of the Net Zero Economy Authority in its present form and with its present programs is dependent on government policy and on continuing appropriations by Parliament for the Net Zero Economy Authority's administration and programs.

Net Zero Economy Authority

Notes to and forming part of the financial statements

for the period ended 30 June 2025

New Accounting Standards

Standard/Interpretation	Summary of changes	Applies year ended 30 June
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	Amends AASB 101 <i>Presentation of Financial Statements</i> to clarify the classification of liabilities as either current or non-current. For example, a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. AASB 2020-1 is applicable to annual reporting periods beginning on or after 1 January 2024.	2025
AASB 2022-10 <i>Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-For-Profit Public Sector Entities</i>	This Standard amends AASB 13 Fair Value Measurement for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. AASB 2022-10 applies to annual periods beginning or after 1 January 2024.	2025

Taxation

The Net Zero Economy Authority is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Events After the Reporting Period

There are no known events occurring after the reporting period that could impact on the financial statements.

1. Departmental financial performance

This section analyses the financial performance of the Net Zero Economy Authority for the period ended 30 June 2025.

1.1: Expenses

	2025 \$'000
1.1A: Employee benefits	
Wages and salaries	493
Superannuation	
Defined contribution plans	52
Leave and other entitlements	25
Total employee benefits	570

Accounting policy

Accounting policies for employee related expenses are contained in Note 5: People and relationships.

1.1B: Suppliers

Goods and services supplied or rendered

Consultants	701
Contractors	5,262
Secondments	12,479
Travel	461
Information and communication technology	1,899
Property operating expenses	626
Training and development	233
Legal fees	291
ANAO audit fees	70
Other	306
Total goods and services supplied or rendered	22,328

Goods supplied	644
Services rendered	21,684
Total goods and services supplied or rendered	22,328

Other suppliers

Short-term leases	43
Total other suppliers	43
Total suppliers	22,371

The above lease disclosures should be read in conjunction with the accompanying notes 1.1C Finance costs, 3.2A Non-financial assets and 3.4A Leases.

Accounting Policy

Short-term leases and leases of low-value assets

The Net Zero Economy Authority has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000 per asset). The Net Zero Economy Authority recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Net Zero Economy Authority
Notes to and forming part of the financial statements
for the period ended 30 June 2025

	2025
	\$'000
1.1C: Finance costs	
Interest on lease liabilities	70
Total finance costs	70

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B Suppliers, 3.2A Non-financial assets and 3.4A Leases.

Accounting policy

All borrowing costs are expenses as incurred.

1.2: Own-source revenue

	2025
	\$'000
1.2A: Other revenue	
Resources received free of charge	
Remuneration of auditors	70
Total other revenue	70

Accounting policy

Resources received free of charge
Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

1.2B: Revenue from Government	
Revenue from Government	43,041
Total revenue from Government	43,041

Accounting policy

Revenue from Government
Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Net Zero Economy Authority gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

2. Income and expenses administered on behalf of Government

This section analyses the activities that the Net Zero Economy Authority does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

2.1: Administered - expenses

	2025 \$'000
2.1A: Suppliers	
Goods and services supplied or rendered	
Advertising and printing	4,029
Other	288
Total goods and services supplied or rendered	4,317
Goods supplied	-
Services rendered	4,317
Total goods and services supplied or rendered	4,317

3. Departmental financial position

This section analyses the Net Zero Economy Authority assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

3.1: Financial assets

	2025
	\$'000

3.1A: Cash and cash equivalents

Cash on hand or on deposit	10
Total cash and cash equivalents	10

Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand; and
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

3.1B: Trade and other receivables

Appropriation receivables

Appropriation receivable	26,704
Total appropriation receivables	26,704

Other receivables

GST receivable	723
Total other receivables	723
Total trade and other receivables (gross)	27,427
Total trade and other receivables	27,427

Accounting Policy

Financial assets

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

3.2: Non-financial assets

3.2A: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

Reconciliation of the opening and closing balances of property, plant and equipment for 2025

	Buildings \$'000	Plant and equipment \$'000	Computer Software \$'000	Total \$'000
As at 1 July 2024				
Gross book value	-	-	-	-
Accumulated depreciation, amortisation and impairment	-	-	-	-
Total as at 1 July 2024	-	-	-	-
Additions				
Purchase or internally developed	-	75	293	368
Right-of-use assets	3,629	-	-	3,629
Depreciation and amortisation	-	(3)	-	(3)
Depreciation on right-of-use assets	(777)	-	-	(777)
Total as at 30 June 2025	2,852	72	293	3,217
Total as at 30 June 2025 represented by:				
Gross book value				
Fair value	-	44	-	44
At cost	3,629	-	-	3,629
Work in progress	-	31	293	324
Accumulated depreciation, amortisation and impairment	(777)	(3)	-	(780)
Total as at 30 June 2025	2,852	72	293	3,217
Carrying amount of right-of-use assets	2,852	-	-	2,852

As at 30 June 2025, the Net Zero Economy Authority had no contractual commitments for either the acquisition of property, plant and equipment or for the acquisition of intangible assets.

Accounting Policy

Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Lease Right-of-Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

Following initial application, an impairment review is undertaken for any right-of-use lease asset that shows indicators of impairment and an impairment loss is recognised against any right-of-use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition. The Net Zero Economy Authority did not identify any indicators of impairment.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations

Following initial recognition at cost, property plant and equipment (excluding ROU assets) are carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Cost is considered an acceptable fair value proxy for assets under construction. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially with the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus or deficit. Revaluation decrements for a class of assets are recognised directly through surplus or deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the last revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the Net Zero Economy Authority using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Accounting Policy (continued)

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Asset Class	Lease terms
Buildings	2 – 10 years
Plant and equipment	

Impairment

All assets were assessed for impairment as at 30 June 2025. Where indications of impairment exist, the asset’s recoverable amount is estimated and an impairment adjustment made if the asset’s recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset’s ability to generate future cash flows, and the asset would be replaced if the Net Zero Economy Authority were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Intangibles

Net Zero Economy Authority’s intangibles comprise internally developed and purchased software for internal use. These assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life, being 3-5 years. No indicators of impairment were identified as at 30 June 2025.

Fair value measurements - validation process

Comprehensive valuations are carried out once every three years. In the intervening years, an annual materiality review is undertaken to determine whether the carrying amount of the assets is materially different from the fair value.

3.3: Payables

	2025
	\$'000
3.3A: Suppliers	
Trade creditors and accruals	4,387
Total suppliers	4,387
3.3B: Employees	
Salaries and wages	71
Total other payables	71

Accounting Policy

Payables

Payables include trade creditors and accruals and are recognised at amortised cost. Liabilities are recognised to the extent the goods or services have been received (and irrespective of having been invoiced).

3.4: Interest bearing liabilities

3.4A: Leases

Lease liabilities	2,780
Total leases	2,780
Maturity analysis - contractual undiscounted cash flows	
Within 1 year	1,460
Between 1 to 5 years	1,490
Total leases	2,950

Total cash outflow for leases for the period ended 30 June 2025 was \$0.962 million.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B Suppliers, 1.1C Finance costs and 3.2A Non-financial assets.

Accounting Policy

Leases

For all new contracts entered into, the Net Zero Economy Authority considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the authority's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the re-assessment or modification.

4. Assets and liabilities administered on behalf of Government

This section analyses assets used to conduct operations and the operating liabilities incurred as a result, which the Net Zero Economy Authority does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

4.1: Administered - financial assets

	2025 \$'000
<u>4.1A: Trade and other receivables</u>	
Other receivables	
GST receivable	112
Other receivable	33
Total other receivables	145
Total trade and other receivables (gross)	145
Total trade and other receivables	145

5. People and relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

5.1: Employee provisions

	2025 \$'000
5.1A: Employee provisions	
Leave	20
Total employee provisions	20

Accounting Policy

The Chief Executive Officer of the Net Zero Economy Authority and the members of the Board are the only employees who have been directly engaged in 2024-25. All other Net Zero Economy Authority employees are seconded from the Department of the Prime Minister and Cabinet.

Employee benefits

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of the reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2025. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

The provision for annual and long service leave for Net Zero Economy Authority employees seconded from the Department of the Prime Minister and Cabinet (the Department) are recognised by the Department as the Home Agency.

Superannuation

The Net Zero Economy Authority's employees are members of the Public Sector Superannuation accumulation plan (PSSap) or other superannuation funds held outside of the Australian Government. The PSSap is a defined contribution scheme.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

5.2: Key management personnel remuneration

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Net Zero Economy Authority, directly or indirectly, including any Board member (whether executive or otherwise). The Net Zero Economy Authority has determined the key management personnel to be the members of the Board and the Executive Leadership Team, comprising the Chief Executive Officer and Senior Executive Service Band 2 officers. Key management personnel remuneration is reported in the table below:

	2025 \$'000
Short-term employee benefits	941
Post-employment benefits	116
Other long-term employee benefits	19
Total key management personnel remuneration expenses¹	1,076

The total number of key management personnel that are included in the above table is 11. This includes three Senior Executive Service Band 2 officers who were on secondment from the Department of the Prime Minister and Cabinet over the reporting period.

