



Australian Government

Department of Climate Change, Energy,
the Environment and Water

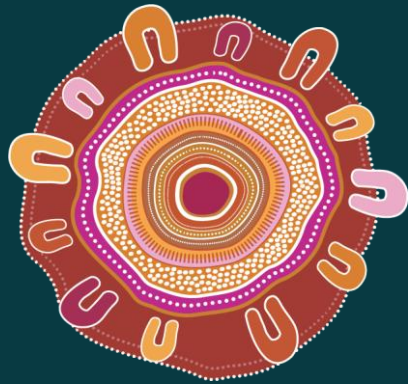
The critical 'hard to achieve' policy challenges facing Australia

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6 February 2024

AARES24 Pre-conference workshop





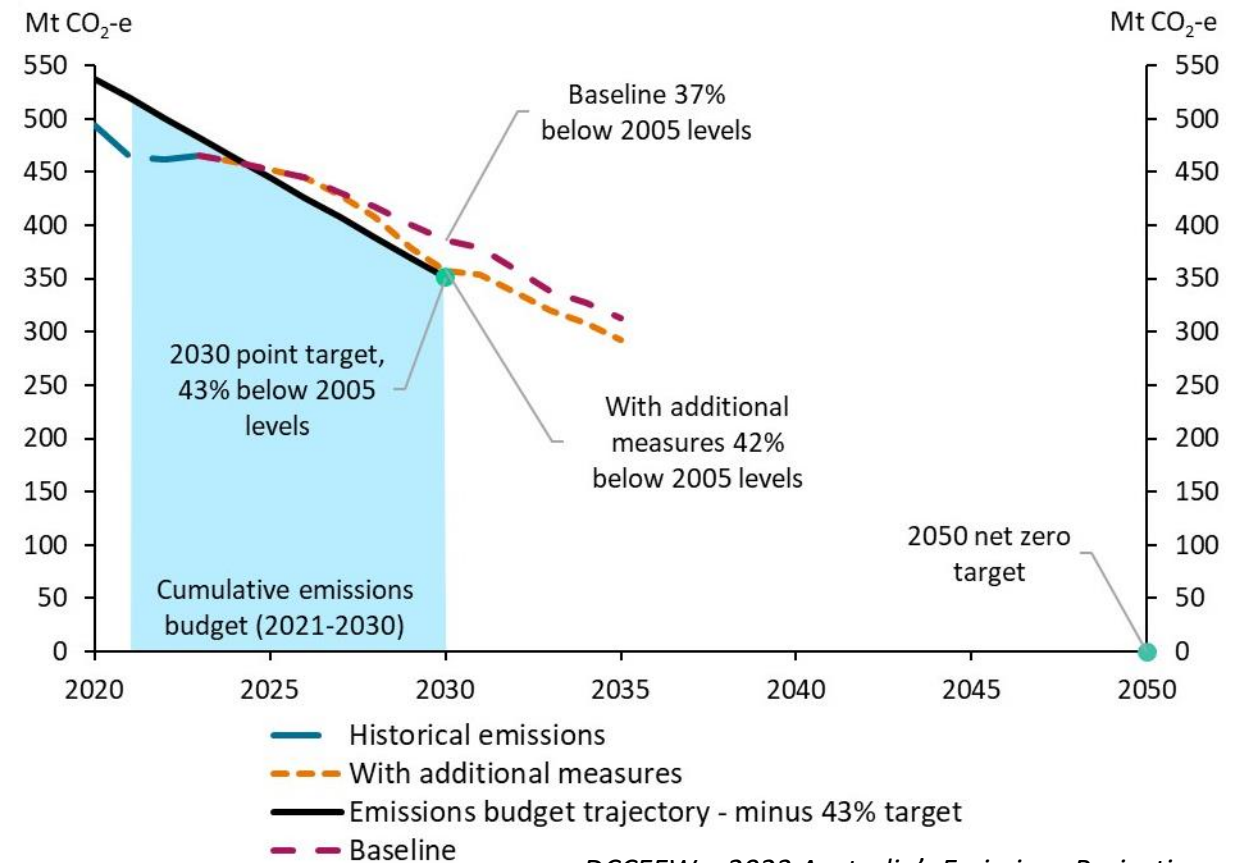
We acknowledge the Traditional Owners of Country throughout Australia and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past and present.



