



Reducing emissions and addressing climate change

Climate action and driving down emissions are central to the Australian Government's election commitments and economic plan to develop new industries, create jobs and give consumers greater choice.

Our communities and economy are already being affected by climate change impacts such as more frequent and intense natural disasters, including floods, coastal storm surges, and bushfires. The Government is taking action, with a legislated commitment to a 43% emissions reduction target by 2030 and net zero by 2050.

Climate action is also an economic opportunity for Australia as we invest in clean energy technology and work towards becoming a renewable energy superpower. The world's climate emergency is Australia's jobs opportunity.

This reinforces the importance of our 2022–23 Budget investments focused on [making energy cleaner, cheaper and more secure](#); and investments focused on [creating jobs and spurring investment in new energy industries](#).

The Budget is also investing in initiatives that will drive emissions down and build the foundation for ongoing and accelerated action. And it is ensuring that the Government works with First Nations Peoples to address climate change and take practical action to manage climate risks.

Our 2022–23 Budget measures include the following investments over four years (except where indicated):

- \$275.4 million over 6 years from 2022–23 to establish the Driving the Nation Fund to invest in cheaper, cleaner transport, bringing total investment for electric and hydrogen vehicle infrastructure to over \$500 million
- \$47.1 million for restoring the Climate Change Authority to provide independent climate change advice and delivering new annual climate change statements to Parliament, supporting integrity and greater transparency in emissions reduction
- \$45.8 million over 6 years from 2022–23 to restore Australia's reputation and increase international engagement on climate change and energy transformation issues
- \$15.9 million for engaging First Nations Peoples on Climate Change

- \$9.3 million to set up the Commonwealth Climate Risk and Opportunity Management Program
- \$20.3 million to support carbon farming.

These DCCEEW portfolio measures are part of a total 2022–23 Budget investment of \$24.9 billion to 2029–30 across Government to deliver climate change and energy transformation priorities.

Why is this important and who will benefit?

Driving down emissions in the transport sector

Transport is one of Australia’s largest sources of emissions, and most transport emissions are from road vehicles. Improving choice, affordability and access to infrastructure for electric vehicles is critical for reaching net zero emissions by 2050.

The Driving the Nation Fund doubles the Commonwealth’s investment in electric vehicle charging, hydrogen refuelling infrastructure and fleets to support the energy transition and provide more choice for Australian drivers.

Investments under the Fund will establish a national EV charging network and support a national expansion of the Hydrogen Highways program.

This initiative includes a \$5 million grant for a project that will build capability for producing solar-powered hydrogen to refuel heavy transport in Tasmania.

Funding will also be allocated to the Australian Renewable Energy Agency (ARENA) to target charging infrastructure for regional and remote areas and smart household charging.

This Budget measure is supported by development of Australia’s first National Electric Vehicle Strategy. The Strategy will help Australia become a globally competitive market for electric vehicles, where households and businesses can own and drive the best modern vehicles.

The Government will also make electric cars cheaper through the Electric Car Discount that will exempt low- and zero-emission cars from import tariffs and fringe benefits tax.

The Government will also work to reduce the level of emissions in the Australian Public Service, with \$15.9 million being provided over 4 years to meet a 75% EV target for all Commonwealth Fleet purchases and leases by 2025.

Australians will also receive better information on how much fuel they can expect a vehicle to use and how much it will cost to run it, with \$14 million being provided to the Australian Automobile Association over the next 4 years to fund real-world testing of popular cars sold in Australia.

Restoring the Climate Change Authority

Strong action on climate change, supported by independent, evidence-based advice from the newly restored Climate Change Authority, will build public and business confidence.

New Annual Statements to Parliament by the Minister for Climate Change will provide regular, transparent updates on the effectiveness of climate policies and their impact across Australia, including on rural, regional and First Nations communities.

This measure will allow Australia to make genuine progress in reducing the future impacts of climate change, while promoting economic opportunity in transitioning to a low-emissions economy and improving our capability to manage future risks.

Re-engaging on international climate change and energy transformation issues

Climate change is a global challenge. Given Australia's vast renewable energy potential and reserves of critical minerals, our country has the opportunity to benefit from the global clean energy transition and work with international partners.

This funding will help Australia seize that opportunity, delivering the Government's climate agenda and restoring Australia's climate leadership globally, as a renewable energy superpower on the path to net zero emissions by 2050.

This measure will support deeper engagement with key partners and in critical international fora such as the United Nations Framework Convention on Climate Change, including to secure a bid to host a future Conference of Parties, in partnership with Pacific Island nations.

It will also support Australia to enhance cooperation on climate change and clean energy technology issues in other international forums, including the Quad, and help develop the capacity of Pacific nations to respond to climate change.

Budget investments through this Portfolio are part of a total spend across Government of \$295.8 million over 2022–23 to 2029–30 on re-establishing our international climate leadership.

First Nations engagement

First Nations communities are among the most vulnerable in the world to the impacts of disasters and climate change and the Government is working in partnership with First Nations Australians to reduce these impacts.

The Government will help establish a new Torres Strait Climate Centre of Excellence, enabling a coordinated regional response to better prepare for the impacts of climate change across the region.

Remote communities will benefit from improved reliability, affordability and security of energy supply. The Budget will also see the development and deployment of [First Nations Community Microgrid](#) projects in Aboriginal and Torres Strait Islander communities.

Commonwealth Climate Risk and Opportunity Management Program

The Climate Risk and Opportunity Management Program will allow the Australian Public Service (APS) and the government to manage climate risks and improve the policies, programs and services delivered to the Australian community to address the challenges of climate change. This measure funds the development of capabilities and systems needed for the APS to identify, manage and disclose the climate risks and opportunities, which include the development of the Climate Risk and Opportunity Strategy.

Carbon farming

Carbon farming provides opportunities for regional communities to help reduce emissions, diversify income, and increase farm productivity and climate resilience. The Carbon Farming Outreach Program will empower Australian farmers and land managers, including First Nations peoples, to participate in carbon markets and adopt low-emission technologies and practices.

Developing technologies for hard-to-abate industry and negative emissions

The Carbon Capture Technologies Program will advance emerging technologies for carbon dioxide removal and use, which will be vital in achieving our net zero ambitions.

Demonstrating the technical capability and reducing the costs of these new technologies will enable their scale up over time and ensure they support our emissions reduction goals.

How much are we investing?

Measure	Amount
Driving the Nation Fund – establishment	\$275.4m over 6 years from 2022–23
Restoring the Climate Change Authority and Delivering Annual Climate Change Statements to Parliament	\$47.1m over 4 years from 2022–23 and \$13.6m per year ongoing
Australia’s International Climate Step Up	\$45.8 million over 6 years from 2022–23
Engaging with First Nations Peoples on Climate Change	\$15.9m over 4 years from 2022–23
Commonwealth Climate Risk & Opportunity Management Program	\$9.3m over 4 years from 2022–23
Carbon Farming Outreach Program	\$20.3m over 4 years from 2022–23
Carbon Capture Technologies for Net Zero and Negative Emissions – establishment	\$141.1m over 10 years from 2022–23

Learn more about [Australia’s climate change strategies](#) and [emissions reduction](#).

Acknowledgement of Country

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

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