



Australian Government  
Department of Climate Change  
and Energy Efficiency

# Australia's National Carbon Offset Standard: Update

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[www.climatechange.gov.au](http://www.climatechange.gov.au)

## Background

- Greenhouse Friendly™ initiative 2001-2010
- Implications of Kyoto ratification and CPRS
- Need for official standard and national consistency
- NCOS released on 24 November 2009
- Came into effect on 1 July 2010



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## Objective of the NCOS

- Ensure consumers have confidence in voluntary carbon offset market and integrity of offset and carbon neutral products they purchase.
  - Guidance on 'carbon neutral' certification
  - Guidance on what constitutes a genuine, additional voluntary offset
  - Minimum requirements for verification and retirement of voluntary carbon credits
  - Transparency requirements



## NCOS Carbon Neutral Program

- Enables development and certification of carbon neutral products or organisations
- Trademark for products and organisations certified as carbon neutral
- Administered by the Australian Carbon Trust
- Government responsible for policy and owns trademark



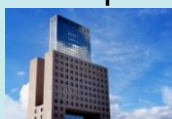
## Steps to achieve carbon neutrality

- Determine 'carbon footprint' of product or organisation and prepare emissions management plan
- Have the footprint & plan independently audited
- Monitor emissions and reduce where feasible
- Purchase and cancel eligible offsets equivalent to the calculated emissions
- Publicly disclose emissions and offsets



## Calculating a carbon footprint

- Two approaches for calculating a carbon footprint:
  1. Organisations: an inventory of all scope 1 and scope 2 emissions (similar to NGERs requirements) and scope 3 emissions.



2. Products: produce a Life Cycle Assessment.



## Carbon neutral - public reporting

- Description and boundaries of certified product or organisation
- Carbon footprint of product or organisation
- Statement of emissions reduction activities
- Records and details to prove that sufficient eligible offsets have been acquired/cancelled
- Public disclosure summaries on Australian Carbon Trust website



## Auditing of carbon neutral claims

- Independent verification of:
  - carbon footprint calculations
  - emissions management plans
  - public disclosure summaries
  - annual reports
- Auditor qualifications include:
  - registered under NGER Act
  - accredited under international standards for greenhouse gas accounting



## NCOS eligible offsets

- Achieve emissions reductions beyond Australia's national targets
- Sources not counted toward Kyoto target:
  - CPRS permits
  - Certain Kyoto units
  - Gold Standard and Voluntary Carbon Standard units
  - Offsets from emissions sources in Australia not counted toward Kyoto target



## NCOS domestic offsets

- Eligible domestic emissions reductions include:
  - cropland and grazing land management (net sequestration from soil, crops and vegetation)
  - enhanced forest management (non-Kyoto forests)
  - revegetation (woody biomass)
  - (not an exhaustive list)
- Available for sale in voluntary market only



## NCOS offset governance

- NCOS projects to use approved methodologies
- Domestic Offset Integrity Committee
  - assess offset methodologies bought forward by Department and other entities
  - undertake public consultation
  - make recommendations for government decision
- Further consultation on governance framework



## Implementation

- Carbon Neutral Program guidelines -1 July 2010
- Transfer of Greenhouse Friendly carbon neutral participants to Carbon Neutral Program
- Appointment of Domestic Offset Integrity Committee - a matter for incoming government
- Methodology development under way
- Future work on administrative arrangements (abatement project approvals, registry, etc)



# Questions

