ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

Outcome No. 1

Division: Australian Greenhouse Office

Topic: Greenhouse Gas Abatement Program (GGAP)

Hansard Page/Written Question on Notice: #Tabled

Question #124

Senator Bishop asked:

Senator Minchin, quoted in *The Age, 19/9/00* said that Australia will achieve its Kyoto target through the government's '\$1 billion greenhouse reduction program'. At the last estimates hearings, Gwen Andrews said that she expected the \$400 million Greenhouse gas abatement program (GGAP) to achieve emissions reductions of 5 million tonnes of CO2 a year in the target period 2008-12. Is this still the expected abatement to be achieved from GGAP?

Answer:

Early indications from the first investment round of GGAP are that the program could achieve a higher level of abatement subject to projects being successfully implemented.

Question # 125

Senator Bishop asked:

How many applications were received for GGAP funding?

Answer:

The Australian Greenhouse Office received 111 applications in the first investment round.

Question # 126

Senator Bishop asked:

What proportion meet AGO's minimum requirements?

Answers

One hundred and seven applications were accepted for consideration. The remainder were not accepted because they were either late or contained significant gaps in information.

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

Question # 127

Senator Bishop asked:

What was the total funding sought? (should be around \$1.7 billion)

Answer:

The total funding sought by the 107 applications is around \$1.787 billion.

Question #128

Senator Bishop asked:

What were the identified emission abatement estimates? (should be about 400 millions tonnes)

Answer:

The sum of abatement estimates claimed by proponents in the first investment round is 417.5 million tonnes of CO₂-e during 2008-12. AGO analysis suggests that the total abatement from the proposals would be less than this figure, due to double counting of emission savings between competing proposals and the optimistic abatement estimates often provided by proponents.

Question # 129

Senator Bishop asked:

What was the average \$/ tonne for the applications? (should be \$4.25 / tonne)

Answer:

The average cost to GGAP of emissions reductions claimed by proponents was \$1.787 billion for 417.5 million tonnes of CO₂-e, or around \$4.28 per tonne. This figure, however, does not reflect the actual cost of abatement, as it does not incorporate the proponents' financial contributions towards abatement costs. Also, the abatement that would result from GGAP proposals collectively cannot be calculated by summing the proponents' abatement estimates for reasons given above.

Question # 130

Senator Bishop asked:

Given that Australia must reduce emissions by about 100 million tonnes of CO2 equivalent by 2010, what would the minimum cost be for the government if it just bought these savings through GGAP proposals? (should be \$425 million)

Answer:

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

It is not possible to simply extrapolate the cost of Australia's abatement task from the claims made in GGAP proposals for the reasons given above. The size of the task is such that government investment alone is not likely to be an efficient way to meet the Kyoto target. There must be investment across the economy.

Question #131

Senator Bishop asked:

So the minimum cost of meeting our Kyoto target, if these estimates are accurate, would be \$425 million?

Answer:

Refer to answer provided to Question # 129.

Question # 132

Senator Bishop asked:

How does this compare to the ABARE predictions of a cost of 0.6% of GDP in 2010? What does this ABARE estimate equate to in dollars? How does that compare to the GGAP funding proposals?

Answer:

ABARE's GTEM model projects costs to Australia of around 0.6% of Gross National Product (GNP) in 2010 with sinks, international emissions trading and the Cleaner Development Mechanism included. GNP is projected to grow by 40% over 2000 levels by 2010, to reach \$873 billion. On this basis, 0.6% of GNP in 2010 is \$5.2 billion. As indicated above, there is no basis for making comparisons using GGAP proposals.

Question # 133

Senator Bishop asked:

What emission reductions does AGO anticipate will be achieved through the \$400 million GGAP funding? How close will this get to meeting our Kyoto target?

Answer:

Refer to answer provided to Question # 123 for the first part of the question. The minimum of 5 million tonnes of CO₂-e would be a significant contribution towards meeting Australia's target.

