

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

**Question No:** 146  
**Hearing:** Supplementary Budget Estimates  
**Outcome:** Outcome 1  
**Programme:** Emissions Reduction Fund  
**Topic:** EMISSIONS REDUCTION FUND  
**Hansard Page:** N/A  
**Question Date:** 29 October 2014  
**Question Type:** Written

**Senator Urquhart asked:**

Please provide details of other nation-wide or provincial-level reverse auction schemes that are similar to the ERF (i.e. for carbon emissions), including how much of the relevant economy they cover. In each case please note whether the scheme complements other abatement activities such as emissions control and provide details of their success in reducing emissions.

**Answer:**

- As outlined in the Emissions Reduction Fund White Paper, respective governments are choosing approaches to reduce emissions that best suit their national circumstances (see p.19 here: [http://www.environment.gov.au/system/files/resources/1f98a924-5946-404c-9510-d440304280f1/files/emissions-reduction-fund-white-paper\\_0.pdf](http://www.environment.gov.au/system/files/resources/1f98a924-5946-404c-9510-d440304280f1/files/emissions-reduction-fund-white-paper_0.pdf)).
- The centrepiece of the Government's approach is the innovative Emissions Reduction Fund that will purchase emissions reductions from eligible projects that are estimated using approved methods. Funds will be allocated through an auction and the Government will contract with successful bidders for the delivery of emissions reductions.
- In addition the Emissions Reduction Fund's safeguard mechanism will encourage businesses to keep emissions within historical baselines and ensure that emissions reductions paid for by the Fund are not displaced by a significant rise in emissions elsewhere in the economy.
- The Emission Reduction Fund's combination of elements (crediting, purchasing and the safeguard mechanism) has been designed for Australia's specific national circumstances. The Department is not aware of any similar schemes in other countries that are economy wide, support low cost domestic emissions reductions through an auction process and include an arrangement like the safeguard mechanism.