

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2011-12, 17 October 2011

Answers to Questions on Notice

Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	94
Program:	1.4		
Division/Agency:	ID		
Topic:	Fact Sheet – Assessment of Russia		
Hansard Page EC:	ECA82		

Senator BIRMINGHAM: I remember the fact sheet being released a couple of months or so ago, but you will have to remind me today whether it included an assessment of Russia.

Mr Comley: It is not on the chart I have here. I am certainly happy to take it on notice.

Answer:

Fact sheets released by the Department included a table that described Russia's pledge to reduce its emissions, as submitted to the United Nations Framework Convention on Climate Change. The pledge is a 15 to 25 per cent reduction in emissions, compared to 1990 levels.

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Outcome:	1	Question No:	95
Program:	1.4		
Division/Agency:	ID		
Topic:	India Coal Price		
Hansard Page EC:	Written		

Senator Birmingham asked:

What is the price on coal applied in India?

Answer:

India's clean energy tax on imported and domestic coal, introduced in July 2010, is applied at 50 Rupees per tonne (A\$0.97, exchange rate as at 14 November 2011).

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	96
Program:	1.4		
Division/Agency:	CSMD		
Topic:	European Union (EU) – Emissions Trading Scheme (ETS)		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. How is the cement industry treated under the EU ETS? What level of free permits are applied?
2. How is the lime industry treated under the EU ETS? What level of free permits are applied?
3. How are glass manufacturers treated under the EU ETS? What level of free permits are applied?
4. How is the aluminium industry treated under the EU ETS? What level of free permits are applied?
5. How is the mining industry treated under the EU ETS? What level of free permits are applied?

Answer:

European Union (EU) Emissions Trading Scheme (ETS) industry assistance

The EU ETS is likely to provide significantly less assistance to the more emissions intensive sectors than under the Jobs and Competitiveness Program (JCP) of the Clean Energy Act. This is for three key reasons:

- in the EU, allocations are to be based on the top 10 per cent most efficient installations rather than the average emissions intensity of the industry as per the JCP;
- in the EU, the assistance is only guaranteed in respect of direct emissions, while under the JCP, assistance was provided for the carbon cost exposure associated with direct emissions and electricity use. While the EU includes provisions to allow member states to provide “state aid” in respect of electricity price impacts, there is no guarantee that member states will provide this assistance; and

- in the EU, there is a cap on the proportion of free allocations that can be provided to industry. This means the level of permits available to be allocated to industrial sectors must fall over time, in line with the overall scheme cap, and rates of assistance to industry will be adjusted to ensure total allocations do not exceed the cap.

Key features of EU ETS assistance

Phase III of the EU ETS provides assistance to entities in particular sectors that are deemed to be exposed to a significant risk of carbon leakage. A sector or sub-sector is deemed to be exposed to a significant risk of carbon leakage:

- if the sum of direct and indirect additional costs induced by the implementation of the EU ETS directive would lead to a particularly high increase of production cost, calculated as a proportion of the Gross Value Added, of at least 30 per cent; or
- if the non-EU Trade intensity defined as the ratio between total of value of exports to non-EU plus value of imports from non-EU and the total market size for the Community (annual turnover plus total imports) is above 30 per cent.

For the sectors mentioned on the list, the free allocation will be multiplied by a factor one (100 per cent) while for other sectors the allocation will be multiplied by 0.80 (80 per cent) in 2013, and reduced every year. This is not equivalent to the sectors being exempted from the ETS as stringent benchmarks will apply.

A European Commission (EC) decision of 24 December 2009 includes the following sectors relevant to the Senator's question:

- 1010 - Mining and agglomeration of hard coal
- 1310 - Mining of iron ores
- 1320 - Mining of non-ferrous metal ores, except uranium and thorium ores
- 1411 - Quarrying of ornamental and building stone
- 1422 - Mining of clays and kaolin
- 1430 - Mining of chemical and fertilizer minerals
- 1450 - Other mining and quarrying n.e.c.
- 2742 - Aluminium production
- 2611 - Manufacture of flat glass
- 2613 - Manufacture of hollow glass
- 2651 - Manufacture of cement
- 2652 - Manufacture of lime

As is outlined on the EC website (http://ec.europa.eu/clima/policies/ets/leakage/faq_en.htm), only installations included in the ETS would receive free allowances.

Free permit allowances will be allocated based on product-specific benchmarks. These benchmarks have been defined based on the top 10 per cent most efficient installations for that production process in the EU.