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

Question # 134

Senator Bishop asked:

What is the Minerals Council estimate of the cost of meeting our Kyoto target? How does this compare to the GGAP funding?

Answer:

The recent Minerals Council study using the Monash MMRF-Green model indicated that the costs of meeting our Kyoto target would be 1.9 per cent of GDP, or around \$11 billion. This is around 28 times GGAP funding of \$400 million.

Question # 135

Senator Bishop asked:

What is the timing on announcements regarding the GGAP funding?

Answer:

Announcements regarding GGAP funding are anticipated in the first part of 2001.

Question # 136

Senator Bishop asked:

I note that according to the AGO website, a Ministerial Board will vet spending proposals *twice*. Is this correct?

Answer:

Initially the Ministerial Council on Greenhouse considers all proposals on the basis of a preliminary assessment and selects a short-list of proposals to undergo more detailed expert assessment. The Ministerial Council further considers short-listed proposals and funding decisions, based on the results of the more detailed assessment.

Question # 137

Senator Bishop asked:

Criteria for GGAP funding include, not only emission abatement, but also regional effects and employment effects. How are those different criteria assessed and compared?

Answer:

Relevant methodologies and expertise are applied to the assessment of each of the criteria. The abatement estimates are assessed in accordance with the *Technical Guide to Assessing the Abatement Performance of GGAP Proposals*, which is included in the GGAP guidelines. Criteria relating to rural and regional opportunities,

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

employment growth and other co-benefits are assessed through cost benefit analysis, which yields a national net cost for each shortlisted project. The different criteria are compared by calculating the national net cost per tonne of abatement expected to be achieved by the proposed project.

Question # 138

Senator Bishop asked:

What emphasis is placed on greenhouse abatement compared to the other criteria?

Answer:

The ability to deliver large-scale, quantifiable and additional abatement is an eligibility criterion that must be met by all successful proposals. Emission savings are the primary criteria and carry more weight than the desirable criteria. The guidelines indicate that priority is given to projects that will deliver abatement exceeding 250,000 tonnes of CO₂-e per annum.

Question # 139

Senator Bishop asked:

What guarantees are there that this won't turn into a politically directed, regional marginal electorate spending program?

Answer:

The Government is applying a high level of probity and rigour in the assessment and selection of proposals. As indicated above, the primary criterion is emissions abatement as determined by objective analysis.

Question # 140

Senator Bishop asked:

Senator Hill spoke on the Sunday program 12/11/00 and ABC Radio 4QR on 15/11/00 about the possibility of using GGAP funding for land clearing compensation. What \$ per tonne emission reduction can be achieved in this way?

Answer:

Under the Australian Constitution, Queensland has primary responsibility for land management in that state, including for its own land clearing regime. However, the Commonwealth recognises the important implications of current Queensland land clearing rates, in particular that Queensland's current land clearing regime does not provide an acceptable greenhouse outcome. The Commonwealth considers wide community acceptance, particularly by farmers and landholders, as essential if

ANSWERS TO OUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

vegetation management is to be effective and if sustainable land management is to be achieved.

The Prime Minister has made it clear to the Premier of Queensland that the Commonwealth is prepared to consider funding assistance in relation to land clearing restrictions on a basis that meets Commonwealth greenhouse objectives. He has also agreed to discussions between Commonwealth and Queensland government officials. These discussions are currently exploring possible options to implement a set of arrangements that would achieve a substantial reduction in greenhouse gas emissions from Queensland land clearing. The Commonwealth is also continuing to have discussions with senior Queensland farming representatives, with a view to achieving a mutually acceptable outcome.

The Government will consider whether funding is required in light of factors including outcomes of discussions with Queensland, and with farming organisations. Consideration of possible funding sources, assessment, and related matters are therefore premature.

Question # 141

Senator Bishop asked:

Would the government be able to guarantee limits or caps on total clearing?

Answer:

Refer to answer provided to Question # 139.

