Australia's 2035 Climate Target: What It Is, What It Means, and How It Stacks Up for the Promotional Products Industry

What's Been Announced

The Australian Government has set a target of reducing Australia's greenhouse gas emissions by 62-70% below 2005 levels by 2035.

This forms part of a broader plan: to maintain the pathway toward net zero emissions by 2050.

Along with the target, the government released related policy documents: the Net Zero Plan (https://www.dcceew.gov.au/climate-change/publications/net-zero-plan), the Nationally Determined Contribution (NDC) to the UN, and various sectoral plans detailing how to achieve reductions across energy, transport, industry, etc.

Why It Matters

This is being considered a "sliding doors moment" by climate experts. We are at a critical decision point for how severe climate change impacts will be in Australia and globally.

Australia is already experiencing severe climate impacts: heatwaves, fires, floods, etc. Cutting emissions deeply and soon is seen as necessary to reduce future harm to lives, economy and environment.

The scale of the target sends signals: it influences investment in clean energy, infrastructure, industries, policy, regulation. Firms, governments, and communities need certainty to plan.

Is the Target Strong Enough?

This is one of the big debates.

Supporters of the target argue:

The 62–70% range is significantly more ambitious than previous targets. It marks real movement beyond incrementalism.

The upper end (70%) comes closer to what many independent analysts consider technically and economically possible. Several modelling studies suggest emission decreases of at least 75% by 2035 are feasible.

Choosing a stronger target could generate greater economic growth and unlock more investment. For example, modelling suggests that aiming for ~75% could add large amounts to GDP compared to a more modest target.

Criticisms / concerns:

Some say that even 70% (or the lower bound, 62%) is still *below* what scientists say is needed to avoid the most severe climate impacts, especially given the urgency of maintaining warming "well below 2°C" and aiming for 1.5°C.

Others point out that despite the announcement, the actual strength of future policy will matter enormously: how quickly programs are implemented; whether fossil fuel expansions are still approved; whether offsets are used instead of real emissions cuts.

How Australia's Target Compares Globally

- Australia's 62–70% by 2035 is **more ambitious** than some comparable countries (e.g. New Zealand, Japan, Canada) but not the most ambitious.
- For example, the UK has committed to about a **78% reduction** by 2035 vs 2005 levels.
- Because of differences in starting years, sectors covered, treatment of land-use, forestry, offsets etc., comparisons are approximate. But overall: Australia's target is seen as above average among wealthy nations, though still behind the strongest commitments.

What Needs to Happen Next (Challenges & Actions)

Policy & Regulatory Implementation: It's not enough to set a target; laws, regulatory frameworks, and strong sectoral policies are needed to deliver tangible results. This includes energy generation, fossil fuel approvals, transport regulation, industrial emissions, etc.

Fossil Fuel Projects: Some criticism has emerged since 2022, following approvals for several new or expanded coal, gas, or oil projects have been approved — which may make achieving deep cuts harder.

Transparency & Accountability: The key will be how emissions are counted (including land use / forestry), what role offsets play, how fossil fuel exports are treated (since emissions "burnt overseas" from exported coal or gas still contribute to global warming). Tracking will likely be based on a number of different metrics, examples of guidelines include:

- IPCC Guidelines (Emissions Accounting, incl. land use) https://www.ipcc-nggip.iges.or.jp/
- Paris Agreement, Article 13 (Transparency & Accountability)chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://unfccc.int/sites/default/files/english_paris_agreement.pdf
- Paris Agreement, Article 6 (Offsets) chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://unfccc.int/sites/default/files/english_paris_agreement.pdf
- IPCC Guidelines (Combustion-Based Accounting)chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf
- Climate TRACE, CDP, Global Carbon Atlas (Tracking Platforms) https://climatetrace.org/, https://www.cdp.net/en, https://globalcarbonatlas.org/

Public & Business Support: A number of businesses, community groups, unions etc. are urging the target to be stronger. According to the sources, many Australians support at least a 75% reduction.

Steps for the Promotional Products Industry:

1. **Map Your Emissions Footprint**
    - Gather data on materials used (cotton, plastics, metals etc.), where they come from, energy involved in manufacture, shipping paths (mode, distance), packaging, end of life.
    - Estimate your Scope 3 emissions (supplier & shipping especially).
2. **Audit Suppliers & Materials**
    - Ask your suppliers: What is their energy source? Do they have sustainability or carbon emissions targets? Are materials recycled or certified?
    - Explore sourcing materials with lower carbon footprints (recycled, certified, alternative fibres, bioplastics etc.).

