



Australian Government

Department of Foreign Affairs and Trade

# Australia's Energy Transition

## Current Policy and Future Prospects



# The future holds some challenges for Australian industry:

Transforming to  
compete in a  
low-carbon  
world

Competitiveness

Growing  
beyond the  
mining boom

Rising costs  
of energy –  
electricity,  
gas and oil

Improve energy  
productivity

Commodity  
price volatility

Australian  
dollar  
uncertainty

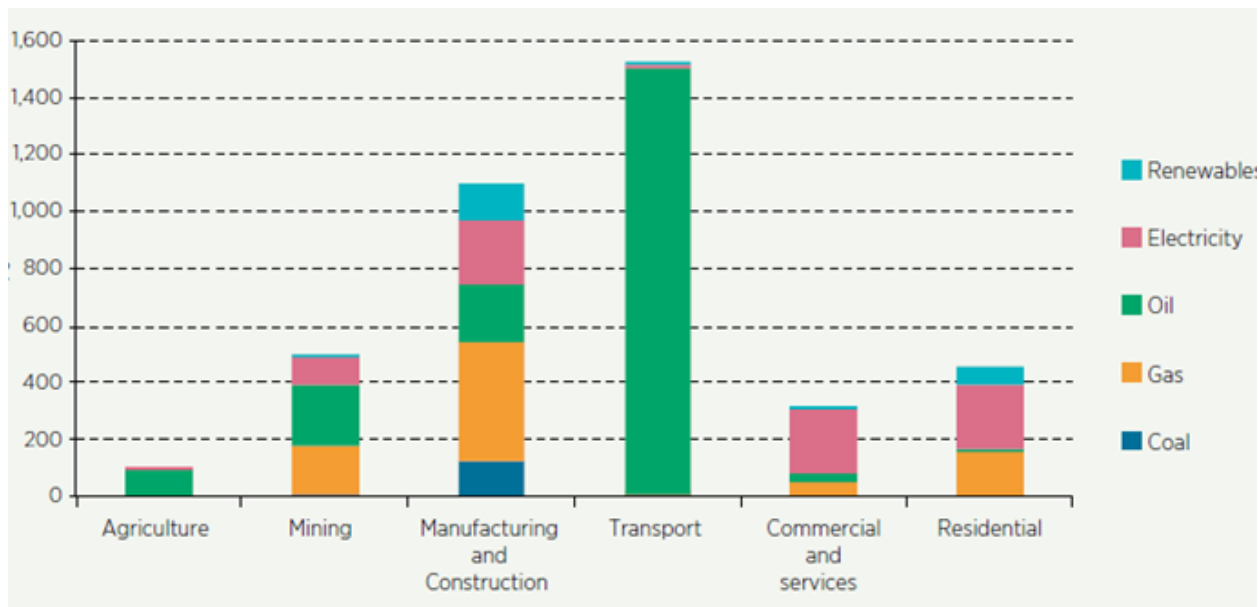
Increasingly  
complex  
regulatory  
environments

# Australia's Key Energy Policy Goal

- **Improve energy productivity**
- **Increase domestic security**
- **Reduce greenhouse gas emissions intensity**

# Energy Diversity in Australia

Diversity in energy sources gives Australia flexibility in future energy choices, and the capability to respond to the conditions of the day, while also reducing emissions

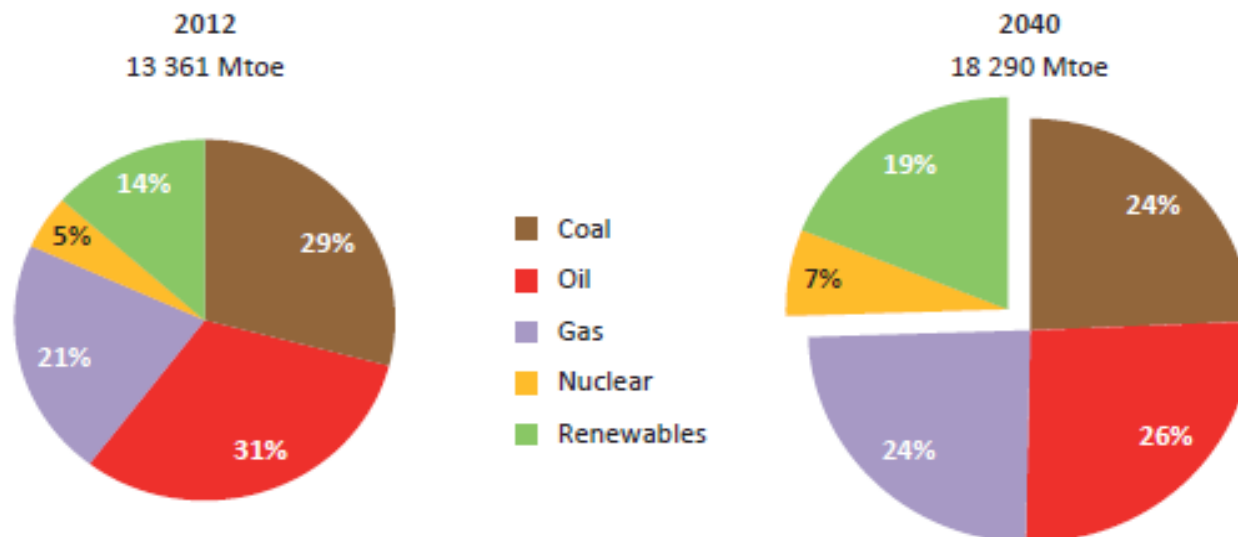


Sectors of the Australian economy use a mix of energy sources for their activities

