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Target Practice

How Australian Governments game their climate targets to conceal their lack of climate action

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INTRODUCTION

Since 1992, when Australia went to the Rio Earth Summit and agreed to play its role in reducing global greenhouse gas emissions, the country has increased both its domestic emissions and its exports of coal and gas. While Australia has participated in 29 'Conference of the Parties' (or COPs) of the United Nations Framework Convention on Climate Change (UNFCCC), no Australian Government has ever even considered an end to subsidies for, or approvals of, new gas and coal mines.

Australia's ability to simultaneously claim that it is acting on climate change while also subsidising and approving major new fossil fuel projects, stems from the way successive Australian Governments have been able to focus public and international attention on emissions reduction targets that are arbitrary and poorly defined. These targets place no obligation on current governments to act – the hard work can be done by some future Australian Government. This strategy has worked for decades, and looks set keep working with the recent announcement of 2035 targets.

I like to call this strategy 'the game of percents'. The announcement of a 2035 target of between 62% and 70% has, as intended, generated significant political debate about a vague goal ten years hence, and ensured that there is little scrutiny of Australia's lack of climate action in the present.

Played well, the game of percents can ensure that the entire national debate about 'climate ambition' can be dreamed in terms of future policies and future technologies, while current decisions that increase emissions for the benefit of favoured groups can continue. Some examples include:

- Subsidies for major fossil fuel users, particularly the Fuel Tax Credit Scheme, which costs over $10 billion per year and mainly benefits the mining industry;
- Approvals for new gas and coal mines (the fugitive and processing emissions from which contribute nearly 20 percent of Australia's total emissions);
- Subsidising large luxury utes and SUVs;
- Building new gas-fired power stations like the 'Hunter Power Project' at Kurri Kurri in the NSW Hunter Valley.

Reversing any of these policy positions would have far more impact on emissions in the short to medium term than setting a particular percentage target in 2035, but they have been almost entirely overlooked in recent climate policy debate as all sides engaged in the game of percents.

While long term goals have a role to play in national policy making, they are meaningless without short term action. Despite decades of debate about Australia's climate targets, few people understand how vague and arbitrary these targets are, and how they obscure the fact that Australia lags behind most of the world when it comes to decarbonising the economy. The following sections highlight some of the more obvious problems with Australia's target setting.

TOTALLY BASED

Central to the 'game of percents' is the selection of a 'base year' against which emission reductions are to be measured. Australia currently uses a 'base year' of 2005, a selection that was not an accident. It is the perfect year to make it look Australia has achieved a lot, while actually doing very little.

Australia used to set its targets against 1990 levels, the year before the world met at Rio to commit to tackling climate change. 1990 made some sense as a 'base year' for comparison as it gave a sense of emission levels before new action was undertaken. But as Australia's emissions grew steadily through the 1990s, using 1990 as a baseline made it obvious that Australia was not reducing emissions. How embarrassing.

In 2015, the Abbott Government signed the Paris Agreement using a 'base year' of 2005. This year was chosen because Australia's emissions were very high in 2005, partly due to high levels of land clearing in Queensland and NSW at that time.

The Abbott Government knew this and, in fact, in 2015 Australia's emissions were already lower than they were 2005. By choosing a base year with historically high emissions, Coalition could happily 'commit' to reducing emissions relative to 2005 levels, precisely because the nation's emissions had already fallen.

Unsurprisingly, the Albanese Government has maintained the 2005 base year as it too benefits from saying emissions are lower now than they were then, but emissions since the Albanese Government was elected in 2022 have barely declined.

2005 EMISSIONS JUST KEEP RISING

Back in 2015, when Australia made the pledge to reduce emissions by 26-28% compared to 2005 levels, Australia told the world our 2005 emissions were 597.4 million tonnes (Mt), as shown in Figure 1 below.

Figure 1: Extract from Australian Government 2017 Submission to the UNFCCC

Sector and Subsector	Emissions Mt CO_2-e				Per cent change
	1990	2005	2014	2015	2005-2015
1 Energy (combustion + fugitive)	293.9	398.9	408.6	419.6	5.2
Stationary energy	195.4	278.7	274.9	279.8	0.4
Transport	61.4	81.6	93.0	95.2	16.6
Fugitive emissions from fuel	37.1	38.5	40.7	44.5	15.6
2 Industrial processes and product use	26.1	32.1	32.4	32.3	0.8
3 Agriculture	80.2	76.2	72.8	70.0	-8.1
5 Waste	19.7	14.1	12.0	11.4	-19.3
Total net emissions (excluding LULUCF)	**419.8**	**521.4**	**525.8**	**533.3**	**2.3**
4 Land use, land use change and forestry	159.5	76.2	1.0	-7.7	-110.1
Total net emissions (including LULUCF)	**579.3**	**597.4**	**526.8**	**525.6**	**-12.0**