Question # 142

Senator Bishop asked:

Hasn't Minister Tuckey said recently that the Federal Government would 'wait and see' and do nothing at this stage on land clearing? (AFR, 23/9/00).

Answer:

Refer to answer provided to Question # 139.

Question # 143

Senator Bishop asked:

What proportion of GGAP funding would be needed to pay compensation to Queensland farmers to halt land clearing?

Answer:

Refer to answer provided to Question # 139.

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

Question # 144

Senator Bishop asked:

How will land clearing be assessed against other applications for emission abatement?

Answer:

Refer to answer provided to Question # 139.

Question # 145

Senator Bishop asked:

Has the government received a specific application for land clearing in **Queensland?**

Answer:

No.

Question # 146

Senator Bishop asked:

What exactly are government plans for GGAP in the light of Senator Hill's statements?

Answer:

Refer to answer provided to Question # 139.

Question # 147

Senator Bishop asked:

Will GGAP funding be linked to actual outcomes – ie will payment be on achieving verified emission reductions?

Answer:

Payments provided to successful GGAP proponents will be directly linked to the achievement of specified project milestones. Many abatement projects will require assistance with initial capital investment in order to realise emissions reductions.

Question # 148

Senator Bishop asked:

What about the other programs in Measures for a better environment?

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

Answer:

Work is under way to review the impact of all measures. The current preliminary estimate of the 2010 impact of other programs in the Measures for a Better Environment package is as follows:

Measure	Impact in 2010 (Mtpa)	Comment
Transport Measures		
Diesel and Alternative Fuels Grant Scheme	not estimated	Part of tax changes influencing the baseline. Not estimated separately.
Rail Excise Exemption		
Alternative Fuel Vehicle	0.5	
Conversions		
Renewables Measures		These measures target renewables development
Renewable Remote Power	0.07	rather than short term emissions reductions per se.
Generation Program		
PV Rebate	0.01	
Renewable Energy	0.01	
Commercialisation Program		
Total	0.59	(Reduction)

Question # 149

Senator Bishop asked:

So the total \$1 billion program is expected to achieve what emission reductions?

Answer:

The \$1 billion program includes other Commonwealth measures. The preliminary estimate is that the total package of current measures reduces emissions by 58-64 million tonnes in 2010.

Question #150

Senator Bishop asked:

What proportion of our emissions reduction target does this represent?

Answer:

The \$1 billion program achieves reductions of 14-16% of 1990 emissions levels. This is around half of the reduction from business as usual levels required in 2010 to achieve our 108% Kyoto Protocol target, excluding land use change.

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

Outcome 2, Question: 151
Topic: Renewable Remote Power Generation Program
Hansard Page/Written Question on Notice: Tabled

Senator Bishop asked:

Turning to the Renewable Remote Power Generation Program, of \$264m. How is this program progressing? Have opportunities been identified for how the \$264m will be spent?

Answer:

The Renewable Remote Power Generation Program (RRPGP) is being implemented through a Partnership Agreement between participating States and the Northern Territory (the States) and the Commonwealth. The Agreement was despatched for signature on 16 June 2000. Currently SA, NT, WA and Qld have signed and the Government is awaiting signatures by NSW and Tas.

Opportunities to expend available funds in each participating State are being examined through the requirement for each State to develop a State Strategic Framework. This includes the analysis of potential projects and target groups, feasible technologies and appropriate programs. Drafts have been received from WA and Tas. Qld, SA and NT have each completed a Strategic Framework.

To date, proposals have been received for the Queensland Working Property Rebate Program, Queensland Parks and Wildlife Service Renewable Energy Program, Northern Territory Renewable Energy Rebate Program and for a renewable energy program in SA.

Outcome 2, Question: 152

Topic: Renewable Remote Power Generation Program Hansard Page/Written Question on Notice: Tabled

Senator Bishop asked:

What are the issues associated with this measure and has the budget been revised at all?

Answer:

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

A major issue is the capacity of the States to commit their available funds in 2000/01.

