

Statistical Office Support for Emission Trading Schemes

Developments in Australia

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Session Outline

- Background to an Australian ETS
- Statistical support for the design and implementation of the ETS
- Statistical support for examining the impacts of climate change
- Capturing new economic activity in official statistics
- Measuring the economic, social and environmental impacts of the ETS
- Concluding remarks

Background to an Australian ETS

- Australian Government, through Department of Climate Change, is establishing an ETS
 - Scheme is expected to be implemented in 2010
- Five tests for the ETS
 - Cape and trade, with all major emitters included
 - Must effectively reduce emissions
 - Economically responsible
 - Fair
 - In place quickly

- DCC is being supported by Australian Treasury and the ‘Garnaut Review’
 - Builds on previous work by a PM Taskforce in 2007
- ETS has significant implications for official statistics
 - ABS is working closely with DCC and other key stakeholders

Statistical support for ETS design and implementation

- Economic modelling (CGE) to inform on distributional impacts and assist in design of compensation schemes
- This modelling will be underpinned by I-O tables
- ABS has been funded to upgrade frequency (to annual) and quality of IO tables
 - Implications for IO compilation and collection of source data
 - Positive externality for other economic analysis!
- IO tables will need to be integrated with other information, particularly physical information on energy supply and use
 - Enhanced and higher profile energy accounts

Statistical support for examining impacts of climate change

- Garnaut Review to examine impacts of climate change on Australian environment and economy
 - Will inform emissions ‘trajectory’ that will underpin ETS
 - Will involve a wide range of statistics
 - ABS has been discussing availability and relevance of statistics with Review Team
 - ABS staff member likely to be ‘outposted’ to Review Team

- More generally, ABS produces a range of economic, social and environmental information
 - Support analysis of impacts of climate change
 - Understand adaptations required
 - Understand impact of mitigation
- Notable examples include
 - Water accounts
 - Natural resource management statistics
 - Statistics on agricultural practices
 - Statistics on household environmental behaviours

Capturing new economic activity in official statistics

- Basis of ETS will be tradeable permits
 - Impacts on national accounts, government finance statistics and statistics on market participants themselves
- Particular issue is treatment of permits
 - Dealt with in updated SNA
 - Updated SNA will be introduced in Australia in 2009
 - All Australia's economic statistics use SNA as conceptual base
- Statistics on market activity – eg issuance, price, turnover and acquittals -
- will be required

- Emission market will need to be underpinned by high quality statistics
 - Particular need for regular, high quality statistics on emissions
- Australian Government is upgrading reporting of energy-related information for regulatory purposes by establishing NGERs
- ABS is working closely with NGERs's administration to maximise statistical benefits

Measuring economic, social and environmental impact of ETS

- These impacts will have policy implications, so they need to be understood
- Some of these impacts may precede implementation of ETS
- ABS needs to understand potential for impacts
 - Take into account in determining statistical work program
 - Ensure appropriate methods in place
 - Enable identification of particular ETS impacts wherever possible

- Some statistics that are likely to be affected
 - CPI
 - Household expenditures
 - BOP
 - Capital expenditure
 - R&D and innovation
 - Profit statistics
 - Transport statistics
 - Household and business use of energy
 - Regional statistics
 - Statistics on renewable energies
- Essential for ABS to work closely with key stakeholders to understand statistical requirements

Concluding remarks

- Design and implementation of ETS has significant statistical implications
 - Some are direct, others are indirect
- ABS has been able to work closely with key policy holders
 - Some additional funding has been received
 - Will need to work in partnership with others to ensure that statistical implications are properly understood and dealt with

- Tremendous opportunity to show ABS capability
- Issues are complex
 - Require highly-skilled people
 - Will affect many parts of the organisation, so important that there is good internal coordination
- A lot needs to be done in a short period of time, so excellent project management is essential