Current Outlook









Australia is making good progress – but there's still much more to do to get to net zero

- Current and in-development measures have us tracking close to our 2030 target
- The government has committed to develop six sectoral decarbonisation plans:
 1. Electricity and energy
 2. Industry
 3. Resources
 4. The built environment
 5. Agriculture and land
 6. Transport



Progress and outlook, by sector

Some sectors have already peaked, and most are projected to decline to 2035. We're turning the ship around!

Emissions Sources	Trend since 2005	Trend to 2035 (vs 2023)	Key policies
 Electricity	Down 22%	Down 79%	RET to 2020; 82% Renewables by 2030; Capacity Investment Scheme; Rewiring the Nation
 Stationary energy (ex. Electricity)	Up 26%	Down 20%	Safeguard Mechanism
 Transport	Up 19%	Down 18%	National Electric Vehicle Strategy; New Vehicle Efficiency Standards for light vehicles
 Agriculture	Down 4%	Down 2.5%	R&D, ACCU scheme
 Fugitive	Up 11%	Down 17%	Safeguard Mechanism
 Industrial processes and product use	Up 7.5%	Down 39%	Safeguard Mechanism; Montreal Protocol
 Waste	Down 13%	Down 1%	ACCU scheme; landfill regulation; recycling & circular economy
 LULUCF	Down 179%	Up 11%	ACCU scheme; land clearing controls; changes in native forestry

DCCEEW (2023) Quarterly update: June 2023, 2023 Emissions Projections

Some of the 'hard to achieve' challenges (and opportunities) facing Australia

Initiatives are in place, but more needs to be done

1



Driving energy efficiency and demand-side change

- Trajectory for Low Energy Buildings
- Greenhouse and Energy Minimum Standards (GEMS)
- National Energy Performance Strategy...

2



Electrification and Low Carbon Fuels (inc. hydrogen)

- Safeguard Mechanism
- Future Gas Strategy...
- Transport roadmap and action plan...

3



Changing export profile to take up global demand opportunities

- Global clean energy economy
- Critical Minerals Strategy
- Hydrogen Headstart
- Renewable Energy Superpower...

4










Managing competition for resources (e.g. land)

- Independent Review of ACCUs (Chubb)
- Community Engagement Review (Dyer)
- Nature Positive reforms...

Framing these challenges

Policy responses must identify and address the right part of the problem

	 Implementation	 Social Licence	 Technology
 Driving energy efficiency	<ul style="list-style-type: none">• Enabling Infrastructure	<ul style="list-style-type: none">• Equitable benefit sharing	<ul style="list-style-type: none">• Incentives to adopt new technologies
 Electrification and Low Carbon Fuels (inc. hydrogen)	<ul style="list-style-type: none">• Regulatory architecture• Financing	<ul style="list-style-type: none">• Clear engagement and communication	<ul style="list-style-type: none">• Market readiness
 Changing export profile for global demand opportunities	<ul style="list-style-type: none">• Skilled workforce• Supply chains	<ul style="list-style-type: none">• Manage impacts from the transition	<ul style="list-style-type: none">• R&D support
 Managing competition for resources	<ul style="list-style-type: none">• Market design		