Outcome 2, Question: 153

Topic: Renewable Remote Power Generation Program

Hansard Page/Written Question on Notice: Tabled

Senator Bishop asked:

What is the emissions abatement forecast for this measure?

Answer:

The replacement of diesel fuel with renewable energy will reduce the overall carbon intensity of remote power generation in Australia. However, since some of the States are still developing proposals on use of the funds for the Commonwealth's consideration, it is not possible to give a precise estimate of the CO2 abatement that will be achieved by the RRPGP. Actual emissions savings will vary considerably depending on how the funds are used.

Outcome 2, Question: 154

Topic: Renewable Remote Power Generation Program

Hansard Page/Written Question on Notice: Tabled

Senator Bishop asked:

The funding criteria under this program are:

- (i) help in providing an effective electricity supply to remote users;
- (ii) assist the development of the Australian renewable energy industry;
- (iii) help meet the energy infrastructure needs of indigenous communities; and
- (iv) lead to long term greenhouse gas reductions

Can you explain how each of these criteria are weighted?

Answer:

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

No specific weighting is assigned and in most cases, projects will meet a number of criteria. State Strategic Frameworks help to identify a range of projects that can address different target elements.

Outcome 2, Question: 155

Topic: Renewable Remote Power Generation Program

Hansard Page/Written Question on Notice: Tabled

Senator Bishop asked:

How important for example, is greenhouse abatement compared to providing effective supply to remote areas?

Answer:

There is no specific weight. However, greenhouse gas abatement is expected to be a major outcome.

Outcome 2, Question: 156

Topic: Renewable Remote Power Generation Program Hansard Page/Written Question on Notice: Tabled

Senator Bishop asked:

Is this the program under which the Government is considering providing transmission lines to the Derby Tidal project?

Answer:

The Commonwealth has committed \$1 million to the Derby Tidal Energy Project under round 2 of the Renewable Energy Commercialisation Program. If the WA Government chose to nominate the project for funding under its RRPGP funding, it would be assessed as with other projects.

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

Outcome 2, Question: 157

Topic: Renewable Remote Power Generation Program

Hansard Page/Written Question on Notice: Tabled

Senator Bishop asked:

What are the greenhouse benefits of the Derby Tidal project with diesel backup compared to its competing gas project?

Answer:

The Western Australian Ministerial Advisory Report assessed the LNGP as having higher greenhouse gas emissions than the Derby Tidal Project, although the emissions from mangrove flooding was identified as requiring further analysis. The Commonwealth has not conducted its own comparative assessment of these projects.

Outcome 2, Question: 158

Topic: Renewable Remote Power Generation Program Hansard Page/Written Question on Notice: Tabled

Senator Bishop asked:

What say will Ministers have on how funds are to be spent?

Answer:

The Ministerial Council on Greenhouse considers all funding proposals for approval. This comprises the Minister for the Environment and Heritage; Minister for Industry, Science and Resources; Minister for Finance and Administration; and Minister for Agriculture, Forestry and Fisheries.

Outcome 2, Question: 159

Topic: Alternative Fuels Grants Scheme

Hansard Page/Written Question on Notice: Tabled

Senator Bishop asked:

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

Turning to two more programs under the \$1 billion, the CNG and LPG Vehicle Conversion program, and the Diesel and Alternatives Fuels Grants Scheme, these are claimed to be greenhouse spending programs.

Answer:				
Yes.				
Outcome 2,	Question: 160			
Topic: Alternative Transport Fuels - CSIRO Lifecycle Analysis.				
Hansard Page/Written Question on Notice: Tabled				

Senator Bishop asked:

I refer to the study by the CSIRO on the AGO website which indicates that the greenhouse savings from heavy vehicles and buses, using CNG or LPG rather than diesel, are quite marginal, maybe 10% at the best. (Almost the only uses of the programs would relate to trucks and buses and LPG and CNG.) At the same time the urban air quality benefits are significant. Why are these programs listed as greenhouse spending when they are obviously primarily urban air quality programs?

