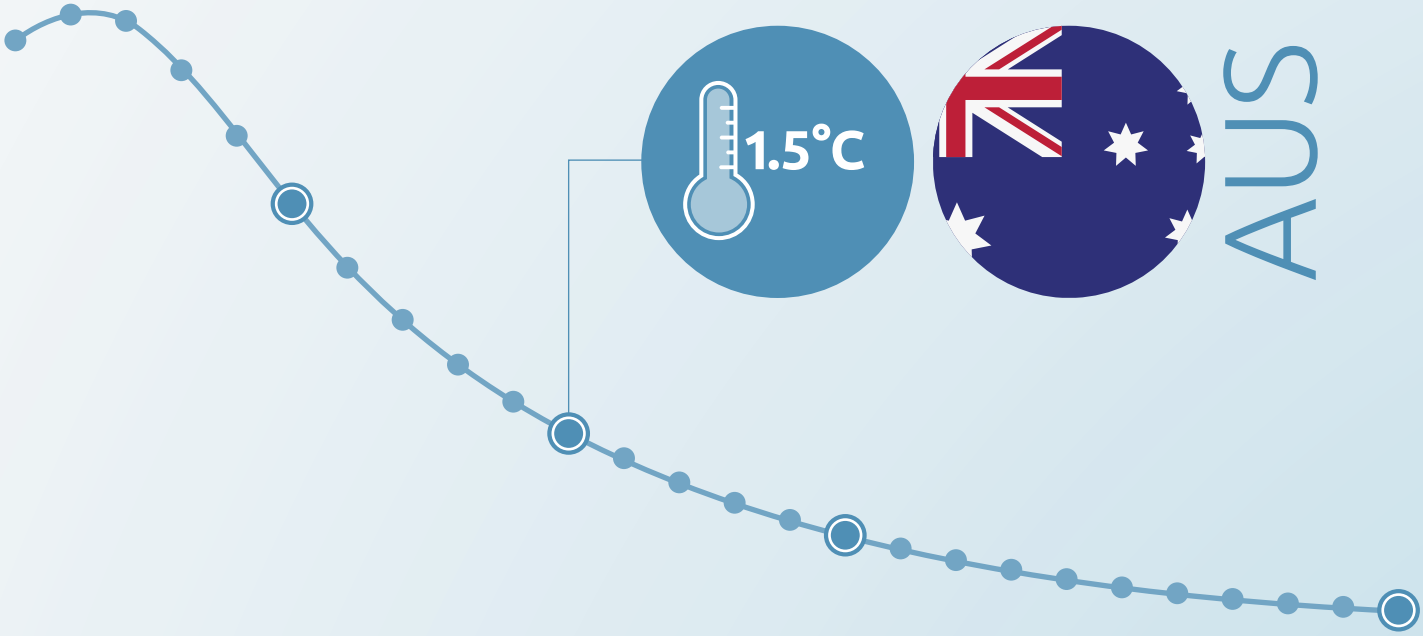
Climate Action Tracker



Climate Action Tracker

1.5°C-compatible climate action and targets: Australia

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CLIMATE ANALYTICS
NEW CLIMATE INSTITUTE
IESR Institute for Essential Services Reform

AUSTRALIA

As the third largest fossil fuel exporter, Australia's exported emissions were already more than two times its total domestic emissions in 2022, and its exported emissions almost doubled between 2010 and 2022.

Together with domestic emissions, Australia's total greenhouse gas footprint adds to about 4.5% of global fossil fuel CO_2 emissions. While its economy is heavily reliant on fossil fuel exports, Australia does have significant wind and solar energy potential. As a candidate to host COP31, Australia should lead by example putting forward a 1.5°C compatible 2035 NDC target, significantly strengthen its 2030 target, and ensure that its policies and actions put it on track to achieve its climate commitments.

Australia's 2030 NDC commits to a 43% reduction in emissions below 2005 levels (including LULUCF) by 2030 and net zero by 2050, targets that are now enshrined in law. However, these targets are not aligned with a 1.5°C pathway. For 2030, a 1.5°C compatible target would require at least a 60% reduction below 2005 levels (including LULUCF), or 41% excluding LULUCF. Australia's current target, due to constant re-quantification of the land sector's contribution, is only equivalent to a 23% reduction when excluding LULUCF, highlighting a significant ambition gap.

