

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry and Science Portfolio
2015-16 Budget Estimates
3 - 4 JUNE 2015

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY AND SCIENCE

TOPIC: Energy White Paper

REFERENCE: Written Question – Senator Conroy

QUESTION No.: B1-66

1. Can the Department provide a final cost breakdown of the development of the Energy White Paper?
2. Can the Department outline what activity has occurred to develop the National Energy Productivity Plan?
 - a. What is the rationale behind the 40% by 2030 target?
 - b. How does Australia rate internationally on energy productivity targets?
3. Can the Department provide an update on the National Energy Security Assessment?
 - a. What resources are being allocated to this?
 - b. When will it be completed?
4. Can the Department provide an update on plans to publish the Economic analysis of end-use energy intensity in Australia report which I understand is scheduled for mid-2015?
 - a. Who is writing the report?
 - b. Are you using external consultants to develop this piece of work?

ANSWER

1. The cost of producing the Energy White Paper was \$1,731,935 (September 2013 – April 2015). The staffing cost totalled \$1,699,540 and expenses (largely travel and printing) totalled \$32,395.
- 2a. In agreeing on a target of up to 40 per cent improvement in Australia's energy productivity between 2015 and 2030 the Government considered a range of relevant research and the expected impact of current arrangements and initiatives on energy productivity over this period. Up to forty per cent is considered an achievable target which demonstrates the Australian Government's commitment to significant improvement in Australia's current energy productivity.
 - Finalisation of the energy productivity target will be set as part of Australia's post 2020 pledge to the United Nations Framework Convention on Climate Change.
- 2b. Targets for energy productivity (\$GDP per unit of energy) and particularly its inverse, energy intensity (energy units per \$GDP), are common internationally, but there are many ways of articulating a target. For example:
 - The US has a target to double its energy productivity from 2010 levels by 2030.
 - Under its 12th Five Year Plan, China has a short term energy intensity target of 16 per cent improvement between 2011 and 2015.
 - Russia has a target of 40 per cent improvement in energy intensity between 2007 and 2020.
 - Japan and Saudi Arabia both have 30 per cent reduction in energy intensity targets to be achieved by 2030 (base years of 2003 and 2005 respectively).

- Thailand has a target of 25 per cent improvement in energy intensity between 2010 and 2030.
- New Zealand has a goal of decreasing energy intensity by 1.3 per cent per year (2011 to 2016).
- The Asia-Pacific Economic Cooperation (APEC) energy intensity target is an aspirational 45 per cent reduction in APEC-wide energy intensity between 2005 and 2035.

3a. Staffing resources have been allocated to the NESA within the department. A number of other Government departments have also allocated staffing resources to contribute as appropriate throughout the process. The Department of Industry and Science will cover costs associated with consultancies, consultation, communications and publication expenditure.

3b. The NESA is expected to be completed in late 2015.

4. The report was released on 24 June 2015.

a. The 2015 End-use Energy Intensity in Australia report was written and published by the department's Office of the Chief Economist.

b. No consultants were used to develop this report.