Answer:

A saving in the order of 10% of heavy vehicle emissions is of significance for the transport sector. By encouraging market transformation, emissions reductions from the programs will continue to grow over the longer term.

A wide range of programs has been introduced as part of a strategy to reduce greenhouse gas emissions from the transport sector in recognition that no single activity can achieve the majority of the desired reductions in this sector. As a consequence programs, such as the alternative fuels program, should be considered as part of a comprehensive strategy rather than as isolated activities.

It is acknowledged that using CNG or LPG produces significant air quality benefits as well.

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

Outcome 2, Question: 161

Topic: Greenhouse emissions savings from the Alternative Fuels Conversion Program (AFCP and the Diesel and Alternative Fuels Grants Scheme (DAFGS) Hansard Page/Written Question on Notice: Tabled

Senator Bishop asked:

What is the government's estimate of the greenhouse emissions that are likely to be saved by these two measures?

Answer:

The Alternative Fuels Conversion Program has received applications totalling \$15.2 million in its first year of operation for the conversion of 556 buses and 333 heavy commercial vehicles. If these applications are approved, these vehicles will reduce greenhouse emissions by an estimated 7000 tonnes per year. 7000 tonnes will be saved each year for the life of the vehicles involved. In some cases these vehicles have a 24-year operational life.

The subsequent three years of the program have an allocation of \$20 million per year and we can estimate emissions savings of 10,000 tonnes per year for the life of the vehicles involved.

By the year 2012, the end of the first reporting period for Kyoto, we will have cumulative greenhouse gas emissions savings of an estimated 400,000 tonnes from the Alternative Fuels Conversion Program. In addition to the direct savings, there are flow-on effects. The AFCP is designed to stimulate and grow the market for alternatively fuelled vehicles which in turn will create demand or more refuelling infrastructure. With more accessible infrastructure, demand for alternatively fuelled vehicles will increase, hence greater greenhouse emissions savings will be achieved.

The Diesel and Alternative Fuels Grant Scheme was designed to provide relief for transport operators running on diesel and to maintain price relativities for alternative fuels - so as to not disadvantage operators using cleaner alternative fuels, following implementation of the GST. Most of the recipients of an alternative fuels grant would also qualify for grants under the Alternative Fuels Conversion Program. As such, greenhouse emissions savings resulting from the alternative fuel grant component of many DAFGS are implicit in the emissions savings calculated for the AFCP.

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

Outcome 2, Question: 162-163

Topic: Alternative Transport Fuels – Placement of Programs

Hansard Page/Written Question on Notice: Tabled

Senator Bishop asked:

If these measures, with much more obvious urban air quality benefits than greenhouse benefits, are listed as greenhouse, why does the overall policy on diesel and other diesel replacement programs, lie in the Environment Protection Group of the Department, and not the AGO?

Doesn't the expertise within the department on vehicle fuels lie in the Environment Protection Group in Environment Australia?

Answer:

The rationale behind placing overall policy on diesel and diesel replacement programs in Environment Australia is that these programs are specifically targeted at reducing urban air pollution and not at reducing greenhouse emissions. Environment Australia is a member of the National Environment Protection Council and as such is able to work with States and Territories to improve air quality. These mechanisms are longstanding and have worked very effectively on developing such programs as the Diesel National Environment Protection Measure.

The alternative fuels programs, while generating both air quality and greenhouse benefits, adopt a market transformation approach and not a regulatory approach, as is the case with the diesel programs. The alternative fuels programs aim to facilitate the change to alternative fuels in the transport sector and therefore have strong links with Greenhouse Challenge and Cities for Climate Protection, given that council fleets are a key target.

There is considerable expertise within both Environment Australia and the Australian Greenhouse Office on vehicle fuels with a number of key projects being run cooperatively such as the Fuel Quality Review and the Life Cycle Analysis of Conventional and Alternative Transport Fuels.

