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## **Australia not on track to reach 2030 emissions reduction target but potential is there: Report**

Australia is not yet on track to meet its emissions reduction targets under the Paris Agreement but there are many opportunities to still get there, according to new research released today.

The ClimateWorks Australia report, *Tracking Progress to net zero emissions*, found Australia needed to double its emissions reduction progress to achieve the federal government's target of 26-28 per cent below 2005 levels by 2030, and triple progress to reach net zero emissions by 2050.

The report found Australia's emissions were 11 per cent below 2005 levels in 2017 but have been steadily increasing since 2013. If Australia sustained the rate of improvement in emissions intensity it had achieved between 2005 and 2013, it could meet the government's 2030 target. But progress has stalled in most sectors and reversed overall.

The report assesses Australia's progress on reducing emissions at the halfway point from the 2005 base year to 2030, looking across the whole of economy as well as in key sectors – electricity, industry, buildings, transport and land.

ClimateWorks Australia CEO, Anna Skarbek said overall progress was mainly due to one sector – land – achieving strong emissions reductions which masked growth in energy emissions in industry, buildings and transport.

"The data shows national emissions progress since 2005 was driven by reduced land clearing and increased afforestation, some increases in energy efficiency and a slight reduction in power emissions as more renewable energy entered the market," she said.

"However, emissions are now higher than 2005 levels in the industry, buildings and transport sectors. While there were improvements in each sector at times, none of the sectors improved consistently at a rate required to meet the government's 2030 target or the Paris Agreement goal of net zero emissions by mid-century."

Ms Skarbek said the research showed that emissions are not projected to fall any further by 2030 under current and proposed policies, including the National Energy Guarantee with the proposed electricity target of 26 per cent for the National Energy Market.

"Going forward to 2030, there is three times the potential needed to reach the government's current 2030 target, but projections show this will not be harnessed under current policy settings.

"However, it is still possible to build on areas of recent momentum if Australia implements further policies that guide investment in a cleaner economy. Our research shows Australia has the potential to reach 55 per cent below 2005 levels by 2030 and this would set our economy on the net zero emissions pathway needed for the Paris Agreement."

The report shows current and proposed policies would see emissions at 11 per cent below 2005 levels in 2030, which is less than half the progress needed to meet the government's current 2030 target of 26-28 per cent and one third of the abatement needed to reach the net zero pathway.

ClimateWorks Australia policy manager, Anna Malos said the next two years were critical if Australia was to unlock the potential for further emissions reductions and meet its targets under the Paris Agreement.

“Our analysis of recent progress shows that well-targeted policy can support emissions reduction activity and that macroeconomic factors can affect emissions. Supporting more progress in all sectors can get Australia back on track.

“The electricity, industry, buildings and land sectors each have potential using proven technologies to go further than 26 per cent below 2005 levels in 2030. The transport sector takes longer but could still reverse its projected path of rising emissions, if support exists to accelerate the uptake of lower emissions technologies.

Ms Malos said the report shows further opportunities to increase emissions reductions exist in all sectors led by land (revegetation and afforestation), electricity (increasing renewables and phasing out coal), industry (energy efficiency, fuel switching and reducing non-energy emissions), buildings (increased standards for buildings and appliances), and transport (vehicle emissions standards and shift to electricity and low carbon fuels).

Key sector findings of the ClimateWorks Australia report *Tracking Progress to net zero emissions* include:

### **Electricity**

**Recent progress:** Electricity sector emissions fell slightly to 3 per cent below 2005 levels as renewable generation increased, emissions intensity also fell. Policy changes (reduction of the RET and carbon price repeal) reduced investment causing emissions increases in 2015.

**Outlook 2030:** Electricity emissions projected to fall to 21 per cent below 2005 levels under existing and proposed policies including a 26 per cent target for the National Electricity Market (which excludes WA and NT so covers 82 per cent of sector emissions). Renewable energy would reach 31 per cent share. Further potential is available for electricity sector emissions to fall to 68 per cent below 2005 and for renewable electricity to reach 70 per cent share.

### **Industry**

**Recent progress:** Industry sector emissions rose to 8 per cent above 2005 levels as emissions improvements did not keep pace with increased economic activity. Some improvements on track to net zero emissions at times but indicators have worsened in recent years.

**Outlook 2030:** Industry emissions projected to be almost unchanged at 6 per cent above 2005 levels in 2030 under proposed policies. Slight improvement due mainly to increased renewable electricity. Further potential is available to reach 30 per cent below 2005.

### **Buildings**

**Recent progress:** Buildings sector emissions rose to 6 per cent above 2005 levels as emissions improvements did not keep pace with increased economic activity. Improvement driven by cleaner electricity.

