



Tracking to 2020—April 2016 update

Australia is now expected to surpass its 2020 cumulative abatement task by 78 million tonnes of carbon dioxide equivalent. This is an improvement from the 28 million tonnes of overachievement estimated in December 2015. Australia has closed the gap from a 755 million tonnes shortfall that was estimated in the 2012 Projections.

Australia's cumulative abatement task for its 2020 target

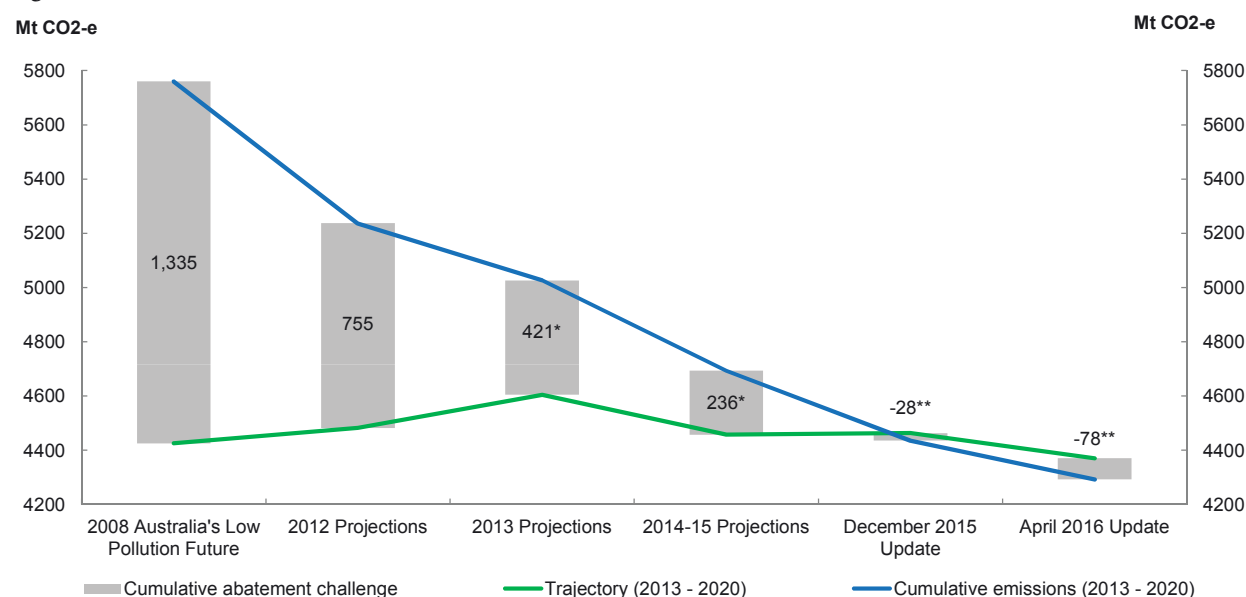
This latest estimate confirms Australia is on track to beat its 2020 target, and is better placed to achieve its 2030 target of reducing emissions to 26 to 28 per cent below 2005 levels.

Australia's cumulative abatement task is a measure of how we expect to perform against our 2020 target. It describes the gap between our expected emissions between 2013 and 2020 and the cumulative emissions over the period 2013 to 2020 allowed under our 2020 target according to internationally agreed rules.

Figure 1: Cumulative abatement task over time

This result continues the trend of Australia's cumulative abatement task falling steadily as the economy becomes less carbon intensive and the emissions outlook is updated with the latest data (Figure 1).

The last estimate of the gap, published in December 2015, suggested Australia would exceed its cumulative abatement task by 28 million tonnes of carbon dioxide equivalent (Mt CO₂-e). This latest estimate finds Australia is expected to surpass its 2020 target by 78 Mt CO₂-e.



*Inclusive of carryover and voluntary action.