The benchmarks below represent direct emissions only for the EU ETS. The EU ETS, however, includes provisions to allow member states to provide “state aid” in respect of electricity price impacts. This assistance would not be provided via the EU ETS assistance arrangements.

1. **Cement industry**

- Grey cement clinker: 0.766 allowances/tonne
- White cement clinker: 0.987 allowances/tonne
- *Under the JCP, the total cement clinker baseline is 0.957 permits/tonne*

2. **Lime industry**

- Lime: 0.954 allowances/tonne
- *Under the JCP, the total lime baseline is 1.26 permits/tonne*

3. **Glass industry**

- Float glass: 0.453 allowances/tonne
- Bottles and jars of colourless glass: 0.382 allowances/tonne
- Bottles and jars of coloured glass: 0.306 allowances/tonne
- *Under the JCP, the total flat glass baseline is 1.117 permits/tonne
the total container glass baseline is 0.803 permits/tonne*

4. **Aluminium benchmark**

- Aluminium: 1.514 allowances/tonne
- *Under the JCP, the total aluminium baseline is 17.0 permits/tonne*

5. **Mining**

- No specific benchmark is provided for the mining sectors however, generic heat and fuel benchmarks may apply (heat benchmark of 62.3 allowances / terajoule (TJ); fuel benchmark 56.1 allowances / TJ).
- *In Australia, assistance for the coal industry will be provided through Coal Sector Jobs Package and the Coal Mine Abatement Technology Fund worth \$1.3 billion over five years. Some eligible activities in the JCP fall under the mining classification (for example synthetic rutile).*

In the EU, the free allocation for an installation undertaking an activity is calculated as follows:

$$F_P = BM_P \times HAL \times \text{Carbon leakage exposure factor} \times \text{Cross-sectoral correction factor}$$

With:

F_P: Annual preliminary allocation for a product benchmark (expressed in EUAs).

BM_P: Benchmark for product (expressed in EUAs / unit of product and calculated on the 10% most efficient installations for that production process in the EU.

HAL: Historical activity level, i.e. the median annual production in the baseline period as determined and verified in the baseline data collection (expressed in units of product).*

Carbon leakage exposure factor:

This is 100 per cent for sectors deemed to be exposed to a significant risk of carbon leakage, other activities will receive 80% initially, declining over time.

Cross-sectoral correction factor:

A uniform cross-sectoral correction factor may be applied to ensure that total allowances issued are in line with the overall cap.

* For new entrants, the HAL is set as the median of two highest years from 2005-08 or 2009–10 for standard situation of continuous activity.

In the case of significant capacity changes, the new HAL is the sum of the standard HAL and the added significant capacity change. The significant capacity change is defined as the capacity change multiplied by the initial historical capacity utilisation factor (HCUF). The initial HCUF is the average annual activity level before the capacity change divided by the initial capacity of the installation.

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Outcome:	1	Question No:	97
Program:	1.4		
Division/Agency:	ID		
Topic:	China Carbon Tax		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. In what provinces or regions of China is a carbon tax being developed?
 - a) What industries or emissions will they apply to?
 - b) What prices will be applied?
 - c) What exemptions or free permits are being given?
 - d) How much revenue will each raise?
 - e) Will they be internationally linked?

Answer:

China officially announced, on 20 October, 2011, in an Opinion on *Further Strengthening Work on Environmental Protection* (Chapter 3, Article 13) that, “(China) shall implement emissions permit systems, establish pilot trading schemes for the paid use of emissions rights and set up a national emissions trading centre to develop the emissions trading market”.

The Department understands that China plans to pilot emissions trading schemes in the municipalities of Beijing, Chongqing, Shanghai and Tianjin; the provinces of Guangdong and Hubei; and the Shenzhen Special Administrative Region.

No other details of the planned emissions trading schemes have yet been released.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	98
Program:	1.4		
Division/Agency:	ID		
Topic:	International Carbon Taxes and Schemes		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. Can the department cite one scheme in another country that covers as many industry sectors as that proposed under the clean energy future package?
2. Was the Productivity (Commission?) correct when it said that no other country has an economy-wide carbon tax or emissions trading scheme in place?

Answer:

1. Ninety countries have committed to reduce or limit emissions through the United Nations Framework Convention on Climate Change (UNFCCC), under the Copenhagen Accord and Cancun Agreements. Countries are meeting their UNFCCC commitments through a range of approaches including emissions trading schemes and a range of regulatory measures targeting industries, renewable energy capacity, energy efficiency and the land sector.

