

First carbon auction 'to help Australia meet pledge': government

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Australia says its plan to pay polluters to reduce carbon emissions blamed for climate change is off to a good start

Australia Thursday said its plan to pay polluters to reduce carbon emissions blamed for climate change was off to a good start and would help the nation become a "world leader" in meeting pledges to tackle greenhouse gases.

The conservative government axed a controversial tax on greenhouse gas [emissions](#) last year as part of an election pledge, replacing it with a so-called "direct action" plan that included paying companies to increase energy efficiency and not pollute.

Environment Minister Greg Hunt hailed the "stunning result" from the first auction under the plan, which saw the government spend Aus\$660 million (US\$510 million) of a Aus\$2.55 billion fund to purchase 47 million tonnes of carbon abatement.

The average price per tonne was Aus\$13.95.

Companies who exchanged contracts included those running landfill projects and carbon farming. Local media reports said bigger polluters were

waiting to see how successful the first auction was before potentially taking part in future bids.

Hunt said the success of the auction meant Australia was "incredibly well placed to not just meet but beat" its commitment to lower [greenhouse gas emissions](#) by five percent of 2000 levels by 2020.

"We will be in a position to be a world leader in having achieved the first and second rounds of our international obligations (to reduce [carbon emissions](#))," he told reporters.

"There are very few countries that can say that."



Australia's government axed a controversial tax on greenhouse gas emissions last year as part of an election pledge

Last month, Hunt said Australia needed to save some 236 million tonnes between 2013 and 2020.

Conservation group WWF-Australia welcomed the abatements that were purchased, saying the country needed to do its part to contain global warming.

"However we remain concerned that on its own the (fund) will not achieve the level of pollution cuts needed now and in the future," WWF-Australia's [climate change](#) national manager Kellie Caught said in a statement to AFP.

"(We) call for the government to implement a mechanism to put a price and limit on carbon pollution."

With its use of coal-fired power and relatively small population of 23 million, Australia is one of the world's worst per capita [greenhouse gas](#) polluters.

Critics have said the country's five percent emissions reduction target should be increased as it lagged behind other countries such as the United States, where the target is a 17 percent reduction on 2005 levels by 2020.

Australia is seeking public comment on what its post-2020 emissions reduction target should be ahead of a crucial United Nations climate meeting in Paris later this year.

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