



INDUSTRY ACTION ON CLIMATE CHANGE MITIGATION IN AUSTRALIA

The Climate Change Authority has released a stocktake of drivers for, and actions by, industry to reduce greenhouse gas emissions in Australia, including new and emerging low emissions technologies. It is available at www.climatechangeauthority.gov.au.

The report is one of a series of three stocktakes the Climate Change Authority has released in 2019. The three stocktakes provide a summary of actions to mitigate emissions by governments and industry in Australia and taking place internationally.

The Authority has not in this stocktake assessed the level of industry action or what policy approaches could support industry to reduce emissions in the future. The stocktake will inform a forthcoming update of the Authority's advice on a policy toolkit for meeting Australia's commitments under the Paris Agreement.

While every effort has been made to publish an accurate report, the Authority welcomes your input on the accuracy and reliability of the information contained in this stocktake and any relevant additional information.

DRIVERS OF INDUSTRY ACTION ON CLIMATE CHANGE

There are a number of key drivers motivating industry to reduce emissions beyond that required for compliance with current regulation and policies. In one way or another, these drivers come back to what is in the best interest of the company and its profitability.



Companies are being driven to take up opportunities to:

- reduce costs of energy and operations
- increase market share through branding, such as carbon neutral certifications, in response to shifts in consumer preferences

73 companies have carbon neutral certifications under the National Carbon Offset Standard.



Companies are responding to risks arising from:

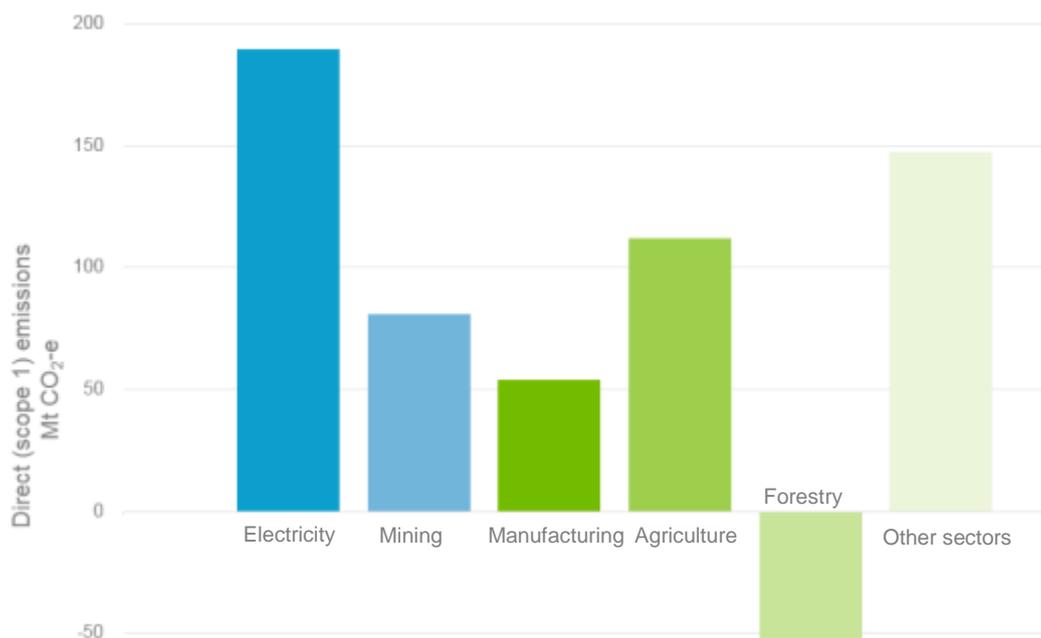
- anticipated future policies to reach the Paris Agreement temperature goals including increased pricing of greenhouse gas emissions
- investor demand for low carbon opportunities and financing and underwriting restrictions by investors, lenders and insurers for carbon intensive projects
- increased stakeholder expectations and exposure to litigation over the proper management of climate change risk by company directors
- increased demand by companies and consumers for climate change mitigation credentials to be included in procurement and supply chain sourcing criteria.

Australia's 4 largest banks have targets to fund low carbon infrastructure & technology.

INDUSTRY ACTION ON CLIMATE CHANGE

Australia's emissions by sector

Over 80 per cent of Australia's emissions come from the electricity, mining, agriculture and manufacturing sectors.



Note: Data is for 2016–17. All other sectors includes residential, commercial services, transport, postal and warehousing, construction, gas and water supply.

The stocktake shows that companies are employing a wide range of actions and measures to reduce their emissions and/or emissions intensity.



Companies are investing in low emissions & renewable energy

- The three largest electricity companies are changing their electricity generation mix away from emission intensive fossil fuels and making greater use of renewable energy sources.
- Companies across all industries and of all sizes have invested in renewable energy either through direct build or through Power Purchase Agreements.

- 46,000 businesses have solar PV installations.
- 3,100 megawatts of new investments in renewable energy capacity has been delivered through Power Purchase Agreements since 2016.



Companies are lowering emissions through increased efficiency and improved practices

- Companies have reduced the emissions intensity of production and their operational costs through improved productivity and practices to manage emissions, and more can be done.

- Emissions intensity of aluminium, cement and steel production is lower than in 2005 due to improvements to industrial plants and re-using products, such as cement kiln dust.
- Agricultural enterprises, such as dairies and piggeries, are lowering emissions intensity through improved productivity using improved herd management practices and manure management.
- Some fugitive emissions from coal mines and oil and gas production are being mitigated through flaring.
- Managing emissions is part of industry certification schemes for forestry (Responsible Wood) and buildings (Green Star).
- Road transport companies are lowering emissions intensity by improving logistics planning, changing driver behaviour and updating their fleets including to electric vehicles.
- Improved standards in waste management and circular economy initiatives are reducing waste volumes and associated emissions from landfill.



There are opportunities to move to new low emissions technologies

- Technological advances have, and will continue to, enable products to be produced with lower emissions through new or improved processes. Technologies are also enabling emissions to be captured and stored.
- The development of innovative products to replace existing high emissions products will be pivotal in transitioning the economy to a low emissions future.
- There are promising emerging technologies which can take industry further and drive new investment and economic growth.

NOW...

- Engineered wood products can be used instead of some steel and concrete in buildings.

AND INTO THE FUTURE...

- Industrial heat may be able to come straight from renewable sources, not fossil fuels.
- Australia can develop new industries, such as a new hydrogen industry.

To contact the Climate Change Authority with information relevant to the stocktake:

Freecall 1800 475 869 or email at enquiries@climatechangeauthority.gov.au.

References: A list of references used in this fact sheet is available in the full stocktake report.