

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

Question No: 91
Hearing: Additional Estimates
Outcome: Outcome 2
Programme: Emissions Reduction Fund (ERF)
Topic: Ongoing funding for the ERF
Hansard Page: 100-102
Question Date: 08 February 2016
Question Type: Spoken

Senator Singh asked:

Senator SINGH: Let us go into that. We will go into the abatement. At the moment I am looking at where the ongoing funding for the ERF is coming from in the following years, and I am also looking at how the comments of Minister Hunt, as I understand, saying there is \$200 million a year into the future equate with what you are providing us with here today.

CHAIR: Minister, if you could answer that question, we will then suspend for dinner and then come back and continue on with 2.1.

Senator Ruston: In the dinner break I will seek some clarification from the minister, but my point is that the expenditure of the money and the actual contracting of the money do not necessarily occur at the same time. I will certainly seek some clarification from the minister's office during the break and I will answer that when we come back.

...

Senator SINGH: Thank you. I acknowledge that you are not at the cabinet table where, obviously, these decisions are made. You are put in a hot seat in this situation right now here in this estimates committee. But I am sorry, this is not splitting hairs. This is two conflicting pieces of evidence from two ministers that does not add up. This is estimates, which is all about getting to the truth and the facts for the sake of transparency and good governance. At this point in time, until we have that answer on notice, we do not have a clear indication as to the forward funding of the ERF beyond 2024 other than what Minister Hunt has said, which is in conflict with what Minister Cormann has said.

Senator Ruston: You are entirely entitled to your opinion and I am entirely entitled to mine.

Senator SINGH: It is not an opinion; it is a fact.

Senator Ruston: Would it be okay if I finished?

CHAIR: Senator Singh, please let the minister finish.

Senator Ruston: I said the entirely entitled to your interpretation of what has been put on the table, as am I. I have given you an undertaking to get further information for you. I do not think it is necessary that you are so patronising in your comments; however, I will give you an undertaking that I will get you the additional information for which you have sought advice on.

Answer:

The Government committed \$2.55 billion to the Emissions Reduction Fund in the 2014-15 Budget, of which \$1.3 billion remains. These funds will be spent over time to purchase eligible emissions reductions, including beyond 2020.

The Clean Energy Regulator is responsible for running Emissions Reduction Fund auctions. It conducts these at arms-length from the Government. In doing so, it must have regard to a set of legislated purchasing principles in the *Carbon Credits (Carbon Farming Initiative) Act 2011* (s.20G).

The Government indicated when announcing Australia's 2030 target the Emissions Reduction Fund would continue to be the centrepiece of its approach to reducing emissions. The Emissions Reduction Fund is making a successful contribution to reducing Australia's emissions at lowest available cost, helping ensure value for the Government's money. There is a commitment from the Government to maintain the Emissions Reduction Fund with further funding considered in future budgets.