

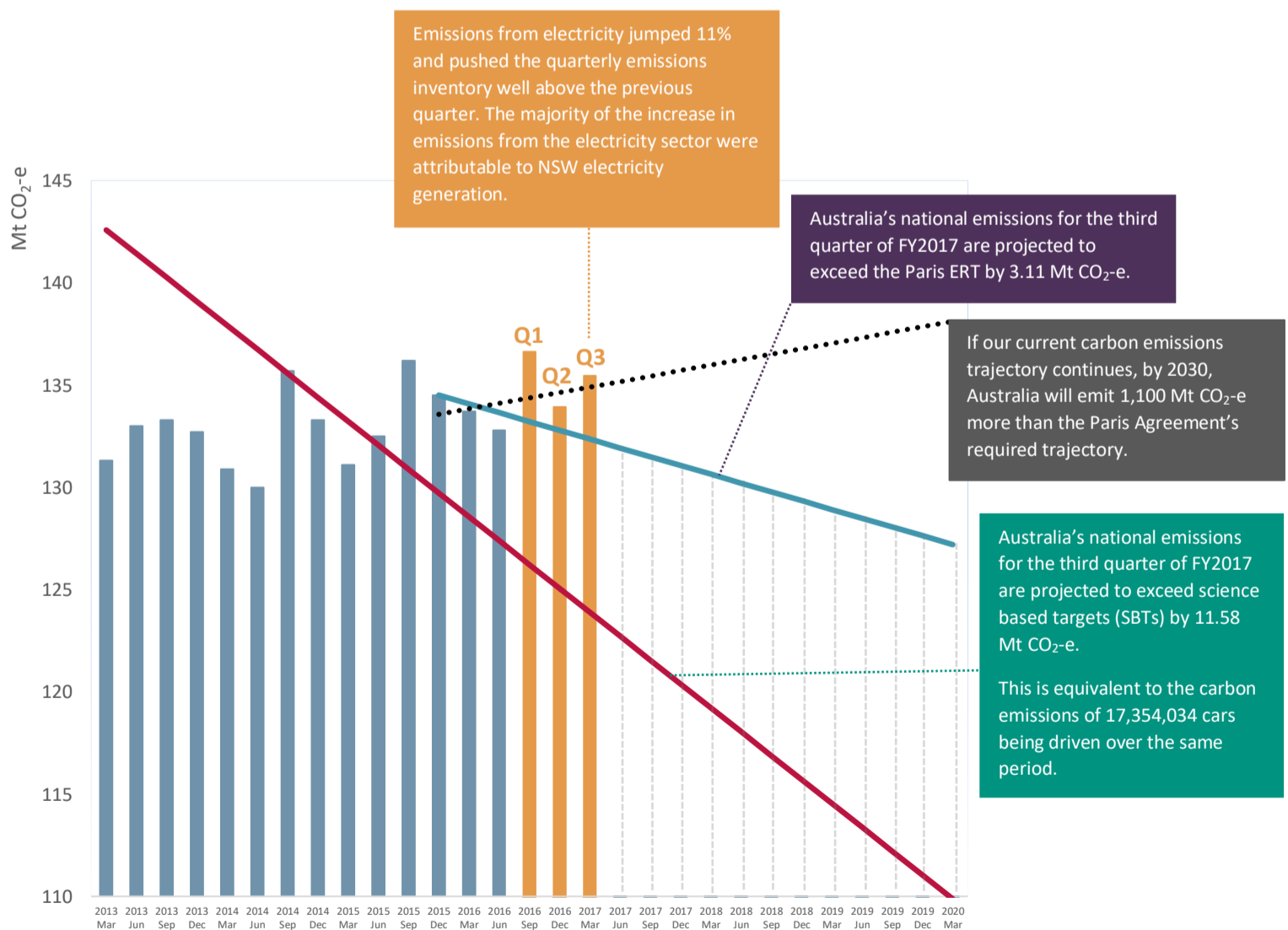