3. **Optimise Shipping Logistics**
    - Minimise air shipments; consolidate orders; consider sea freight even if lead time increases.
    - Explore freight providers or forwarders offering carbon-neutral shipping or using cleaner fuels.
4. **Design for Low Carbon**
    - Prioritise durability, reusability, recyclability.
    - Reduce packaging, use sustainable packaging materials.
    - Consider modular designs, e.g. products that can reuse parts or have long life.
5. **Certifications and Reporting**
    - Use certifications (e.g. FSC, GOTS, OEKO-TEX, recycled content labels) where relevant.
    - Be ready for buyer requests / procurement tenders requiring environmental data, emissions reporting.
    - Publish a sustainability policy or disclosures so clients can see where you stand.
6. **Communicate & Differentiate**
    - Be transparent about what you are doing (and not doing).
    - Educate clients about why some sustainable options cost more or take more lead time.
7. **Watch Regulatory & Policy Developments**
    - Keep track of changes in carbon pricing, shipping regulation, product standards, procurement rules (especially government contracts).
    - Be aware of potential border carbon adjustment mechanisms (if Australia or importing countries impose “green tariffs”) which could affect cost competitiveness.

Not sure where to start with mapping your emissions? Join APPA's Promoting a Better Future Program and become a Founding Member to receive a step by step guide.

Summary:

Aspect	Likely Impacts	Potential Challenges	Possible Opportunities
Supplier Requirements & Materials	Suppliers (especially overseas) will face stricter regulations, and likely increased costs of energy, carbon compliance. Materials like conventional plastics, non-certified cotton, synthetics will be more scrutinised.	Higher procurement costs; possible delays; needing to switch suppliers or materials; needing certifications (recycled content, sustainable sourcing).	Differentiation: offering recycled, certified, biodegradable items; being able to show lower emissions can be a selling point. Suppliers that adjust early may have competitive advantage.
Freight & Shipping Costs	Shipping (sea and air) will increasingly incur carbon costs or regulatory burdens; delays or extra cost for low-emissions or compliant logistics.	Freight cost volatility; needing to plan shipments differently; possibly higher cost for fast or air ship options; cost of obtaining "green" shipping credentials.	Ability to offer low-carbon shipping options; batch shipping; local or regional sourcing; using ocean rather than air freight; partnerships with logistics providers who are investing in greener fuel technologies.
Regulation & Buyer Demands	Buyers (corporate/Government) will demand proof of sustainability, emissions footprints, recycled content, etc. Possibly mandatory reporting (including Scope 3).	Need for data collection, tracking, auditing; more complex procurement/tender requirements; possible loss of clients if you can't meet sustainability criteria.	Early adoption of reporting, eco-certifications; developing "sustainable product lines"; positioning as a supplier for "green" events/products; possibly premium for green credentials.

Cost Structure & Margins	Upfront costs likely to rise (materials, shipping, compliance). Some product categories might become more expensive or difficult to source.	Margin compression if costs can't be passed on; risk of stock obsolescence if favoured product types (high-plastic / throwaway) fall out of favour; operational changes (new materials, packaging).	Products with longer life, reuse, recyclability may offer better value; opportunity to redesign for lower carbon and improved durability; shift toward higher-quality items or services (e.g. virtual promotions) may be rewarded.
Innovation & Product Lifecycle	Greater focus on lifecycle emissions (materials → manufacturer → shipping → usage → end-of-life). Products designed for low impact or reuse will increasingly matter.	Need investment in design; possibly higher unit costs; supply chain constraints for "green" materials; needs for circular economy programs or recycling / takeback.	First movers in durable, reusable, recyclable, or biodegradable promos; product innovation (e.g. smart products, refillable, modular); maybe offering end-of-life services; branding tied to sustainability can provide edge.
Reputational & Market Positioning	Customer expectations are rising; being seen as "lagging" on sustainability can damage brand; conversely, strong sustainability credentials can win business.	Risk of "greenwashing" accusations if claims are vague or not evidence-backed; cost/effort to document credentials; risk if standards tighten.	Real sustainability can become a core of your value proposition; marketing & ESG reporting; attracting clients in sectors with strict procurement standards (government, education, etc.).

Like to learn more about the program?

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