Source: Department of the Environment and Energy (2017) *National Inventory Report 2015*, https://www.dcceew.gov.au/sites/default/files/documents/national-inventory-report-2015-volume-1.pdf

But in the 2023 greenhouse gas inventory (published in 2025), the Australian Government now says that 2005 emissions were 611.9Mt, as shown in Figure 2:

Figure 2: Extract from Australian Government 2023 Submission to the UNFCCC

UNFCCC classification sector and subsector	Net emissions (Mt CO_2- e)							Per cent change in emissions in 2022–23 since:		
	1989–90	2004–05	2009–10	2014–15	2019–20	2021–22	2022–23	1989–90	2004–05	2021–22
1 Energy (combustion + fugitive)	297.3	402.5	421.9	421.8	419.3	397.1	398.0	33.8	-1.1	0.2
Stationary energy	195.7	277.9	288.2	277.9	271.3	258.4	252.5	29.0	-9.1	-2.3
Transport	61.2	81.8	88.4	94.9	92.7	89.5	96.6	57.9	18.1	7.9
Fugitive emissions from fuel	40.5	42.8	45.4	49.0	55.3	49.2	48.9	20.9	14.3	-0.5
Carbon capture and storage	NO	NO	NO	NO	0.01	0.0003	0.0023	NA	NA	579.3
2 Industrial processes and product use	25.1	30.1	33.5	30.5	31.9	32.9	33.0	31.4	9.5	0.3
3 Agriculture	94.2	86.7	76.7	80.1	73.8	79.6	82.4	-12.6	-5.0	3.5
4 Land use, land use change and forestry	180.7	76.9	68.4	-5.0	-60.6	-83.0	-73.7	-140.8	-195.8	11.2
5 Waste	23.5	15.7	16.0	12.7	13.5	14.0	13.8	-41.2	-12.2	-1.8
Total net emissions	**620.9**	**611.9**	**616.6**	**540.1**	**477.7**	**440.6**	**453.4**	**-27.0**	**-25.9**	**2.9**

Source: Department of Climate Change, the Environment, Energy and Water (2025) *National Inventory Report: 2023*, https://www.dcceew.gov.au/sites/default/files/documents/national-inventory-report-2023-volume-1.pdf

By retrospectively increasing 2005 emissions it becomes easier to claim more ambitious emissions reduction targets. To see this, imagine you ate 10 biscuits last week and you committed to eat 10% fewer biscuits next week compared to last week. That means that you should only eat 9 biscuits next week, but if you 'realise' after you made your promise to eat 10 percent less biscuits next week that you actually ate 20 biscuits last week then you can now eat 18 biscuits next week, and still meet your 'target'.

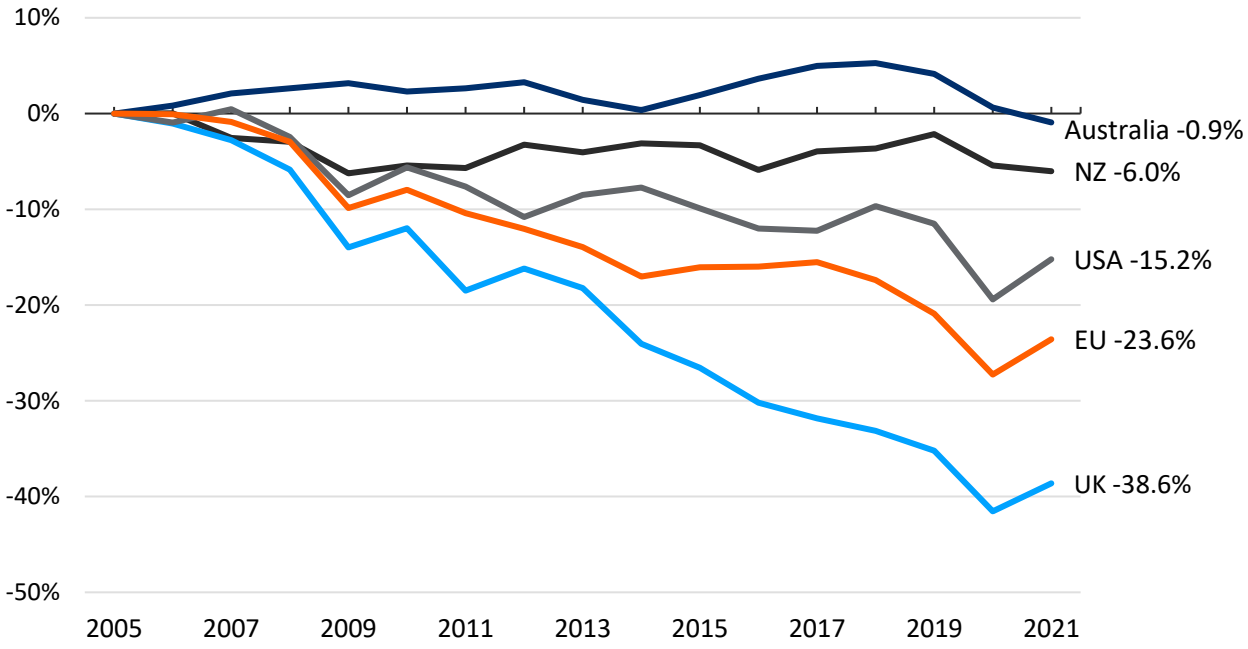
An easy way to highlight how arbitrary the base year selected by Australian governments is to look at the base years used by other countries. All of the EU counties including Germany, France and Italy use the 1990 base year, as does the UK and Russia. Japan uses 2013, Korea uses 2018, Israel uses 2015 and Saudi Arabia uses 2019.