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

Outcome 2, Question: 164

Topic: Program estimates

Hansard Page/Written Question on Notice: Tabled

Senator Bishop asked:

Almost every estimates hearings we are told that the estimates of program by program emission abatement estimates are not finished or available. Can the AGO yet provide a program by program emission reduction estimate?

Answer:

The AGO attempts to estimate the impact of specific programs or measures to reduce greenhouse emissions. Preliminary estimates are available for the main programs.

See answer to question 147 for current preliminary estimates of programs included in the Measures for a Better Environment package.

An assessment of all the key emission-reduction programs under the National Greenhouse Strategy will be completed in 2001.

Outcome 2, Question: 165

Topic: Program estimates

Hansard Page/Written Question on Notice: Tabled

Senator Bishop asked:

Are these reduction estimates made during program development and evaluation? Why are these not available and open to public scrutiny?

Answer:

Initial estimates are made during program development. Further estimates are made as the program progresses and methodology is revised. These estimates are available for use in evaluation of the programs.

Estimates at an aggregate level were made available to the public as part of the Australia's Second National Report under the United Nations Framework Convention on Climate Change. Australia's third national communication will be published in 2001 and will be available for public scrutiny.

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

Outcome 2, Question: 166

Topic: Energy Efficiency

Hansard Page/Written Question on Notice: Tabled

Senator Bishop asked:

You would be aware of the Electricity Supply Association's estimate that there are substantial savings to be made by bringing Australia up to OECD average in energy efficiency. Does the AGO agree with their assessment of possible savings through energy efficiency?

Answer:

AGO agrees that there is great untapped potential for improvements in cost-effective energy efficiency. The realisation of this potential is part of the strategy being undertaken to achieve the Government's goal of reducing greenhouse gas emissions.

Outcome 2, Question: 167

Topic: Energy Efficiency

Hansard Page/Written Question on Notice: Tabled

Senator Bishop asked:

What estimates has the AGO made of possible emission reductions through energy efficiency?

Answer:

For appliances and equipment subject to current and future mandatory measures under the National Appliance and Equipment Energy Efficiency Program it is estimated that a reduction of 81 million tonnes of carbon dioxide equivalent will occur over the period 2000-2015 compared to business-as-usual (BAU).

With regard to the residential and commercial building sectors the AGO baseline studies contain estimates for the period 2000-2010:

in the residential building sector the expected level of reduction is about 12.4 million tonnes of carbon dioxide equivalent compared to BAU;

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

- full application of existing greenhouse abatement and energy management initiatives for commercial buildings could produce a reduction of about 51 million tonnes of carbon dioxide equivalent compared to BAU.

Outcome 2, Question: 168

Topic: Energy Efficiency

Hansard Page/Written Question on Notice: Tabled

Senator Bishop asked:

How does Australia compare to OECD average in terms of energy efficiency?

Answer:

The AGO is not aware of any published research on this topic. However, in certain sections such as in aluminium production, Australia is understood to be at the forefront of operating at world-best levels of energy efficiency yet the industry remains energy and carbon dioxide intensive.

Outcome 2, Question: 169

Topic: Photovoltaic Program

Hansard Page/Written Question on Notice: Tabled

Senator Bishop asked:

There have been reports that the photovoltaic program has overspent its initial budget. Is that correct?

Answer:

The PVRP program has not overspent its budget. The original PVRP allocation for 2000/2001 was \$4.0million and the program was to commence 1 July 2000. To address industry concerns about consumers deferring purchase of equipment until the start date, the PVRP was commenced early, on 1 January 2000. The program has also had a higher uptake than originally anticipated. Therefore, funds for the program are being re-profiled between years to allow the program to run without interruption.