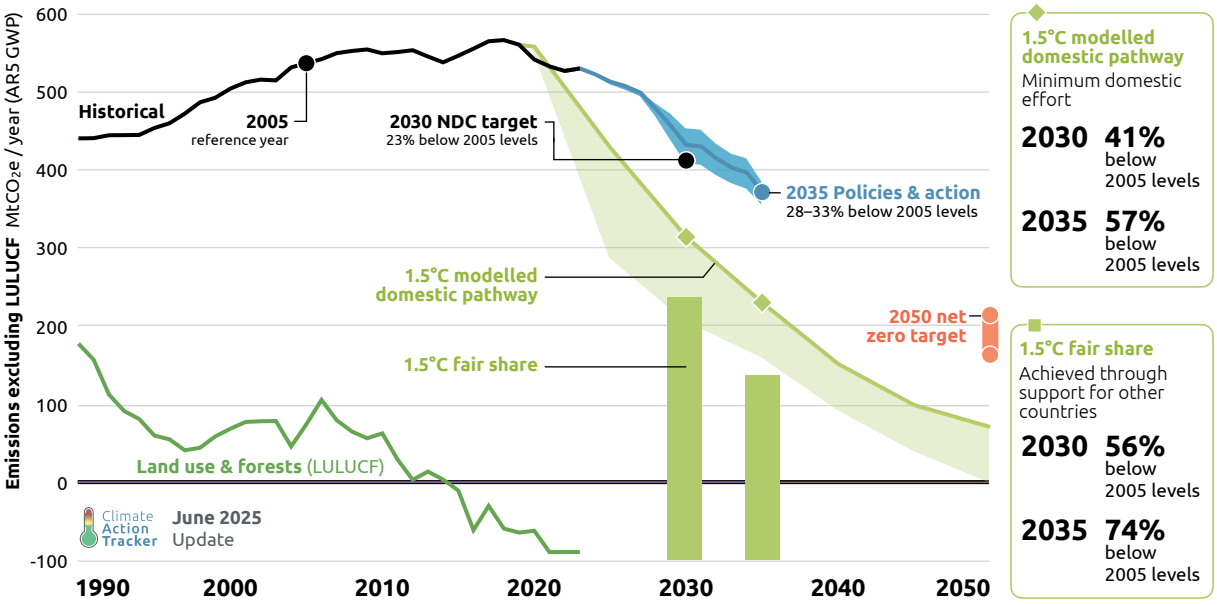
Current policy projections indicate that Australia will fall short of meeting its 2030 target unless it implements stronger policies, particularly in the industry and transport sectors, and ensures the 2030 nationwide on-grid 82% renewable target is met by addressing obstacles hindering renewables rollout. The country's reliance on domestic offsets, carbon capture and storage (CCS), and "technology breakthroughs," rather than direct emission cuts, further undermines the credibility of Australia's pathway to net zero.

Australia's continued expansion of fossil fuel exports and domestic gas production is fundamentally at odds with its climate ambitions.

The government's recent approval of the Woodside Energy North West Shelf fossil gas expansion, which might allow one of the world's largest liquefied natural gas projects to operate until 2070, directly contradicts the Global Stocktake's goal of transitioning away from fossil fuels that Australia signed onto.

The government's campaign to host COP31 should be matched by urgent and concrete action to phase out fossil fuels, increase renewable energy investment, and address the mismatch between rhetoric and reality.

1.5°C-compatible NDC targets for 2030 and 2035



AUSTRALIA	2030	2035
INCLUDING land use & forests	Emissions reductions from 2005 levels	
1.5°C modelled domestic pathway	**60%**	**76%**
EXCLUDING land use & forests		
1.5°C modelled domestic pathway	**41%**	**57%**

Australia's overreliance on land sector emissions sequestration obscures its underwhelming efforts to reduce emissions from fossil fuels (both production and combustion) and industrial processes. Current policy projections indicate that Australia's 2030 emissions will be 411-454 $MtCO_2e$ (excl. LULUCF) or 15-23% below 2005 levels, whereas they need to fall to 315 $MtCO_2e$ (excl. LULUCF) or at least 41% below 2005 levels to be compatible with 1.5°C modelled domestic pathway (MDP).[1]

The gap between current policies and a 1.5°C compatible pathway widens even further when looking at 2035. To be in line with our 1.5°C MDPs in 2035, Australia's emissions would need to fall to 76% below 2005 levels from all sectors, or 57% below 2005 excluding LULUCF.

