

## Senate Community Affairs Legislation Committee

### SUPPLEMENTARY ESTIMATES - 18 OCTOBER 2012 ANSWER TO QUESTION ON NOTICE

#### Human Services Portfolio

**Topic:** Electricity Expenditure

**Question reference number:** HS 137

**Senator:** McKenzie

**Type of question:** Written question

**Date set by the committee for the return of answer:** 7 December 2012

**Number of pages:** 2

#### **Question:**

- a) For the financial year 2011-2012, how many kilowatt hour of electricity did the department consume? What was the total cost?
- b) What does this cost work out to per employee?
- c) In reference to QON #HS31, DHS had received information indicating that the cost of electricity was to increase by approximately \$2.362m due to the carbon tax, with rental costs expected to increase by \$1.3m.
- d) Who provided the independent analysis for DHS?
- e) Has this advice proved accurate? What increases in electricity costs has DHS experienced since the introduction of the carbon tax?
- f) How has this changed the Department's spending pattern? What programs or services have been cut to meet the increased costs?
- g) What measures is the Department taking to reduce its electricity expenditure? When did these commence? What impact have they had?

#### **Answer:**

- a) The Department consumed 117.25 million kilowatt hours of electricity\* during 2011-12, at a cost of \$21.021 million (ex GST).
- b) The 2011-12 electricity cost per employee\*\* is \$568.50 (ex GST).
- c) Noted.
- d) Jones Lang LaSalle.

\* The Department's energy consumption for 2011-12 is 'DRAFT' only, and will be audited by the Department of Climate Change and Energy Efficiency by January 2013. The information is subsequently disclosed in the report, *'Energy use in Australian Government's operations'*.

\*\* Employee numbers are derived from the Annual Report (p442) with 36,977 staff.

- e) The Department is not in a position to comment on the accuracy of the advice at this stage. The Department will be in a position to analyse the impact of carbon pricing on the cost of electricity and rent, and other cost increases/decreases, when detailed information for all DHS sites is available at the end-of-financial-year. It is unreliable to project full year costs based on 1<sup>st</sup> quarter results.
- f) The Department will manage any changes or fluctuations in costs from suppliers within its existing Departmental appropriation.
- g) The Department has ongoing measures to reduce its electricity expenditure through consumption avoidance and reduction initiatives, power factor correction at larger sites, and through competitive tendering in contestable markets.  
In addition, the Department has made considerable progress to avoid and/or reduce electricity consumption – mainly through strengthening management processes, introducing new technologies and infrastructure, and implementing better staff practices. Through implementing these initiatives, the Department has achieved the office energy intensity targets set under *Energy Efficiency in Government Operations Policy*.