

At a glance:

2026 Annual Progress Advice

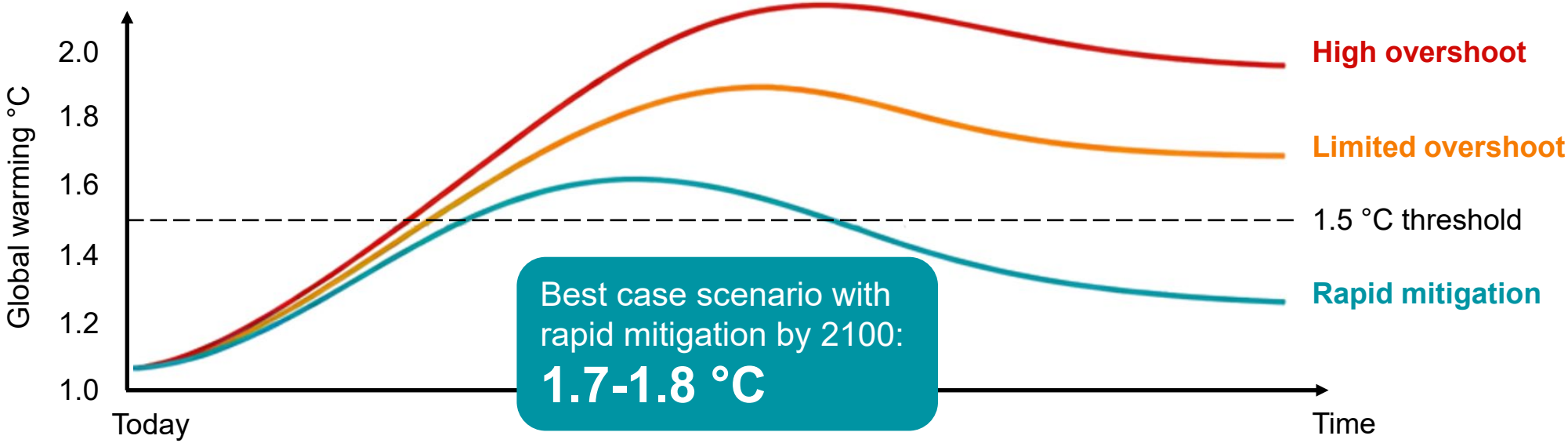
November 2026

CLIMATE CHANGE AUTHORITY

Action is urgent

The less we warm, the safer Australians will be.

Climate change impacts are getting more frequent and more severe – we see it in extreme heat, fires, floods and other disasters around the world. While temporarily crossing 1.5 ºC of warming is now unavoidable, every fraction of a degree matters. Less warming means lower risks, lower costs and fewer impacts. Faster emissions cuts can help limit how much we warm, how long we stay above 1.5 ºC and how quickly we help bring temperatures back down.



Source: UNEP, Limiting Overshoot (2026)



Australia is walking in the right direction…

Large-scale and rooftop solar are **setting new records**.

Electric vehicles made up 35% of new car sales in September 2026, **more than double** their share a year earlier.

Household battery capacity **more than doubled** in the first 9 months of 2026.

A typical household could **cut energy bills by up to 90%** through electrification

…now we need to run

Australians are cutting emissions, but not yet fast enough.

In 2026, we cut

6

million tonnes CO_2 equivalent

To meet our 2030 and 2035 targets, we need to cut a yearly average of

25-30

million tonnes CO_2 equivalent

Australia can still close the gap. Accelerating action now will bring forward the benefits, while reducing future costs and risks.

