

kinesis climate monitor



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IN THIS EDITION OF THE KINESIS CLIMATE MONITOR, WE EXAMINE CARBON OFFSETTING, OPPOSITION POLICY AND NATIONAL COMMITMENTS UNDER THE COPENHAGEN ACCORD.

OFFSETTING CONFUSION

The Federal Government has announced the details of its voluntary National Carbon Offset Standard (the Standard) which aims to provide guidance on what is an acceptable form of carbon offset.

Carbon offsets are a means to balance the greenhouse emissions which a business, individual or government are willing to take responsibility for, by paying for a project or activity which either reduces emissions or sequesters carbon from the atmosphere.

Over recent years offsetting has emerged as a mechanism for companies to reduce their carbon impact. This new market has led to the creation of new terms and processes

which can be confusing for consumers or business. Some critics have claimed that offsets merely offer a new form of moral absolution (See [Cheat Neutral](#) and [The New York Times](#)).

In Australia the integrity of carbon offsets has recently attracted regulatory scrutiny, particularly from the Australian Competition and Consumer Commission (ACCC). Graeme Samuel, ACCC's chairman, has said that the 'green credentials' of companies are being increasingly questioned by customers, with complaints about green advertising rising from almost none two years ago to 500 since early 2008 (See [The Age](#)).

In January the Federal Government sought to remove some of this confusion by introducing a National Carbon Offset Standard. The Standard seeks to provide greater confidence to consumers and business by providing guidance on carbon offsets and corporate carbon neutrality. It specifies:

- the type of carbon offsets that will constitute genuine additional emissions reductions in the context of the CPRS
- general principles to be followed by organisations calculating the carbon footprint of their operations or products and
- requirements for measuring, recording and auditing carbon footprints and offsets to ensure this veracity.

The Standard will come into effect only once the CPRS is implemented.

Until now, carbon offset products available on the voluntary market were certified by the Federal Government's Greenhouse Friendly Scheme, first introduced in 2001. This program is due to be phased out by July 2010. According to the EPA Victoria and RMIT Carbon Offset Guide, only 16 out of the 85 listed offset companies are registered under the Greenhouse Friendly Scheme. Concerns have been raised that in the event that the CPRS fails to pass the Senate, neither the Greenhouse Friendly Scheme nor the Standard will be in operation and individuals and business will once again face uncertainty.

WANT TO KNOW MORE?

To find the National Carbon Offset Standard go to:
www.climatechange.gov.au/government/initiatives/carbon-offset.aspx

To read the EPA Victoria and RMIT Carbon Offset Guide go to:
www.carbonoffsetguide.com.au/

OFFSETTING A SYDNEY TO MELBOURNE FLIGHT

One of the difficulties facing consumers who wish to buy carbon offsets is the wide range of prices and claims made by offset providers. The following table shows how four different offset

providers claim to neutralise the emissions from a single Sydney to Melbourne flight.

The table shows a clearly diverse and variable picture. Questions can

be asked about the calculation of environmental impacts, the costs and the efficacy of the projects receiving funding.

WANT TO KNOW MORE?

To use the Qantas offset calculator go to:
www.qantas.com.au/travel/airlines/fly-carbon-neutral/global/en

To use the Climate Friendly flight calculator go to: https://climatefriendly.com/flight?status_message=Please+complete+all+required+fields

To use the Carbon Reduction Institute calculator go to:
<https://secure.noco2.com.au/?Calculator>

To use the Greenfleet calculator go to:
www.greenfleet.com.au/

FLIGHT EMISSIONS (tonnes of CO ₂ -e)	COST?	WHAT DOES YOUR MONEY GO TO?
QANTAS CALCULATION: 0.107	\$1.02	To the provision of energy efficient light bulbs and water saving showerheads to eligible homes and businesses.
CLIMATE FRIENDLY CALCULATION: 0.2	\$6.51	To wind, geothermal, hydro and biomass projects around the world. Countries include China, Turkey, India and Australia.
THE CARBON REDUCTION INSTITUTE CALCULATION: 0.23	\$5.06	To the generation of renewable energy in India from burning agricultural waste and/or implementing energy efficiency lighting in New Zealand.
GREENFLEET CALCULATION: 0.12	\$1.50	To mixed species trees which will each absorb and hold an average of 268 kilos of CO ₂ by the time they are fully grown.