AUSTRALIA IS BETTER AT ACCOUNTING TRICKS THAN DECARBONISING

While the Albanese Government talks about its efforts to decarbonise the Australian economy, the current Labor Government, like its Coalition predecessors, relies heavily on accounting tricks to claim progress on emissions reduction.

Aside from the selection of a high base year, discussed above, another favourite trick is in estimates of the number of trees storing carbon, to 'reduce' Australia's emissions. Indeed, as Figure 3 shows below, when emissions from 'Land Use, Land Use Change and Forestry' are excluded from the analysis, Australia has barely reduced emissions at all. The country lags well behind other developed countries when it comes to actually decarbonising the economy.

Figure 3: Change in non-land sector emissions relative to 2005-2021– selected countries



Source: UNFCCC (2022) Time series – Annex I, https://di.unfccc.int/time_series

Figure 3 shows that Australia's has not reduced emissions in any meaningful way. This should come as no surprise given that Australia has no policies to get the largest vehicles off our roads, no policies to stop new gas and coal mines (which emit large amounts of fugitive emissions), still subsidises fossil fuel use and extraction and has a 'Safeguard Mechanism' that does not prevent actual emissions from rising (see below).

'SAFEGUARD MECHANISM' REWARDS COMPANIES WITH INCREASING EMISSIONS

Like Australia's emission reduction targets, The Albanese Government's so called 'Safeguard Mechanism' is also based on arbitrary 'baselines' for large polluters. Under this policy, if a company reduces its emissions below its baseline it can sell 'Safeguard mechanism credits' to other polluters. But unlike a traditional emissions trading

scheme, the Safeguard Mechanism has no 'binding cap' on emissions and the baselines can, and are, increased to suit the needs of major polluters.

Chevron's Gorgon project provides a good example of how the Safeguard Mechanism not only enables rising emissions but financially rewards them. In 2023–24, Gorgon's direct emissions increased from 8.1 Mt to 8.8 Mt, yet its government-assigned emission baseline also rose—from 8.3 Mt to 9.2 Mt. Because Gorgon's actual emissions remained below this elevated baseline, Gorgon was awarded 388,803 Safeguard Mechanism Credits (SMCs), which it can sell to other polluters at a market value of over $30 per credit—amounting to a windfall exceeding $10 million. This occurred despite Gorgon's failure to deliver on promised carbon capture and storage outcomes, and expanding its actual level of pollution.[1]

THERE NO SUCH THING AS 'CLIMATE POLICY'

Targets for 2030, or 2035, or being net-zero by 2050, are designed to conceal a simple truth – there is no such thing as 'climate policy'. Australia's greenhouse gas emissions are the sum of our transport policy, industry policy, energy policy, hosing policy, tax policy and project approval policy.

Setting 'ambitious' targets for 2050 and lacking the will to ever say no to a new source of pollution is not climate policy, it is as Polly Hemming describes it 'state-sponsored greenwash'.[2]

[1] Morton (2025) *Australia's biggest industrial polluter receives millions in carbon credits despite rising emissions*, https://www.theguardian.com/environment/2025/apr/21/australias-biggest-industrial-polluter-receives-millions-in-carbon-credits-despite-rising-emissions

[2] Hemming (2022) *State-sponsored greenwash*, https://australiainstitute.org.au/report/state-sponsored-greenwash/