

Coordination and Reporting of Australia's Climate Change Measures

Audit Report No.27 2009-10

Opening comments by Peter White, Group Executive Director

JCPAA Review 16 June 2010

1. Chair, Members of the Committee, the second report tabled was the *Coordination and Reporting of Australia's Climate Change Measures*. The objective of this audit was to assess the coordination of Australian, State and Territory government climate change programs; and the integrity of measuring and reporting of Australia's greenhouse gas emissions and abatement.
2. Australian, State and Territory Governments are taking action in response to climate change. Measures have been put in place across all jurisdictions to reduce Australia's greenhouse gas emissions and, under COAG, programs are being streamlined.
3. In 2008, there were some 550 climate change related measures across jurisdictions, resulting in the overlap and duplication of programs. In general, the program reviews requested by COAG have resulted in some rationalisation and subsequent adjustment to programs to enhance complementarity and consistency with the then proposed Carbon Pollution Reduction Scheme (CPRS). However, progress in streamlining some State and Territory programs has been slower than anticipated by COAG, with some reviews yet to be finalised. There is still considerable scope for further rationalisation across jurisdictions. However, this is a matter for consideration by responsible governments.

4. Since 1992, Australia has also been involved in international efforts to address climate change through the United Nations Framework Convention on Climate Change (UNFCCC). Australia's national inventory has been improved over time and provides a sound basis for understanding the sources, trends and levels of emissions from industry sectors. The inventory is also used to measure and report on Australia's progress in meeting the Kyoto Protocol emission target of 108 per cent of 1990 levels under the United Nations Framework.
5. Australia's national greenhouse gas inventory is well developed and provides a reliable method for measuring and reporting national emissions. Technical reviews, overseen by United Nations Framework Convention on Climate Change accredited experts, indicate that the inventory broadly meets international requirements for data preparation and reporting. The department has implemented 74 per cent of UNFCCC recommendations but could improve its process for the ongoing management of outstanding recommendations by documenting required actions, resources and timeframes.
6. The aggregate impact of all government mitigation actions has been revised by the former Department of Climate Change over time. The estimated aggregate level of abatement is 74.5 Mega tonnes of carbon dioxide equivalents¹ annually over the five year Kyoto Protocol period; a 15 per cent revision down from 2007. This downward revision reflects a more realistic assessment of program achievements as well as the termination and adjustments to a range of programs.

¹ Mt CO₂e refers to millions of tonnes (Mt) of carbon dioxide equivalents (CO₂e). 74.5 Mt CO₂e represented 13.5 per cent of Australia's emissions in 2008 using Kyoto Protocol accounting.

7. Aggregate abatement is made up of 35 climate change measures, which include programs, legislation and strategies. Of these measures, only nine account for 85 per cent of the aggregate abatement. A first step would be to more clearly define a 'measure' and focus on those measures that are quantifiable and materially significant in terms of overall national abatement.
8. Overall, the methodology employed to estimate the impact of abatement measures provides a reasonable level of assurance as to the integrity of the aggregate abatement. The department uses the best available program level data, takes into account reasonable assumptions of future uptake and gives consideration to the overlap between programs that can result in double counting abatement. Notwithstanding, improvements could be made in estimating individual abatement measures through a more comprehensive consideration of 'business as usual' operations (or the likely action taken in absence of the measure),² the attribution of overlap to individual measures, and improvements in the quality and consistency of data provided by delivery agencies.
9. There is no consistent approach by delivery agencies to estimating abatement. At the time of the audit, guidelines and methodology were being developed by the department to assist agencies to calculate the impact of abatement measures and cost new climate change initiatives. To be effective, the methodology will need to be applied consistently across all relevant delivery agencies and be supported by administrative practices and performance reporting frameworks.
10. The department publishes national *aggregate* abatement estimates in four-yearly international submissions to the United Nations. However, the 2010 submission did

² Business as usual refers to the likely action taken in the absence of the measure.

not provide comparable figures for individual measures as it only gave an estimate for 2020. The *Tracking to Kyoto* report also provided an *aggregate* abatement estimate for the Kyoto period. Although previous reports were supplemented by emission sector papers that provided details of *individual* measures, this did not occur for the 2009 report. Currently, the absence and variability of abatement figures being reported means that a consolidated picture of individual abatement measures and aggregate abatement is lacking. For greater transparency, abatement figures for individual measures and in aggregate could be reported more regularly by the department in a consolidated domestic publication.

11. The public reporting of achievements for individual measures has also not been consistent across Australian Government agencies and has generally been poor. Where abatement figures are published in annual reports, they are often not comparable across years or programs. A more consistent approach to reporting abatement programs would inform the Government and Parliament of the success, or otherwise, of government program achievements.
12. Despite these administrative shortcomings, current projections suggest that Australia is on track to meet its target under the Kyoto Protocol of limiting emissions to no more than 108 per cent of 1990 levels. Preliminary estimates by DCCEE indicate that Australia's total greenhouse gas emissions in 2008 were likely to limit emissions to 106 per cent of 1990 levels by 2012. However, confirmation of Australia's performance throughout the five year Kyoto period—through Australia's greenhouse gas inventory—will not be available until 2015.
13. The ANAO has made one recommendation aimed at improving the transparency and consistency of reporting of climate change abatement.