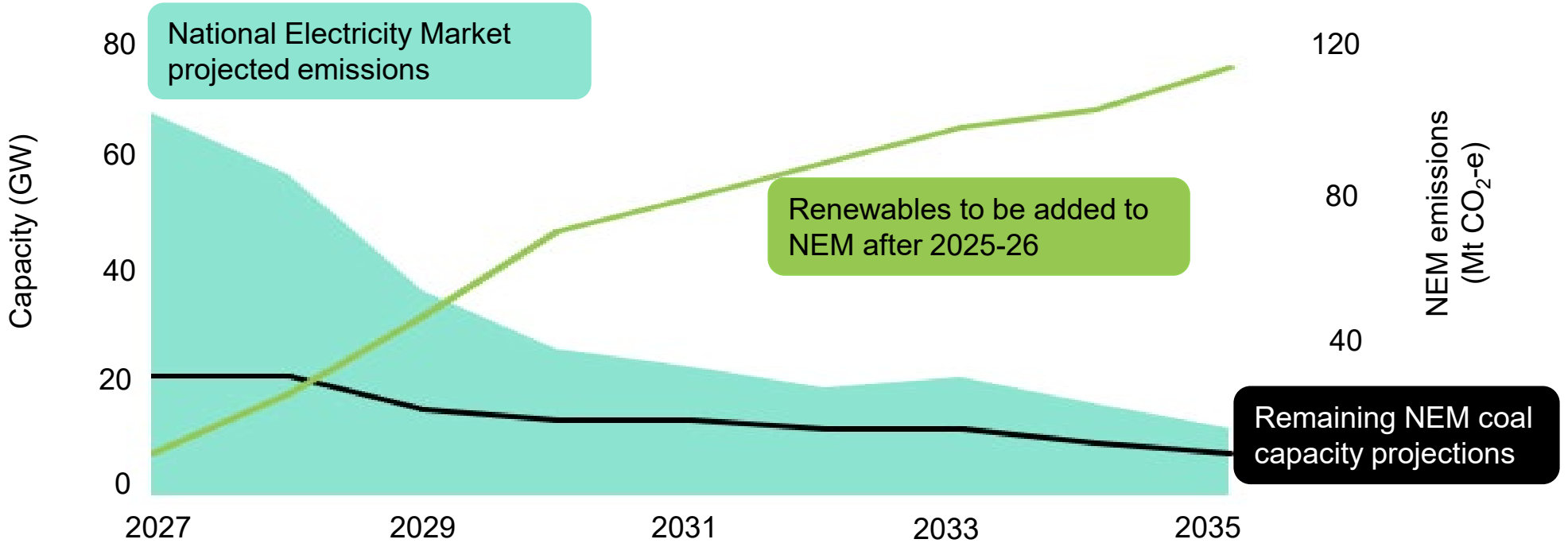
We need to build enough renewables…

Australia has **now approved enough renewable energy projects** to reach 82% renewable electricity by 2030. Overcoming barriers to building and connecting projects will keep electricity more reliable and affordable for homes and businesses. Delay increases costs and risks.

44%

Renewables' share of on-grid electricity **up from 24% in 2020**

…before coal retires

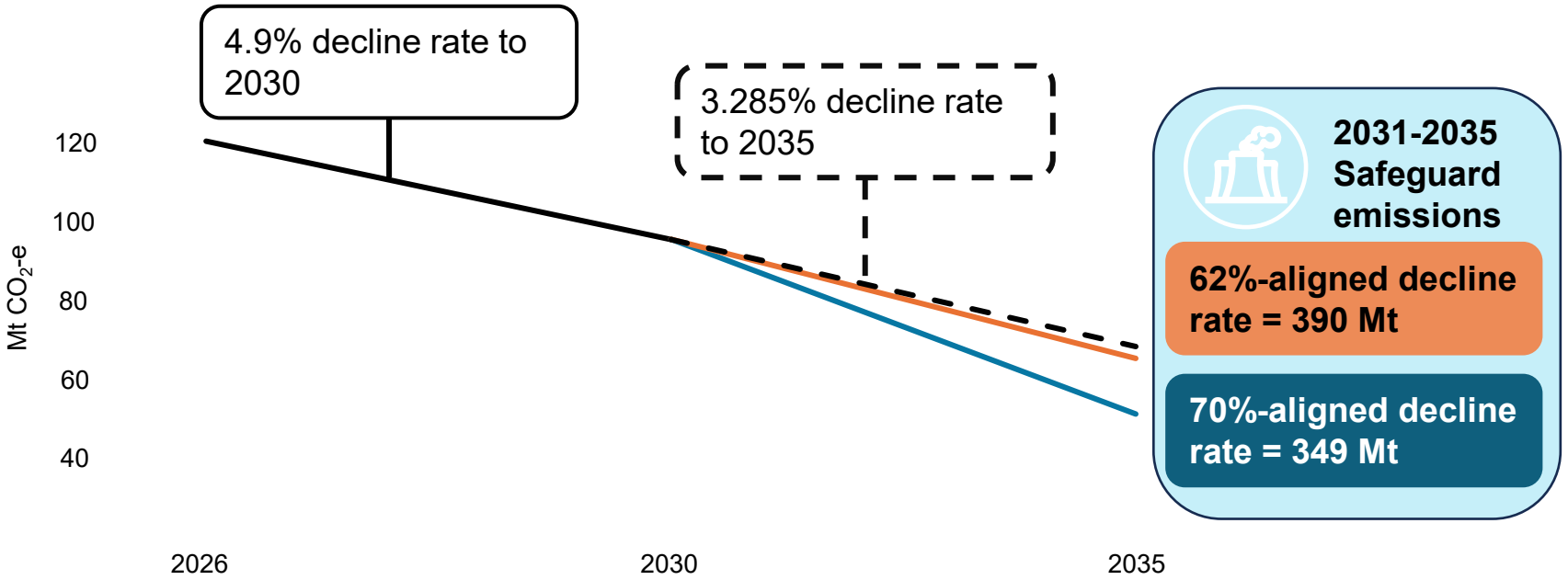


Source: CA analysis of AEMO, 2026 Integrated System Plan supporting data (Step Change scenario), 2026.

