

**Senate Standing Committee on Environment and Communications**  
**Legislation Committee**  
Answers to questions on notice  
**Environment portfolio**

**Question No:** 77  
**Hearing:** Budget Estimates  
**Outcome:** Outcome 2  
**Programme:** Emissions Reduction Fund Taskforce (ERFT)  
**Topic:** EMISSION REDUCTION FUND - BUDGET  
**Hansard Page:** N/A  
**Question Date:** 10 June 2014  
**Question Type:** Written

**Senator Urquhart asked:**

1. On 24 April 2014, the Minister announced that the Emission Reduction Fund (ERF) would spend \$2.55 billion in the first four years but the Budget Overview states that the ERF will spread this sum over a decade (p.27), while in Budget Paper 2, the appropriation table shows just \$1.147 billion spent over the four year forward estimates. Budget Paper No 2 notes the "Clean Energy Regulator will be able to commit the full level of funding [\$2.55 billion] under contract funding from the commencement of the Fund," and says there will be consideration of future expenditure. However, the \$1.147 billion reflects expected expenditure forecast by Treasury and the Finance Department. This disparity appears as a \$1.4 billion shortfall.

2. How much is officially allocated and under what authority? How will the expenditure of unallocated funds work within the Financial Management Act?

**Answer:**

The Government has committed \$2.55 billion to the Emissions Reduction Fund. This funding commitment was confirmed in the 2014-15 Budget and has not changed. The Government is making the full \$2.55 billion available to commit under contracts for emissions reductions and the Clean Energy Regulator will start to do so immediately after the first auction under the Emissions Reduction Fund.

Payments under contracts will be spread over a number of years. This is reflected in the profile of expenditure published in Budget Paper 2 of the 2014-15 Budget, which is an estimate of payments to Emissions Reduction Fund participants after emissions reductions have been reported to the Clean Energy Regulator and verified.

Authority to expend the full \$2.55 billion in funds is provided for under established Government financial management and budget processes, including the 2014-15 Budget, annual appropriation bills and the *Public Governance, Performance and Accountability Act 2013*.