

2.8

INTRODUCTION TO CLIMATE CHANGE

Australia's emissions reduction target and adaptation plan

Important notice

This unit is part of a package of learning materials designed to support understanding of foundational concepts relating to climate-related financial disclosures. These learning materials do not constitute application or regulatory guidance for the preparation of climate-related financial disclosures and are not intended to represent legal or professional advice. We encourage you to seek your own professional advice to find out how the Corporations Act 2001 (Corporations Act) and other relevant laws may apply to you and your circumstances, as it is your responsibility to determine your obligations and comply with them.



Key topics

- › Nationally Determined Contribution
- › Adaptation Plan
- › National mitigation and adaptation policies

Relevance for climate-related disclosures

Understanding national emissions reduction policies and adaptation plans can support entities to understand and identify climate-related risks and opportunities.

In this unit you will learn about Australia's national climate policies and plans at a high level, including Australia's Nationally Determined Contribution (NDC) under the Paris Agreement. This may help you to understand Australian policy drivers of climate-related risks and opportunities for entities. Module 2, Unit 4 provides information about the Paris Agreement (an important international agreement on climate change).

Overview

The Australian Government has set targets, strategies and policies for climate mitigation and climate adaptation (see Module 2, Unit 5 for an explanation of these terms).

Australia's national emissions reduction target, which forms part of our Nationally Determined Contribution (NDC) to the Paris Agreement, aims for a 62-70% reduction in emissions by 2035 (from 2005 levels). Alongside this, the Net Zero Plan brings together Australia's existing mitigation policies and sector plans for emissions reductions across six key sectors – electricity and energy, agriculture and land, built environment, industry, resources and transport.

Australia's national adaptation efforts are currently outlined in the 2025 National Adaptation Plan.

As a signatory to the Paris Agreement, Australia is required to submit an updated NDC every five years, with the 2035 NDC submitted in 2025. Countries are also encouraged to submit and update periodically an adaptation communication. (See Module 2, Unit 5 for more information on the Paris Agreement's objectives and requirements).



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What is Australia's Nationally Determined Contribution?

As part of the Paris Agreement, Australia is required to regularly submit an updated climate action plan, or Nationally Determined Contribution (NDC). At the core of an NDC is a national emissions reduction target. A new NDC needs to be submitted every five years to the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat. The first round of NDCs was submitted in 2015, the second round in 2020 and the third round in 2025.

Current Nationally Determined Contribution

Australia's latest NDC was submitted to the UNFCCC in September 2025. The current 2035 NDC target is a 62-70% reduction in net national greenhouse gas emissions below 2005 levels by 2035 and net zero by 2050.¹

Key domestic emissions reduction policies and plans

In September 2025, the Australian Government released the Net Zero Plan to set out how Australia will implement the transition to net zero.

The Net Zero Plan focuses on five priorities:

- › **Clean** electricity across the economy.
- › **Lowering** emissions by electrification and efficiency.
- › **Expanding** clean fuel use.
- › **Accelerating** new technologies.
- › **Net carbon** removals scaled up.²

The Net Zero Plan is supported by the Australian Government's six sector emissions reduction plans (outlined in Table 1) and emissions reduction policies which support the Net Zero Plan's five 'CLEAN' priorities (detailed policies outlined in Module 4 Unit 2).

Table 1: Summary of sector plans^{3,4,5,6,7,8}

Sector	Description
Electricity and energy	The Electricity and Energy plan focuses on energy performance, the supply of electricity, liquid fuels and gas. <ul style="list-style-type: none">› the pathway to 2050 includes three shifts: energy efficiency, electrify and fuel-switch to take advantage of cleaner and cheaper energy sources, and scaling the clean energy supply› there are three broad phases of this transformation: reducing electricity sector emissions to reach 82% renewable generation (from now to 2030), continuing to decarbonise transport, built environment and industry (2030 to 2035) and accelerating the switch to clean energy sources for all energy users (2035 to 2050)
Agriculture and land	The Agriculture and Land plan focuses on livestock, cropping, on-farm energy use, fisheries, forestry and land use. There are three strategic objectives: <ul style="list-style-type: none">› remain global leaders in low-emissions food and fibre production› support diverse landscapes and balance agricultural production with carbon storage and nature repair› benefits to regional communities, producers and land managers including First Nations peoples from decarbonisation of agriculture and land
Built environment	The Built Environment plan focuses on residential, commercial and public buildings, urban open spaces and water infrastructure. The plan has three outcomes: <ul style="list-style-type: none">› emissions reduction through a low-emissions and low-energy built environment to support Australia's targets