Contact us

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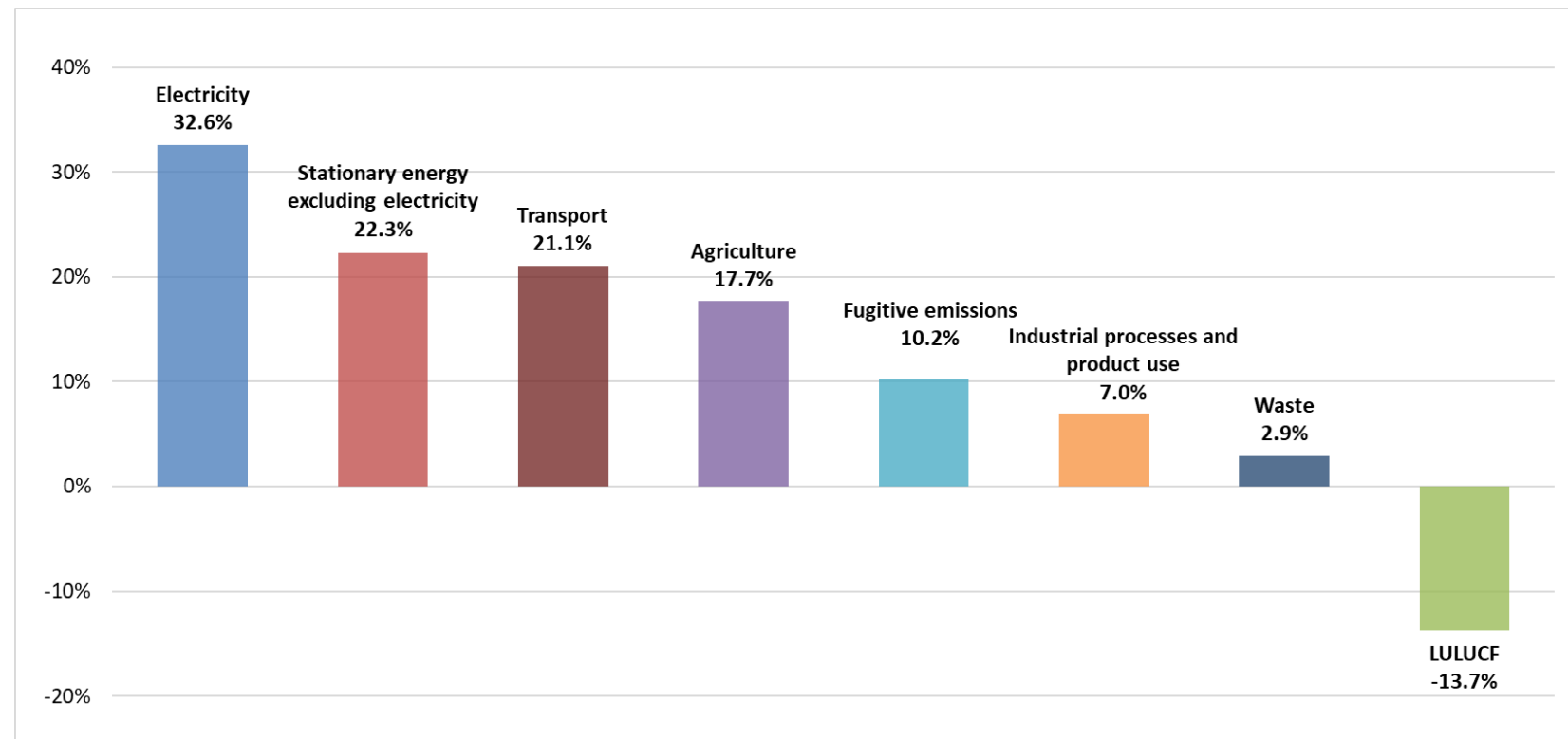
Australia's emission sources

All sectors must broaden & accelerate emission reductions to reach net zero by 2050

National emissions are around **465Mt** (year to June 2023)

- Electricity accounts for largest share
- Stationary energy (for heat and steam), transport and agriculture all around 20%
- Land sector is net sink, offsetting about 14% of total

Emissions in the year to June 2023 were **24.5% below 2005 levels.**



DCCEEW (2023), Figure 4, Quarterly update: June 2023