Key management personnel on acting arrangements are included where the length of the arrangement is longer than three months.

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Net Zero Economy Authority.

5.3: Related party disclosures

Related party relationships:

The Net Zero Economy Authority is an Australian Government controlled entity. Related parties to the Net Zero Economy Authority are key management personnel including the Portfolio Minister and Executive, and other Australian Government entities.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Significant transactions with related parties can include:

- the payments of grants or loans;
- purchases of goods and services;
- asset purchases, sales transfers or leases;
- debts forgiven; and
- guarantees.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the Net Zero Economy Authority, it has been determined that there are no related party transactions to be separately disclosed.

6. Funding

This section identifies the Net Zero Economy Authority's funding structure.

6.1: Appropriations

6.1A: Annual appropriations ('Recoverable GST exclusive')

Annual Appropriations for 2025

	Appropriation Act	PGPA Act	PGPA Act		Appropriation applied in 2025 (current and prior years)	Variance
	Annual Appropriation \$'000	Section 75 Transfers	Section 74 Receipts \$'000	Total appropriation \$'000		\$'000
Departmental						
Ordinary annual services ¹	-	45,031	226	45,257	(19,964)	25,293
Capital Budget ²	-	2,086	-	2,086	(675)	1,411
Total Departmental	-	47,117	226	47,343	(20,639)	26,704
Administered						
Ordinary annual services	-	5,115	-	5,115	(4,477)	638
Total Administered	-	5,115	-	5,115	(4,477)	638

1. Section 75 transfers of departmental ordinary annual services includes prior year appropriations totalling \$1.99 million.

Section 74 receipts comprise retained GST refunds.

The variance in departmental ordinary services and capital budget is largely driven by the delay in establishing the Net Zero Economy Authority as an independent authority and finalising the machinery of government transition out of the Department of the Prime Minister and Cabinet.

2. Departmental capital budgets are appropriated through Appropriation Act (No.1). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

2025
\$'000

6.1B: Unspent annual appropriations ('Recoverable GST exclusive')

Departmental

Appropriation Act (No. 3) 2023-24	-
Appropriation Act (No. 1) 2024-25	25,293
Appropriation Act (No. 1) 2024-25 - DCB	1,411
Appropriation Act (No. 1) 2024-25 - Cash at Bank	10
Total Departmental	26,714

Administered

Appropriation Act (No. 1) 2024-25	638
Total Administered	638

6.2: Net cash appropriation arrangements

	2025 \$'000
Total comprehensive income/(loss) as per the Statement of Comprehensive Income	19,320
<i>Plus:</i> depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) ¹	3
<i>Plus:</i> depreciation of right-of-use (ROU) assets ²	777
<i>Less:</i> lease principal repayments ²	(849)
Net Cash Operating Surplus	19,251

1. From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.
2. The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the impact of AASB 16 Leases, which does not directly reflect a change in appropriation arrangements.

7. Managing uncertainties

This section analyses how the Net Zero Economy Authority manages financial risks within its operating environment.

7.1: Contingent assets and liabilities

7.1A: Contingent assets and liabilities

There were no quantifiable contingent assets or liabilities as at 30 June 2025.

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

7.1B: Administered contingent assets and liabilities

There were no administered contingent assets or liabilities as at 30 June 2025.

7.2: Financial instruments

2025
\$'000

7.2A: Categories of Financial Instruments

Financial Assets

Financial assets at amortised cost

Cash and cash equivalents	10
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Total financial assets at amortised cost	10
---	-----------

Total financial assets	10
-------------------------------	-----------

Financial Liabilities

Financial liabilities measured at amortised cost

Suppliers payable	4,387
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Total financial liabilities measured at amortised cost	4,387
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Total financial liabilities	4,387
------------------------------------	--------------

2025
\$'000

7.2B: Administered Categories of Financial Instruments

Financial Assets

Trade and other receivables - other	33
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Total financial assets at amortised cost	33
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Total financial assets	33
-------------------------------	-----------

Accounting Policy

Financial assets

In accordance with AASB 9 Financial Instruments, the Net Zero Economy Authority classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured at amortised cost.

The classification depends on both the Net Zero Economy Authority's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the Net Zero Economy Authority becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

- 1. the financial asset is held in order to collect the contractual cash flows; and
- 2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

Financial assets measured at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the SPPI test.

Any gains or losses as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets either doesn't meet the criteria of financial assets held at amortised cost or at FVOCI (i.e. mandatorily held at FVTPL) or may be designated.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Net Zero Economy Authority
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for the period ended 30 June 2025

Financial liabilities

Financial liabilities are classified as either financial liabilities at 'fair value through profit or loss' or other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

All payables are expected to be settled within 12 months except where indicated.

8. Other information

8.1: Current/non-current distinction for assets and liabilities

2025
\$'000

8.1A: Current/Non-Current Distinction for Assets and Liabilities

Assets expected to be recovered in:

No more than 12 months

Cash and cash equivalents	10
Trade and other receivables	27,427

Total no more than 12 months

27,437

More than 12 months

Buildings	2,852
Plant and equipment	72
Computer software	293

Total more than 12 months

3,217

Total assets

30,654

Liabilities expected to be settled in:

No more than 12 months

Suppliers	4,387
Other payables	71
Leases	1,460
Employee provisions	17

Total no more than 12 months

5,935

More than 12 months

Leases	1,320
Employee provisions	3

Total more than 12 months

1,323

Total liabilities

7,258

2025
\$'000

8.1B: Administered Current/Non-Current Distinction for Assets and Liabilities

Assets expected to be recovered in:

No more than 12 months

Trade and other receivables	145
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Total no more than 12 months

145

Total assets

145

9. Restructuring
9.1: Restructuring

	2025 Department of the Prime Minister and Cabinet ¹ \$'000
9.1: Restructuring	
Functions assumed	
Assets recognised	
Appropriations receivable	1,990
Appropriations receivable - DCB	2,086
Total assets recognised	4,076
Net Assets Recognised	4,076

¹On 11 December 2024, the Net Zero Economy Authority was established as a non-corporate Commonwealth entity. Prior to then, it was an Executive Agency in the Department of the Prime Minister and Cabinet. The total appropriation transferred from the Department of the Prime Minister and Cabinet is separately disclosed in Note 6.1 Appropriations. The Section 72 transfer of employees will occur in 2025-26.

10. Budget commentary and explanation of major variances
10.1: Budget variance commentary

10.1A: Departmental budget variance commentary

The table below provides commentary for significant variances between the Net Zero Economy Authority’s original budget estimates, as published in the 2025-26 Portfolio Budget Statements (PBS) and the actual financial statements for the year ended 30 June 2025.

- Variances are considered ‘significant’ if they are core to the agency’s activities and based on the following criteria:
- the variance between budget and actual is greater than +/- 10% and greater than +/- \$1 million of the original budget for a line item;
 - an item is below this threshold but is considered important for the reader’s understanding;
 - the variances relating to balance sheet and cash flows are a result of the factors explained for net cost of services variations. Unless otherwise individually significant, no additional commentary has been included.

Budget Variance explanation	Affected statements and line items
The original budget assumed the finalisation of the machinery of government (MoG) transition out of the Department of the Prime Minister and Cabinet (PM&C), including the section 72 transfer of staff, to occur in February 2025, however, it has been delayed until the 2025-26 financial year. As a result, with the exception of the Chief Executive Officer and Board, Net Zero Economy Authority staff were secondments from PM&C for the full reporting period and their remuneration, totalling \$12.5 million, has been recognised as supplier expenditure. Recruitment delays is the driver for the variance between the combination of employee expenses and secondment expenditure compared to the original budget for employees.	Employee expenses - Statement of Comprehensive Income Employee provisions - Statement of Financial Position Employees - Cash Flow Statement
Supplier expenses comprises \$12.5 million in secondment expenses for Net Zero Economy Authority staff seconded from PM&C – this was excluded from the original budget. The remaining variance between actual supplier expenses and the original budget is due to the delay in establishing the Net Zero Economy Authority as an independent statutory authority, impacting on the timing of standing-up its programs, corporate functions and systems.	Suppliers - Statement of Comprehensive Income
Appropriations utilised is less than the original budget due to lower than anticipated expenditure for 2024-25.	Trade and other receivables - Statement of Financial Position Appropriations - Cash Flow Statement
Building assets and Lease liabilities are more than the original budget due to the recognition of Right of Use buildings and the associated lease liabilities under AASB 16 Leases during the financial year, which was not considered in the original budget. This is partly offset by the delay in fitting-out Net Zero Economy Authority’s offices, which was assumed to occur in 2024-25 in the original budget, but has been deferred as a result of the delay in establishing the authority.	Buildings - Statement of Financial Position Leases - Statement of Financial Position Buildings - Cash Flow Statement Contributed equity – Cash Flow Statement

