



**Conservation Council  
of South Australia Inc**

**National Carbon Offset Standards  
Submission.**

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**Conservation Council of South Australia Inc (CCSA)** is the peak conservation body for South Australia, representing over 55 of the State's environment and conservation organisations.

CCSA is an independent non-profit, non party-political, community based organisation which provides resources, advice and representation for the SA environment movement, and which leads many of the key conservation campaigns in SA.

CCSA is known for its success in developing long term community development, education, and on-ground environmental restoration programs.

CCSA regularly liaises with Local, State and Federal Governments, Government agencies, media, educational institutions, NGOs, unions, industry, business and other groups on matters relating to the environment and social justice.

As a community organization, much of what CCSA achieves is through a large network of skilled volunteers from all walks of life – for its office, on-ground, governance and campaign activities.

CCSA is committed to a healthy environment for South Australia.

## **National Carbon Offset Standards**

### **Introduction**

The **Conservation Council of South Australia (CCSA)** welcomes this opportunity to make a submission into the National Carbon Offsets Standards (NCOS).

CCSA believes Australia is at a crossroads. According to the best available science, we face a 'perfect storm' as the impacts of climate change, the global financial crisis and a sustainability crisis all converge.

Any one of these three will have significant impacts across the board in all facets of the Australian (and global) economy, society and environment. Business-as-usual is no longer an option if we are serious about addressing these interrelated phenomena and proactively making the transition towards a truly sustainable nation in the years and decades ahead.

What is important is that the Federal Government takes action in the most effective way to reduce Australia's greenhouse gas emissions in tandem with concerted international action.

In this regard we can't afford not to act. To fail to take up this challenge now will condemn our children and their descendants to a much-reduced quality of life, on a planet that we will barely recognise.

Whilst difficult decisions will need to be taken and vested interests confronted economic modelling from a variety of sources (cf The Australia Institute, Access Economics) indicate that the cost of action is surprisingly small over the long term. Of course, as both Stern and Garnaut identified, the earlier we act, the lower the cost will be. Delaying action will only make the task harder and more expensive.

It is in this context that we offer our comments and feedback below for your consideration.

### **The broader context for the Offset Standard – the CPRS**

CCSA has major concerns with the proposed government framework for addressing climate change, centred as it is on what we believe to be the flawed Carbon Pollution Reduction Scheme (CPRS).

The CPRS has three major flaws that combined will ensure that the scheme will be ineffective in addressing its main aim; that is to achieve [an] 'environmental outcome'. (This in itself is a very narrow definition of what the CPRS should achieve.) This outcome should be to significantly address climate change by reducing our emissions of greenhouse gases, driving a major transformation of the Australian economy towards a low or zero carbon economy.

As it is currently structured however, it is little more than a recipe for "business as usual", with big polluters queuing up for free permits, compensation and demands to further delay or minimise the scheme's impact on their own sector.

The major criticism of the CPRS's initial targets proposed by the Government is that they are way too low. They in no way reflect what the best available science (as presented by the Fourth IPCC Report) is telling us is required (25-40% by 2020 and 80-90% by 2050). Nor do they match what major players in the international community are committed to. The EU for instance and the UK both have much more ambitious targets in the range of 20-30 and 26-32% by 2020.

Secondly, the CPRS effectively undermines, in fact destroys, the potential for voluntary action through its very design. By effectively setting a floor on emissions, voluntary action undertaken by individuals, households, community groups, local government or even state governments, simply releases permits that will be utilised by the largest polluters to increase their emissions. Voluntary action will not reduce in any way the total level of emissions emitted at a national level.

The third major flaw of the CPRS is that polluters are rewarded with free permits. Companies producing over 2000t of CO<sub>2</sub>e/\$1m in revenue will receive up to 90% of their permits for free. Excessively high levels of compensation are also counter-productive, with coal-fired power generation for example, receiving ~\$3.9 billion. The aim of the scheme should be in fact to cause jobs to be shed in old, polluting industries and to create a real and significant price signal that helps drive investment into research, development and commercialisation of renewable energies and other low emission technologies.

Given these fundamental flaws in the CPRS, voluntary action is effectively rendered meaningless and until this is corrected, a National Standard for Carbon Offsets is practically irrelevant.

