

# AUSTRALIA'S 2035 EMISSIONS TARGET: WHAT IT MEANS FOR TRANSPORT OPERATORS

The Australian Government has an ambitious climate agenda, committing to reduce national emissions by 43% on 2005 levels by 2030, 62–70% by 2035 and net zero by 2050.

**Transport Sector** is one of the 6 sectors underpinning this Net Zero Plan.

The Federal Government has set a 2035 target to cut emissions by 62–70% below 2005 levels, supported by a detailed [Transport and Infrastructure Net Zero Roadmap and Action Plan](#). With transport responsible for 22% of national emissions, this sector is now a central focus.

A \$1.1 billion Cleaner Fuels [Program](#) and additional investment in EVs and hydrogen infrastructure will reshape how goods move across Australia. The shift is no longer optional, it is the new direction of policy, markets and capital.

## IMPLICATIONS FOR FREIGHT AND TRANSPORT OPERATORS

The road to 2050 sets five priority actions that will redefine industry practice:

- 1. Enabling low and zero-emissions infrastructure** – charging hubs, hydrogen refueling, intermodal terminals and resilient freight corridors.
- 2. Electrification and efficiency** – stronger vehicle standards, rollout of heavy EV charging, incentives for efficient fleets.
- 3. Low-carbon fuels** – Switch to low carbon alternatives (LCLFs) to power transport where electrification is not feasible.
- 4. Innovation and pilots** – co-funded trials in hydrogen, batteries, maritime and advanced air mobility.
- 5. Embodied emissions in infrastructure** – new procurement rules mandating low-carbon concrete, steel and asphalt.

## HIGHLIGHT

**TRANSPORT =  
22% OF  
AUSTRALIA'S  
EMISSIONS**

**NEW 2035  
TARGET: 62–70%  
EMISSIONS  
REDUCTION**

**\$1.1B CLEANER  
FUELS PROGRAM +  
EV/HYDROGEN  
INFRASTRUCTURE**

**FIVE PRIORITY  
ACTIONS:  
INFRASTRUCTURE,  
ELECTRIFICATION,  
LOW-CARBON  
FUELS,  
INNOVATION,  
EMBODIED  
EMISSIONS.**

# THE **AVOID-SHIFT-IMPROVE** (ASI)

## FRAMEWORK



### Roadmap to 2050

#### 5 Priority Actions for 2035 and Beyond

##### Priority Action 1:

##### Enable low- and zero-emissions infrastructure

##### (Avoid And Shift)

**Focus:** Roads, rail, ports and airports must be redesigned for a net zero future.

- Invest in intermodal hubs, High Speed Rail, and Inland Rail.
- Embed net zero in urban planning and local solutions.
- Build climate resilience into freight and infrastructure networks.

##### Priority Action 2:

##### Electrify and improve transport's energy performance

##### (Shift And Improve)

**Focus:** Electrification and efficiency are the main drivers of decarbonisation.

- Stronger vehicle efficiency standards and regulatory frameworks.
- Increase EV supply, affordability, and access.
- Accelerate rollout of national EV charging infrastructure, and upgrade ports, railways and airports for cleaner operations.

##### Priority Action 3:

##### Switch to low-carbon fuels where EVs aren't feasible (improve)

**Focus:** Powering heavy vehicles, rail, maritime and aviation.

- Renewable diesel and sustainable aviation fuel (SAF).
- National certification for fuel emissions (Guarantee of Origin).
- \$1.1B Cleaner Fuels Program to scale domestic supply.
- Renewable hydrogen to support hard-to-abate modes.

##### Priority Action 4:

##### Innovate to expand cost competitive transport technology options

##### (Avoid, Shift And Improve)

**Focus:** Innovation and pilots to create cost-competitive options.

- Funding for R&D and commercialisation (ARENA, CEFC, CRCs).
- National coordination for new technologies: hydrogen trucks, advanced rail, maritime pilots, and air mobility.
- Drive global competitiveness in batteries, EVs and low-carbon tech.

##### Priority Action 5:

##### Scale up efforts to reduce embodied emissions in transport infrastructure

##### (Shift And Improve)

**Focus:** Cutting carbon in materials as grid decarbonises.

- National standards for embodied carbon measurement.
- Fast-track green concrete, steel, and hydrogen-based materials.
- Mandatory reporting and disclosures for large projects and build skills and resources across public and private sectors.

# WHY IT MATTERS FOR TRANSPORT BUSINESSES

- **Regulation is tightening** – The New Vehicle Efficiency Standard and Safeguard Mechanism will directly affect transport costs and compliance obligations.
- **Cost and competitiveness** – Zero- and low-emission technologies reduce lifetime running costs, while non-compliance risks higher fuel, asset and regulatory costs.
- **Customer and investor expectations** – Major corporates and global exporters are demanding low-emission supply chains. Businesses that cannot demonstrate progress will be left behind.
- **Funding opportunities** – Companies with strong data and credible transition plans will be first in line for government funding and industry partnerships.

## Preparing Your Business

Forward-looking operators are already taking action. Practical steps include:

- Fleet strategy – model fleet transition pathways (EV, hydrogen, renewable diesel).
- Data readiness – capture fuel, emissions and efficiency baselines now.
- Engagement – participate in pilots, consultations and early funding programs.
- Supply chain resilience – factor low-carbon infrastructure and procurement into planning and contracts.

## Our View

The Transport Sector Plan is ambitious but achievable. It provides long-term policy certainty and strong investment signals. Early movers will define the market – securing government funding, building trusted relationships with major customers, and avoiding stranded assets as regulation tightens. At Impact HQ, we are already supporting logistics and freight businesses to:

- Build credible emissions baselines aligned with NGER and ISSB/ASIC standards.
- Identify practical fleet and infrastructure transition options.
- Develop ESG strategies that meet investor and customer expectations.
- Position for funding and market advantage.

## Next Steps for Transport Operators

01

### Track

Government consultation and funding opportunities (late 2025 onwards).

02

### Baseline

Build your internal emissions and fuel-use reporting processes.

03

### Engage

Talk to your customers about credible low-emission freight offerings now.



To learn more or discuss how these changes may impact your business, contact us at [hello@impacthq.com.au](mailto:hello@impacthq.com.au) or visit [www.impacthq.com.au](http://www.impacthq.com.au)