

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

**Question No:** 79  
**Hearing:** Budget Estimates  
**Outcome:** Outcome 2  
**Programme:** Emissions Reduction Fund Taskforce  
**Topic:** EMISSION REDUCTION FUND - CATEGORIES AND ASSESSMENT  
**Hansard Page:** N/A  
**Question Date:** 10 June 2014  
**Question Type:** Written

**Senator Urquhart asked:**

We anticipate three broad categories household and community; industrial and farming practice/land use. Can the Department confirm if these categories line up with your expectation of submissions and explain exactly how the assessment will recognise the differing costs of differing industries who would be tendering for the ERF? In addition can the Department explain how the intended price signal will work given the broad spectrum of projects and the Lowest Cost Approach if you are only going to provide weighted average price post auction?

**Answer:**

***Assessment of emissions reduction projects***

- The Department expects emissions reduction projects to be brought forward across the economy from a broad range of project proponents.
- Emission reduction projects will be assessed according to the price offered at the auction. The cost of projects for different industries will be represented in their bid at auction. The Emissions Reduction Fund (ERF) will encourage project aggregation so that small businesses, households and farm groups can benefit from the ERF without the costs of direct participation.

***Price signal from auction***

- Publishing the weighted average price from the auction provides information to prospective project proponents to help them assess the opportunities available under the ERF and make informed decisions about whether to develop a project.