TALLYING UP THE COPENHAGEN ACCORD

In the January edition of the Climate Monitor we noted that one of the key post-Copenhagen milestones was the January 31st deadline for countries to submit their emissions reduction targets and actions to the Copenhagen Accord. As the initial draft of the Copenhagen Accord did not contain any emissions reduction targets, this date was to be crucial in judging the final outcome from Copenhagen.

With this deadline now passed, more than fifty countries (responsible for over 80% of global emissions) have submitted targets. Some countries, including Russia,

Brazil and Indonesia have submitted targets that are more ambitious than those they had tabled prior to Copenhagen. Other nations, including Canada have submitted weaker targets.

Analysis by Ecofys argues that only two developed countries (Japan and Norway) have submitted targets that are in line with the reductions needed to achieve the Copenhagen Accord target of limiting global warming to two degrees by 2050. Ecofys states that if each country meets its target then the world is likely to see warming of more than three degrees.

In contrast, analysis by US think tanks The Center for American Progress and The Peterson Institute for International Economics both argue that current targets could put the world on a trajectory towards a 2 degree limit.

 **WANT TO KNOW MORE?**

To see the list of targets and actions submitted to the Copenhagen Accord go to: <http://unfccc.int/home/items/5264.php> and <http://unfccc.int/home/items/5265.php>

To read the analysis by Ecofys see: www.ecofys.com/com/news/pressreleases2009/pressrelease_02022010_climate_action_tracker.htm

The Center for American Progress analysis is at: www.americanprogress.org/issues/2010/02/copenhagen_progress.html

The Peterson Institute report can be found at: www.iie.com/realtime/?p=1173

The Way Forward After Copenhagen

In January Ross Garnaut presented the Keynote Address to the Annual Conference of Supreme and Federal Court Judges in Canberra. The Address provides an examination of the outcomes of Copenhagen and explores some of the ways forward to a global agreement on climate change. Garnaut also considers alternatives for Australian climate change policy, including regulatory and market based approaches, to create a low carbon economy.

 **WANT TO KNOW MORE?**

To read a transcript of the address go to: www.nationaltimes.com.au/opinion/politics/lets-tell-our-leaders-to-get-on-with-the-job-20100126-mut4.html

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COALITION ANNOUNCES ITS CLIMATE POLICY

Australia's Federal Opposition has released the details of its new 'Direct Action' climate change policy which aims to reduce Australia's emissions by 5% by 2020. The policy establishes a \$3.2 billion emissions reduction fund available to firms that reduce their emissions below their 'historic average'. Businesses that increase their emissions above their average will incur a penalty. The policy also aims to achieve the sequestration of 85 million tonnes of CO₂-e in soils and the planting of 20 million trees by 2020 together with the provision of a \$1000 household rebate for solar hot water and photovoltaic panels.

To what extent will each action contribute to reducing emissions? Other than stating that 85 million tonnes of abatement will be achieved through carbon sequestration in soils, it is unclear how the policy's other actions, such as

tree planting and solar panels, will contribute and thus how the policy will achieve a 5% reduction by 2020.

How will the policy be funded?

It is unclear how the \$3.2 billion emissions reduction fund will be financed. Presumably, funding will come through consolidated revenue.

What penalties will be applied to business?

The Coalition policy states that businesses will incur financial penalties if their emissions exceed their average in a given year. Details of what these penalties will entail have not been released.

 **WANT TO KNOW MORE?**

To see the Coalition climate policy go to: www.liberal.org.au/DirectActionPlan/

THREE FIGURES ABOUT TREES:

Australia's annual emissions of CO₂-e: **553 million tonnes**

Sequestration potential of Coalition's 20 million trees by 2020 policy: **290,000 tonnes**

Sequestration potential of this policy in 2020 as a percentage of Australia's current annual emissions: **0.05%**

 **WANT TO KNOW MORE?**

Australia's annual emissions are based on Department of Climate Change figures: <http://www.climatechange.gov.au/en/climate-change/-/media/publications/greenhouse-report/national-greenhouse-gas-inventory-pdf.ashx>

Sequestration potential of 20 million trees was estimated by Kinesis using data from: http://www.greenfleet.com.au/Global/Researchers/Technical_information/index.aspx