

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

**Supplementary Budget Estimates, 15 October 2012**

**Answers to Questions on Notice**

**Climate Change and Energy Efficiency Portfolio**

<b>Outcome:</b>	1	<b>Question No:</b>	130
<b>Program:</b>	1.4		
<b>Division:</b>	ID		
<b>Topic:</b>	China fossil fuel tax		
<b>Hansard Page EC:</b>	EC69		

**Senator IAN MACDONALD:** Could you convert the five per cent and 10 per cent into dollar figures, on notice if necessary?

**CHAIR:** Please take it on notice.

**Ms Sidhu:** I certainly will.

**Answer:**

On 11 July 2012, China's State Administration of Taxation website announced that during the first half of 2012 a total of RMB51.7 billion (approximately A\$7.99 billion) was collected under China's Resource Tax regulations.

A breakdown of tax collected for individual commodities, including crude oil and natural gas, is not yet publicly available.

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<b>Outcome:</b>	1	<b>Question No:</b>	131
<b>Program:</b>	1.4		
<b>Division:</b>	ID		
<b>Topic:</b>	Kalimantan Forests and Climate Partnership - funding		
<b>Hansard Page EC:</b>	Written		

**Senator Rhiannon asked:**

1. The original project plan and funding ends at 2012. Does the government intend to extend the time period of the project?
  - a. If so, for how many additional years?
  - b. Has a decision on an extension been made?
  - c. When will it be anticipated that a decision on this be made?
  - d. Has permission for an extension of the project been sought and/or granted from:
    - i. Kupuas district government
    - ii. the Central Kalimantan provincial government and
    - iii. the Indonesian government? Please detail these communications.
2. Has the government approached the World Bank as trustee of the project funding regarding an extension of the project? If so, have they agreed to ask as trustee for an extended project period?
3. How much additional Australian government funding to the project would be committed if an extension of the project was committed to?
4. Have other potential funding partners been approached regarding financing of an extension of this project? If so, who? If so, have any other governmental or private partners committed to supporting the financing of an extension of the project?
5. Has permission for an extension of the project been sought and/or granted by the affected communities?
  - a. Please detail the community engagement process regarding an extension of the process which has been pursued to date.
  - b. Please detail the community engagement process which is proposed regarding such an extension prior to a decision on an extension being made.
  - c. Please detail the community engagement process which is proposed regarding such an extension subsequent to a decision on an extension being made.

**Answer:**

These questions have also been asked of AusAID via the Foreign Affairs, Defence and Trade Committee. As AusAID is the agency responsible for the implementation of this project, please refer to AusAID's response.

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<b>Program:</b>	1.4		
<b>Division:</b>	ID		
<b>Topic:</b>	Kalimantan Forests and Climate Partnership – free and informed prior consent		
<b>Hansard Page EC:</b>	Written		

**Senator Rhiannon asked:**

There are ongoing examples of the project creating confusion and conflict in the community. For example, in 2010 there were conflicting statements from a local indigenous council first opposing the project, then retracting the statement. The recent ABC report of alleged corruption and intimidation of a villager in Mantangai Hulu. These examples signal that FICP has not been realised.

1. What is AusAID/DCCEE doing to ensure these matters and the concerns of community members are being adequately addressed?
2. What processes are in place to report upon, monitor and verify processes of community engagement and FPIC?
3. Is the KFCP project seeking an change in the legal status of the land on which the project is based (from production forest to protected forest) or similar? If so,
  - a. what legal status is the government lobbying to have applied to this land?
  - b. how many hectares of the KFCP project would this changed legal status apply to?
  - c. how many hectares/kilometres of land surrounding the villages in the area would be excluded from such a protected area?
  - d. how much progress has been made towards the achievement of this objective?
4. There are allegations in a recent Open Letter that community members employed by the KFCP have been paid exploitative wages. Please detail the contacts made with the community for work in the reforestation projects, especially for work in the tree nursery?
  - a. Was this work paid on a hourly or a performance basis?
  - b. How many contracts were entered into with members of the community?
  - c. On what conditions?

5. Please detail the contacts made with the community for work in the drainage rehabilitation projects, especially for work blocking canals?
  - a. Was this work paid on a hourly or a performance basis? How many contracts were entered into with members of the community?
  - b. On what conditions?

**Answer:**

These questions have also been asked of AusAID via the Foreign Affairs, Defence and Trade Committee. As AusAID is the agency responsible for the implementation of this project, please refer to AusAID's response.

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<b>Program:</b>	1.4		
<b>Division:</b>	ID		
<b>Topic:</b>	Kalimantan Forests and Climate Partnership – land tenure		
<b>Hansard Page EC:</b>	Written		

**Senator Rhiannon asked:**

DCCEE has reported finding that in Kalimantan 'land tenure issues have been more complex than first thought and resolving the land tenure issues has taken longer than first thought.' (Blair Comley).

1. What is AusAID/DCCEE doing to ensure this issue is addressed? Will recognition of land tenure in all villages, including the rights and land of the local Dayak people at the project site be a precondition for the project continuing?
2. Is the government aware of Governor Regulation No 13/2009 about adat land and adat rights on land? If so
  - a. Does the government intend to action these regulations in the KFCP implementation?
  - b. what step have been taken toward the objectives of the Governor Regulation No 13/2009?
3. Please provide a map of the canal system in the KFCP project site detailing (a) which canals have been blocked to date (b) which canal are proposed to be blocked during the lifetime of the project?

**Answer:**

These questions have also been asked of AusAID via the Foreign Affairs, Defence and Trade Committee. As AusAID is the agency responsible for the implementation of this project, please refer to AusAID's response.

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<b>Division:</b>	ID		
<b>Topic:</b>	Kalimantan Forests and Climate Partnership – Marketised REDD		
<b>Hansard Page EC:</b>	Written		

**Senator Rhiannon asked:**

1. The original intent behind the KFCP was to generate carbon offset credits and demonstrate a market-based funding model for REDD. Is this still the case?
2. What form of incentives are being offered to communities participating in the reforestation and livelihood programs?
3. Who is responsible for ensuring this administration of this occurs in a fair manner?
4. Does the Australian government intend to link the Australian ETS to REDD credits in Indonesia or elsewhere?
5. If so, when, and what is the status of negotiations with Indonesia?

**Answer:**

Questions 1, 2 and 3 have also been asked of AusAID via the Foreign Affairs, Defence and Trade Committee. As AusAID is the agency responsible for the implementation of this project, please refer to AusAID's response.

Regarding questions 4 and 5, REDD+ credits (irrespective of origin) are not currently defined as eligible international units for use under the Australian emissions trading scheme

Under the legislation, the Australian Government may include other international units through regulation. This would only occur following stakeholder consultation and appropriate scrutiny of proposed units (including REDD+ credits) by the Climate Change Authority, and where the Government is satisfied of factors including the environmental integrity of a proposed unit, and where the addition is consistent with the objectives of Australia's emissions trading scheme and international objectives.