

**Senate Standing Committee on Environment and Communications  
Legislation Committee**

Answers to questions on notice  
**Environment and Energy portfolio**

**Question No:** 132  
**Hearing:** Budget Estimates  
**Outcome:** Outcome 2  
**Program:** Domestic Emissions Reduction Division (DERD)  
**Topic:** Parliamentary Budget Office figures  
**Hansard Page:** 80  
**Question Date:** 23 May 2017  
**Question Type:** Spoken

**Senator Waters asked:**

Senator WATERS: Yes. We had a discussion earlier about whether there would be a final auction round. That is a question mark at this stage, as I understand it. In relation to those PBO figures, you said to ask the PBO. Obviously the PBO would agree with its own figures. My question was whether the department agrees with the PBO's figures.

Ms Wilson: Unfortunately, all they have released is at a very high level. When it comes to the assumptions that they may have made around price, I would have to take that on notice and have a more detailed look for you.

Senator WATERS: Thank you.

**Answer:**

The Department understands the Parliamentary Budget Office assumed the price paid at the first of the proposed additional Emissions Reduction Fund auctions would be consistent with prices paid at previous auctions and increase by 5 per cent per year from 2020-21.

The Department does not object to this pricing assumption, although actual prices will depend on market conditions at the time of future auctions.

The Government has a suite of policies to reach Australia's 2030 emissions reduction target and Paris Agreement commitments in addition to government purchasing under the Emissions Reduction Fund. Other policies include, but are not limited to, the National Energy Productivity Plan, phase down of hydrofluorocarbons, the work of the Ministerial Forum on Vehicle Emissions and the Renewable Energy Target.

The Government is currently reviewing its climate change policies to ensure policies remain effective in achieving Australia's 2030 emissions reduction target and Paris Agreement commitments.