



Australia's Intended Nationally Determined Contribution to a new Climate Change Agreement | August 2015

I. Australia's commitment

Australia wants the United Nations climate change conference in Paris to deliver a strong and effective new global climate change agreement, applicable to all UNFCCC Parties.

Australia has a strong record of meeting our commitments, and we are on track to meet our 2020 target. Our direct action policy, including the Emissions Reduction Fund, is supporting businesses and the community to reduce emissions, while improving productivity and sustaining economic growth.

Australia will continue to play our part in an effective global response to climate change. Under a Paris Agreement applicable to all, Australia will implement an **economy-wide target to reduce greenhouse gas emissions by 26 to 28 per cent below 2005 levels by 2030**. The details of Australia's contribution are set out in the attachment to aid transparency, clarity and understanding.

Australia's target is unconditional based on assumptions set out in the attachment. We will implement the 28 per cent target should circumstances allow, taking into account opportunities to reduce emissions and factors such as the costs of technology. Australia reserves the right to adjust our target and its parameters before it is finalised under a new global agreement should the rules and other underpinning arrangements of the agreement differ in a way that materially impacts the definition of our target.

II. A fair and ambitious contribution to deliver the Convention's objective

Australia's intended nationally determined contribution is an ambitious, fair and responsible contribution to global efforts toward meeting the objective of the UNFCCC with the goal of limiting global average temperature rise to below two degrees Celsius.

The target is a significant progression beyond Australia's 2020 commitment to cut emissions by five per cent below 2000 levels (equivalent to 13 per cent below 2005 levels). The target approximately doubles Australia's rate of emissions reductions, and significantly reduces emissions per capita and per unit of GDP, when compared to the 2020 target. Across a range of metrics, Australia's target is comparable to the targets of other advanced economies. Against 2005 levels, Australia's target represents projected cuts of 50 to 52 per cent in emissions per capita by 2030 and 64 to 65 per cent per unit of GDP by 2030.

The target represents serious and ambitious effort for Australia. This effort takes account of Australia's unique national circumstances, including a growing population and economy, role as a leading global resources provider, our current energy infrastructure, and higher than average abatement costs. The target places Australia on a stable pathway towards longer term emissions reductions in the context of future global action and technological innovation.

III. Planning processes towards achieving Australia's target

Australia's Emissions Reduction Fund supports Australian businesses to reduce emissions while improving productivity. The first auction under the Fund was held in April 2015, and successfully purchased over 47 million tonnes of abatement at an average price of AU\$13.95. The Government is finalising a safeguard mechanism to ensure emissions reductions purchased under the Fund are not offset by significant rises in emissions elsewhere in the economy. Australia has additional policy measures in place to promote the deployment of renewable energy and improve energy efficiency. Under Australia's Renewable Energy Target scheme, over 23 per cent of Australia's electricity will come from renewable sources by 2020.

The Australian Government is working to build climate resilience and support adaptation to climate change. Australia will develop a National Climate Resilience and Adaptation Strategy during 2015.

The Australian Government is commencing the development of a range of policies that will reduce emissions into the post-2020 period, including a National Energy Productivity Plan with a National Energy Productivity Target of a 40 per cent improvement between 2015 and 2030, the investigation of opportunities to improve the efficiency of light and heavy vehicles, and the enhanced management of synthetic greenhouse gas emissions under ozone protection laws and the Montreal Protocol.

Building from these measures, the Australian Government will in 2017-2018 undertake consultation to determine further post-2020 domestic emissions reduction policies. The Government will ensure that policies used in the post-2020 period are efficient and complementary with one another, and are appropriately calibrated towards achieving Australia's 2030 target. As a part of this process, the Government will consider a potential long term emissions reduction goal for Australia, beyond 2030, taking into account international trends and technology developments.

Attachment: Australia's intended nationally determined contribution

Target: 26 to 28 per cent below 2005 levels by 2030

<i>Reference point</i>	
Base year	2005
<i>Time frames</i>	
Period covered	2021 – 2030
<i>Scope and Coverage</i>	
Target type	Absolute economy-wide emissions reduction by 2030, to be developed into an emissions budget covering the period 2021-2030
Gases covered	Carbon dioxide (CO ₂); Methane (CH ₄); Nitrous oxide (N ₂ O); Hydrofluorocarbons (HFCs); Perfluorocarbons (PFCs); Sulphur hexafluoride (SF ₆); Nitrogen trifluoride (NF ₃)
Sectors covered	Energy; Industrial processes and product use; Agriculture; Land-use, land-use change and forestry; Waste
% of base year emissions covered	100 per cent of greenhouse gas emissions and removals in Australia's national greenhouse gas inventory
<i>Assumptions and methodological approaches for emissions estimates and accounting</i>	
Metrics	Australia intends to apply 100 year Global Warming Potentials (GWPs) as contained in inventory reporting guidelines, currently IPCC Fourth Assessment Report 100 year GWPs, or as otherwise agreed.
Emissions estimation methodology	Australia intends to apply the IPCC 2006 Guidelines and IPCC 2013 Revised Supplementary Methods, or as otherwise agreed.
Accounting approach	Australia intends to account based on UNFCCC inventory reporting categories using a net-net approach. Australia will apply IPCC guidance for treatment of natural disturbance and variation. Australia's INDC assumes that accounting provisions under the Paris agreement will: <ul style="list-style-type: none"> - Preserve the integrity of the agreement by ensuring claimed emissions reductions are genuine and are not double counted; and - Recognise emissions reductions from all sectors.
Australia reserves the right to adjust our target and its parameters before it is finalised under a new global agreement should the rules and other underpinning arrangements of the agreement differ in a way that materially impacts the definition of our target.	