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The driver of the supplier payables variance (and the supplier cash used variance) is the monthly invoicing arrangement with PM&C for the recovery of expenses that it has incurred on behalf of the Net Zero Economy Authority for the month. The original budget was based on the assumption that the MoG transition out of PM&C (and the cessation of the associated invoicing arrangement) occurred in February 2025.	Suppliers - Balance Sheet Suppliers - Cash Flow Statement
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10.1B: Administered budget variance commentary

The table below provides commentary for significant variances between the Net Zero Economy Authority's original budget estimates, as published in the 2025-26 Portfolio Budget Statements (PBS) and the actual financial statements for the year ended 30 June 2025. Variances are considered 'significant' if they are core to the agency's activities and based on the following criteria: - the variance between budget and actual is greater than +/- 10% and greater than +/- \$0.5 million of the original budget for a line item; - an item is below this threshold but is considered important for the reader's understanding; - the variances relating to balance sheet and cash flows are a result of the factors explained for net cost of services variations. Unless otherwise individually significant, no additional commentary has been included.	
Budget Variance explanation	Affected statements and line items
The variance is a result of realised savings in delivering the communications campaign.	Suppliers - Administered Schedule of Comprehensive Income Suppliers - Administered Cash Flow Statement

Procurement and consultancy

Purchasing

The Authority's approach to procuring goods and services, including consultancies, was undertaken in accordance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the Commonwealth Procurement Rules (CPRs).

These rules are applied to activities through the Authority's accountable authority instructions and supporting financial management policies, procedures and guidelines.

The Authority undertakes competitive, non-discriminatory procurement processes; uses resources efficiently, effectively, economically and ethically; and makes decisions in an accountable and transparent manner.

Information on all Authority contracts awarded with a value of \$10,000 (including GST) or more is available on the AusTender website at www.tenders.gov.au.

Reportable consultancy contracts

During 2024–25, 14 new reportable consultancy contracts were entered into by the Authority, involving total actual expenditure of \$627,101 (inclusive of GST). This includes two contracts novated to the Authority on its establishment that had been previously entered into by the Department of the Prime Minister and Cabinet (PM&C) during 2024–25. There were no ongoing reportable consultancy contracts that were active during the period.

The Authority selects consultants through the use of panel arrangements or limited tender, where appropriate. The Authority engages consultants where specialist skills are required but are not available in-house. Decisions to engage consultants are made in accordance with the PGPA Act and related regulations, including the CPRs and relevant policies.

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website at www.tenders.gov.au.

Table 18: Expenditure on reportable consultancy contracts, 2024–25

	Number *	Expenditure \$ (GST inc.)
New contracts entered into during the reporting period	14	627,101
Ongoing contracts entered into during a previous reporting period	-	-
Total	14	627,101

* Includes two contracts novated to the Authority on its establishment date of 11 December 2024 from PM&C. Contract expenditure incurred by PM&C prior to 11 December 2024 for the two novated contracts is not included in this report.

Table 19: Organisations receiving largest share of reportable consultancy contract expenditure, 2024–25

Name of organisation	Organisation ABN	Expenditure \$ * (GST inc.)	Proportion of total spend (%)
The Trustee for KM Unit Trust	36220576038	184,429	29
BIS Oxford Economics Pty Ltd	20060358689	182,765	29
Lazard Australia Pty Ltd	18649846328	120,523	19
Clayton Utz	35740217343	56,965	9
Clonalvy Nominees Pty Ltd & Others	34824776937	23,826	4
		568,508	90

* Contract expenditure incurred by PM&C prior to 11 December 2024 for contracts novated to the Authority on establishment is not included in this report.

Reportable non-consultancy contracts

During 2024–25, 59 new non-consultancy contracts were entered into by the Authority involving total actual expenditure of \$8,471,708 (inclusive of GST). This includes 17 contracts novated to the Authority on its establishment that had been previously entered into by PM&C during 2024–25. In addition, 6 ongoing non-consultancy contracts that were novated to the Authority on its establishment had expenditure activity during the period, involving total actual expenditure of \$2,066,925 (inclusive of GST).

Decisions to engage suppliers were made in accordance with the PGPA Act and related regulations, including the CPRs and relevant policies.

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website (www.tenders.gov.au).

Table 20: Expenditure on reportable non-consultancy contracts, 2024–25

	Number *	Expenditure \$ (GST inc.)
New contracts entered into during the reporting period	59	8,471,708
Ongoing contracts entered into during a previous reporting period	6	2,066,925
Total	65	10,538,633

* Includes 23 contracts novated to the Authority on its establishment date of 11 December 2024 from PM&C. Contract expenditure incurred by PM&C prior to 11 December 2024 for the 23 novated contracts is not included in this report.

Table 21: Organisations receiving largest share of reportable non-consultancy contract expenditure, 2024–25

Name of organisation	Organisation ABN	Expenditure \$* (GST inc.)	Proportion of total spend (%)
Digital61 Pty Ltd	42620189862	2,446,963	23
The Monkeys Pty Limited	34121441576	863,512	8
Horizon Communication Group Pty Ltd	59066881374	819,104	8
Mediabrand Australia Pty Ltd	19002966001	739,911	7
Willyama Services Pty Limited	21611623575	582,282	6
		5,451,772	52

* Contract expenditure incurred by PM&C prior to 11 December 2024 for contracts novated to the Authority on establishment is not included in this report.

Exempt contracts

In 2024–25, no contracts were exempt from reporting on AusTender.

Australian National Audit Office access

The following contracts entered into during the reporting period with a value of \$100,000 or more (inclusive of GST) did not include the standard Auditor-General access clause.

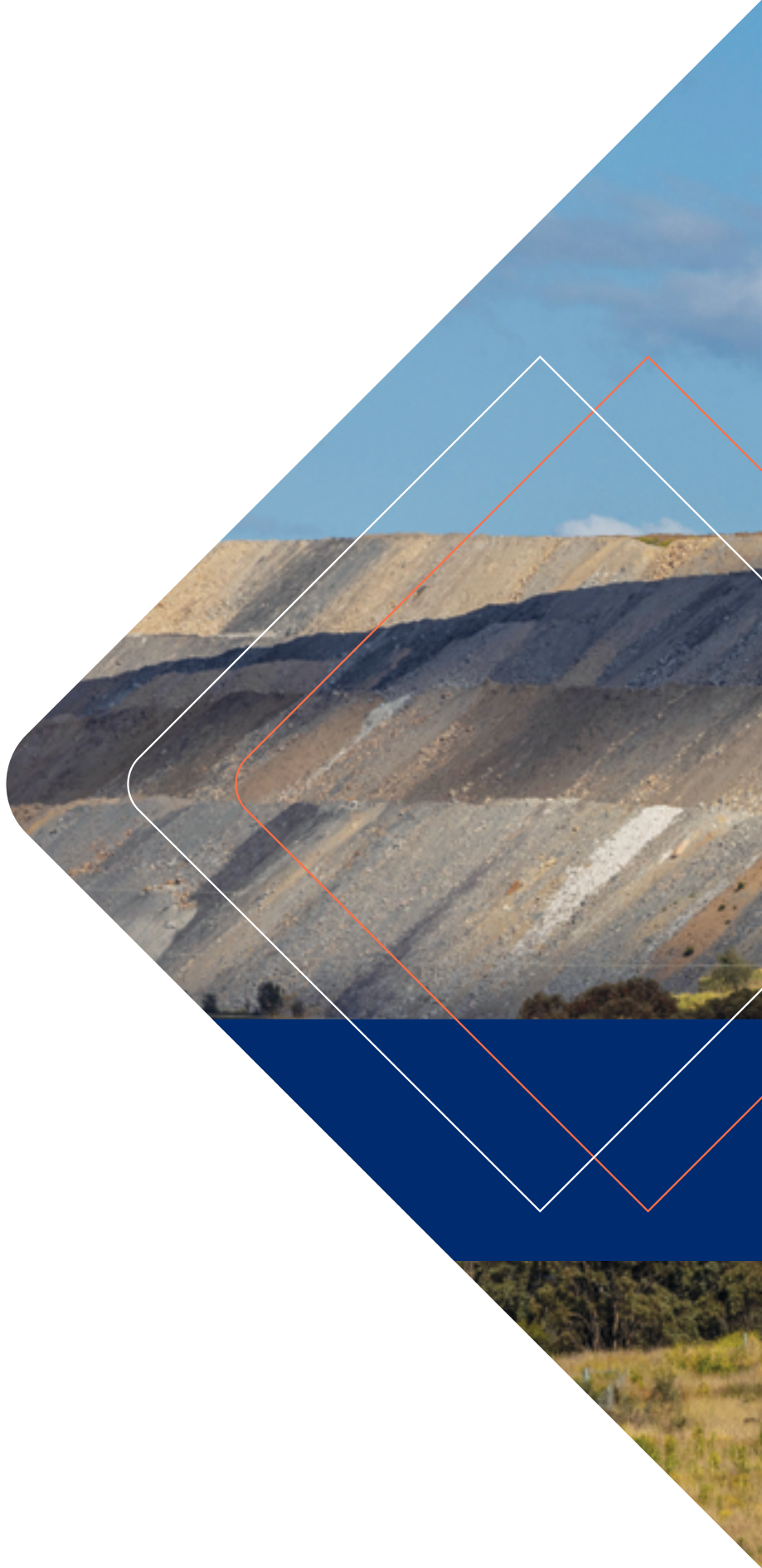
Table 22: Contracts without standard Auditor-General access clause, 2024–25