Underlining the range of approaches being taken by countries across industry sectors, the Productivity Commission's (PC) stocktake of emission reduction policies identified more than 300 policies in the United States, 130 in Germany, 100 in the United Kingdom, 82 in China, 70 each in South Korea and India, 65 in Japan and 30 in New Zealand. These policies cover an array of market-based and regulatory actions tailored to particular national circumstances.

2. The PC emphasises that an economy-wide carbon price is the most cost effective way to reduce emissions. Sectoral coverage differs between emissions trading schemes partly reflecting the extent of complimentary emission reduction policies in uncovered sectors.

Around 60 per cent of Australia's emissions will be covered from commencement of the Carbon Pricing Mechanism in 2012, and around 68 per cent of emissions will face a carbon price or equivalent (including heavy on-road transport) from 2014.

The PC report states that, "no country currently imposes an economy-wide tax on greenhouse gas emissions or has in place an economy-wide ETS (Emissions Trading Scheme)" (p.50). The Department agrees with this assessment. Australia does not have an economy wide ETS.

Around 50 per cent of Europe's emissions will be covered during phase III of the European Union Emissions Trading Scheme (ETS) (2013-20). Covered sectors include stationary energy carbon dioxide (CO₂), aviation (from 2012) and certain industrial process emissions (CO₂ from petrochemicals, iron and steel, aluminium, cement, bricks, lime, ceramics, glass, pulp, paper and board, certain industrial chemical industrial processes including ammonia production, nitrous oxide from acid production and perfluorocarbon emissions from the aluminium sector).

The New Zealand ETS commenced in January 2008 and initially covered forestry. It was expanded to include liquid fossil fuels, stationary energy and industrial processes sectors in mid-2010. Synthetic greenhouse gas emissions and waste are scheduled to face reporting and surrender obligations from January 2013, while surrender obligations on the agriculture sector are scheduled to commence in 2015. Almost 100 per cent of New Zealand's emissions will be covered by the scheme from 2015.

California's ETS is scheduled to start in January 2012, with compliance obligations from 2013. Coverage will commence with electricity generators and large industrial facilities (accounting for around one-third of California's emissions), and expand to include distributors of transportation fuels, natural gas and other fossil fuels from 2015. This will bring coverage to around 85 per cent of Californian emissions.

Many other countries without carbon trading schemes are reducing emissions with a range of regulations and policies appropriate to their social, economic and political circumstances.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	99
Program:	1.4		
Division/Agency:	ID		
Topic:	Kyoto Obligations		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. What countries are on track to meet their Kyoto obligations through domestic action?
2. What countries are on track to meet their Kyoto obligations through the purchase of international abatement?
3. What volume of abatement will each of these countries have to purchase to meet their commitments?
4. What will the cost of these purchases be?
5. Where is it expected they will be purchased from?
6. Who will fail to meet their Kyoto obligations?

Answer:

Under the Kyoto compliance system, the fulfilment of Kyoto obligations is assessed after the conclusion of the first commitment period following final assessments by expert review teams. It is likely that the final assessments will occur in 2015. While there are annual expert reviews of Parties' inventories, these do not engage in a value judgment as to whether countries are 'on track' to meet their commitments. It is therefore not possible to provide a precise answer at this stage as to whether – and how – countries will meet their Kyoto obligations.

Once the final assessment by expert review teams has been completed for all Parties, a 100 day "additional period for fulfilment of commitments" will begin. This period is intended to provide Parties with the opportunity to purchase additional units, if necessary, to achieve compliance with their Kyoto obligations. The precise volume of abatement that individual Parties will need to purchase in order to achieve compliance with their Kyoto obligations will not be clear until that time. The cost and source of those abatement units will likewise be determined by the supply and demand variables of Kyoto units at that time.

Canada is the only Kyoto Protocol Party that has indicated it would not achieve its emissions reduction target for the Protocol's first commitment period

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Outcome:	1	Question No:	100
Program:	1.4		
Division/Agency:	ID		
Topic:	European Emissions Targets		
Hansard Page EC:	ECA77		

Senator IAN MACDONALD: On notice, could you give me a list of the European countries and where they are in relation to their targets? For example, I know that Switzerland has a target and with all best intentions have subscribed to that target, but they are nowhere near it because of road transport—

Mr Comley: I will have to check on Switzerland, but Switzerland would not be part of the European Union target because they are not a member of the European Union.

Senator IAN MACDONALD: Yes—of course.

Senator IAN MACDONALD: Could you give me that on notice or refer me to where I would see that?

