

**Senate Standing Committee on Environment and Communications**  
**Legislation Committee**  
Answers to questions on notice  
**Environment portfolio**

**Question No:** 72  
**Hearing:** Additional Budget Estimates  
**Outcome:** Outcome 7  
**Programme:** Renewables, Projections & Governance Division  
**Topic:** Carbon Tax – Timor Sea  
**Hansard Page:** N/A  
**Question Date:** 24 February 2014  
**Question Type:** Written

**Senator Xenophon asked:**

The Timor Sea Treaty states (Annex G, Article 4.3) that neither Australia nor East Timor can impose a tax on petroleum projects in the Joint Development Area of the Timor Sea unless both states agree.

Has the Australian government been imposing the Carbon Tax in the Timor Sea? And, if not, is it planning to do so? Further, if so, on what basis would the tax be imposed?

What negotiations have taken place with East Timor? Has the East Timor government agreed to Australia's imposition of a carbon tax in the Timor Sea?

How much tax revenue is forecast if the carbon tax is applied?

**Answer:**

The carbon tax does not currently apply in the Joint Petroleum Development Area (JPDA) and Greater Sunrise Unit Area. Regulations made under the *Clean Energy Act 2011* in 2012 provide that any carbon tax liability is set at zero for emissions produced in the JPDA or Greater Sunrise Unit Area until 1 July 2015.

For the avoidance of doubt, the carbon tax repeal legislation ensures that no carbon tax liability will ever arise in the JPDA and Greater Sunrise Unit Area (see subitem 323(1), table item 9, Clean Energy Legislation (Carbon Tax Repeal) Bill 2013).