Name of contractor	Purpose	Total contract value \$ (GST inc.)	Reason for not including access clauses
Willyama Services Pty Limited	Software maintenance and support	582,381	Standard industry practice to enter into supplier terms and conditions
Data#3 Limited	Software maintenance and support	330,000	Standard industry practice to enter into supplier terms and conditions

Procurement initiatives to support small and medium enterprises

The Authority supports small business participation in the Commonwealth Government procurement market. Small and medium enterprises (SME) and small enterprise participation statistics are available on the Department of Finance’s website (www.finance.gov.au). This includes the mandatory use of the Commonwealth Contracting Suite for procurements up to \$200,000 (including GST), the use of credit cards as a payment mechanism for procurements under \$10,000 (including GST) and encouraging staff to consider the size of vendors when approaching the market for procurements, ensuring that SMEs are provided with opportunities when available.







Part 6: Environmental performance

Commonwealth Climate Disclosure

As set out in Corporate governance (pp38–45), the Board is the accountable authority under section 12 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), supported by the Audit and Risk Committee (see Part 3, p46 – ARC). Oversight of climate-related risks and opportunities is integrated into the Authority's enterprise risk management framework (see – Risk management and fraud and corruption control, p48), ensuring climate considerations are assessed alongside financial, operational and compliance risks.

The Commonwealth Climate Disclosure is the government's policy for Commonwealth entities to publicly disclose their exposure to climate risks and opportunities, as well as their actions to manage them, delivering transparent and consistent climate disclosures to the Australian public.

Under the policy, non-corporate Commonwealth entities are required to complete climate disclosures. The Authority is a non-corporate Commonwealth entity with responsibility for climate change policy design and implementation and as such meets the threshold of Tranche 1 in the Commonwealth Climate Disclosure policy architecture. This means that the Authority is required to include climate-related disclosures in its annual report from the 2024–25 financial year.

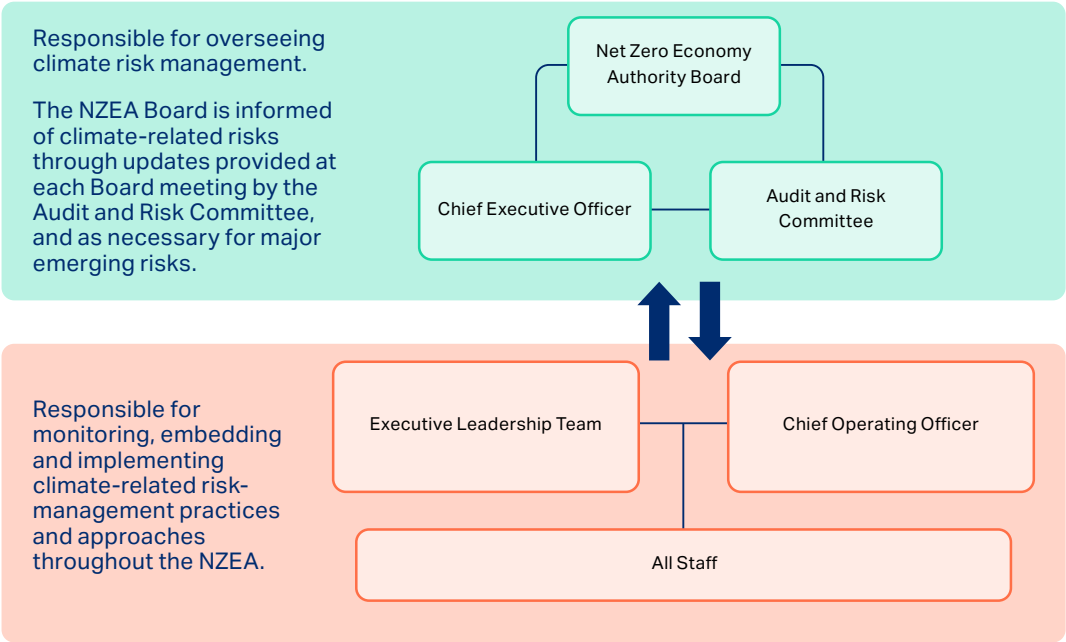
This climate statement has been prepared in accordance with the Year 1 reporting provisions.

The criteria have been addressed through the body of our annual report, our Emissions Reduction Plan, Corporate Plan and the information within this climate statement. Where applicable, the location of cross-referenced information which fulfil the climate disclosure requirements are noted next to the requirement summaries at Appendix 1.

Climate governance

Climate risk and opportunity management is embedded within our existing governance and risk management policies and procedures. The roles and responsibilities delegated from the Board (accountable authority) and senior executive levels down to the operational level are detailed in figure 3.

Figure 3: Climate governance structure



Climate risk management

We have started work on our first climate risk and opportunity assessment in accordance with our obligations under the Australian Government’s Approach to Climate Risk and Opportunity Management in the Public Sector 2024–2026 and in line with the Organisation Application Guide of the Climate Risk and Opportunity Management Program (CROMP).

Since our establishment in December 2024, the Authority has focused on developing knowledge and building capacity for identifying and managing climate-related risks and opportunities that could impact our operations and strategic direction. Internally, we have used the CROMP e-learning modules on the APS Academy website and participated in CROMP workshops. Staff have also attended external seminars and conferences that focus specifically on climate risk reporting and disclosures.

In April 2025 we began the process of identifying and assessing our climate risks using CROMP. The climate-related risks we have identified are being managed and monitored alongside our enterprise-related risks using the governance structure, risk systems, policies and tools as outlined in the Risk management and fraud and corruption control section (p48). We will review and refine this process next year as we continue to evolve our work under CROMP.

Our assessed scope includes our staff, assets and operations. We have used internal data sources, including the Authority's enterprise risk management framework and our Emissions Reduction Plan to support our risk management activities. Input from staff helped us to identify assets, infrastructure and staff that may be at risk from climate change. We also considered climate risks in the regional areas that are the focus of our work and how climate-related risk events materialising in those regions might impact how we are able to work with regional communities.

We are still in the process of identifying our climate-related opportunities using the same process for identifying, assessing, prioritising, managing and monitoring that we use for climate-related risks. Our climate-related opportunities will also be prioritised alongside the Authority's climate-related risks using our pre-existing risk management framework processes. We aim to complete our opportunities assessment during the 2025–26 financial year.

Climate strategy

Through our climate risk assessment, we have identified and categorised our material climate-related risks. Material organisational risks are identified in table 23. In future years, our disclosure will expand to include climate-related opportunities and in line with the progressive implementation schedule in the Commonwealth Climate Disclosure Requirements.

Table 23: Categorisation of material climate-related risks and opportunities

Risk statement	Risk type
Extreme heat may disrupt operations, compromise staff health and wellbeing, and reduce productivity.	Physical
Persisting regional drought can have long-term impacts on regional communities and on industries that rely on high water use. Drought can also cause water restrictions to be imposed that may affect infrastructure and water use in capital cities (e.g. building systems such as water-cooled HVAC and amenity services).	Physical
Increased frequency and severity of bushfires near urban centres or regional locations may disrupt operations, affect staff safety, and trigger building evacuations or closures. This risk may escalate during peak hot and dry seasons. If severe bushfires occur in priority regions, it may cause delays in program delivery or consultations, and could have long-term effects on communities and their economic resilience.	Physical
Increased frequency and severity of flooding and heavy rainfall events in capital cities may disrupt operations, affect staff safety, and trigger building evacuations or closures. This risk may escalate during peak wet seasons. If severe flooding occurs in priority regions, it may cause delays in program delivery or consultations, and could have long-term effects on communities and their economic resilience.	Physical
Shifting economic markets reacting to changes in climate priorities may impact regional investment and affect community resilience. If workforce programs, community engagement or transition planning lag behind the transition of emissions-intensive industries, investment projects may fail to operationalise and deliver expected benefits.	Transition

These risks and opportunity statements have been assessed across several timeframes and climate scenarios. Taking into account our immediate focus in upcoming closures of coal and gas-fired power stations, the timeframes we have focused on include the present-day emissions as well as low and medium emissions in the short term (2030). We expect to undertake assessments of our risks and opportunity statements over medium and long-term timeframes as we move on from our establishment phase.

We expect the identified risks to increase in severity over time, with the likely increase in extreme weather events associated with climate change. Our Emissions Reduction Plan sets out our proposed actions in the short term (2030) to act early and maximise the transitional opportunities of moving to net zero.