Mr Comley: Yes.

Answer:

Under the Kyoto compliance system, the fulfilment of Kyoto obligations is assessed after the conclusion of the first commitment period following final assessments by expert review teams. It is likely that the final assessments will occur in 2015. While there are annual expert reviews of Parties' inventories, these do not engage in a value judgment as to whether countries are 'on track' to meet their commitments. It is therefore not possible to provide a precise answer at this stage as to whether – and how – countries will meet their Kyoto obligations. However, some indicative figures are available based on forecast emissions.

Switzerland's Kyoto Protocol target is 92 per cent of its average emissions in 1990, measured over the period 2008 to 2012. The European Environment Agency (EEA) has assessed that, based on actual and projected emissions, Switzerland is not on track to meet its Kyoto target. The EEA report can be accessed at:

www.eea.europa.eu/publications/ghg-trends-and-projections-2011.

The European Union (EU) Kyoto Protocol target is 92 per cent of its average emissions in 1990, measured over the period 2008 to 2012. If the EU meets this collective target, EU Member States are deemed to have complied with the targets under the Kyoto Protocol. At the time of the Kyoto Protocol's ratification, there were 15 EU member states: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom. The EEA has assessed that based on actual and projected emissions, the EU-15 as a group is on track to meet its Kyoto target. However, three member states – Austria, Italy and Luxembourg – were not on track to meet their national targets. The EEA report can be accessed at:

www.eea.europa.eu/publications/ghg-trends-and-projections-2011.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	101
Program:	1.4		
Division/Agency:	ID		
Topic:	Reducing Emissions from Deforestation and Forest Degradation		
Hansard Page EC:	Written		

Senator Rhiannon asked:

1. What work has your department done on evaluating the REDD scheme? In particular what research or evaluation have you prepared in relation to Australia's REDD agreement with Indonesia?
2. What advice have you provided to DFAT regarding REDD? How often do you meet with DFAT about this?
3. Which other departments or agencies have you dealt with on matters related to REDD in the past two years? What was the nature of those dealings?
4. Who are you dealing with in Indonesia regarding Australia's REDD agreement with Indonesia?
5. Have you assessed the level of reduction of greenhouse gas emissions as a result of the Indonesia-Australia Forest Carbon Partnership? If not, how do you assess its effectiveness at reducing greenhouse gas emissions?
6. What is your assessment of the REDD agreement? Do you see any problems with it? Please outline any concerns you have expressed to other departments or agencies.
7. Which agency authorised the current agreement?
8. What authority do you have to advise or recommend the continuation of REDD agreements between Australia and Indonesia or other developing countries?
9. Will you be recommending the continuation of REDD agreements between Australia and Indonesia or other developing countries?

Answer:

1. Australia and Indonesia have established a collaborative Forest Carbon Partnership. This was signed by then Prime Minister, the Hon Kevin Rudd MP, and President Susilo Bambang Yudhoyono on 13 June 2008. An independent progress review of the Australia-Indonesian Forest Carbon Partnership's implementation was conducted in 2011. Australia's reducing emissions from deforestation and forest degradation (REDD) work in Indonesia is also subject to the standard quality assurance, due diligence and evaluation processes applied to the rest of Australia's aid program.
2. The Department frequently consults and meets with the Department of Foreign Affairs and Trade on climate change issues, including REDD, and provides it with briefing for relevant meetings as appropriate.
3. In the last two years, the Department has dealt with the following departments on matters related to REDD:
 - AusAID;
 - the Department of Agriculture, Fisheries and Forestry;
 - the Attorney-General's Department;
 - the Department of Families, Housing, Community Services and Indigenous Affairs;
 - the Department of the Prime Minister and Cabinet;
 - the Department of Sustainability, Environment, Water, Population and Communities; and
 - the Treasury.

The Department routinely consults these departments and agencies to seek their input into policy development, briefing for meetings, advice to senior executives and ministers and reporting of related activities.

4. The Department has worked with the following Indonesian agencies and individuals:
 - officials from the Ministry of Forestry,
 - the National Development Planning Agency,
 - the Presidential Working Unit for Supervision and Management of Development (UKP4),
 - the REDD+ Taskforce, the Minister of Forestry, the National Council on Climate Change,
 - the Ministry of Finance; and
 - President Yudhoyono.

The Department also works closely with staff in the Australian Embassy in Jakarta and staff in the Indonesia-Australia Forest Carbon Partnership Office.

