Briefing Note – Commonwealth Climate Change Policy Updates

30 September 2025

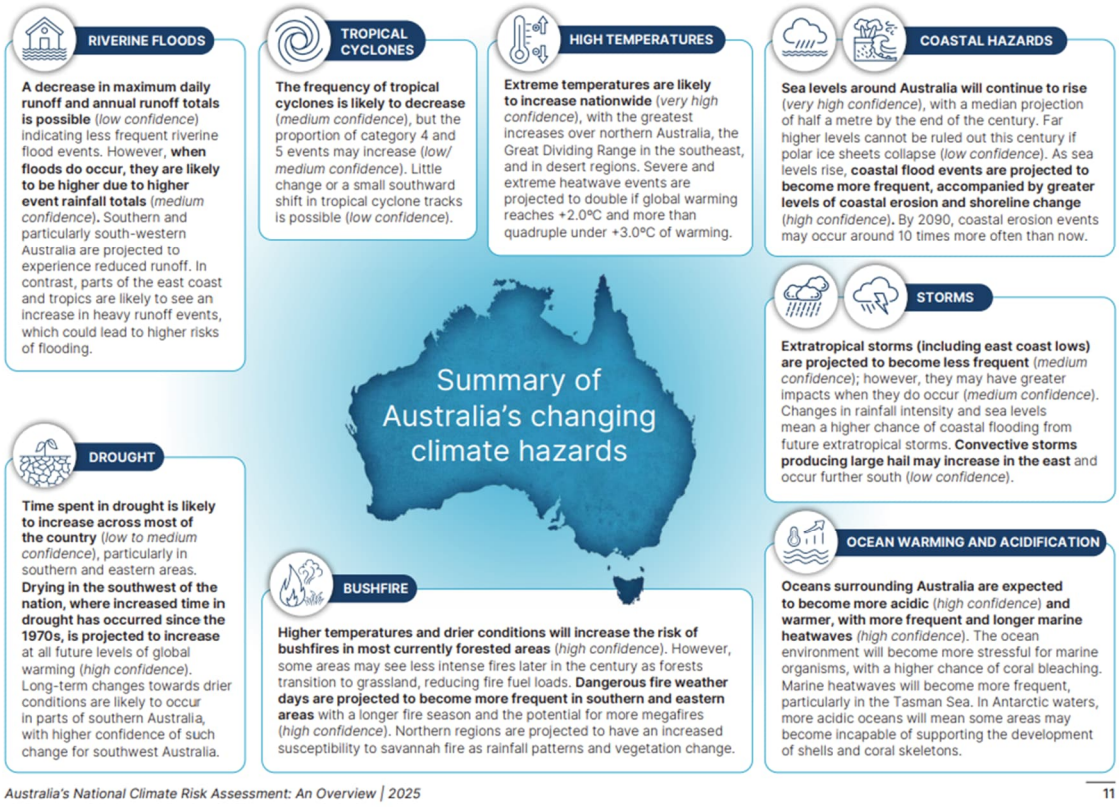
Summary

- The Australian Government has released a suite of climate change policy updates to inform and guide Australia's action in response to increasing climate risks and emission reduction targets.
- The National Climate Risk Assessment (NCRA) is Australia's first comprehensive national assessment of climate risks, aiming to inform adaptation planning and policy at all levels of government, business and community.
- The National Adaptation Plan (NAP) compliments the NCRA by providing the framework for adapting to nationally significant climate risks and setting a vision for a resilient Australia where adaptation actions are effective, coordinated and undertaken by those best placed to manage the risk.
- The Australian Government also released a Net Zero Plan, pledging to cut emissions by 62-70% of 2005 levels by 2035. The Net Zero Plan is backed by an $8 billion fund to target heavy industry and technological advancements.
- The Department of Climate Change, Energy, the Environment and Water (DCCEEW) will be hosting **two briefing sessions for Local Government** on these updates in the coming weeks, with dates still to be scheduled.
- Nationally, ALGA has been advocating for **$400 million per year climate adaptation fund**, to be distributed across all Local Governments to provide local, place-based solutions to Australia's changing climate.
- WALGA has been advocating **for $210 million over the next five years** to build resilience and adapt to the localised impacts of climate change through initiatives such as urban greening, coastal management and upgrades to essential public infrastructure.