Current and anticipated effects on the Authority's operational model include:

- ♦ reduced workforce productivity and potential harm to employee health and safety
- ♦ disruption to business-as-usual operations
- ♦ dangers to physical infrastructure and increased maintenance or adaptation costs if buildings require modification
- ♦ delays to, or prevention of, the Authority's ability to fulfil its strategic mandate and service delivery obligations, such as the provision of critical support activities, or the reduction of local program momentum or coordination
- ♦ misalignment with stakeholder expectations leading to the erosion of stakeholder confidence.

The potential impacts of these risks arising are relevant across the Authority's operations. While our offices in Sydney and Canberra have some low-risk climate-related vulnerabilities, it is the communities in our priority regions where climate risk is concentrated. This is due to the natural exposure of regional Australia to acute physical climate risks like drought, flooding and bushfires.

Climate metrics and targets

Australian Public Service Net Zero 2030 target

As a newly formed Commonwealth authority, we are in the early stages of our climate action journey. Since our establishment in December 2024, we have focused on completing our first climate disclosure and ensuring our governance structures and emissions data reporting processes are established.

We are committed to leading climate action within the public sector, and as a non-corporate Commonwealth entity we are required to participate in the government's APS Net Zero by 2030 target. See the APS Net Zero 2030 Target Factsheet for details including scope, emissions sources and timeframes. We do not intend to deviate from the approach in this factsheet once we have our baseline data and are able to develop an appropriate emissions target in the next reporting period.

Our approach to reducing and reporting emissions is set out in our Emissions Reduction Plan and our Annual Report disclosures. The ERP provides the strategic framework, while the Annual Report contains the baseline data and annual progress updates, including the detailed methodology.

Emissions reporting

APS Net Zero 2030 is the government's policy for the Australian Public Service to reduce its greenhouse gas emissions to net zero by 2030 and transparently report on its emissions. As part of the Net Zero in Government Operations Strategy and the reporting requirements under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*, the Authority is required to report on its operational greenhouse gas emissions.

For the 2024–25 financial year, the Authority's systems and processes were largely tied to other Commonwealth entities. This includes the subletting of our office spaces. For this reporting period, the Authority has been apportioned its share of the emissions data from those entities, calculated in accordance with the government's Emissions Reporting Framework.

The emissions data we are able to report on for our Sydney and Canberra offices has been established based on the net lettable area of our offices, which are subleased from the Australian Trade and Investment Commission (AusTrade) (Sydney) and the National Indigenous Australians Agency (Canberra). These emissions categories include electricity, natural gas and solid waste.

The Authority also subleases two small office spaces in Melbourne and Brisbane. Given the small size of these spaces and their intermittent occupancy by only a few staff members, the emissions for these offices will be reported on by the Australian Securities and Investment Commission (Melbourne) and AusTrade (Brisbane).

During 2024–25, the Authority has been part of whole-of-government arrangements for work-related travel (flights, hire cars and accommodation). These travel arrangements have been provided by the Department of the Prime Minister and Cabinet (PM&C), and travel emissions data has been aggregated so the Authority's standalone travel emissions cannot be extracted. The Authority's travel emissions data are therefore reported by PM&C.

Table 24: Greenhouse gas emissions inventory (location-based approach), 2024–25

Emissions 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)	N/A	75.46	4.57	80.03
Natural gas	–	N/A	–	–
Solid waste#	–	N/A	–	–
Refrigerants	–	N/A	N/A	–
Fleet and other vehicles*	N/A	N/A	N/A	N/A
Domestic commercial flights	The Authority's domestic travel arrangements were managed through the Department of the Prime Minister and Cabinet. Emissions from the Authority's travel arrangements for this financial year are reported in PM&C's annual report.			
Domestic hire car				
Domestic travel accommodation				
Other energy	N/A	N/A	N/A	N/A
Total kg CO ₂ -e		75.46	4.57	80.03

Reporting on refrigerants is being phased in over time as emissions reporting matures and may be an optional source in 2024–25 emissions reporting. See the Emissions Reporting Framework for more details.

* The Authority does not have any fleet vehicles.

Note: The table presents emissions related to electricity usage using the location-based accounting method.
CO₂-e = carbon dioxide equivalent.

Table 25: Greenhouse gas emissions inventory (market-based approach), 2024–25

	Scope 2 _t CO ₂ -e	Scope 3 _t CO ₂ -e	Total _t CO ₂ -e	Electricity kWh
Location-based electricity emissions	75.46	4.57	80.03	114,329.56
Market-based electricity emissions	10.03	1.36	11.39	12,377.44
Total renewable electricity consumed	N/A	N/A	N/A	101,952.12
Renewable power percentage#	N/A	N/A	N/A	20,802.26
Jurisdictional renewable power percentage*	N/A	N/A	N/A	81,149.85
Green power	N/A	N/A	N/A	–
Large-scale generation certificates	N/A	N/A	N/A	–
Total renewable electricity produced	N/A	N/A	N/A	–
Large-scale generation certificates	N/A	N/A	N/A	–
Behind the meter solar^	N/A	N/A	N/A	–

The renewable power percentage accounts for the portion of electricity used from the grid that falls within the renewable energy target.

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

^ Reporting behind the meter solar consumption is optional. The quality of data is expected to improve over time as emissions reporting matures.

Note: The table presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO₂-e = carbon dioxide equivalent. Electricity usage is measured in kilowatt hours (kWh).





Part 7: Appendices

Appendix 1: Climate disclosures index

Governance climate disclosures

Table 26: Commonwealth Climate Disclosure Requirements summary and the Authority's response and cross-references

Criteria	Requirement summary	Response and cross-references	Reference	Page
G1(a)	The accountable authority (as defined in the PGPA Act, s 12) responsible for oversight of climate risks and opportunities	The Board of the Net Zero Economy Authority	Part 3: Management and accountability - Accountable authority	40
G1(a)i	How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions or other related policies and/or legislation applicable to the accountable authority	As detailed in the Board Charter, the Board is to establish and maintain an appropriate system of risk oversight and management for the Authority, including for climate-related risks and opportunities. This includes oversight of the Authority's Risk Management and Framework Policy including setting risk appetite and tolerances and compliance with the PGPA Act, PGPA Rules and NZEA Act.	Corporate governance - Accountable authority	40,
			Risk management and fraud and corruption Control	48
G1(a)ii	How the accountable authority determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities	During 2024-25 the Authority identified and allocated staff responsible for developing and coordinating climate-related reporting. These staff undertook capability development through the APS Academy's climate modules and external micro-credentials offered by RMIT and UNSW. While the Board has not yet approved a formal climate-related capability or oversight framework beyond the Emissions Reduction Plan published on the Authority's website, a structured assessment of governance and reporting capability is planned for 2025-26.	Audit and Risk Committee Risk management and fraud corruption control	46, 48
G1(a)iii	How and how often the accountable authority is informed about climate-related risks and opportunities	The Authority's Climate governance framework outlines the pathway for informing the Board and Audit and Risk Committee on climate-related risks. Figure 3 (p.111) describes that the Board is informed through updates at each Board meeting via the Audit and Risk Committee and as necessary for major emerging risks. While these formal briefings are in their establishment phase, the process is embedded within the enterprise risk framework described at p48.	Audit and Risk Committee	46,
			Risk management and fraud and corruption control	48,
			Climate governance	110-111

Criteria	Requirement summary	Response and cross-references	Reference	Page
G1(a)iv	How the accountable authority takes into account climate-related risks and opportunities when overseeing the entity's strategy and risk management processes and related policies, and when making decisions in relation to major transactions and the prioritisation of funds, where applicable	Our CEO and Board are responsible for ensuring the framework in place to manage climate-related risks and opportunities is embedded in our aligned policies and plans, including our Corporate Plan, Emissions Reduction Plan and integrated risk management approach. This includes managing climate-related risks and opportunities in major transaction decisions. Our risk management approach is detailed in Risk management and fraud and corruption control plans	Audit and Risk Committee Risk management and fraud and corruption control	46, 48
G1(a)v	How the accountable authority oversees the setting of climate-related targets and monitors progress towards those targets (see paragraphs M5–M8, table 29, p126), including targets related to emissions reduction and any other climate-related risk and opportunity management targets	The Authority was established on 11 December 2024 and we published an interim Emissions Reduction Plan in July 2025. While this Emissions Reduction Plan sets out our actions to contribute to the APS Net Zero 2030 target, at the time of development our baseline carbon emissions metrics and data were not available. We are working towards establishing our baseline data and, in turn, developing a new Emissions Reduction Plan to be published following Board approval (see Climate metrics and targets). The Board will have an ongoing role in monitoring the Authority's performance against its Emissions Reduction Plan through regular Board meetings.	Climate metrics and targets	114
G1(a)vi	Whether, and to what extent, risk oversight is deputised to a specific management level position or management level committee (assignee) and how oversight is exercised over that position or committee	The Board works closely with the Audit and Risk Committee (ARC) to seek advice and assurance on risk reporting and controls. The CEO is responsible for embedding a positive risk culture throughout the organisation, while the SES officers carry the day-to-day management of risk throughout the Authority. The roles, responsibilities and membership of the ARC are detailed within its Charter. The climate risk management hierarchy is set out in Figure 3 Climate governance structure, p111.	Risk management and fraud and corruption control	48

