



**Australian Government**

**Department of the Environment and Energy**

# **The Emissions Reduction Fund**

## ***Opportunities for Agriculture***

**CRSPI Partner Collaboration Forum – 4 September 2019**



# What I'll talk about

- Context: Purpose and performance of the Emissions Reduction Fund
- Integrity: Offsets integrity standards and the Emissions Reduction Assurance Committee
- Methods: scoping, development and review
- Opportunities and R&D
- Partnering with the Department








# ERF policy context and performance

**Purpose:** To help Australia meet international climate commitments.

## Two critical parts:

1. Crediting – the creation of Australian carbon credit units or ACCUs
2. Purchasing – the buying of ACCUs
  - Government: \$2.55b (2014) + \$2b (2019)
  - Private : Voluntary / safeguard compliance

Land and agriculture projects represent more than 80 per cent of all contracted abatement

	Vegetation	125.7 million tonnes
	Landfill and waste	25.3 million tonnes
	Agriculture	18.1 million tonnes
	Savanna burning	13.6 million tonnes
	Energy efficiency	5.2 million tonnes
	Industrial fugitives	2.9 million tonnes
	Transport	1.2 million tonnes

Portfolio of  
abatement **192** million tonnes

# Integrity

- Integrity is a must – for international, policy and market confidence.
- Offsets integrity standards – legislated standards that all methods must meet.
- Emissions Reduction Assurance Committee – independent expert committee that ensure OIS are met.

## OFFSETS INTEGRITY STANDARDS



### **Is the activity beyond business as usual?**

Is the abatement unlikely to occur in the ordinary course of events?



### **Can the emissions reductions be measured and verified?**

Can estimates be accurately measured and are they capable of being verified?



### **Is the abatement eligible?**

Does the method align with Australia's greenhouse gas inventory approaches and international reporting obligations?



### **Is it supported by evidence?**

Is the method supported by clear and convincing evidence?



### **Are material emissions from the activity deducted?**

Are emissions that would occur as a result of the activity deducted when working out the estimated abatement from the project?



### **Are the estimates conservative?**

Is there evidence to demonstrate estimates, projections and assumptions are conservative?

# Methods

- **Prioritisation:** Minister determines priorities according to a range of factors.
- **Scoping:** Department led, with other experts.
- **Development:** Department led, with other experts
- **Review:** ERAC, Department, with public consultation

## METHOD PRIORITISATION QUESTIONS



**What is the potential uptake of the emissions reduction activity and the likely volume of abatement?**

Is the activity cost effective, what is the level of business support for the activity, and what is the potential volume of abatement from the activity?



**Is the activity ready?**

Is the technology proven and commercially ready?



**Can emissions reductions be estimated with a reasonable degree of certainty and at an acceptable cost?**

How straightforward is the approach to estimating emissions reductions?



**Are there any adverse impacts?**

Could the activity have adverse social, environmental or economic impacts?