**Inclusive of carryover, ERF abatement, waste protocol international units and voluntary action.

Figure 2: Change in the cumulative abatement task, 2013 to 2020

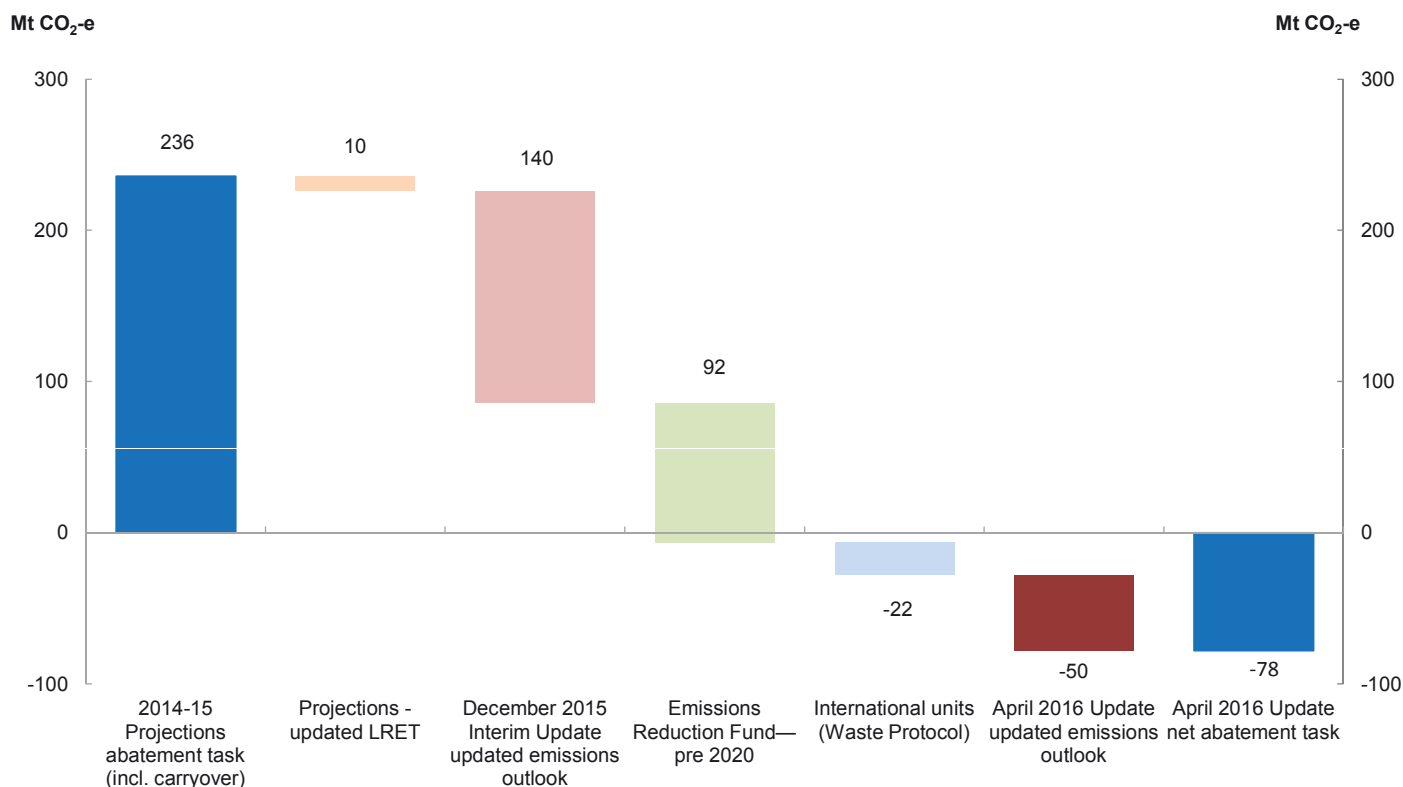


Figure 2 above shows the change in the cumulative abatement task since the publication of *Australia's Emissions Projections 2014–15* in March 2015. The cumulative abatement task then was 236 Mt CO₂-e. It has been revised downwards as a result of:

- factoring in emissions reductions expected from the Government's policy measures:
 - the large-scale Renewable Energy Target
 - the Emissions Reduction Fund
 - the Waste Industry Protocol
- an improved emissions outlook, factoring in information and analysis available as of April 2016.

The April 2016 update of Australia's greenhouse gas emissions projections takes into account new production and activity data that has become available since December 2015. The impact of the Paris agreement on Australia's emissions will be progressively taken into account into the future.

This new data indicates future emissions are likely to be lower than previously expected resulting in a 50 Mt CO₂-e reduction in Australia's cumulative abatement task.

