

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

17 October – 18 October 2012

Question: SBT 75

Topic: Environmental-Economic Accounts

Written: Received from Committee – 26 October 2012

Senator MILNE asked:

75. The ABS annual report says that “the development of environmental-economic accounts for Australia is a key priority for the ABS”. Can you describe what you are working on?

Answer:

ABS environmental accounts are underpinned by the United Nations (UN) System of Environmental-Economic Accounting (SEEA).

The ABS produces water and energy flow accounts on an annual basis, with the 2010-11 publications being released on 27 November 2012 (Water) and 11 December 2012 (Energy). The Energy Account records the physical net supply and use of energy in Australia. The Water Account presents both the physical and monetary supply and use of water in Australia.

An experimental waste flow Account for 2009-10 will be released in February 2013. The Waste Account for Australia will be presented through a series of supply and use tables in both monetary and physical units. As a lead up to this, a Discussion Paper was released for comment earlier in the year.

In March 2013, the ABS will publish an update to the *Completing the picture: Environmental accounting in practice* publication, which illustrates how environmental accounts can be used to inform policy. The publication uses environmental accounts, such as Energy, Water and Waste, and other data sources including the Australian System of National Accounts to help highlight the various interactions between the environment and the economy.

Updated experimental extended Input-Output (IO) tables for consumption-based Greenhouse Gas (GHG) emissions in Australia will also appear in the publication update. The work is part of a pilot project to produce a GHG emissions' flow account on a residence basis, which is aligned to the SEEA. The account would complement the Department of Climate Change and Energy Efficiency's (DCCEE) production-based National Greenhouse Accounts, which are produced in accordance with Australia's obligations under the Kyoto Protocol.

The development of a national land stock account is progressing, with the release of an account for Victoria in December 2012. In addition, land accounts for Queensland, South Australia and the ACT are scheduled for release in 2013.

Considerable research to support the development of environmental accounts is being conducted by the ABS. The extent to which this progresses will be dependent on capacity.

The ABS is a key contributor to the development of international standards for environmental accounts. Following the endorsement of SEEA Volume 1 as an international standard, the ABS has

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played an integral part in the development of Volume 2 – Experimental ecosystem accounts and Volume 3 – Extensions and applications. In addition, the ABS has made a considerable contribution to the ongoing development of SEEA Energy, a subsystem of the overarching SEEA framework, as well as the UN Oslo Group's Energy Statistics Compilers Manual

The ABS is developing new statistics on environmental taxes for Australia under the framework of SEEA. There will be a discussion paper published in December by the ABS, which will include information on environmental taxes and a comparison of work conducted by the Organisation for Economic Co-operation and Development (OECD).

Estimates of soil water use (i.e. uptake of water by plants, including rain water) by economic crops are under development. The methodology is being considered by international and domestic experts and will be published in a future Water Account for Australia.

Economic timber (i.e. plantations and timber removed from native forests) stocks and flows estimates are being considered for publication on a regular basis. Discussions were held with the Department of Agriculture, Forestry and Fishing on these data and what improvements could be made in the future. This information would supplement what is already published in the Australian System of National Accounts.

The monetary value of Fish Stocks were estimated and published as experimental estimates in *Completing the Picture - Environment Accounts in Practice* in 2012. The ABS is considering publishing these data in future AESEI publications.