For Australia to contribute its fair share to limiting warming to 1.5°C, it would need to provide support for emission reductions internationally for developing countries. Expressed in emission reduction terms this would be equivalent of further emissions reductions to 56% below 2005 levels by 2030, and 74% below 2005 levels by 2035 (excluding LULUCF for both).

We have expressed the fair share contribution in these emission reduction terms to convey the scale of support that is needed. In practical terms, this means that a country could do more than the MDP levels indicated above for domestic reductions, but most of the effort would need to come from support provided internationally.

Entry points to increasing climate action

To align with a 1.5°C pathway and raise the ambition of its climate commitments, Australia could do the following**:**

Strengthen its 2030 and 2035 targets with a separate target for LULUCF: Australia must decrease its reliance on LULUCF sequestration by implementing ambitious policies in other economic sectors. Australia not only needs to submit an upgraded 1.5°C aligned 2030 target and a new 2035 1.5°C compatible NDC in 2025 but also needs to set targets for genuine emissions reductions from its economy without relying on highly uncertain estimates from the land sector. It should introduce full transparency with respect to its land sector modelling and revisions by submitting an NDC that has a separate LULUCF target.

Stop supporting the fossil fuel industry: Australia increased its subsidies to fossil fuel producers and major users by around 30% from 2022/23 to 2023/24 to a total of around AUD 14.5bn, and budget estimates indicate this will further increase. Australian governments, state and federal, need to cease this support and stop other administrative and political support for coal and gas projects, halt new developments, and establish a framework to shift away from fossil fuel production and exports, in line with global net zero goals.

Accelerate the phase-out of fossil fuelled power generation: Federal and state governments need to streamline regulatory approvals that are slowing investment in large-scale renewable generation and storage, accelerate grid modernisation and expansion, incentivise demand-side management, and plan for the phase-out of coal by 2030 and gas-fired plants by the mid-2030s – including off-grid – in a fair and just way.

1 For further information on the CAT methodology, please see modelled domestic pathways and fair share.

Foster the decarbonisation of the transport, buildings, agriculture, and waste sector: Beyond power, the Australian government should accelerate the deployment of electric vehicles, public transport planning, incentives for modal shift, and transition pathways for heavy mobility, as well as implementing just and fair policies for sectors it has neglected so far, like buildings, agriculture and waste.

Transition Australia's industry to future-oriented, low-carbon exports: Australia needs to decarbonise its industry by exploiting its vast renewables potential and mineral resources without backing false solutions such as offsets and carbon capture and storage.

Increase climate finance and support: As a developed country, Australia should scale up climate finance and technical support for developing countries, contributing its fair share to the global response to climate change.

For further details on Australia's climate targets and actions, please see our Australia assessment.

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CAT The Consortium

The Climate Action Tracker (CAT) is an independent scientific analysis produced by two research organisations tracking climate action since 2009. We track progress towards the globally agreed aim of holding warming well below 2°C, and pursuing efforts to limit warming to 1.5°C.

climateactiontracker.org

Climate Analytics is a non-profit institute leading research on climate science and policy in relation to the 1.5°C limit in the Paris Agreement. It has offices in Germany, the United States, Togo, Australia, Nepal and Trinidad and Tobago.

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NewClimate Institute is an independent non-profit organisation that develops solutions to tackle climate change and drives their implementation worldwide. Through research, policy advice and knowledge sharing, we aim to raise the ambition for climate action and support sustainable development.

newclimate.org

Institute for Essential Services Reform (IESR) is an energy and environment focused think-tank that aims to accelerate the energy transition by supporting sustainable mobility, green economy, and well designed climate change policy. IESR has experience mainly in Indonesia, but is expanding its focus to work in other regions and countries.

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