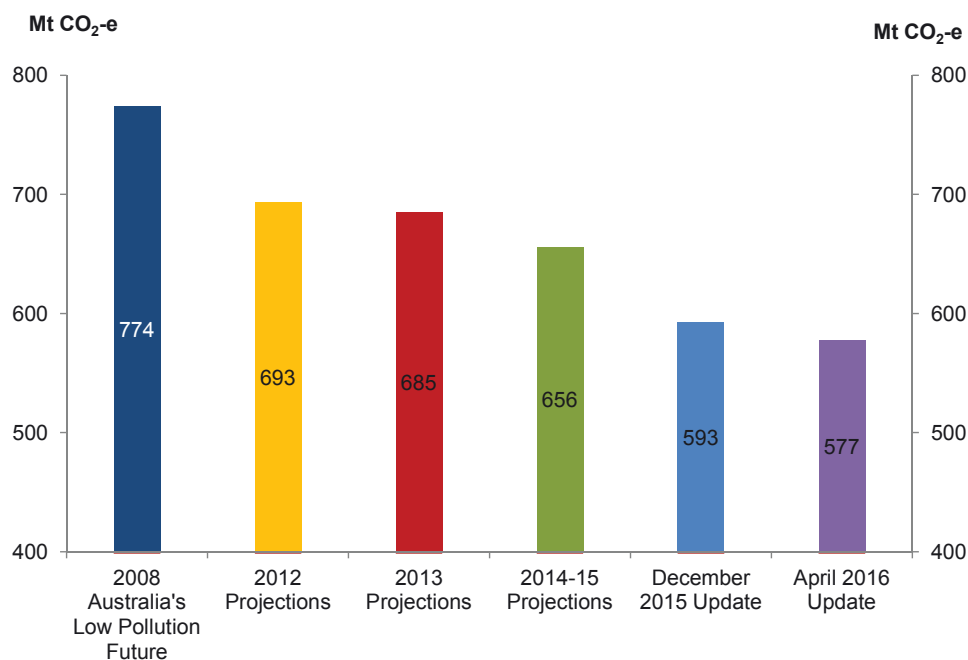
This improved emissions outlook is driven by slower than previously expected growth in:

- the agricultural sector due to ongoing poor seasonal conditions
- the liquefied natural gas and coal mining industries due to lower commodity prices
- land clearing.

These reductions in projected emissions growth are partially offset by expected growth in emissions in the transport sector due to lower oil prices and increased diesel consumption. Emissions in the electricity sectors have remained largely steady, while expected emissions in the industrial processes and product use sector have increased marginally.

Future projections of Australia's emissions are expected to show further improvements in the cumulative abatement task as policies currently under development are factored in. These include the National Energy Productivity Plan, fuel efficiency standards for light vehicles and the phase-down of hydrofluorocarbons (HFCs).

Figure 3: Projected emissions in 2019–20 under previous emissions projections releases¹



Australia's emissions in 2020

Australia's projected emissions in 2020 continue to fall. They are projected to be 577 Mt CO₂-e in 2020—a reduction of 16 Mt CO₂-e since the *Tracking to 2020* report was published in December 2015.

Figure 3 shows projected emissions in 2019–20 as published in six previous emissions projections releases. The projected estimate of emissions in 2019–20 has been progressively revised down, taking into account the impact of policies, revised expectations of future global and domestic economic growth, technological innovation and improvements in emissions measurement and accounting.

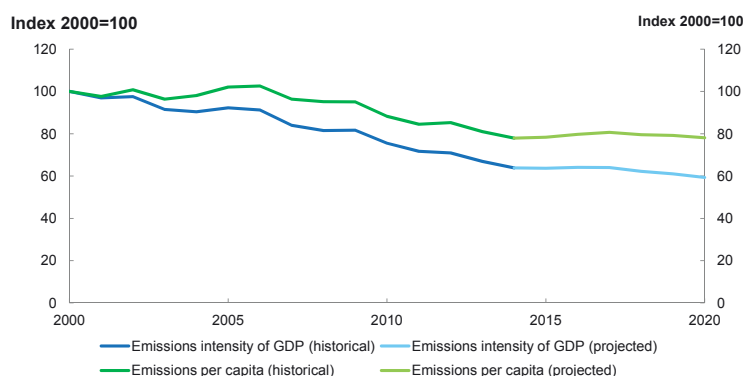
Australia is becoming less emissions-intensive

Figure 4 shows that the emissions intensity of Australia's economy—emissions per dollar of Gross Domestic Product (GDP)—will decline 41 per cent by 2019–20 compared to 1999–2000. Emissions per person are expected to fall by 22

per cent over the same period.

The Australian economy has steadily become less emissions intensive over time. This trend is expected to continue with the development and adoption of renewable energy, energy efficiency measures, innovation and new technologies across all sectors of the economy. These figures confirm that we are well placed to achieve our projected 64 to 65 per cent decrease in emissions per dollar of GDP and 50 to 52 per cent decrease in emissions per capita between 2005 and 2030.

Figure 4: Emissions intensity of Gross Domestic Product (GDP) and emissions per capita, 2000 to 2020



¹ Figures shown for the 2008 Australia's Low Pollution Future and 2012 Projections are for domestic emissions without the carbon tax or carbon farming initiative.

