

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

4 – 6 June 2013

Question: BET 301-302

Topic: Environmental Accounting

Written: 17 June 2013

Senator MILNE asked:

301. The ABS responded to a question on notice to supplementary estimates (SBT 76), that the latest comprehensive economy-wide environmental expenditure account was published in 1999 and referred to 1996-97 and that the ABS is not funded to produce them on an ongoing basis.
- a. How much would it cost to produce an updated account?
 - b. Would it be useful for your environmental-economic accounts?
302. The ABS responded to a question on notice to supplementary estimates (SBT 77) that international standards on valuing ecosystems were being discussed by the UN in February 2013 and the ABS would be heavily involved.

What conclusions were reached at the UN meeting?

Answer:

- 301.
- a. The most recent comprehensive set of environmental protection expenditure accounts (EPEA) produced by the ABS relates to 1995-96 and 1996-97 (cat. no. 4603.0). To produce a similar set of accounts would cost approximately \$1.63 million though this cost would fall somewhat (to around \$1.33 million) for subsequent years if these accounts were to be produced on a regular basis.
 - b. EPEA would be a welcome addition to the suite of environmental accounts produced by the ABS. The ABS decision not to repeat the comprehensive EPEA represents a question of relative priorities, rather than an adverse view of the worth of EPEA. These accounts are a very worthwhile complement to the various efforts currently taking place across Australia to improve measures of ecosystem condition and extent - it is highly instructive to match expenditure (or lack of expenditure) on environmental protection with physical measures of the ecosystem condition/extent targeted by environmental protection activities.
302. The United Nations Statistical Commission (UNSC), the peak UN body on statistics, met in February 2013 and discussed current developments in relation to the newly-produced draft of the *System of Environmental and Economic Accounting - Experimental Ecosystem Accounts* (SEEA – EEA). The UNSC welcomed this draft and encouraged its use among member countries. Due to the experimental nature of this work, no proposal was made at this point to endorse the draft as an international statistical standard. A further relevant

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outcome from the February 2013 meeting of the UNSC is that a UN committee of experts will oversee the continued development of this work.