1. National Climate Risk Assessment

The National Climate Risk Assessment (NCRA) is Australia's first comprehensive national assessment of climate risks, aiming to inform adaptation planning and policy at all levels of government, business and within the community.

The Risk Assessment identifies 63 nationally significant risks across eight key systems (including health, infrastructure, economy, environment and food systems), with 11 priority risks selected for deeper analysis mapped against three global warming scenarios—1.5°C, 2°C and 3°C. The Climate Change Authority indicated that, based on current global commitments, the world is on track to see 2.9C of warming this century.



1.1. Key National Findings

The key national findings include that there are:

- Escalating Hazards: Extreme heat, bushfires, floods and coastal inundation will become more intense, frequent and widespread.
- Compounding Risks: Climate impacts will rarely occur in isolation; events are expected to overlap or cascade, affecting multiple systems at once.
- Vulnerable Groups: The most at-risk include Aboriginal and Torres Strait Islander peoples, regional and remote communities, the very young and older Australians, outdoor workers and those already disadvantaged.
- Coastal Risks: More than 1.5 million Australians could be living in high-risk coastal flood zones by 2050.
- Increasing Heat-Related Death risk: Under a 3°C scenario, heat-related deaths could increase by 300% in Perth, with similar jumps in other major cities.
- Economic Impacts: Productivity losses from extreme heat could reach $135–423 billion by 2063, with agriculture, construction, manufacturing, and mining (all key WA sectors) among the hardest hit.

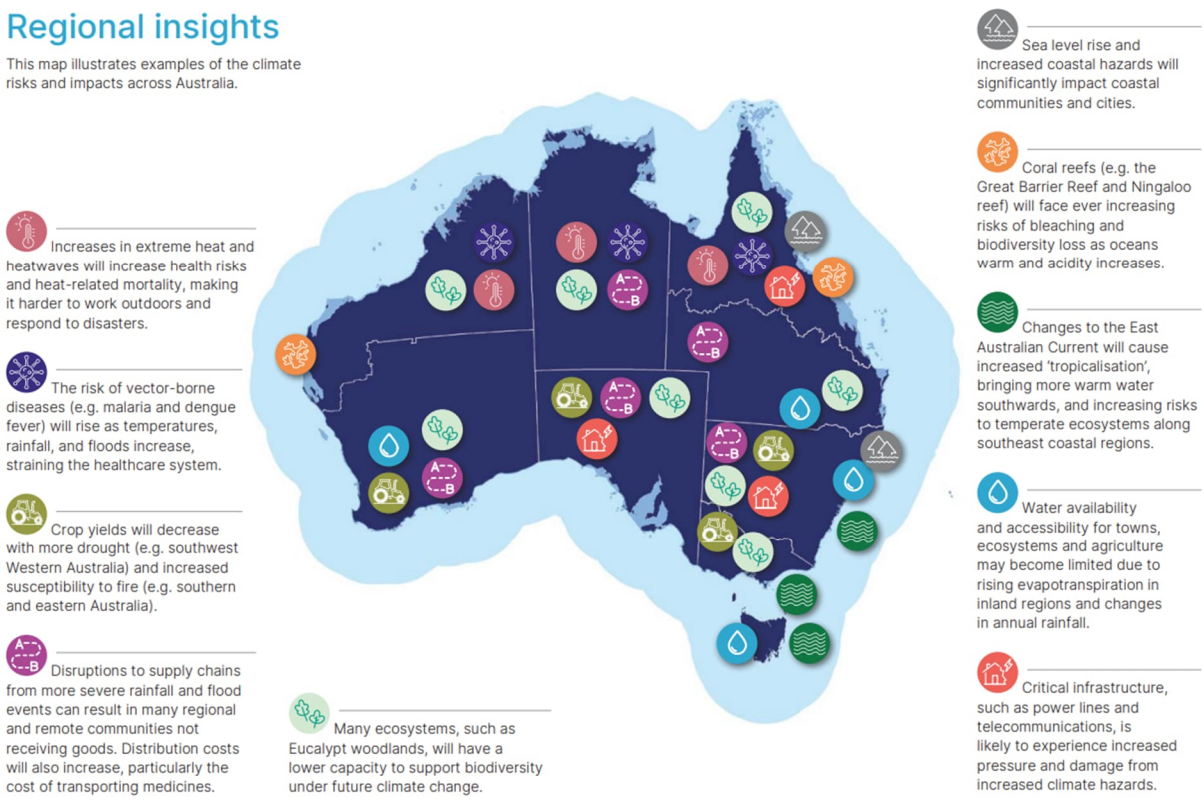
The Risk Assessment also includes findings to guide the new National Adaptation Plan, with a focus on building resilience in the most vulnerable regions, including Western Australia. The Risk Assessment also identifies the urgency of action to reduce the potential impacts.

