

Key Findings

1. China and the US have firmly moved from laggards to global leaders on climate change.

Whereas in years gone by China and the US may have been viewed as laggards, today they are providing substantial global leadership.

CHINA: The renewable energy powerhouse

- › China now has the world's second largest carbon market in the world with seven domestic emissions trading schemes in operation covering a quarter of a billion people.
- › China consolidated its position as the world's renewable energy powerhouse in the past year. China is number one in the world for installed renewable energy capacity, new installations and investment. In 2013, for the first time China installed more renewable energy capacity than fossil fuels.
- › Renewable energy now provides nearly one fifth of China's annual electricity generation and renewable energy provides 2.6 million jobs.
- › China retired 77 gigawatts (GW) of coal power stations between 2006 and 2010 and aims to retire a further 20 GW by 2015.
- › All this effort has driven a decline of 26 percent in carbon intensity over the last eight years. China is on track to meet its goal of cutting its carbon intensity by 45 percent by 2020.

US: Stepping up to the plate

- › The US is on track to meeting its international commitment to reduce emissions by 17 percent below 2005 levels by 2020.
- › In May this year President Obama announced a new national plan to reduce greenhouse gas emissions. The centerpiece of the plan is historic rules to cut pollution from coal power plants by 30 percent.
- › The US is second in the world for installed renewable energy due to a range of state based renewable energy targets, incentives and initiatives. The share of renewable energy generation in the US was 12.9 percent in 2013.
- › Over half of the states of the US have renewable energy targets and ten states operate emissions trading schemes, including California the world's 9th biggest economy.

2. In the last five years most countries around the world have accelerated action on climate change as the consequences have become more and more clear.

- › Global action on climate change includes countries putting a price on carbon and setting renewable energy targets.
- › Thirty nine countries and over twenty sub-national jurisdictions are putting a price on carbon – up from 35 countries and 13 sub-national

jurisdictions in 2013. A further 26 countries are currently considering introducing a price on carbon.

- › In early 2014, 144 countries had renewable energy targets and 138 had renewable energy support policies in place (up from 138 and 127 respectively in the previous year).
- › The European Union, the world's third largest emitter, has reduced emissions by 19.2 percent since 1990. The EU has adopted a new emission reduction target of 40 percent below 1990 levels by 2030 and a renewable energy target of 27 percent by 2030.

3. Australia: a crucial player moves from leader to laggard.

- › Australia is a major climate change player. Australia is the 15th largest emitter of greenhouse gases, larger than 170 other countries. On a per capita basis Australians emit more than Europeans or Chinese. This means that Australia has a responsibility to play its part and that Australian actions have a global influence.
- › Australia's emission reduction target (5 percent reduction by 2020) has been found by the Climate Change Authority to be too low and out of step with our allies and trading partners.
- › The future of Australia's renewable energy industry remains highly uncertain due to a lack of clear federal government renewable energy policy. Consequently investment in renewable energy in 2014 has dropped by 70 percent compared with the previous year.
- › In the last few months the government has repealed the carbon tax (pricing mechanism) and introduced an incentive scheme called the Emission Reduction Fund. However, there

remains uncertainty as to whether the scheme can meet the 5 percent national emission reduction target.

- › Any emission reductions achieved over the past few years in Australia's electricity sector have effectively been cancelled out since the repeal of the carbon pricing mechanism.
- › Australia is already experiencing the consequences of more frequent and severe extreme weather. Australia's global influence in averting these risks will depend on how effectively we implement policy solutions at home.

4. Global action must accelerate to protect Australia and the world from the consequences of a changing climate, sea level rise and more frequent and intense extreme weather.

- › Greenhouse gas emissions are already at dangerous levels and continue to increase globally. To prevent catastrophic rises in global temperature humanity must substantially curtail the use of coal and other fossil fuels.
- › The International Monetary Fund estimates that governments around the world spend nearly \$2 trillion annually subsidising oil, natural gas, coal and electricity production. For every \$1 spent to support renewable energy, another \$6 are spent on fossil fuel subsidies. Without phasing out fossil fuel subsidies, the 2°C target will not be reached.
- › The global community is building up to an important milestone in international negotiations on tackling climate change, the Paris Conference in 2015. Fora like the G20 will be important opportunities for countries to express their commitment to tackling climate change.