5. At present, Australia and Indonesia are working together to demonstrate options for reducing emissions at a project site in Central Kalimantan. As a REDD demonstration activity, the primary priority for this project is to provide lessons to show how REDD can work in practice and to inform the international negotiations on REDD. Its primary objective is not intended to generate verifiable reductions in greenhouse gas emissions.

The project is seeking to develop a specific emissions measurement and monitoring program that will meet the likely requirements of a future international REDD mechanism. It is also the intention for it to be aligned with national systems for measurement, reporting and verification, such as Indonesia's National Carbon Accounting System, as it develops.

6. The Indonesia-Australia Forest Carbon Partnership has made good progress in a range of areas, including:
 - assisting Indonesia to develop its national carbon accounting system – an essential prerequisite of any REDD system;
 - establishing IndoFire – a real time, online forest fire monitoring system addressing a major source of forest emissions; and
 - developing the Kalimantan demonstration project, which has begun reforestation and alternative livelihoods work.
7. The Australia-Indonesia Forest Carbon Partnership was signed by the then Prime Minister, the Hon Kevin Rudd MP, in 2008.
8. Australia's engagement with Indonesia on REDD is a collaborative partnership, not an agreement or treaty.
9. The Australia-Indonesia Forest Carbon Partnership does not have a specific end date. Australia will consider engagement with other developing countries on REDD as appropriate.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	102
Program:	1.4		
Division/Agency:	ID		
Topic:	Kalimantan Forests and Climate Partnership - BHP Billiton		
Hansard Page EC:	Written		

Senator Rhiannon asked:

1. Considering the document signed by the respective Australian and Indonesian Foreign Affairs Ministers to form the Kalimantan Forests and Climate Partnership states that BHP Billiton is also a founding member of this Partnership:
 - a) What involvement has BHP Billiton had in this Partnership;
 - b) How much money has BHP Billiton contributed to this Partnership;
 - c) If BHP Billiton has made a financial contribution have they stipulated what this money is to be spent on; and
 - d) What has the money contributed by BHP Billiton been spent on,

2. Considering the document signed by the respective Australian and Indonesian Foreign Affairs Ministers to form the Kalimantan Forests and Climate Partnership states that "BHP Billiton's contribution will focus on activities aimed at avoiding further deforestation of high conservation value areas":
 - a) What local communities were involved in this project,
 - b) Were local people employed by BHPB on this project,
 - c) Did AusAID work in the field with BHPB representatives,
 - d) Has the project been completed,
 - e) What are the outcomes of the project?

Answer:

1. The Kalimantan Forests and Climate Partnership (KFCP) was launched with BHP Billiton as a founding partner, reflecting the possible future involvement of private sector organisations in funding components of the KFCP. However, in the end, BHP Billiton did not participate in the project.

2. As per Part 1, BHP Billiton has not been involved in the work of the KFCP.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	103
Program:	1.4		
Division/Agency:	ID		
Topic:	Kalimantan Forests and Climate Partnership		
Hansard Page EC:	Written		

Senator Rhiannon asked:

1. What is the total Australian contribution to the work in Indonesia to reduce greenhouse gas emissions associated with deforestation?
2. How much money has the Environment Department contributed to the work in Indonesia to reduce greenhouse gas emissions associated with deforestation and what projects has this money been spent on?

Answer:

1. The Australian Government has committed \$100 million to the Indonesia-Australia Forest Carbon Partnership (IAFCP). The IAFCP is operating in three key areas:
 - identifying and implementing REDD demonstration activities;
 - technical support to increase Indonesia's forest carbon measurement capacity; and
 - climate change policy dialogue and capacity building support.
2. The Department of Sustainability, Environment, Water, Population and Communities has not contributed any funding to IAFCP activities. Funding is jointly administered by the Department of Climate Change and Energy Efficiency and AusAID.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	104
Program:	1.4		
Division/Agency:	ID		
Topic:	Kalimantan Forests and Climate Partnership/REDD		
Hansard Page EC:	Written		

Senator Rhiannon asked:

1. Considering the undated pdf “Kalimantan Forests and Climate Partnership” http://www.climatechange.gov.au/government/initiatives/international-forest-carbon-initiative/~media/publications/international/kfcp_factsheet.ashx states that a key focus is to show how REDD can be included in a post-2012 global climate change agreement,
 - a) How much money has been allocated for this work,
 - b) Will a progress report on this work be released publicly, and if so when
 - c) What are the findings of this work

2. As the Kalimantan Forests and Climate Partnership aims to develop “incentive based payments for forest-dependent communities”,
 - a) How much money has been allocated and/or will be allocated for these communities;
 - b) Who are the targeted communities;
 - c) Who within these communities is the department working with; and
 - d) Are there any guidelines or requirements on how these payments are used?