Criteria	Requirement summary	Response and cross-references	Reference	Page
G1(b)	How management oversees governance processes, controls, and procedures for climate-related risks and opportunities	The Board oversees the risk management framework while the executive leadership team (CEO and SES officers) is responsible for managing the governance processes, controls, and procedures for climate-related risks and opportunities. This includes maintaining a positive risk culture and day-to-day risk management. See Risk management and fraud and corruption control plans.	Risk management and fraud and corruption control	48
G2(a)	Entity consideration of the Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024–2026 when describing processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	The integration of climate risk and opportunity management into our processes and procedures is an ongoing exercise as we continue to develop our internal processes and procedures for the first time as an independent statutory authority. As we continue to embed processes and procedures, our approach aligns with the expectations that we are identifying and managing climate risks and opportunities, as provided in The Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024–2026.	Climate risk management	111–112
G2(b)	Consideration of the Net Zero in Government Operations Strategy and Commonwealth Risk Management Policy	The Net Zero in Government Operations Strategy is being considered in our approach to developing our Commonwealth Climate Disclosure targets and our Emissions Reduction Plan containing baseline data to be published following Board approval. The Commonwealth Risk Management Policy has been considered in our approach to risk, fraud and corruption.	Risk management and fraud and corruption control Emissions reporting	48, 115

Risk management climate disclosures

Table 27: Commonwealth Climate Disclosure Requirements summary for risk management and the Authority's response and cross-references

Criteria	Requirement summary	Response and cross-references	References	Page
R1(a)	Processes and related policies	Part 6 and Risk management and fraud and corruption control	Part 6: Environmental Performance Risk management and fraud and corruption control	109–118, 48
R1(a)i	The inputs and parameters used, including uncertainties	Part 6 and Risk management and fraud and corruption control. A source of uncertainty in our risk assessments arises from the recent establishment of the Authority, meaning we have no past impacts on our values at risk to consider.	Part 6: Environmental Performance Risk management and fraud and corruption control Climate risk management	109–118, 48, 111–112
R1(a)ii	How the nature, likelihood and magnitude of climate-related risk is assessed	They are assessed through the Climate Risk and Opportunity Management Program in conjunction with the Authority's enterprise risk management framework	Climate risk management	111–112
R1(a)iii	How climate-related risks are prioritised in relation to other types of risk	All risks to our organisation, including climate-related risks, were prioritised based on their residual risk rating against our Risk Appetite and Tolerance Statements, in accordance with the Commonwealth Risk Management Policy. The effects of our identified climate-related risks were assessed using the likelihood, consequence and severity criteria from our enterprise risk management framework.	Risk management and fraud and corruption control Climate risk management	48, 111–112
R1(a)iv	How the entity manages climate-related risks	Part 6 and Risk management and fraud and corruption control plans	Part 6: Environmental Performance Risk management and fraud and corruption control Climate risk management	109–118, 48, 111–112
R1(a)v	How the entity monitors climate-related risks	Part 6 and Risk management and fraud and corruption control plans	Part 6: Environmental Performance Risk management and fraud and corruption control Climate risk management	109–118, 48, 111–112

Criteria	Requirement summary	Response and cross-references	References	Page
R1(a)vi	If (and if so, how) the entity has changed its processes related to climate-related risks	This is the inaugural report on the Authority's climate-related risks and opportunities. As we continue to establish and embed our climate risk management processes, we expect these to evolve along with our level of risk maturity.	Climate governance, Climate risk management	110–112
R1(b)	The process used to identify, assess, prioritise, manage and monitor climate-related opportunities	Part 6 and Risk management and fraud and corruption control plans	Part 6: Environmental Performance Risk management and fraud and corruption control Climate risk management	109–118, 48, 111–112
R1(c)	How the processes for identifying climate-related risks and opportunities are integrated into and inform the entity's overall risk management process	The Authority Board receives regular reporting on risk, including an enterprise risk register, project risks of importance to the Board, and emerging risks. It also considers reviews by the ARC on the adequacy of the Authority's risk management systems and practices, and areas for improvement. Climate-related and non-climate-related risks and opportunities are considered together to inform the Authority's overall risk management processes.	Climate governance; Figure 3: Climate governance structure	111
R2(a)	Whether (and how) the entity implements Climate Risk and Opportunity Management Program (CROMP) processes	Part 6 and Risk management and fraud and corruption control plans	Part 6: Environmental Performance Risk management and fraud and corruption control Climate risk management	109–118, 48, 111–112

Strategy climate disclosures

Table 28: Commonwealth Climate Disclosure Requirements summary for strategy and the Authority's response and cross-references

Criteria	Requirement summary	Response and cross-references	References	Page
S1(a)–S1(b)	Disclosure of information of risks and opportunities and their effects	Achieved through S2–S4		
S2(a)	Identify the entity's material organisation climate-related risks and opportunities	Part 6	Part 6: Environmental Performance Climate strategy	109–118
S2(b)	Categorise each of the material risks and opportunities identified above as 'physical' or 'transition' risks	Part 6	Part 6: Environmental Performance Climate strategy	109–118
S2(c)	Identify the horizon (short, medium or long term) for which the effects of these risks and opportunities would be expected to occur	Part 6	Part 6: Environmental Performance Climate strategy	109–118
S2(d)	Define short, medium and long term and disclose the reason these definitions were selected	To align with the recommendations in the CROMP Organisation Application Guide, the Authority defines short term as 2030, the medium term as 2050 and the long term as 2090. In analysing our risks, we looked at present-day current emissions as well as low and medium emissions in the short term (2030).		
S3(a)	Climate Risk and Opportunity Management Program (CROMP) or alternative methodology	The Authority uses CROMP methodology for climate risk and opportunity assessments in full	Climate risk management	111–112
S4(a)	Description of current and anticipated effects of the risks and opportunities on the entity's operational model	Part 6	Part 6: Environmental Performance Climate strategy	109–118
S4(b)	A description of the concentration of the current and anticipated effects of the risks and opportunities	Part 6	Part 6: Environmental Performance Climate strategy	109–118

Metrics and targets climate disclosures

Table 29: Commonwealth Climate Disclosure Requirements summary for metrics and targets and the Authority's response and cross-references

Criteria	Requirement summary	Response and cross-references	References	Page
M0	Objective of category	Achieved through M1		
M1(b)	Information on greenhouse gases in accordance with M3	Achieved through M3	Emissions reporting	115
M1(c)	Information on targets and progress towards targets in accordance with M5–M9	See APS Net Zero Factsheet and Emissions reporting	Emissions reporting	115
M3(a)	Greenhouse gas emissions generated in tonnes CO ₂ e	See Emissions reporting	Emissions reporting	115
M3(b)	Greenhouse gas emissions approach, inputs, assumptions and methodologies	Not applicable. No target is in place for the 2024–25 financial year. These criteria will be included in our 2025–26 financial year disclosure once a target has been set.	Australian Public Service Net Zero 2030 target Emissions reporting	115
M3(e)	Scope 2 and 3 greenhouse gas emissions using location-based and market-based approaches for electricity-related greenhouse gas emissions	See Emissions reporting	Australian Public Service Net Zero 2030 target Emissions reporting	115
M3(f)	Confirmation of the scope 3 emissions categories included	See Emissions reporting	Australian Public Service Net Zero 2030 target Emissions reporting	115
M5	Quantitative and qualitative climate-related targets it has set to monitor progress towards these targets	See Emissions reporting. Achieved through M9.	Australian Public Service Net Zero 2030 target Emissions reporting	115
M6	Information about its approach to setting and reviewing each target identified in M5	See Emissions reporting. Achieved through M9.	Australian Public Service Net Zero 2030 Target Emissions reporting	115
M8	Scope of target including greenhouse gases included, scope of emissions sources included	See Emissions Reporting. Achieved through M9.	Australian Public Service Net Zero 2030 Target Emissions reporting	115
M9	In preparing M5–M8 disclosures, disclose information on the APS Net Zero 2030 target and sub-targets	See the APS Net Zero 2030 Target Factsheet. The targets and measures relevant to our entity as part of the Net Zero in Government Operations Strategy are set out in our publicly available Emissions Reduction Plan.	Australian Public Service Net Zero 2030 target Emissions reporting	115

Appendix 2: Other legislative requirements

Net Zero Economy Authority Act 2024

Section 74 of the *Net Zero Economy Authority Act 2024* (the Act) requires the Board to give information to the minister about specific operations of the Authority. Section 74(a) relates to directions issued by the minister under section 20 of the Act; and section 74(b) relates to the application of the Act as it relates to the needs and circumstances of communities, regions, industries and workers affected by the net zero transition.

