



Australian Government

Department of Climate Change, Energy,
the Environment and Water

National Climate Policy Reforms

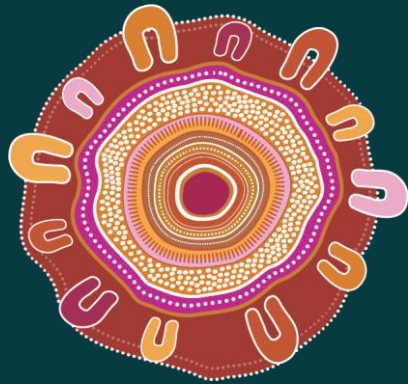
Priorities for 2024

Kath Rowley

14 March 2024

AEBN Annual National Conference on
Environment, Climate Change and
Energy





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.



COP28 Outcomes

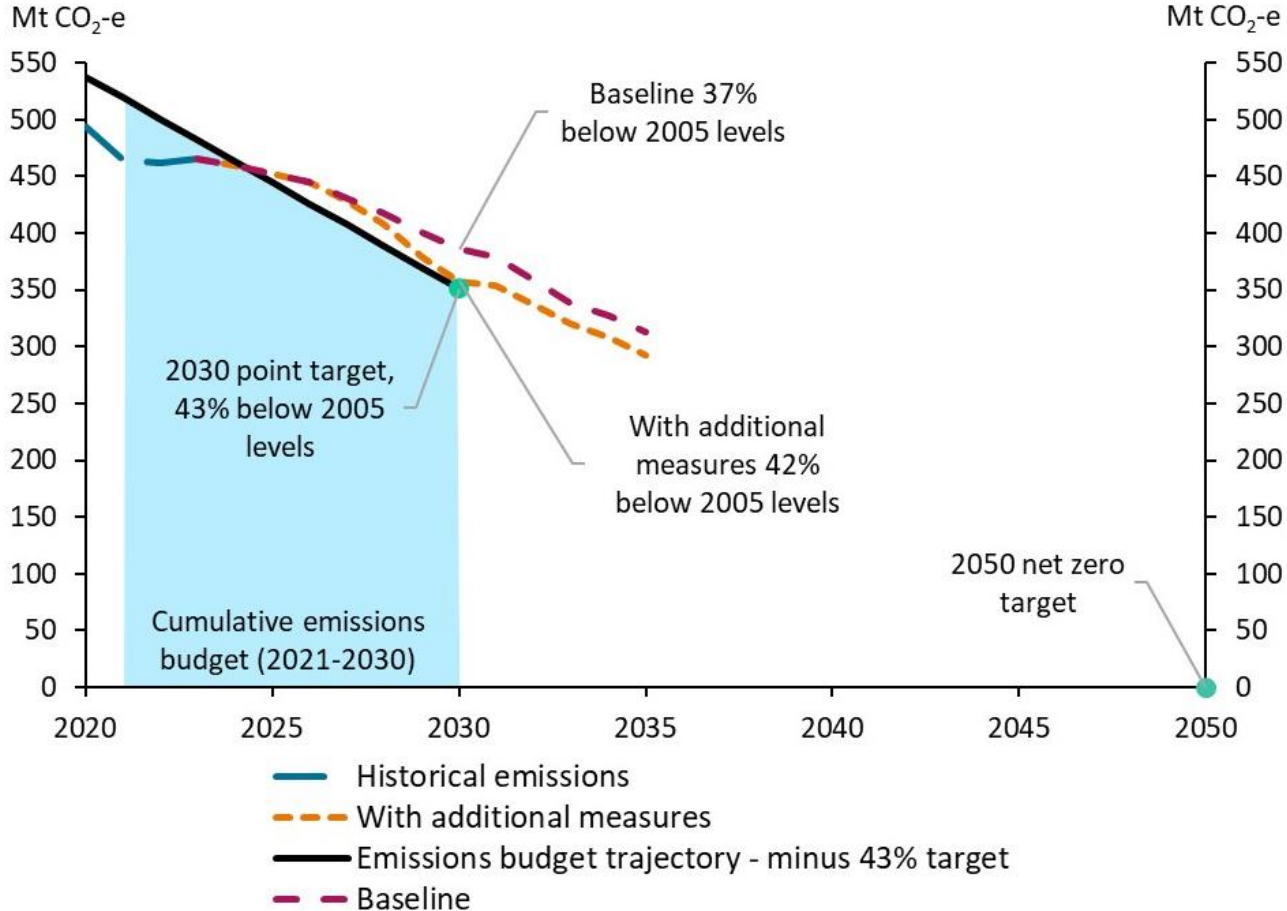
- COP28 outcomes were significant and included a collective commitment to:
 - A tripling of global renewable generation capacity
 - a doubling in the rate of annual energy efficiency improvements by 2030
 - and transition away from fossil fuels in energy systems
- Global momentum is building on climate change - both emissions reduction and adaptation.