Answer:

1. To date, the Australian Government has committed \$47 million to the Kalimantan Forests and Climate Partnership (KFCP).

The KFCP is a large scale REDD demonstration activity under the Australia-Indonesian Forest Carbon Partnership. An independent progress review of the Australia-Indonesian Forest Carbon Partnership's implementation was conducted in 2011 and is currently being considered by the Department of Climate Change and Energy Efficiency and AusAID.

2. \$8.4 million has been allocated to a World Bank-managed trust fund for incentive payments linked to village agreements. A regional environmental and social assessment (RESA) is currently being finalised in accordance with relevant World Bank standards. The RESA provides an assessment of any potential social or environmental impacts of the activity on local and Indigenous communities, particularly vulnerable groups in communities, and recommends approaches to avoid or mitigate any adverse impacts.

The design of the payments, including consideration of whom, or which institutions, will be eligible to receive payments, will take into account potential implications on local communities, building on the results of the RESA.

Additionally, up to \$1 million has been allocated for preliminary work packages for the delivery of services by local communities, including the production of seedlings, replanting and canal-blocking activities, linked to village agreements.

The communities involved in KFCP are the seven villages, comprised of 14 community settlements, within and surrounding the KFCP site. This encompasses a population of approximately 9,000 people of which approximately 90 per cent are Ngaju Dayak. All members of these communities are invited to participate in KFCP activities. Several interest groups are active in the discussions on KFCP activities, including rights holders and marginal and vulnerable groups.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	105
Program:	1.4		
Division/Agency:	ID		
Topic:	Kalimantan Forests and Climate Partnership – 2008 Joint Paper to UNFCCC		
Hansard Page EC:	Written		

Senator Rhiannon asked:

Is the November 2008 Joint Paper submitted by Australia and Indonesia to the UNFCCC on initial lessons learned from the Kalimantan Forests and Climate Partnership a public document and if so where can it be obtained from?

Answer:

Yes. The document is available at:

<http://unfccc.int/resource/docs/2008/awglca4/eng/misc05a02p01.pdf#page=97>.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	106
Program:	1.4		
Division/Agency:	ID		
Topic:	Kalimantan Forests and Climate Partnership – Indigenous and Local Communities		
Hansard Page EC:	Written		

Senator Rhiannon asked:

1. Considering the Kalimantan Forests and Climate Partnership Factsheet No 3 details “... promotion of alternative livelihood options for forest-dependent Indigenous and local communities in Central Kalimantan”,
 - a) What are the ‘alternative livelihood options’,
 - b) Are local communities and NGOs involved in determining these options and if so who are the communities and NGOs.

2. Considering the Kalimantan Forests and Climate Partnership Factsheet No 3 details that an “innovative payment mechanism” will provide “performance-based incentives”,
 - a) How much money has been allocated for this scheme;
 - b) What are the performance indicators that the incentives will be tied to;
 - c) Who will received these payments; and
 - d) What measures have been taken to ensure that such payments do not result in greater inequity in local communities.

Answer:

1. a) Livelihood improvements in the Kalimantan Forests and Climate Partnership (KFCP) have focused on rubber, which comprises a key part of the local economy, including through 'farmer field schools' to improve rubber quality and increase yields. KFCP will also help communities to develop sustainable forest management programs. Other options may be explored at a later stage.

b) The development of livelihood options was informed by a survey of 1,000 local households conducted to provide baseline data on social and economic conditions.

Options were also developed through the facilitation of five-year village development plans and annual village plans, outlining aspirations and priorities for villages within the project area. These consultations are open to all interested and affected interest groups, including rights holders and marginal and vulnerable groups.

Ten dedicated community facilitators, seconded from CARE, live and work with communities in the project area to support ongoing consultations and project implementation.

2. \$8.4 million has been allocated to a World Bank-managed trust fund for incentive payments linked to village agreements. The development of performance indicators is currently underway. A regional environmental and social assessment (RESA) is currently being finalised in accordance with relevant World Bank standards. The RESA provides an assessment of any potential social or environmental impacts of the activity on local and Indigenous communities, particularly vulnerable groups in communities, and recommends approaches to avoid or mitigate any adverse impacts.

The design of the payments, including consideration of whom, or which institutions, will be eligible to receive payments, will take into account potential implications on local communities, building on the results of the RESA.