There were no ministerial directions issued to the Authority under section 74(a) of the Act during 2024–25.

In accordance with section 74(b) of the Act, this annual report includes information on the operation of the Act during the reporting period, specifically in relation to the needs and circumstances of communities, regions, industries and workers significantly affected by Australia's transition to a net zero emissions economy.

Reporting against this requirement is embedded throughout the annual report, including:

- ◆ Part 1: Overview – Who we are and why we're here (p14): outlines the Authority's purpose and functions, including supporting workers, industries, and communities in transition.
- ◆ Spotlight on: Torrens Island Community of Interest process (pp15–16): describes engagement with workers and communities affected by the closure of Torrens Island B Power Station.
- ◆ The year in focus – Missions 1 and 2 (p20): details work to support workers in coal and gas facilities (Mission 1) and to support communities significantly affected by the transition (Mission 2).
- ◆ Spotlight on: In the Hunter with Business Hunter (pp22–23): highlights the Authority's role in supporting one of Australia's largest regional economies as it diversifies and transitions.
- ◆ Spotlight on: A future made in Collie (pp34–35): sets out the Authority's support for Collie's long-term economic transition as coal generation phases out.
- ◆ Key activities 2 and 3 (pp30–31): provide measurable outcomes on how the Authority supported workers and communities during the reporting period.

Together, these sections demonstrate how the Authority has responded to the needs of workers, communities, industries and regions during this reporting period, in line with statutory requirements.

Environment Protection and Biodiversity Conservation Act 1999

Environmental performance (EPBC Act Reporting)

In accordance with section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), the Net Zero Economy Authority (the Authority) reports on how its activities and operations accord with and contribute to the principles of ecologically sustainable development, the impacts of its activities on the environment, the measures taken to minimise those impacts, and mechanisms for reviewing and improving environmental performance.

Contribution to ecologically sustainable development

The Authority's purpose is to support Australia's transition to a net zero economy in a way that is fair, orderly and inclusive. By design, the Authority's functions are closely aligned with the principles of ecologically sustainable development:

- ♦ integration principle – the Authority integrates environmental, social and economic considerations in its advice to government, program design and funding decisions
- ♦ precautionary principle – the Authority applies risk-based decision-making, recognising that a lack of full scientific certainty should not delay measures to avoid environmental degradation
- ♦ intergenerational equity – programs are designed to enable long-term workforce and industry transformation that benefits future generations
- ♦ biodiversity conservation – decisions consider the need to maintain biodiversity values and minimise adverse impacts
- ♦ valuation of environmental resources – program and policy assessments include consideration of climate, emissions and environmental costs.

Environmental impacts of activities

The Authority is primarily a policy and program delivery agency and does not undertake activities with direct, large-scale environmental impacts. Its operational footprint is therefore limited. The principal impacts arise from:

- ♦ office operations – energy use, water consumption, paper use and waste generation
- ♦ business travel – staff travel associated with stakeholder engagement and program delivery
- ♦ indirect program impacts – environmental outcomes associated with funded programs and industry transition measures.

During the reporting year, the Authority's corporate services, including procurement and travel, were provided under the Department of the Prime Minister and Cabinet's (PM&C's) systems and policies. These policies incorporated sustainability considerations consistent with the Commonwealth Procurement Rules, including favouring suppliers with demonstrated environmental credentials.

Measures taken to minimise impact

During 2024–25 the Authority implemented measures to reduce its environmental footprint and to embed sustainability in its work. These included:

- ◆ supporting energy efficiency and waste reduction through recycling and e-waste initiatives
- ◆ promoting digital collaboration to reduce travel requirements
- ◆ providing program design and policy advice to facilitate achievement of Australia's greenhouse gas emissions reduction targets.

From 2025–26, following completion of the machinery of government transition, the Authority will implement and report against its own environmental sustainability policies and procurement framework.

Mechanisms for review and improvement

The Authority maintains oversight of its environmental performance through its governance and risk frameworks, including:

- ◆ reporting of environmental impacts (energy use, travel and procurement)
- ◆ integration of sustainability considerations into risk registers and program evaluation frameworks
- ◆ alignment with the Commonwealth's emerging climate disclosure requirements, which will inform future annual reporting
- ◆ ongoing review of sustainability practices through the Audit and Risk Committee, with continuous improvement actions identified and implemented.

Planned improvements for 2025–26 include enhanced data collection on office emissions and further integration of climate risk assessment into program design and corporate planning. Oversight of these matters is integrated with the Authority's governance structures, and broader detail is provided in Appendix 1: Climate disclosure index.

Work Health and Safety Act 2011

In 2025, the Authority has been preparing for the machinery of government change which will formally move employees in the Authority under section 72 of the *Public Service Act 1999* from being PM&C employees. As part of the transition process the Authority has been developing the work health and safety (WHS) system to ensure that transition will be seamless. The WHS system, including all relevant policies and procedures, will be developed in consultation with WHS representatives (including formally established health and safety representatives).

No investigations were conducted, and no notices were issued to the Authority under the WHS Act 2011 during 2024–25. Authority staff were covered by P&C’s WHS policies and had access to employee assistance arrangements.

Commonwealth Electoral Act 1918

During 2024–25, the Authority conducted one advertising campaign for the Net Zero Economic Transformation that meets the definition of advertising campaigns as per the Australian Government guidelines on information and advertising campaigns by non-corporate Commonwealth entities.

Further information on this advertising campaign is available on the PM&C website and in the reports on Australian Government advertising on the Department of Finance’s website: <https://www.pmc.gov.au/about-us/accountability-and-reporting/information-and-privacy>

No investigations were conducted, and no notices were issued to the Authority under the WHS Act 2011 during 2024–25. Authority staff were covered by P&C’s WHS policies and had access to employee assistance arrangements.

In accordance with section 311A of the *Commonwealth Electoral Act 1918*, payments of \$16,900 or more (inclusive of GST) to advertising agencies, market research organisations and media advertising organisations are set out in Table 30. The Authority did not make any payments to direct mail organisations or polling organisations.

Table 30: Campaign advertising and market research expenditure, 2024–25

Organisation	Purpose	Expenditure \$ * (GST Inc.)
Mediabrand Australia Pty Ltd	Advertising services	761,261
Embrace Society Pty Ltd	Multicultural communications	142,006
Cox Inall Ridgeway Pty Ltd	First Nations communications	276,100
Hall & Partners Pty Ltd	Evaluation market research	105,697

*Contract expenditure incurred by the Department of the Prime Minister and Cabinet prior to 11 December 2024 for contracts novated to the Authority on establishment is not included in this report.

Public Governance, Performance and Accountability Rule 2014

The Authority has complied with the reporting requirements of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule). This includes the requirement to provide the list of requirements and references to where found in this report (as set out in Schedule 2A and incorporated in this table).

PGPA Rule reference	Description	Requirement	Location in the report	Page
17AD(g) Letter of transmittal				
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report	Mandatory	Letter of transmittal	4
17AD(h) Aids to access				
17AJ(a)	Table of contents (print only)	Mandatory	Table of contents	1–3
17AJ(b)	Alphabetical index (print only)	Mandatory	Index	142–145
17AJ(c)	Glossary of abbreviations and acronyms	Mandatory	Appendix 3: Acronyms and glossary	140–141
17AJ(d)	List of requirements	Mandatory	Appendix 2: List of requirements	131–139
17AJ(e)	Details of contact officer	Mandatory	About this report	iv
17AJ(f)	Entity's website address	Mandatory	About this report	iv
17AJ(g)	Electronic address of report	Mandatory	About this report	iv
17AD(a) Review by accountable authority				
17AD(a)	A review by the accountable authority of the entity	Mandatory	Message from the Board	5–6
17AD(b) Overview of the entity				
17AE(1)(a)(i)	A description of the role and functions of the entity	Mandatory	Part 1: Overview - Who we are and why we're here	14
17AE(1)(a)(ii)	A description of the organisational structure of the entity	Mandatory	Part 1: Overview - Organisational structure	18
17AE(1)(a)(iii)	A description of the outcomes and programs administered by the entity	Mandatory	Part 1: Overview - Our outcome, and key activities	18–19

PGPA Rule reference	Description	Requirement	Location in the report	Page
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan	Mandatory	Part 1: Overview - Who we are and why we're here	14
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority	Mandatory	Part 3: Management and accountability - Accountable authority	40
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority	Mandatory	Part 3: Management and accountability - Board members	40
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory	Part 3: Management and accountability - Board members	40
17AE(1)(b)	An outline of the structure of the portfolio of the entity	Portfolio departments – mandatory	Part 1: Overview - Organisational structure	18
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, portfolio additional estimates statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change	If applicable, mandatory	Part 2: Our performance	27–28
17AD(c) Report on the performance of the entity				
Annual performance statements				
17AD(c)(i); 16F	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule	Mandatory	Part 2: Our performance - Annual performance statements	26–33
17AD(c)(ii) Report on financial performance				
17AF(1)(a)	A discussion and analysis of the entity's financial performance	Mandatory	Part 5: Financial performance	66
17AF(1)(b)	A table summarising the total resources and total payments of the entity	Mandatory	Part 5: Financial reporting - Resourcing tables	66–67
17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	If applicable, mandatory.	Not applicable	-