**Outlook 2030:** Buildings emissions projected to fall to 11 per cent below 2005 levels, driven by proposed improvements to building and appliance standards. Further potential available to reach 69 per cent below with increased use of renewable electricity.

### **Transport**

**Recent progress:** Transport sector emissions rose as much as Industry sector to 19 per cent above 2005 levels due to greater activity outweighing lower emissions intensity. Energy efficiency improved but not in line with available opportunities and electrification rates are low.

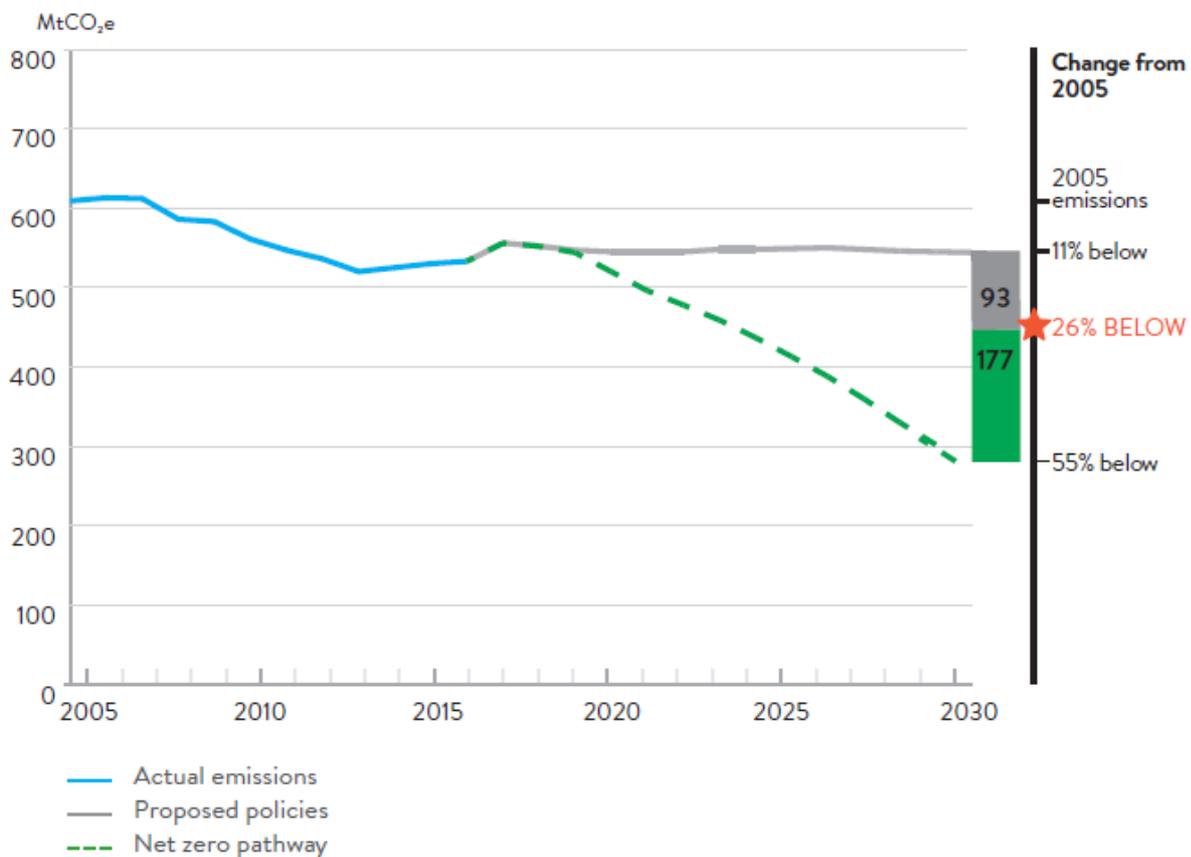
**Outlook 2030:** Transport emissions projected to rise further to 29 per cent above 2005 levels. Improvements to the energy efficiency of some vehicles does not outweigh increased activity across all vehicles. Further potential is available to reduce emissions to 4 per cent below 2005 levels.

**Land**

**Recent progress:** Land sector emissions fell substantially to 64 per cent below 2005 levels. Rates of improvement in line with net zero pathway for non-energy emissions but not energy efficiency or fuel shifting.

**Outlook to 2030:** Land sector emissions projected to rise by more than all the emissions savings from cleaner electricity, to 45 per cent below 2005 levels. Plantation harvesting and land clearance expected to be greater than planting causing emissions to rise. There is a large amount of further potential – enough to fully offset all land sector emissions and reach 103 per cent below 2005 levels.

**Figure: Total emissions since 2005, projected emissions to 2030 under proposed policies scenario and the net zero pathway and gap to target**



*\*ClimateWorks Australia will release further research on policies needed for Australia’s transition to a clean economy as well as information about new technologies that can create even greater opportunities for abatement.*

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