Additionally, up to \$1 million has been allocated for preliminary work packages for the delivery of services by local communities, including the production of seedlings, replanting and canal-blocking activities, linked to village agreements.

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Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	184
Program:	1.4		
Division/Agency:	ID		
Topic:	Policy Papers		
Hansard Page EC:	ECA75-76		

Senator BIRMINGHAM: Australia and this mitigation, the MRV scenario or area, is as you said just one part of the negotiations. Is Australia presenting other policy papers or position papers ahead of Durban.

Ms Hand: We have had a long history over the last few years of putting forward ideas on all sorts of things. That is the one that has attracted attention at the moment. We have interesting ideas out there on legal form, on mitigation and on REDD. We can provide you with a list of Australian submissions over time, if that would be helpful, which I think have been pretty much covered in earlier estimates discussions. That is the most recent one and it is the one that falls into this financial year, but we would be very happy to give you a set of our submissions.

Answer:

Australia regularly provides submissions to the United Nations Framework Convention on Climate Change (UNFCCC) outlining the Australian Government's views on key issues relevant to international climate change negotiations. Australia has made 72 submissions to the UNFCCC since March 2008.

Submissions in 2011 include:

September 2011

- Australia-Norway joint submission on enhanced action on mitigation;
- Enhanced action on Measurement, Reporting and Verification;
- Work program for the development of modalities and guidelines for facilitation of support to Nationally Appropriate Mitigation Actions through a registry;
- Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD+);
- Impacts of implementation of response measures;
- Views on the research dialogue, including ongoing activities, associated modalities and ways to enhance the dialogue; and

- Support provided to developing country parties and activities undertaken to strengthen existing and, where needed, establish national and regional systematic observation and monitoring networks.

August 2011

- Approaches to address loss and damage associated with adverse climate change in vulnerable developing countries; and
- National Adaptation Plans.

March 2011

- Enhanced action on Mitigation and Measurement, Reporting and Verification;
- Impacts of implementation of response measures;
- Procedures, mechanisms, and institutional arrangements for a Clean Development Mechanism (CDM) appeals procedure; and
- The Nairobi work program on impacts, vulnerability and adaptation to climate change.

February 2011

- Forest Management Reference Level Work program to consider approaches to address loss and damage associated with climate change impacts in vulnerable developing countries;
- Composition of modalities and procedures for the Adaptation Committee;
- Establishment of market-based mechanisms;
- Matters relating to Articles 2.3 and 3.14 of the Kyoto Protocol: impacts of implementation of response measures; and
- Modalities and procedures for carbon dioxide capture and storage in geological formations as CDM project activities.

The full list of Australia's submissions is available at:

www.climatechange.gov.au/en/government/initiatives/unfccc/submissions.aspx.

Australia is not planning to make any further submissions to the UNFCCC ahead of the 17th Conference of the Parties in Durban (29 November–9 December 2011).

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2011-12, 17 October 2011

Answers to Questions on Notice

Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	185
Program:	1.4		
Division/Agency:	ID		
Topic:	Durban Delegation		
Hansard Page EC:	ECA76-77		

Senator BIRMINGHAM: What is the estimated cost of Australia's delegation this year?

Ms Hand: We can give you close to an exact cost on the accommodation but not yet on the flights and the issues relating to the flights because that will be determined once we have the final delegation list. The accommodation is likely to cost around \$245,000. It could be a little bit less. That was a figure quoted early on when we thought the delegation might be larger. We paid a 50 per cent deposit, so that is already out there—\$123,642.55 has been paid to the broker that is doing the accommodation for Durban. The costs—which we cannot give you yet, but we will give them to you once we have them—will be related to airfares. There may be some security costs, transport costs and that kind of thing.

Answer:

The total costs for the delegation will not be known until all travel costs are acquitted following COP 17.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2011-12, 17 October 2011

Answers to Questions on Notice

Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	186
Program:	1.4		
Division/Agency:	ID		
Topic:	California ETS		
Hansard Page EC:	Written		

Senator Birmingham asked:

What industries or emissions will the ETS being developed in California apply to? What exemptions or free permits are being given? How much revenue will it raise?

Answer:

The Californian emissions trading scheme (ETS) covers facilities that emit over 25,000 tonnes of carbon dioxide-equivalent per year. From 2012 to 2015 the power and industrial sectors are covered. From 2015, the transportation, residential and commercial sectors will also be covered. This would bring estimated covered emissions to around 395Mt, or around 85 per cent of total forecast emissions.