Minister Bowen addresses a packed house at the Australian Pavilion at COP28

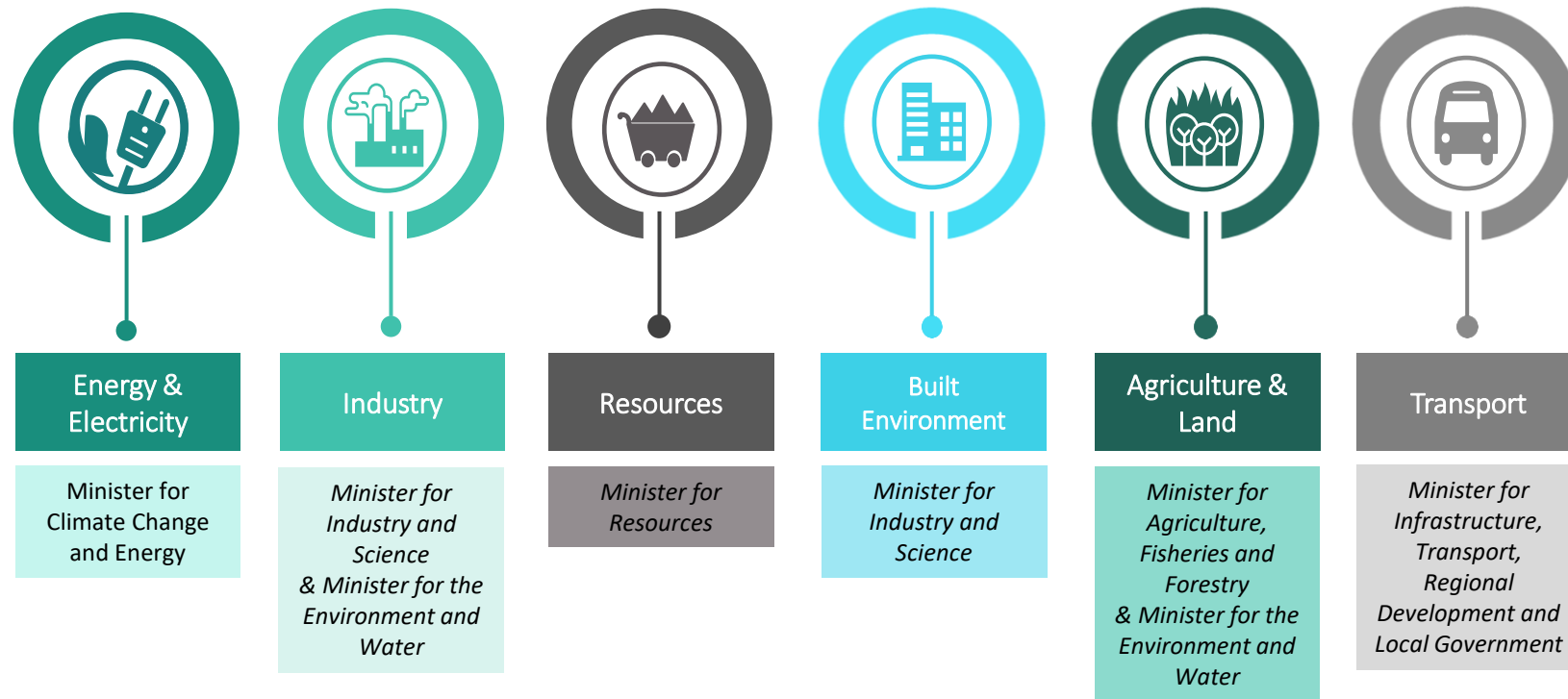
Australia – current state and outlook

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



Net Zero Plan

The Australian Government is developing a national Net Zero Plan, including a 2035 emissions reduction target, supported by six Sectoral Decarbonisation Plans that cover all major sectors of the Australian economy:



The waste sector will be included in the industry plan, and circular economy will be a cross-cutting topic across all sectors of the economy.

Net Zero Plan

Sectoral Plans will be informed by:

- Engagement with industry, environmental groups, experts, unions, communities and all levels of government.
- Advice from the Treasury and,
- Advice from the independent Climate Change Authority (CCA) on Sectoral Pathways and the 2035 Target.

Stakeholder engagement is well underway with further activities anticipated in the first half of 2024.

- CCA will publish consultation paper to seek public submission on the authority's approach to analysing sectoral pathways and their latest thinking on emissions reduction targets in April 2024.

Corporate climate-related financial disclosure

- Australia's largest companies and financial institutions will be required to report publicly on their climate-related risks and opportunities
- Reporting will cover
 - Material climate-related risks and opportunities
 - Governance processes, controls and procedures
 - Metrics and targets (including scope 1, 2 and 3 emissions)
 - Scenario analysis and resilience assessments
 - Transition plans
- Legislation being finalised for introduction to Parliament

For any questions please contact:

climatereportingconsultation@treasury.gov.au

New Vehicle Efficiency Standard

- The Government has committed to deliver a New Vehicle Efficiency Standard for Australia.
- Efficiency standards are common around the world to encourage vehicle suppliers to sell cleaner cars.
- Consultation on the Government's preferred settings for a Standard closed in early March 2024.
- Seeking to introduce legislation ASAP, to enable implementation by 1 Jan 2025.

Why do we need a New Vehicle Efficiency Standard?

Currently



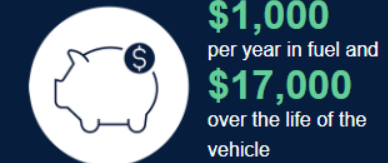
New cars in Australia use **20%** more fuel than those in the US



Transport emissions will become the largest source of greenhouse gas emissions by 2030, if we do nothing

