

Senate Finance and Public Administration Legislation Committee
Additional Estimates Hearing – February 2010
ANSWER TO QUESTION ON NOTICE

Topic: Carbon Offset Programs

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Question: (Senator Nash)

In an answer to a question on notice – number 847 – we were told that neither the Minister nor her Department thought it was necessary to utilise any carbon offset programs.

The reason, we were told was because, and I quote:

“The Government considers the setting of a broad based cap that reduces overall levels of carbon pollution is the most effective way of reducing Australia’s greenhouse gas emissions.”

1. Given the Government has stated that its ETS wouldn’t start until 2011, how would that help in relation to the emissions of any of the Minister or the department’s flights throughout any point in this term of office?
2. Is it the case that there are no carbon offset programs operating within the Rudd Government at all?
3. How does that equate to the Prime Minister’s description that climate change was the great moral challenge of our time?
4. So do you see no need to off-set any of your department’s emissions?
5. Does the Government support private companies utilising carbon offset programs?
6. What is the Government doing to regulate and control carbon offset programs?
7. Given the Government’s support for the private sector to contribute to carbon offset programs and your involvement in managing them, don’t you find it somewhat curious, even hypocritical not to have a carbon offset program?

Answer:

1. The Australian Government’s ratification of the Kyoto Protocol created a legally-binding obligation to limit annual national greenhouse gas emissions to 108 per cent of 1990 levels on average over the period 2008-2012, which spans the term of the current Government. The Government is committed to meeting Australia’s Kyoto target and it will put in place policies to ensure this is achieved.
2. The Greenhouse Friendly™ program currently provides certification to carbon neutral products and services and approval of abatement credits for sale on the voluntary market. Twenty four Australian companies are currently offering carbon neutral products and services. The program will be wound up on 1 July 2010 and will be replaced by the National Carbon Offset Standard (NCOS), which has been designed to be consistent with the CPRS.

3. Tackling the challenge of climate change is one of the Australian Government's highest priorities. The Government has committed to ambitious emissions reduction targets and is implementing a comprehensive and integrated suite of climate change policies and programs to provide incentives for action, guarantee that Australia's emissions come down and transform Australia's economy over time. This includes putting a legislative cap on emissions and placing an explicit price on carbon through the CPRS, as well as providing opportunities for households and businesses to engage in voluntary action and leadership on energy efficiency and emissions reductions including in the Government's own operations.
4. The Government considers the setting of a broad based cap that reduces overall levels of carbon pollution is the most effective way of reducing Australia's greenhouse gas emissions.
5. The Government recognises that many businesses and individuals will wish voluntarily to do more to reduce greenhouse gas emissions. The NCOS will ensure that carbon offsets in the voluntary market achieve emissions reductions that are beyond those achieved by the CPRS and the achievement of Australia's national emissions reductions targets.
6. The Government released the NCOS on 24 November 2009 to provide national consistency and enhance consumer confidence in the voluntary carbon offset market. The NCOS provides guidance on what constitutes a genuine, additional voluntary offset, sets minimum requirements for the verification and retirement of voluntary carbon credits and provides guidance for calculating the carbon footprint of an organisation or product for the purpose of achieving carbon neutrality. The NCOS is a non-regulatory standard, in accordance with the expressed views of stakeholders during the consultation process on the draft standard.
7. No. See answer to part 4 above.