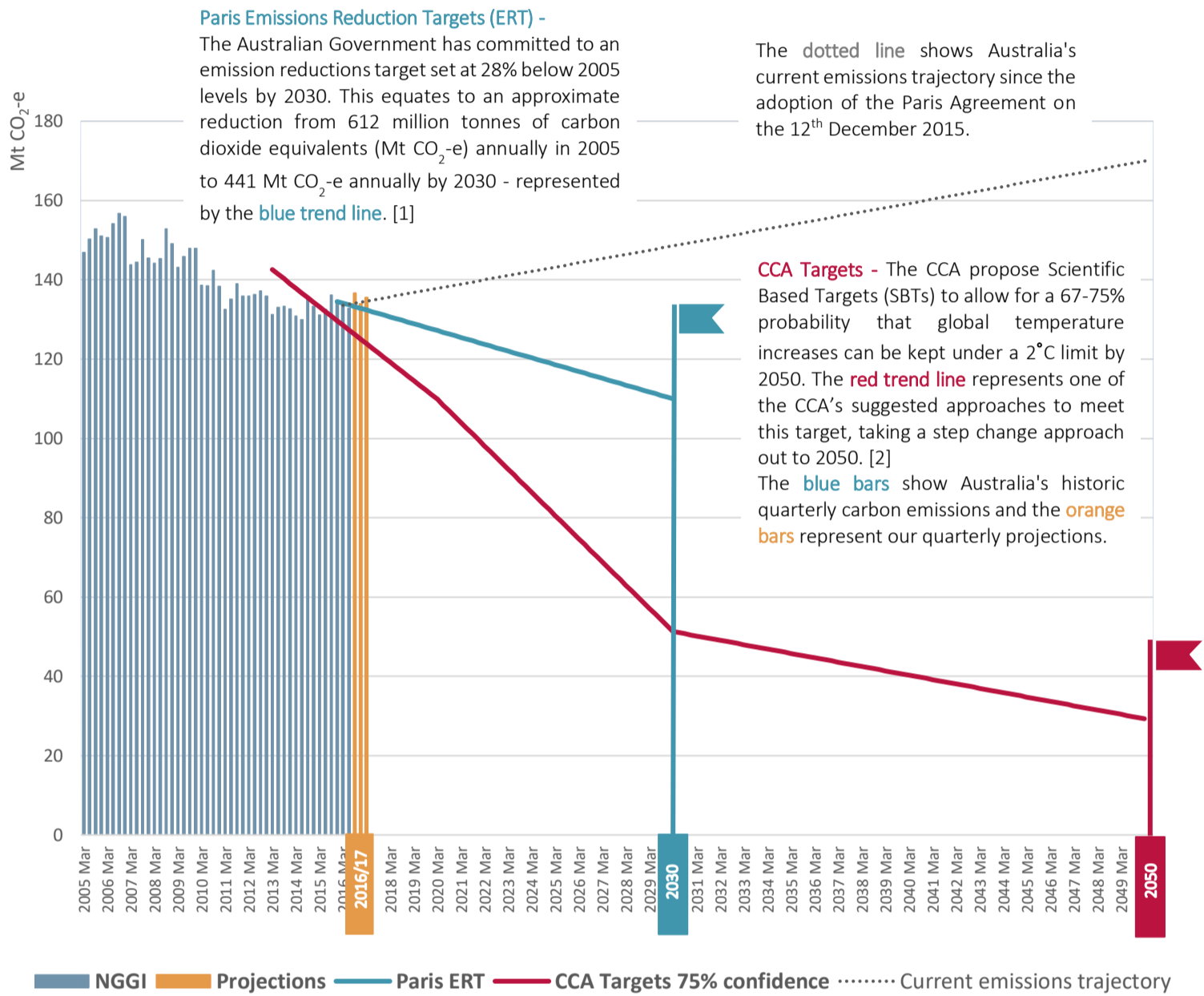
TRACKING 2 DEGREES