	<ul style="list-style-type: none"> › climate resilience and liveability through a built environment that is fit for purpose, liveable, provides thermal comfort and is resilient to a changing climate › a fair and equitable transition where no one is left behind
Industry	<p>The Industry plan focuses on nine industrial subsectors: alumina and aluminium; cement and concrete; chemicals and plastics; food and beverages; iron and steel; manufacturing and additional industries; refining and smelting of other metals; pulp, paper and paperboard; and waste and resource recovery. The plan has three principles:</p> <ul style="list-style-type: none"> › meaningfully reduce emissions › maintain and grow competitive industries › deliver a just and equitable transition <p>This is underpinned by collaboration across governments, industry and the community to: upgrade energy performance, electrify, use alternative fuels and inputs and develop new technologies.</p>
Resources	<p>The Resources plan focuses on oil and gas extraction, processing, liquefaction, coal mining and processing, mining and processing of metallic and non-metallic minerals, resource exploration and support services. The plan has three objectives:</p> <ul style="list-style-type: none"> › position Australia as a leading global supplier of low-emissions commodities › accelerate technology development and attract strategic investment › lead a fair and equitable transition <p>This is underpinned by three decarbonisation pillars: reducing fuel combustion emissions; reducing fugitive emissions and scaling up carbon management technologies.</p>
Transport	<p>The Transport plan focuses on light and heavy road transport, rail, maritime, aviation, including transport infrastructure's embodied emissions.</p> <ul style="list-style-type: none"> › The plan has five guiding principles: maximise emissions reduction; provide value for money; maximise economic opportunity; be inclusive and equitable; and be evidence-based. › The plan incorporates an 'avoid, shift and improve' framework that identifies opportunities for abatement (mitigation); avoid the need for transport; shift to lower emissions modes of transport and improve fuel efficiency.

What is Australia's Adaptation Communication?

Under the Paris Agreement, Parties are also encouraged to submit and update an adaptation communication, including information on the country's priorities, implementation and support needs, plans and actions. (See Module 2, Unit 5 for a definition of adaptation).

Australia's most recent Adaptation Communication was submitted at the 26th UN Climate Change Conference of the Parties (COP26) in 2021 in Glasgow, Scotland.

Current Adaptation Communication

The current Adaptation Communication (2021)⁹ includes four parts:

1. National circumstances, institutional arrangements and legal frameworks
2. National adaptation plans and decision tools
3. Australia's domestic adaptation actions
4. Australia's international adaptation actions

National Adaptation Plan

The National Adaptation Plan¹⁰ was released in September 2025. It supersedes the National Climate Resilience and Adaptation Strategy 2021-2025, which was submitted with the Adaptation Communication in 2021. The National Adaptation Plan 'is a framework for adapting to the physical climate risks that are nationally significant.'⁵

The National Adaptation Plan's vision is that 'Australia's economy, society, and natural and built environments, are resilient to the increasing risks of climate change. As a country, the adaptation actions we take are effective and coordinated, maximise co-benefits, and are undertaken by those most able to manage the risk - at the right level of government, business or in households.'⁵

The Plan sets out three principles to prioritise Australian Government action:

- › targeted - focused on nationally significant risks and risks affecting groups that are disproportionately vulnerable to the impacts of climate change
- › evidence-based - benefits outweigh the costs and success can be measured
- › collaborative - place-based and inclusive.

The Plan highlights a four-step cycle for adapting to climate change:

1. understand and assess (fulfilled by the National Climate Risk Assessment, more information in Module 3)
2. prioritise and plan (the National Adaptation Plan)
3. adapt and respond (in progress)
4. monitor change (in progress)

It outlines roles and responsibilities for the Australian Government, state and territory governments, local governments, and industry, business, households and community organisations.

The Plan also identifies priorities, existing actions underway and future priorities across seven key systems, including:

- › economy, trade and finance
- › infrastructure and built environment
- › natural environment
- › primary industries and food
- › health and social support
- › communities - urban, regional and remote
- › defence and national security.

Key takeaways:

- › Australia's current Nationally Determined Contribution (NDC) includes a 62-70% emissions reduction by 2035 (from 2005 levels).
- › The Australian Government's Net Zero Plan outlines key climate mitigation policies across five priority areas and six key sectors
- › Australia's adaptation strategy is outlined in its 2025 National Adaptation Plan.

¹ Department of Climate Change, Energy, the Environment and Water (2025) [International Climate Action](#)

² Department of Climate Change, Energy, the Environment and Water (2025) [Net Zero Plan](#)

³ Department of Climate Change, Energy, the Environment and Water (2025) [Electricity and Energy Sector Plan](#)

⁴ Department of Agriculture, Fisheries and Forestry (2025) [Agriculture and Land Sector Plan](#)

⁵ The Treasury (2025) [Built Environment Sector Plan](#)

⁶ Department of Industry, Science and Resources (2025) [Industry Sector Plan](#)

⁷ Department of Industry, Science and Resources (2025) [Resources Sector Plan](#)

⁸ Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (2025) [Transport and Infrastructure Net Zero Roadmap and Action Plan](#)

⁹ Department of Climate Change, Energy, the Environment and Water (2022) [Australia's Adaptation Communication](#)

¹⁰ Department of Climate Change, Energy, the Environment and Water (2025) [National Adaptation Plan](#)