Source: ABS via Energy Green Paper

# According to the International Energy Agency (IEA) World Energy Outlook (2014)...

**Figure 2.2** ▶ Fuel shares in world primary energy demand in the New Policies Scenario

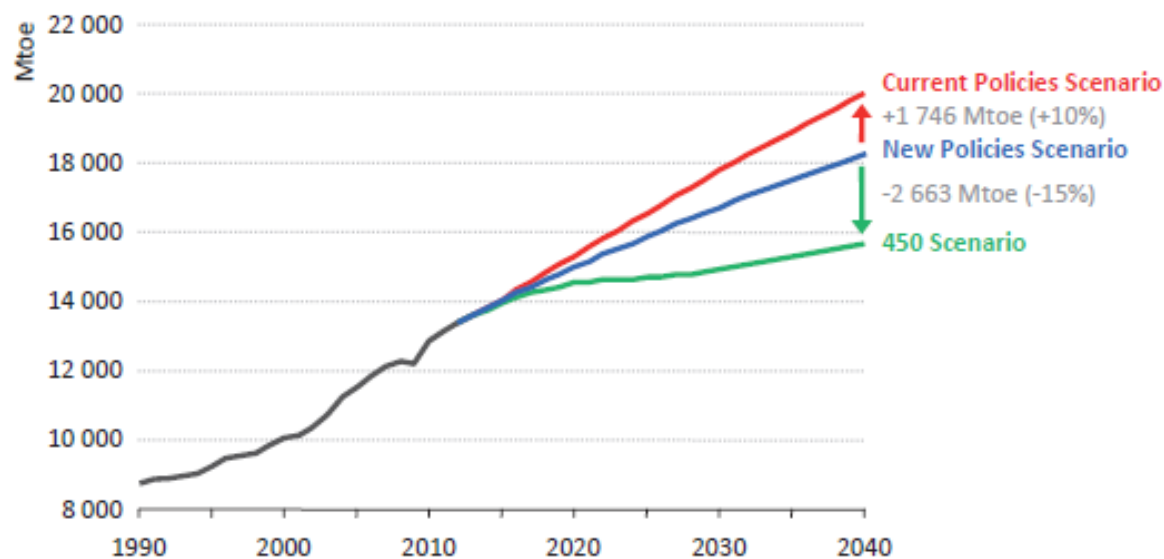


...Coal, Oil and Gas will continue to be major sources of energy

Source: IEA, World Energy Outlook 2014

# Energy efficiency is important for achieving global emission reduction targets

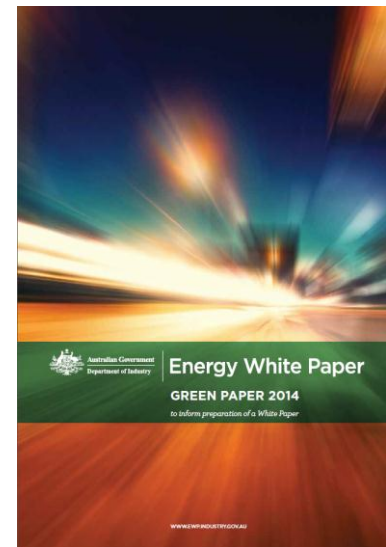
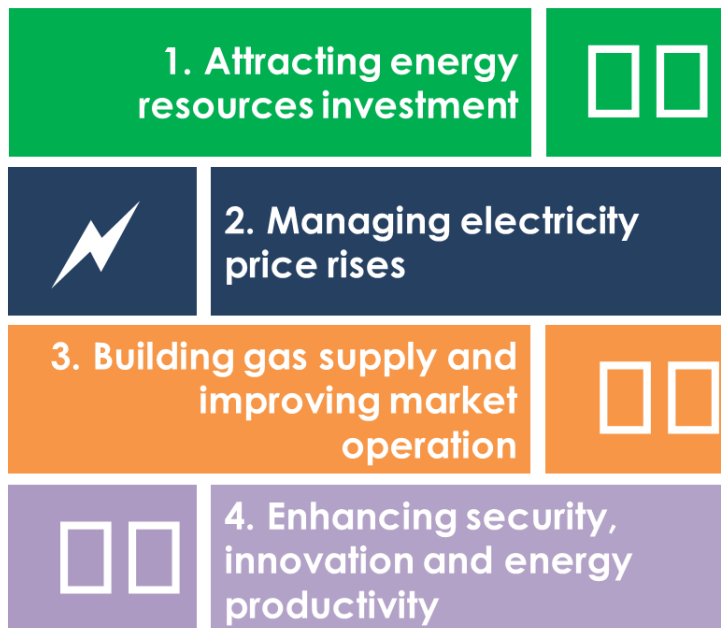
**Figure 2.1** ▶ World total primary energy demand by scenario



# What is Australia's Energy Policy?

The Australian Government has been consulting on the Energy Green Paper, a precursor to the Energy White Paper.