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

as

	Topic: Photovoltaic Program	Question: 170	
	Hansard Page/Written Question on Notice: Tabled		
	Senator Bishop asked:		
	Are there still funds available for the rest of the year?		
	Answer:		
It is projected that applications can be accommodated within the re-profiled budge long as there is no massive increase in demand.			
	Outcome 2,	Question: 171	
	Topic: Photovoltaic Program		
	Hansard Page/Written Question on Notice: Tabled		
	Senator Bishop asked:		
	How are funds allocated:		
	Answer:		
	Funds are made available to contracted State energy agencies implementing the PVRP, monthly in arrears, to cover the costs of rebates approved in that month. The Australian Greenhouse Office is currently assessing and paying claims for rebates in the Northern Territory.		
	Outcome 2,	Question: 172	
	Topic: Photovoltaic Program		
	Hansard Page/Written Question on Notice: Tabled		
	Senator Bishop asked:		
	The rules for the Program have been changed since it was first lau explain those changes?	nched. Can you	

Answer:

ANSWERS TO OUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

The household component of the PVRP has been very successful. This is due to pentup demand, particularly in Victoria, and the economic attractiveness of the program to people living off-grid. Stand-alone systems accounted for 80% of approved rebates, and 50.5% overall went to extensions to existing PV systems. However, modelling of the expected continuing demand indicated that, at the then average rate of demand, the program could exhaust all funds before the end of FY 2000/01, before any significant industry development benefits were realised.

To moderate the demand, rebates were reduced by \$0.50 for new PV systems both on and off-grid, to \$5 per watt peak (max \$7,500, down from a rebate of \$8,250). Extensions to existing systems now receive a lesser rebate, down from \$5.50 per peak watt to \$2.50 per peak watt (total \$2,500) to make more equal the proportion of subsidy relative to the cost of equipment.

Outcome 2, Question: 173

Topic: Photovoltaic Program

Hansard Page/Written Question on Notice: Tabled

Senator Bishop asked:

Why were the estimates of uptake for the program so different to the actual experience?

Answer:

The PVRP was developed in wide consultation with the PV industry, State energy authorities and the wider community. Following this consultation, estimates were made of demand for PVRP rebates which proved to be low. The unexpectedly high rate of take-up was due to pent-up demand, to the economic attractiveness of the program to people living off grid, and to extension of existing systems. Stand alone systems accounted for 80% of approved rebates and 50.5% overall went to extensions to existing systems.

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

Outcome 2, Question: 174

Division: Australian Greenhouse Office (Sustainable Energy Group)

Topic: Renewable Energy Bill

Hansard Page: Tabled

Senator Bishop asked:

• What is the consultation process for the regulations under the Renewable Energy legislation?

Answer:

As required by the legislation, passed by the Parliament, regulations will be made publicly available for 30 days prior to their tabling in the parliament.

Outcome 2, Question: 175

Division: Australian Greenhouse Office (Sustainable Energy Group)

Topic: Renewable Energy Bill

Hansard Page: Tabled

Senator Bishop asked:

Why are the regulations not being made available for public scrutiny?

Answer:

See response to question 174.

Outcome 2, Question: 176

Division: Australian Greenhouse Office (Sustainable Energy Group)

Topic: Renewable Energy Bill

Hansard Page: Tabled

Senator Bishop asked:

ANSWERS TO QUESTIONS ON NOTICE

Environment and Heritage

Australian Greenhouse Office

Supplementary Budget Estimates 2000-2001, (23/11/00)

• I understand that a limited consultation process has been undertaken. Who was consulted in this process?

Answer:

A targeted stakeholder meeting to discuss the concepts contained in the regulations has been held. Representatives of both eligible and liable parties attended. Participants were drawn from the following organisations: Electricity Supply Association of Australia, the Australian Industry Greenhouse Network, Renewable Energy Generators Australia and the Sustainable Energy Industries Association of Australia.

Outcome 2, Question: 177

Division: Australian Greenhouse Office (Sustainable Energy Group)

Topic: Renewable Energy Bill

Hansard Page: Tabled

Senator Bishop asked:

• Were all stakeholders represented in this process?

Answer:

Representatives from both liable and eligible parties under the legislation were in attendance.