Quarterly report Q3 / FY2017

Under the Paris Agreement the Australian Government has legally committed to reducing our emissions by 26-28% by 2030. However, to ensure global warming remains under 2 degrees, independent body the Climate Change Authority (CCA), has proposed Australia set a national science based target (SBT). This is a target calculated from Australia's share of emissions for a 2° global outcome. Ndevr has used this target to model a quarterly emissions budget for Australia.

This report tracks Australia's performance against the CCA's carbon budget based on the latest available data, trends and industry movements for the months of January, February and March 2017. The Australian Government reports emissions quarterly via the National Greenhouse Gas Inventory (NGGI), which is typically 6-9 months behind our 'Tracking 2 Degrees Report' and not compared against a carbon budget.

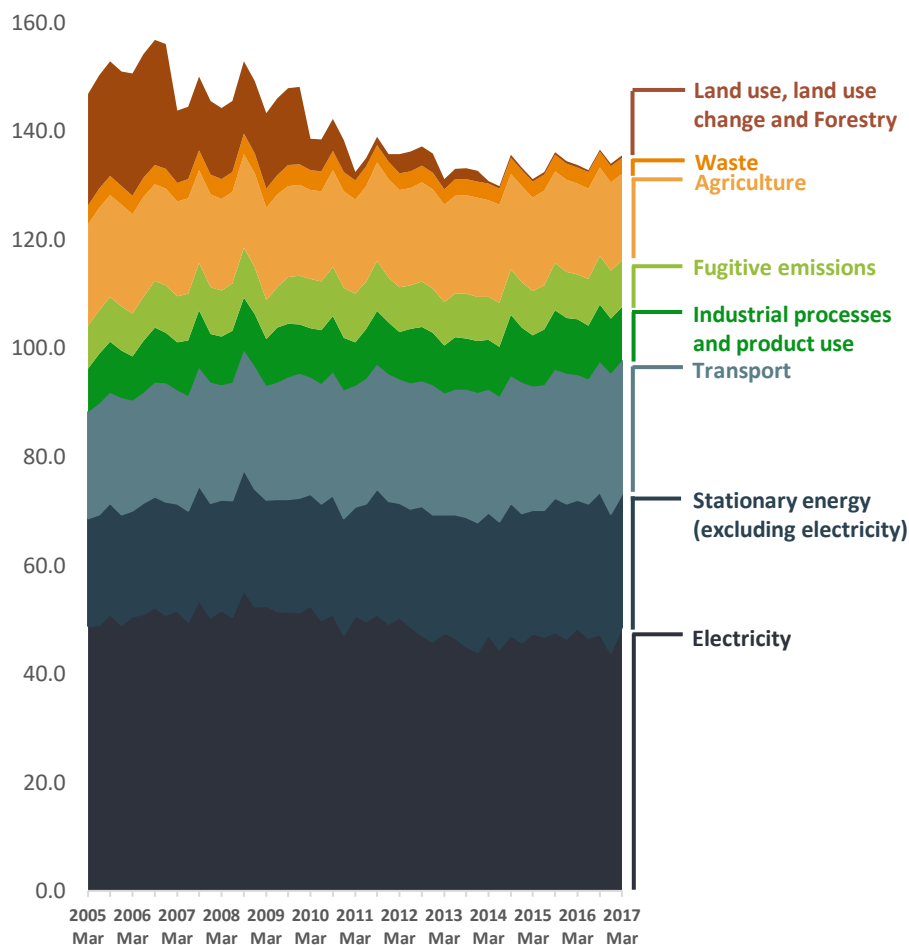
AUSTRALIA'S EMISSIONS PROJECTIONS TO A 2 DEGREE TARGET



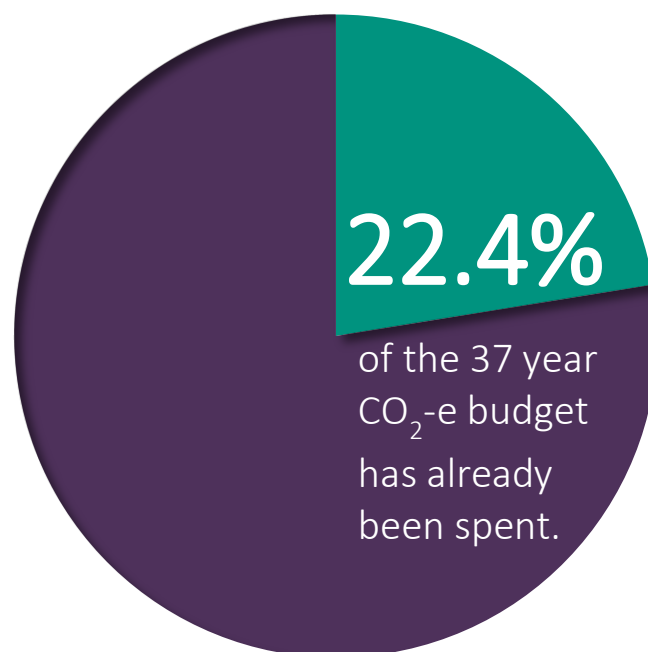
The reduction in emissions from the electricity sector achieved in Q2 FY17 from an unprecedented increase in renewables has not continued in Q3 FY17. The electricity sector emissions have increased by 11% (~5MtCO₂e) from the previous quarter.

The largest contributor to the increase in emissions from electricity in Q3 FY2017, was from New South Wales followed by Queensland. New South Wales contributed around two thirds of the emission increases for the quarter and this could be attributed to a combination of an increased generation capacity from fossil fuel sources and a considerable increase in the amount of total electricity generated. Overall, emissions from New South Wales electricity generation increased 1.5 times between October 2016 and January 2017.

TRENDS IN SECTOR EMISSIONS



2 DEGREE BUDGET EXPENDITURE TO DATE



This report has been compiled by Ndevr Environmental, using the latest information available from: AEMO, Australian Petroleum Statistics, National Greenhouse Gas Inventory, GDP trends are sourced from Trading Economics, information about Australian car use is sourced from the National Transport Commission, 2016 and the Australian Bureau of Statistics. All emission factors are sourced from National Greenhouse and Energy Reporting (Measurement) Determination 2008.

Government and CCA target information is available at the following sources:

[1] - Australian Government (2015), Australia's 2030 Climate change target, Commonwealth of Australia

[2] - CCA (2013), Historical emissions from the Treasury and DIICSRTE

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