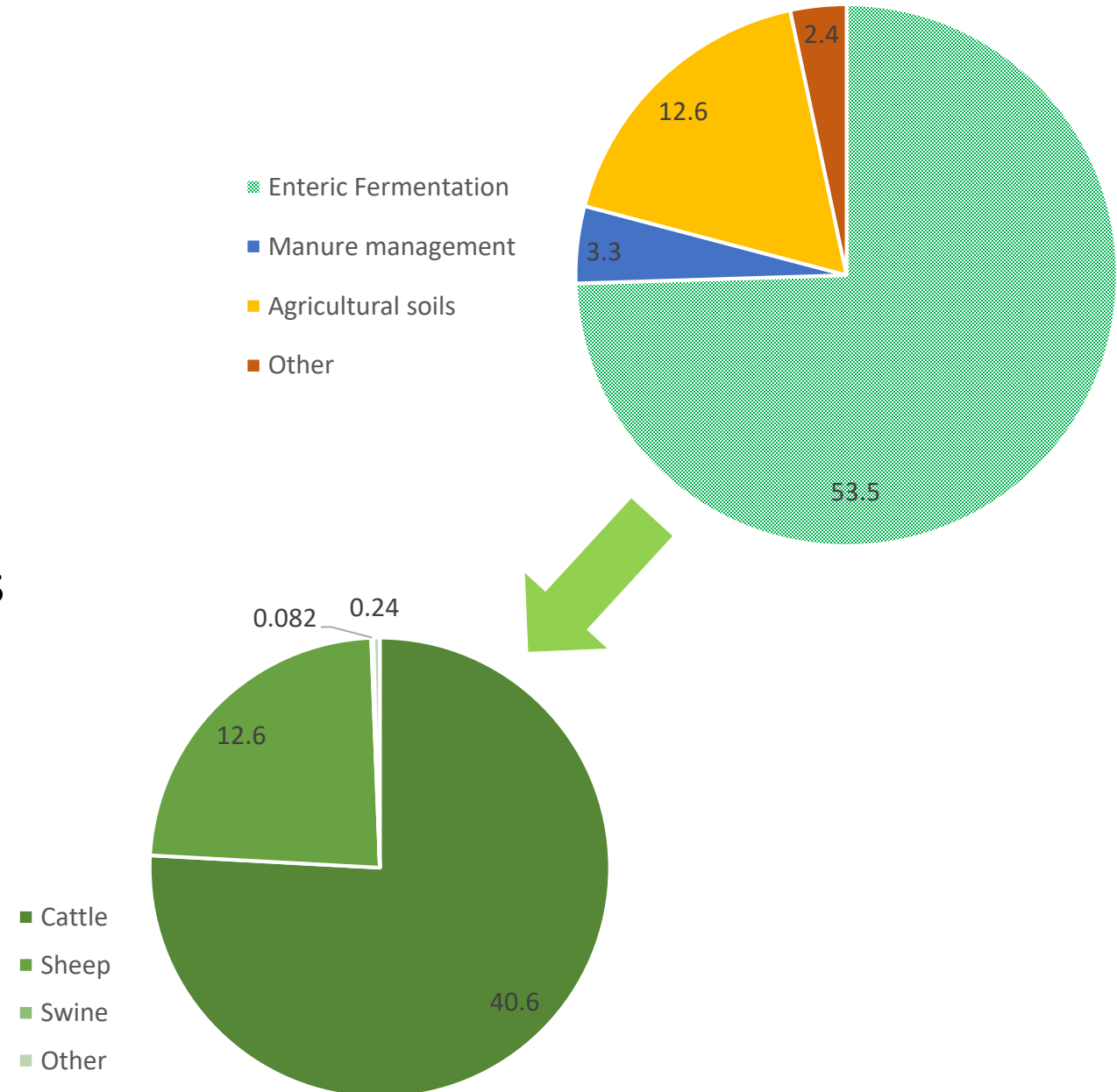
**Could the activity be promoted more efficiently through other measures?**

Is there another method, other mechanism or government program better suited to the activity?

# Agriculture sector opportunities

- Strong on-going participation in emissions management in soils and vegetation.
- Around 75% of agricultural emissions are from livestock, mostly cattle.
- Alternative feeds and feed supplements show promise + can boost productivity.
- R&D needs to:
  - Be focused, not spread too thinly
  - Identify dose responses for feed supplements
  - Identify implementation techniques
  - Address commercialisation challenges

2017 Agricultural emissions (Mt CO<sub>2</sub>-e)



# Partnering with the Department

- Pursuing new abatement opportunities requires multiple lines of support.
- There are a few ducks to line up for efficient progress towards realisation of opportunities:
  - **Policy:** the ERF legislates a process. Integrity is central.
  - **Science:** Forms critical link in the integrity chain + offsets integrity standards.
  - **Economics:** For uptake, we need to persuade the end users.
- Carbon farming and beyond.





Australian Government

Department of the Environment and Energy

Sam Wagstaff

Agriculture Section

Climate Change Division

[Sam.Wagstaff@environment.gov.au](mailto:Sam.Wagstaff@environment.gov.au)