### **Comments on the Offset Standard**

CCSA does not believe offsetting should be the primary or default response from individuals/households/organisations. Rather, the hierarchy of responses should commence with individual actions taken to avoid emissions in the first instance, increase energy efficiency, using accredited green power, choosing low-energy/emission products, sequestering carbon and only as a last resort, purchasing accredited carbon offsets that meet a defined national standard.

In this context we do support such a standard, but it must be one that is additional, permanent, measurable, transparent and independently verifiable as per the Victorian EPA's guidelines, the World Business Council for Sustainable Development or the Climate, Community and Biodiversity Standards [ [www.climate-standards.org](http://www.climate-standards.org)].

Whilst the NCOS has significant potential and the underlying aim (to ensure a robust, verifiable and effective framework for carbon offsets is enabled) is supported, it could even be counter-productive, if it is not structured appropriately right from the onset. In many respects, like the proposed CPRS, the design of the NCOS is critical. A poorly designed standard is potentially worse than no standard at all.

CCSA has ongoing concerns that certain landscape-based offset projects, eg monoculture forestry plantations of exotic species, can actually cause environmental degradation, and also the displacement and mistreatment of local communities.

To ensure accounting methodology is transparent, valid and consistent with other schemes used worldwide, CCSA supports protocols such as the World Resources Institute's GHG protocols for carbon accounting.

Any offsets achieved through forestry or other landscape projects, must meet best-practice standards (such as the Climate, Community & Biodiversity (CCB) Standards) to preclude projects that can have negative environmental or social impacts, and drive real positive outcomes.

While some of these issues can, in theory, be resolved with standards and accreditation programs, the future success of offsets is not possible without addressing overarching issues with the cap and trade CPRS scheme. Unless we do this offsets will remain largely a 'feel-good' venture which have little or no positive impact on Australia's aggregated carbon emissions.

CCSA does not accept that if the CPRS is passed in its current form (which is looking increasingly unlikely) any voluntary carbon market will provide a mechanism to reduce (aggregate) emissions. In fact, as has been mentioned, it will be prevented from doing so.

In this context, whether the term 'carbon neutrality' is still meaningful in a cap and trade scheme is moot.

CCSA strongly believes that any emissions trading scheme must be recognise and value voluntary efforts to reduce emissions.

CCSA is strongly opposed to the suggestion that if an entity's emissions were covered by the scheme that would equate to 'carbon neutrality'. This is demonstrably absurd.

CCSA also has significant concerns surrounding the use of international offset credits in the NCOS including Certified Emission Reductions (CERs) from the Clean Development Mechanism (CDM) and Reducing Emissions from Deforestation and Degradation Credits (REDD).

These concerns centre on questions of non-additionality, a lack of structural change and unforeseen negative social and environmental consequences.

Domestic offsets in covered sources should be additional to any Kyoto obligation. While CCSA supports the principle of voluntary surrender of CPRS permits, we do not think it likely that this will adopted on any wide scale, nor do we think it makes for good public policy to emphasise such a response. CCSA considers it unlikely that such an alternative will gain widespread currency in competition to alternatives such as installing solar hot water, installing insulation or photovoltaic panels (PV), even given the above-noted issues relating to the CPRS.

## **Conclusion**

CCSA is pleased to have the opportunity to contribute comment towards the National Carbon Offset Standard. Given the significance of the issue, it is timely that the efficacy of carbon offsetting is examined and clear, understandable and transparent standards are set in place. Increasing community awareness around carbon offsetting is necessary and worthwhile, given the ever-increasing number of institutions and organisations claiming to deliver these services in an unregulated atmosphere. Particular attention must be paid to ensure reforestation projects do not deliver negative social or environmental outcomes.

Ultimately, it is imperative that the CPRS is amended to a 'cap and slice' model to ensure independently verifiable voluntary actions will actually count towards lowering Australia's aggregate GHG emissions.

**Should you require further information or clarification on any point raised in this submission please contact CCSA on [campaigns@ccsa.asn.au](mailto:campaigns@ccsa.asn.au) or ph (08) 8223 5155**