At the commencement of the ETS, the California Air Resources Board will auction 10 per cent of allowances. This percentage will increase as the scheme progresses. The revenue generated by the scheme will depend on the prices paid for allowances at each auction.

**Senate Standing Committee on Environment and Communications
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Answers to Questions on Notice

Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	187
Program:	1.4		
Division/Agency:	ID		
Topic:	Durban – Outcomes		
Hansard Page EC:	Written		

Senator Birmingham asked:

What does the Department consider possible, and what does it consider likely, in terms of outcomes at this year's United Nations Climate Change Conference in Durban?

Answer:

On 25 November 2011 the Minister for Climate Change and Energy Efficiency delivered a speech on the Australian Government's approach to the United Nations Climate Change Conference in Durban. The speech is available at: www.climatechange.gov.au/minister/greg-combet/2011/major-speeches/November/sp20111125.aspx.

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Supplementary Budget Estimates 2011-12, 17 October 2011

Answers to Questions on Notice

Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	188
Program:	1.4		
Division/Agency:	ID		
Topic:	Durban – Commitments		
Hansard Page EC:	Written		

Senator Birmingham asked:

What commitments is Australia seeking, and what commitments is it prepared to make at this year's United Nations Climate Change Conference in Durban?

Answer:

On 25 November 2011 the Minister for Climate Change and Energy Efficiency delivered a speech on the Australian Government's approach to the United Nations Climate Change Conference in Durban. The speech is available at: www.climatechange.gov.au/minister/greg-combet/2011/major-speeches/November/sp20111125.aspx.

**Senate Standing Committee on Environment and Communications
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Answers to Questions on Notice

Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	189
Program:	1.4		
Division/Agency:	ID		
Topic:	Durban – Treaty on Emissions		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. Does the Department expect major emitters to agree to a legally binding treaty on emissions reductions at this year's United Nations Climate Change Conference in Durban?
2. If not, when does the Department expect such agreement to be reached?

Answer:

On 25 November 2011, the Minister for Climate Change and Energy Efficiency delivered a speech on the Australian Government's approach to the United Nations Climate Change Conference in Durban. The speech is available at: www.climatechange.gov.au/minister/greg-combet/2011/major-speeches/November/sp20111125.aspx.

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Answers to Questions on Notice

Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	190
Program:	1.4		
Division/Agency:	ID		
Topic:	Durban – Benchmarks		
Hansard Page EC:	Written		

Senator Birmingham asked:

What benchmarks, if any, has the Government set for determining whether or not this year's United Nations Climate Change Conference in Durban will be considered successful? How will the Government evaluate conference outcomes?

Answer:

On 25 November 2011, the Minister for Climate Change and Energy Efficiency delivered a speech on the Australian Government's approach to the United Nations Climate Change Conference in Durban. The speech is available at: www.climatechange.gov.au/minister/greg-combet/2011/major-speeches/November/sp20111125.aspx.

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Legislation Committee**

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Answers to Questions on Notice

Climate Change and Energy Efficiency Portfolio

Outcome:	1	Question No:	191
Program:	1.4		
Division/Agency:	ID		
Topic:	Durban - Delegation		
Hansard Page EC:	Written		

Senator Birmingham asked:

1. How many people will be part of the Government's delegation to this year's United Nations Climate Change Conference in Durban, including any from other departments or agencies and Ministerial offices?
2. Please identify each person and their role(s) and job descriptions.
3. What will the total cost of participation be? Please detail travel costs/airfares, accommodation costs, hospitality or meal allowances and any other costs.

Answer:

1. Australia's delegation to the United Nations Climate Change Conference in Durban will be 46 people, including six from Australia's mission in Pretoria. In addition to the Minister for Climate Change and Energy Efficiency and his staff, members will be drawn from the Department of Climate Change and Energy Efficiency, the Department of Foreign Affairs and Trade, AusAID, the Department of Resources, Energy and Tourism, the Commonwealth Scientific and Industrial Research Organisation and the Bureau of Meteorology.

Given there can be more than 55 concurrent negotiations, this number is appropriate to advance Australia's interests and is in line with delegations from comparable countries. At last year's meeting (COP 16 in Cancun) Australia had 41, Canada 89, the United Kingdom 45, the European Union 92, Japan 105, New Zealand 22, China 104, Norway 98 and Indonesia 68.

2. A list of participants for each delegation will be made publicly available by the United Nations Climate Change secretariat.
3. The total costs for the delegation will not be known until all travel costs are acquitted following COP 17.