

# Australia: Policy Developments and COP27

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## I. Australia — positions of relevance to the UNFCCC process

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### A. Overview

- ❖ With a population of 26m, Australia accounts for 1% of the world's emissions, while Australians rank eight highest for emissions per capita. Australians [rank first for coal power emissions per capita](#).
- ❖ Coal is Australia's largest energy resource. Australia is currently the fifth largest producer, the second largest exporter of coal, and has the third largest reserves of coal in the world.
- ❖ Australia's reliance on coal power has led to a lack of investment in renewable energy, despite its enormous potential in solar, wind energy, and green hydrogen.
- ❖ Australia has placed efforts to expand its renewable energy export capacity. Scheduled projects, such as the [Sun Cable project](#) and [Western Green Energy](#) hub, have the potential to significantly decrease carbon emissions in the APAC region.
- ❖ Mining is now the largest contributor to Australia's economy (accounting for 10 per cent of GDP), it is Australia's largest source of export income (with a new record high AUD413 billion in resources exports last financial year) and supports over 1.1 million jobs at mine sites and in supply chains across the country.
- ❖ The Albanese government has signaled an intent to accelerate net-zero commitments. On the 14<sup>th</sup> of September, it passed the Climate Change Act 2022 and the Climate Change (Consequential Amendments) Act 2022 (Consequential Amendments Act). These acts seek to reduce net GHG emissions to 43% below 2005 levels by 2030; and reduce net GHG emissions to [zero by 2050](#). Despite its symbolic nature, the bill does not include sustainability mechanisms such as carbon pricing and emissions trading.
- ❖ However, the Albanese government has come under criticism by environmentalists for supporting natural gas expansion, such as the [Narrabi gas project](#), a \$3.5billion dollar that will increase supply by half of New South Wales' current gas consumption.

### B. Nationally Determined Contribution (NDC)

- ❖ Under Article 4 of the Paris Agreement, the new Australian Government under Labor leader Anthony Albanese communicated an updated NDC in June 2022, increasing its ambition and committing to reducing GHG emissions 43% (up from a previous 26%–28% target) below 2005 levels by 2030.
- ❖ It puts Australia on track to achieve net zero emissions by 2050.

- ❖ Key measures include:
  - AUD20bn investments to upgrade the electricity grid to accelerate its decarbonisation
  - AUD3bn in a new *National Reconstruction Fund* to support renewables manufacturing and the development of low emissions technologies
  - A *Powering the Regions Fund* to support the development of new clean energy industries and the decarbonisation
  - Declining emissions baselines for major emitters (see also below)
  - The application of new standardised and internationally-aligned reporting requirements for climate risks and opportunities.

## II. Australia climate change bill

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### A. Ambition

- ❖ Australia's climate change bill reflects its NDC communicated to the UNFCCC, with GHG emissions reductions of 43% from 2005 levels by 2030 and reach net zero emissions by 2050.
- ❖ Despite the increase in its reduction target, Australia's ambition remains below that of the EU, UK, US.
- ❖ The Albanese Government — in particular — stopped short of banning new fossil fuel projects (e.g., gas fields and coal mines) in Australia.
- ❖ An existing *Safeguard Mechanism* subjects facilities emitting more than 100,000 tonnes of carbon dioxide per year, to keep emissions below an emissions baseline limit. Reforms to the mechanism are proposed to meet international commitments:
  - Large emitters could have to reduce their GHG emissions gradually by 3.5 to 6% p.a.
  - By July 2023 trading will be allowed under the new system.
  - The bill does not include mechanisms pertaining to carbon pricing and emissions trading.

## III. Australia — effects of climate change

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### A. Early impact

Australia is already suffering from the very real effects of extreme climate related events.

- ❖ [Australian lands have warmed by 1.4°C](#), while heat extremes have increased. Rising heat extremes are projected to continue.
- ❖ Multiplication of bushfires — worst fires devastated Eastern Australia in 2019 — and floods.
- ❖ High water temperature led to unprecedented bleaching of coral in the Great Barrier Reef.
- ❖ [Since 2016](#), many of Australia's water storages have fallen below 10%, resulting in adverse impacts upon fish climates.
- ❖ Extreme events such as cyclones, blizzards, and heatwaves are projected to continue with projected temperature rises.