The Australian Government's New Vehicle Efficiency Standard design will mean

In 2028, you could save around



\$5 billion
in health benefits from reduction in air pollution by 2050

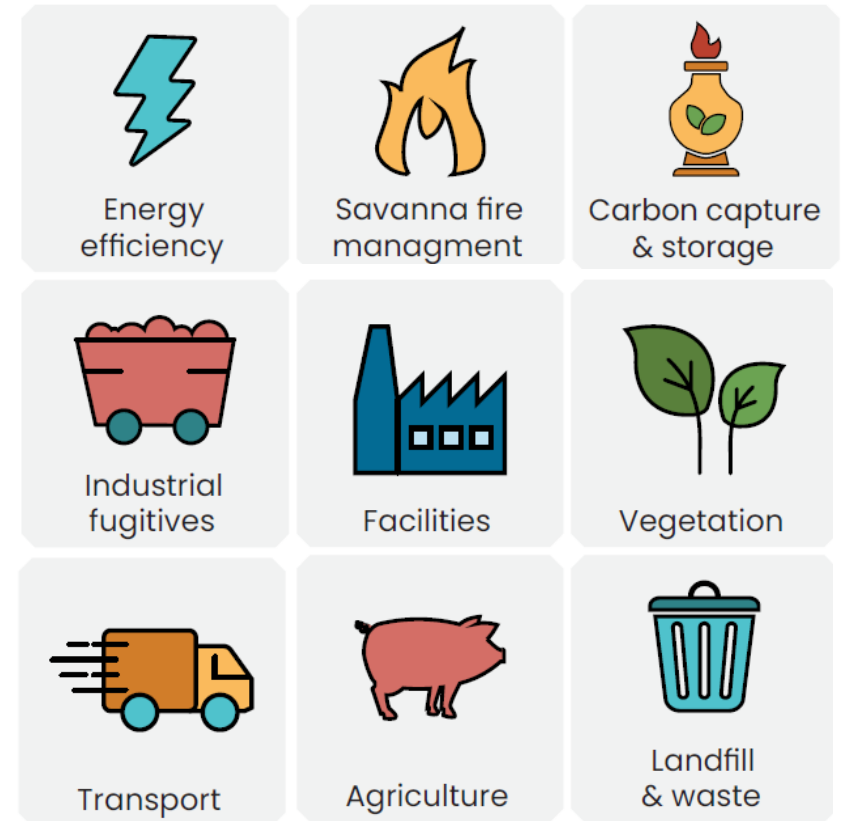
By 2050, a reduction of



369 million tonnes of carbon emissions

Australian Carbon Credit Unit (ACCU) Scheme

- The voluntary scheme has been in operation since 2012
 - It provides incentives to adopt new practices and technologies to reduce emissions or store carbon.
 - Participants earn ACCUs which can be sold to private buyers (including Safeguard facilities) or the government.
- All ACCU projects must follow an approved method.
 - There are over 30 methods across all sectors of the economy .
- 1,791 projects registered, over 141 million ACCUs issued (as at 1 March 2024)
- The Australian Government is implementing reforms to the ACCU Scheme, following an Independent Review led by Professor Ian Chubb in 2022.



ACCU Review implementation

Implemented

- ✓ Interim governance arrangements including a full time Chair and a First Nations member for the Emissions Reduction Assurance Committee
- ✓ Published carbon estimation areas
- ✓ Audit program of Human-induced regeneration projects
- ✓ Avoided deforestation method revoked
- ✓ Climate Active (removal of 20% ACCU use requirement)

Progressing

- New method development process
- Maximising transparency
- Integrity Committee functions
- Native Title holder consent requirements
- Scheme principles
- Changes to *Carbon Credits (Carbon Farming Initiative) Act 2011* Act changes flowing from previous Climate Change Authority reviews and administrative needs
- Role of government purchasing

Next Steps

Consultation on:

- Accrediting and/or regulating carbon service providers
- Building capacity of First Nations, land managers, regional and remote communities to participate in the Scheme
- Aligning with broader environmental reforms including the Nature Repair Market
- Improving data management - accessible and searchable content
- Recognising co-benefits

Powering the Regions Fund

The Powering the Regions Fund (PRF) aims to:

- Decarbonise existing industries
- Foster new clean energy industries
- Developing associated workforces
- Funding continued purchase of ACCUs

Funding Announcements:

- \$200m awarded to BlueScope and Liberty Steel to help maintain domestic primary steel production critical to the ambition for Australia to become a renewable energy superpower.
- For example, the funding to Liberty will help them transition from using a tradition coal powered blast furnace to an electric arc furnace.



Open PRF Funding Streams

The Safeguard Transformation Stream (STS)

- Open to trade-exposed Safeguard Mechanism facilities, with **\$300m** in grant funding available in round 1.
- The next assessment commence on 1 May 2024, with another assessment scheduled for 1 November 2024. Second funding round is scheduled to open in 2025
- More information on business.gov.au

The Industry Transformation Stream (ITS)

- Open to regional facilities reporting under NGERs to support scope 1 and 2 emission reductions, with **\$400m** in grants available
- Delivered by ARENA through a two-stage application process. Round 1 will run until late 2024.
- More information at arena.gov.au

Contact us

Kath Rowley

Kath.Rowley@dceew.gov.au

Emissions Reduction Division Executive Team

emissions.reduction.coordination@dceew.gov.au