

**Senate Finance and Public Administration Legislation Committee**  
**ANSWER TO QUESTION ON NOTICE**  
**Prime Minister and Cabinet Portfolio**  
**Department of Climate Change**  
**Budget Estimates Hearing—May 2009**

**Written question reference:** CC12

**Outcome/Output:** Outcome 1, Output Group 1.1 – Response to climate change

**Topic:** European regulatory mechanisms applicable to fugitive emissions from coalmines

**Hansard Page:** F&PA 26

**Question:** (Senator Boswell)

**Senator BOSWELL**—Has the EU bill carved out mining?

**Mr Comley**—It is important to put this in context. It is clear in the European case because they have ratified Kyoto. Fugitive emissions from coalmines are included in the calculation of the emissions for the European Union's international obligations under Kyoto, so they are recorded and counted, and that impacts on their capacity to meet the cap. Fugitive emissions from coalmines are not included within the European emissions trading scheme, but that is not to say that there are not measures related to methane emissions in those sectors. I am happy to take on notice to see whether there are other measures that seek to mitigate methane from those mines. It is quite important to understand that the European system covers broadly 40 per cent of emissions through their emissions trading scheme. They use a range of other regulatory mechanisms. We would have to have a look to see whether there is a regulatory mechanism that applies.

**Answer:**

The European Union Emissions Trading Scheme (EU ETS) covers about 40 per cent of EU emissions, and focuses on emissions from power generation, energy intensive manufacturing industries, industrial processes and aviation. Emissions from sectors covered by the EU ETS will be cut by 21 per cent by 2020 compared with levels in 2005 and a single EU-wide cap will apply to these emissions.

In contrast, the Carbon Pollution Reduction Scheme (CPRS) covers around 75 per cent of Australia's emissions. The broad coverage of the CPRS reflects a view that a wide range of sectors should contribute to emissions reductions under the CPRS for both fairness and efficiency reasons. All major industrial and energy sectors will be included in the CPRS including fugitive emissions. Fugitive emissions from coalmining represent approximately five per cent of Australia's emissions compared to 0.2 per cent of emissions for EU-15 Member States.

The EU takes a different approach to ETS coverage, but employs other policies to ensure all sectors contribute to emissions reductions. Emissions from sectors not included in the EU ETS such as transport, agriculture, waste and fugitive emissions from coalmines will be cut by 10 per cent from 2005 levels by 2020. Each Member State is required to contribute to this effort according to its relative wealth with national emission targets ranging between richer and poorer Member States.

As a general rule it will be left to Member States to define and implement policies and measures in non-ETS sectors, including mining.