PGPA Rule reference	Description	Requirement	Location in the report	Page
17AD(d) Management and accountability				
Corporate governance				
17AG(2)(a)	Information on compliance with section 10 (fraud systems)	Mandatory	Part 3: Management and accountability – Risk management and fraud and corruption control	48
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared	Mandatory	Letter of transmittal	4
17AG(2)(b)(ii)	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place	Mandatory	Letter of transmittal	4
17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	Mandatory	Letter of transmittal	4
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory	Part 3: Management and accountability – Corporate governance	38–49
17AG(2)(d) – (e)	A statement of significant issues reported to minister under paragraph 19(1)(e) of the Act that relates to noncompliance with finance law and action taken to remedy noncompliance	If applicable, mandatory	Not applicable	-
Audit Committee				
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee	Mandatory	Part 3: Management and accountability – Audit and Risk Committee	46
17AG(2A)(b)	The name of each member of the entity's audit committee	Mandatory	Part 3: Management and accountability – Audit and Risk Committee	46–47
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee	Mandatory	Part 3: Management and accountability – Audit and Risk Committee	46–47
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings	Mandatory	Part 3: Management and accountability – Audit and Risk Committee	46–47

PGPA Rule reference	Description	Requirement	Location in the report	Page
17AG(2A)(e)	The remuneration of each member of the entity's audit committee	Mandatory	Part 3: Management and accountability - Audit and Risk Committee	46–47
External scrutiny				
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory	Part 3: Management and accountability - External scrutiny	49
17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	If applicable, mandatory	Part 3: Management and accountability - External scrutiny	49
17AG(3)(b)	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee or the Commonwealth Ombudsman	If applicable, mandatory	Part 3: Management and accountability - Parliamentary committee reports	49
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period	If applicable, mandatory	Not applicable	-
Management of human resources				
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	Mandatory	Part 4: Our people and culture	52
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: • statistics on full-time employees • statistics on part-time employees • statistics on gender • statistics on staff location	Mandatory	Part 4: Our people and culture - Staffing statistics and remuneration	58–63
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: • statistics on staffing classification level • statistics on full-time employees • statistics on part-time employees • statistics on gender • statistics on staff location • statistics on employees who identify as Indigenous	Mandatory	Part 4: Our people and culture - Staffing statistics and remuneration	58–63
17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common-law contracts and determinations under subsection 24(1) of the Public Service Act 1999	Mandatory	Part 4: Our people and culture - Staffing statistics and remuneration	52–53, 63

PGPA Rule reference	Description	Requirement	Location in the report	Page
17AG(4)(c)(i)	Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AG(4)(c)	Mandatory	Part 4: Our people and culture - Staffing statistics and remuneration	63
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level	Mandatory	Part 4: Our people and culture - Staffing statistics and remuneration	63
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees	Mandatory	Part 4: Our people and culture - Staffing statistics and remuneration	53
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay	If applicable, mandatory	Part 4: Our people and culture - Staffing statistics and remuneration	63
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level	If applicable, mandatory	Part 4: Our people and culture - Staffing statistics and remuneration	63
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level	If applicable, mandatory	Part 4: Our people and culture - Staffing statistics and remuneration	63
17AG(4)(d)(iv)	Information on aggregate amount of performance payments	If applicable, mandatory	Part 4: Our people and culture - Staffing statistics and remuneration	63
Asset management				
17AG(5)	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory	Not applicable	-
Purchasing				
17AG(6)	An assessment of entity performance against the Commonwealth Procurement Rules	Mandatory	Part 5: Financial reporting - Procurement and consultancy	103–106
Reportable consultancy contracts				
17AG(7)(a)	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory	Part 5: Financial reporting - Reportable consultancy contracts	103–105

PGPA Rule reference	Description	Requirement	Location in the report	Page
17AG(7)(b)	A statement that "During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]"	Mandatory	Part 5: Financial reporting - Reportable consultancy contracts	103
17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged	Mandatory	Part 5: Financial reporting - Reportable consultancy contracts	103
17AG(7)(d)	A statement that "Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website."	Mandatory	Part 5: Financial reporting - Reportable consultancy contracts	103
Reportable non-consultancy contracts				
17AG(7A)(a)	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory	Part 5: Financial reporting - Reportable non-consultancy contracts	104–105
17AG(7A)(b)	A statement that "Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website."	Mandatory	Part 5: Financial reporting - Reportable non-consultancy contracts	105
17AD(daa) Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts				
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts	Mandatory	Part 5: Financial reporting - Reportable non-consultancy contracts	104–105

PGPA Rule reference	Description	Requirement	Location in the report	Page
Australian National Audit Office access clauses				
17AG(8)	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract	If applicable, mandatory	Part 5: Financial reporting - Australian National Audit Office access	106
Exempt contracts				
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters	If applicable, mandatory	(Not applicable) Part 5: Financial reporting - Exempt contracts	106
Small business				
17AG(10)(a)	A statement that "[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and medium enterprises and small enterprise participation statistics are available on the Department of Finance's website."	Mandatory	Part 5: Financial reporting - Procurement initiatives to support small and medium enterprises	106
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	Part 5: Financial reporting Procurement initiatives to support small and medium enterprises	106
17AG(10)(c)	If the entity is considered by the department administered by the finance minister as material in nature—a statement that "[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."	If applicable, mandatory	Not applicable	-

PGPA Rule reference	Description	Requirement	Location in the report	Page
Financial statements				
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act	Mandatory	Part 5: Financial reporting Financial performance 2024–25	70–102
Executive remuneration				
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 23 of the Rule	Mandatory	Part 4: Our people and culture - Key management personnel	55–56
17AD(f) Other mandatory information				
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”	If applicable, mandatory	Appendix 2: Other legislative requirements Commonwealth Electoral Act 1918	130
17AH(1)(a)(iii)	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, mandatory	Not applicable	-
17AH(1)(b)	A statement that “Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”	If applicable, mandatory	Not applicable	-
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information	Mandatory	Part 4: Our people and culture - Diversity and inclusion	52
17AH(1)(d)	Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found	Mandatory	Part 3: Management and accountability - Freedom of information and Information Publication Scheme	49
17AH(1)(e)	Correction of material errors in previous annual report	If applicable, mandatory	Not applicable	-

PGPA Rule reference	Description	Requirement	Location in the report	Page
17AH(2)	Information required by other legislation	Mandatory	Appendix 2: Other legislative requirements	128–129
	• <i>Environment Protection and Biodiversity Conservation Act 1999</i> • <i>Work Health and Safety Act 2011</i> • <i>Commonwealth Electoral Act 1918</i>		<i>Environment Protection and Biodiversity Conservation Act 1999</i>	
			<i>Work Health and Safety Act 2011</i>	130
			<i>Commonwealth Electoral Act 1918</i>	130

Appendix 3: Abbreviations and acronyms

ABN	Australian Business Number
ACT	Australian Capital Territory
ACTU	Australian Council of Trade Unions
AO	Officer of the Order of Australia
AM	Member of the Order of Australia
APS	Australian Public Service
ARC	Audit and Risk Committee
(the) Authority	the Net Zero Economy Authority
CA	Chartered Accountant
CA ANZ	Chartered Accountants Australia and New Zealand
CEO	Chief Executive Officer
CROMP	Commonwealth Risk and Opportunities Management Program
EIJP	Energy Industry Jobs Plan
EL	Executive Level
ELT	Executive Leadership Team
ESG	Environmental, Social and Governance
FOI	Freedom of Information
GST	Goods and Services Tax
IPS	Information Publication Scheme
NBN Co	National Broadband Network Company
NSW	New South Wales
NZEA	Net Zero Economy Authority
NZEA Act	the <i>Net Zero Economy Authority Act 2024</i>
PGPA Act	the <i>Public Governance, Performance and Accountability Act 2013</i>
PM&C	the Department of the Prime Minister and Cabinet
SES	Senior Executive Service
WA	Western Australia
WHS	Work Health and Safety

Glossary

Authority	Net Zero Economy Authority
Board	The accountable authority of the Net Zero Economy Authority
First Nations	Aboriginal and Torres Strait Islander peoples and communities
Panel	Stakeholder Panel of the Net Zero Economy Authority
minister	Minister for Industry and Innovation
Clean energy	Energy sources that produce little to no pollution or greenhouse gas emissions during their operation
CA ANZ	Chartered Accountants Australia and New Zealand. A peak body representing financial professionals across Australia and New Zealand

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Australian Government



**Net Zero
Economy**
Authority

T (02) 6271 5079

Ngunnawal Country
Charles Perkins House
16 Bowes Place, Woden ACT 2606
PO Box 1267 CANBERRA ACT 2600

netzero.gov.au