The Energy Green Paper outlines four priority areas for the Government:



# How are we achieving greater energy productivity?

## Emerging energy technologies

Broader range of energy sources

Supply-side efficiency



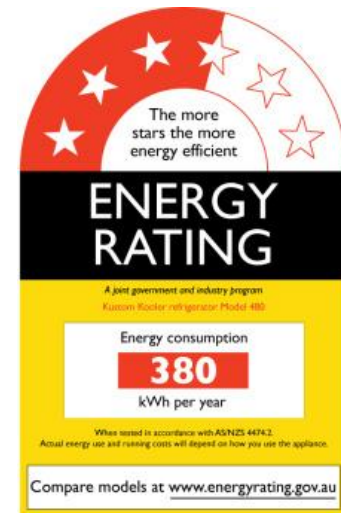


# How are we achieving greater energy productivity?

## Informed consumers

End-use energy efficiency

Business and household financial savings



# How are we achieving greater energy productivity?

## Market reforms

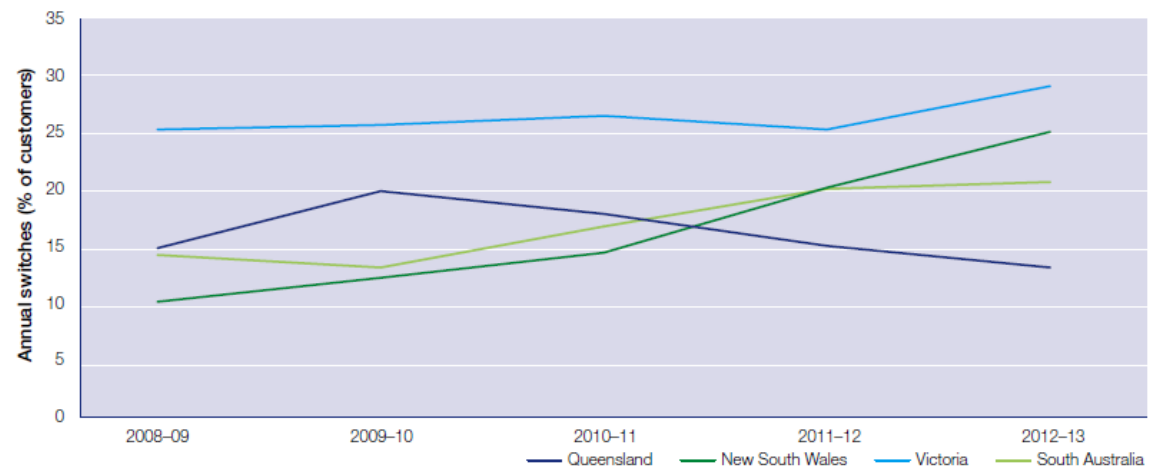
Australia responding to an increasingly linked global market

Harmonisation of regulations

Market transparency

Retail competition

Switching of energy retailers by small customers



Sources: Customer switches: AEMO, MSATS transfer data to July 2013 and gas market reports, transfer history to July 2013; customer numbers: estimated from retail performance reports by the AER, IPART (New South Wales), the ESC (Victoria), ESCOSA (South Australia) and the QCA.

# How is Australia supporting the Pacific?

- **Australia is supporting Pacific island countries to meet their long-term energy needs**
  - including the development of renewable energy options that are appropriate and affordable to individual Pacific Island Countries (PICs).
- **PICs are amongst the most dependent on imported petroleum products**
  - investments by PICs in renewable energy, alongside energy efficiency, can help to mitigate vulnerability to oil price volatility.
- **Australia sees value in expanding access to reliable and cost-effective energy sources, which are vital for businesses and for communities.**

# Pacific Programs



Clean and Affordable Energy regional initiative (ADB, WB)

Energy Sector Management Assistance Program (WB)

Promoting Energy Efficiency in the Pacific (ADB)

Pacific Facility Trust Fund (WB)

Vanuatu and Tonga Energy Roadmaps

Power Sector Expansion Project, Samoa

Energy Donors Working Group

Pacific Region Infrastructure Facility

# G20 Outcomes

- **G20 leaders discussed major energy challenges as part of action on climate change.**
- Agreed to work together to end energy poverty, enhance energy security, and refresh energy institutions.
- **Concrete agreements:**
  - G20 Principles on Energy Collaboration
  - G20 Energy Efficiency Action Plan



For more information on Australia's energy policy:

## **Department of Industry**

[www.industry.gov.au/energy](http://www.industry.gov.au/energy)

For more information on Australia's Foreign Affairs  
and Aid policies:

## **Department of Foreign Affairs and Trade**

[www.dfat.gov.au](http://www.dfat.gov.au)

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