Stronger Safeguard settings can help close the gap to 2035

The Safeguard Mechanism is Australia's main policy to cut emissions from our largest industrial facilities. We recommend aligning its settings with the ambitious 70% end of Australia's 2035 target range.

Continued access to carbon credits allows Safeguard facilities without options to cut their own emissions to contribute to this stronger task. Maintaining stable settings supports ambition by boosting confidence in long-term investments. Other targeted policies can help unlock more emissions cuts at industrial sites.



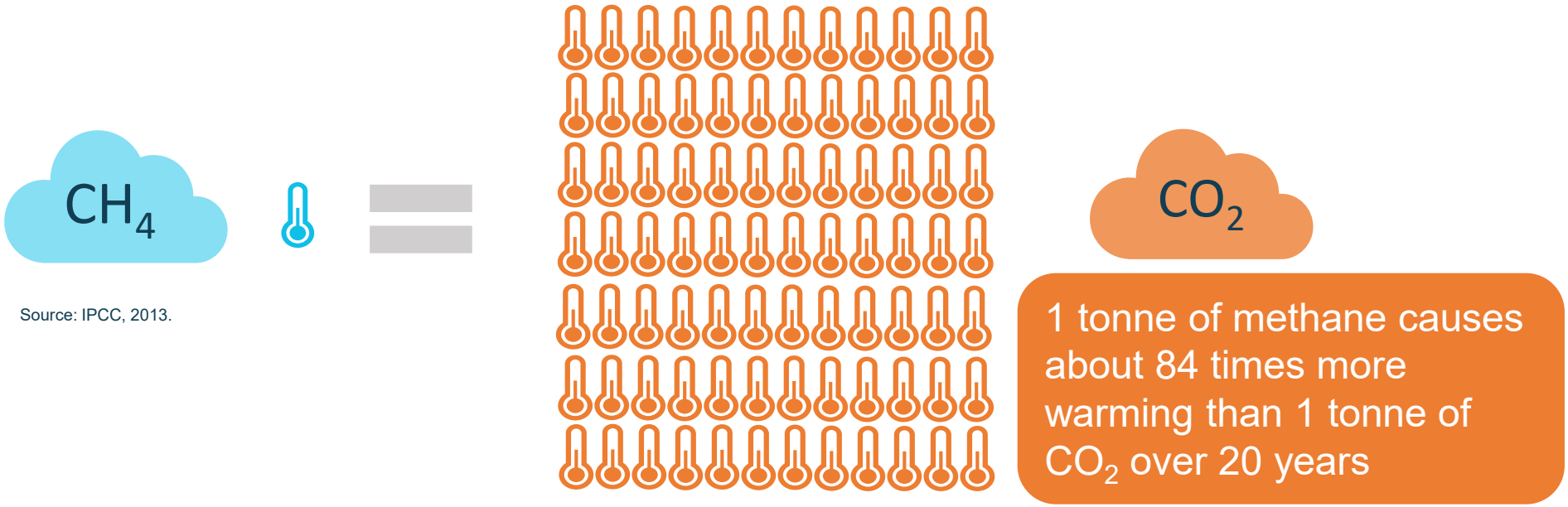
~40 Mt CO_2-e less emissions by 2035

Source: CCA internal analysis (2026); DCCEEW, 2025a

Reducing fossil methane emissions can help limit near-term warming

Methane is a powerful pollutant that has a big impact on warming in the short term. Fossil methane makes up around one-quarter of Australia's methane emissions and around 6% of national greenhouse gas emissions.

Practical solutions already exist to cut fossil methane emissions, like finding and fixing gas leaks, reducing avoidable gas releases, and removing methane from coal mines.



Source: IPCC, 2013.

We recommend a national methane target and action plan to better coordinate the efforts of all governments, improve information and strengthen action.

Our advice

Safeguard recommendations

- Keep flexibility to use ACCUs and provide stable, predictable settings for long-term investment.
- Align settings with the 70% end of Australia's 2035 target range.
- Reform carbon leakage arrangements.
- Allow time for Safeguard data to inform Authority advice.

Fossil methane recommendations

- Accelerate fossil methane emissions cuts through targeted action.
- Improve measurement and transparency.
- Develop a national fossil methane action plan.

For more information on our 2026 Annual Progress Report, including the full report, visit the Climate Change Authority's website

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