

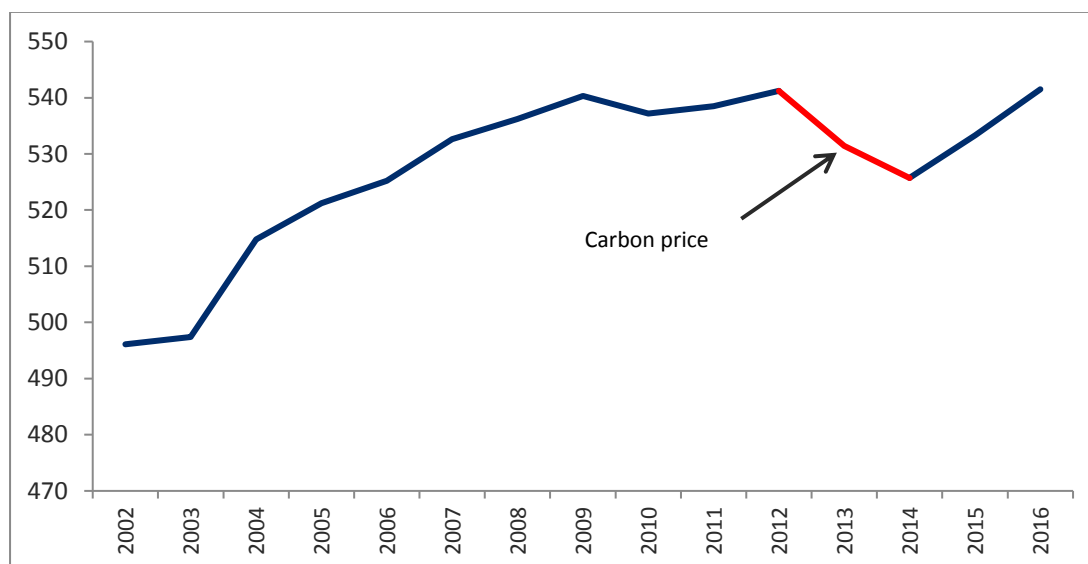
## BRIEFING NOTE: WHAT WILL BE THE IMPACT OF THE GOVERNMENT'S NEW NATIONAL ENERGY GUARANTEE?

### *Implications for Australia's emissions*

The government has announced that it has abandoned the idea of a Clean Energy Target and will instead mandate what it is calling dispatchable power. This is likely to mean that as more renewable energy is built it will also encourage more coal and gas fired power.

What will this mean for Australia's carbon emissions and our Paris commitment to reduce emissions by between 26 and 28 per cent by 2030? Australia's emissions have been increasing each year since the repeal of the carbon price. The ineffectiveness of the current government's policies can be seen in Australia's emissions which are shown in Figure 1.

**Figure 1 – Australia's emissions excluding land use, land use change and forestry**



Source: Quarterly Updates of Australia's National Greenhouse Gas Inventory, December 2016

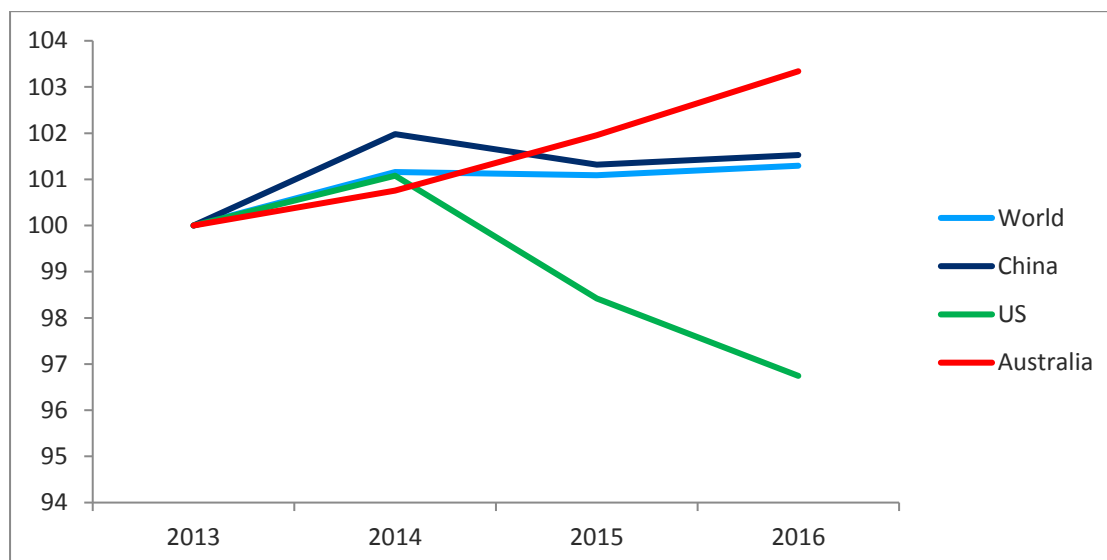
The amount that Australia has to reduce its emissions by is now an international obligation but how it achieves that reduction is up to the Australian government. The current government's policies to reduce emissions have been largely inadequate. After repealing the carbon price they have not introduced any replacement policies that are effective at reducing large amounts of emissions.

The carbon price was effective at reducing emissions during the period it was in place from 2012 to 2014. Since it was repealed Australia's emissions have risen by about 16 million tonnes.

In order to reduce Australia's emissions the government would need to introduce more effective policies than are currently in place. To date this has not happened and there appears to be nothing in the Government's National Energy Guarantee that will change this. The result will be a more rapid rise in emissions.

Australia's growing emissions is at odds with its international obligations and puts the country increasingly out of step with the rest of the world. Figure 2 compares the growth in Australia's emissions from energy use since with the emissions of the two largest emitters and the entire world's emissions.

**Figure 2 – Growth in emissions from energy use<sup>1</sup>**



Source: Trends in global CO2 emissions: 2016 Report

It shows that while Australia's emissions have increased the rest of the world has been taking action on climate change. America's emissions have fallen substantially while China's emissions and the world's emissions have been largely flat. Australia is increasingly out of step with what the rest of the world is doing.

<sup>1</sup> Emissions from energy use includes emissions from electricity generation, transport and other stationary energy. It does not include emissions from agriculture and waste