1.2. Western Australia Specific Findings

The Risk Assessment split the risk rating for WA into WA north and south, with different risks being more significant in these areas. Overall, for Western Australia, particularly its northern and coastal regions, faces escalating risks from extreme heat, sea level rise and compounding climate hazards. These will impact health, infrastructure, primary industries, and community resilience. The NCRA highlights the urgent need for both emissions reduction and targeted adaptation, particularly in vulnerable regions like WA

Overall, for Western Australian, the Risk Assessment found:

- Hardest Hit: The assessment finds that northern Western Australia will be among the hardest hit by climate change, especially from extreme heat, increased risk of vector borne disease and a range of natural disasters. In all climate change scenarios public buildings in this region are significantly impacted.
- Liveability Concerns: Without strong adaptation, and emissions reduction, some areas in the north may become unliveable and uninsurable due to compounding hazards like heatwaves, cyclones and floods.
- Supply Chains: Disruption to supply chains (e.g., from cyclones) is already occurring and will worsen, affecting food production and distribution.
- Biodiversity: Unique ecosystems in WA are at risk of collapse due to rising temperatures and changing rainfall patterns.



2. National Adaptation Plan

The National Adaptation Plan (NAP) sets out a national framework for adapting to climate risks that are nationally significant. It sets a vision for a resilient Australia where adaptation actions are effective, coordinated and undertaken by those best placed to manage the risk—whether government, business or households.

The NAP covers seven key systems: economy, infrastructure, environment, primary industries and food, health and social support, communities (urban, regional, remote) and defence/national security.

The NAP sets a clear direction for climate adaptation in Australia, with Local Governments recognised as instrumental in adaptation. Local Governments are responsible for managing local risks, supporting community resilience and integrating adaptation into core business.

The Australian Government has committed to working with States, Territories, and Local Government to create an implementation action plan for the NAP. This will give effect to priority actions identified for all levels of government.

Through the Australian Local Government Association (ALGA), WALGA will continue to feed into national discussions on the implantation action plan that will fund and inform on-ground activity.

2.1. Impact on Local Government

Local Governments are recognised as "instrumental" in delivering climate adaptation. Their main roles include:

- Infrastructure and built environment:
  - Managing risks and impacts to public assets and service delivery they own and manage (e.g. local roads, parks, drainage, flood resilience)
- Communities (Urban, regional and remote)
  - Building the capacity of local communities and businesses to adapt to climate change.
  - Councils are closest to communities and have local knowledge, making them best placed to deliver adaptation that meets local needs.
  - Integrating climate projections into land use planning, asset management and service delivery
- Health and social support
  - Through community centres, environmental and public health services, aged care and emergency relief
- Natural environment
  - Such as urban greening, bushfire preparedness, coastal management and water security
- Defence and national security
  - Emergency management and disaster recovery

Local Government adaptation actions (like urban greening, floodplain retreat, bushfire programs, and planning for sea level rise) deliver significant national economic, social and environmental benefits.

Local Government face significant financial constraints and increasing demands due to more frequent and severe climate impacts. The NAP acknowledges the need for better coordination, long-term funding and regulatory clarity to support Local Government action, representing a positive step in the acknowledgement that Local Government require scaled investment and resources to support on-ground adaptation activity.

3. Net Zero Plan

The Net Zero Plan sets out Australia's pathway to reduce emissions by 62–70% below 2005 levels by 2035 and achieve net zero emissions by 2050. The Plan identifies that actions taken across the Australian economy reduced emissions in 2025 by 27% on 2005 levels.

The Plan is built around five decarbonisation priorities:

1. Clean electricity across the economy
2. Lowering emissions by electrification and efficiency
3. Expanding clean fuel use
4. Accelerating new technologies
5. Net carbon removals scaled up.

Six sectoral plans (electricity and energy, industry, resources, built environment, agriculture and land and transport) provide detailed pathways for emissions reduction, backed by an $8 billion funding package that aims to ensure a fair, orderly and efficient transition that grows the economy, creates jobs, and delivers benefits for households, businesses, and communities.

The Net Zero Plan emphasises place-based partnerships, with Local Governments working alongside Australian and State Governments, industry, and communities to ensure decarbonisation efforts are practical and tailored to local needs.

3.1. Role of Local Government in the Net Zero Plan

Local Governments are recognised as "vital partners" of the net zero transition. They are at the frontline of climate change impacts and are critical to delivering a thriving net zero future.

The Plan identifies that Local Governments play a pivotal role through:

- Reducing emissions from their own operations and assets (responsible for about 1.5% of national emissions).
- Adapting to climate change impacts at the local level
- Land-use planning
- Delivery of local transport
- Waste and recycling services

The Net Zero Plan positions Local Governments as essential partners in Australia's transition to Net Zero. Councils are responsible for both direct emissions reduction and enabling broader community action. Their local knowledge, community trust, and ability to deliver place-based solutions make them critical to achieving national climate goals. However, unlocking their full potential will require stronger support, scaled investment, and collaboration across all levels of government.

3.2. Comparison of Australia's Emissions Targets: 2030 and 2035

	2030 Target (set in 2015)	2030 Target (set in 2022)	2035 Target (set in 2025)
Emissions reduction goal	Reduce emissions by 26–28% below 2005 levels	Reduce emissions by 43% below 2005 levels	Reduce emissions by 62–70% below 2005 levels
Funding	Previously supported by annual budget allocations of funding	Previously supported by annual budget allocations of funding	Now supported by targeted initiatives and funding as part of the Net Zero Plan
Legislation	No legislated target; policy-based commitment	Climate Change Act 2022	Climate Change Act 2022 + Climate Change Authority advice
Policy instruments	Emissions Reduction Fund, Safeguard Mechanism, voluntary offsets	Safeguard Mechanism, Rewiring the Nation, EV incentives	Expanded Safeguard Mechanism, New Vehicle Efficiency Standard, Cheaper Home Batteries Program
Sectoral focus	Economy-wide, with emphasis on low-cost abatement	Energy, transport, industry	Sector-specific plans across energy, transport, industry, resources, agriculture and built environment
International alignment	Paris Agreement Nationally Determined Contribution (NDC) submitted in 2015	Paris Agreement NDC	Updated NDC submitted to UN; aligned with global 1.5°C pathway
Economic framing	Climate action framed as compatible with economic growth	Climate action as risk mitigation	Climate action as opportunity: 'Future Made in Australia' strategy
Progress to Date	Target seen as insufficient; emissions reductions modest	~42.6% reduction projected by 2030	On track to meet 43% reduction by 2030; 2035 target seen as ambitious but achievable
Net Zero Commitment	No formal net zero commitment	Net zero by 2050	Net zero by 2050 (unchanged)