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## **NAGA submission to the National Carbon Offset Standard Discussion Paper**

Northern Alliance for Greenhouse Action (NAGA) welcomes the release of the Australian Government's National Carbon Offset Standard Discussion Paper, and the opportunity to provide a submission.

The **Northern Alliance for Greenhouse Action (NAGA)**, which began operating in 2002, is an alliance of Moreland Energy Foundation and the nine councils spanning the northern region of Melbourne from the CBD to the rural/urban fringe (see footnote). The Alliance shares information, coordinates and implements community based emission reduction activities, undertakes research into reducing carbon emissions across the NAGA region, and cooperates on the research and development of innovative corporate emissions projects. NAGA also establishes partnerships and linkages with state and federal government agencies and departments, local government and industry associations, community groups and consultants to facilitate climate change action in the northern metropolitan region.

Over the last 3 years, NAGA has attracted more than \$1,000,000 in cash and in-kind contributions to implement climate action projects in the NAGA region, demonstrating significant emission reduction innovation at the local government and regional level. The local government sector has demonstrated considerable leadership on climate change action, particularly in the absence of action at a national level. Several councils have declared carbon neutral targets for their own operations.

Climate change provides huge and complex social, economic and environmental challenges to our established ways of life, and the development of comprehensive national policy responses is essential to contribute to addressing these issues. NAGA supports the establishment of an effective emissions trading scheme as one element of an effective response to these challenges, in what needs to be a broad mitigation program that incorporates a wide range of actions to promote energy efficiency and uptake of renewable and low carbon energy production.

There is an urgent need for significant, organised, broad ranging action on a national (and global) scale to reduce greenhouse gas emissions. The proposed CPRS, which internalises the cost of carbon pollution, is therefore not opposed. However, the targets and the allocation of free permits and other domestic assistance to entities with obligations under the CPRS weakens the effectiveness of the scheme, and reduces the potential for public support for the scheme. In particular, whilst the 5% target provides a 'starting point' for scheme introduction, and has been supported by Professor Garnaut, the 15% upper limit with global agreement is completely inadequate, both in reflecting the science based targets (25-40%) identified as necessary in the medium term, and in demonstrating Australia's willingness to take significant leadership action on the global stage.

Specific comments on aspects of the Discussion Paper are listed below.

- **Development of a Carbon Offset Standard**  
The Discussion Paper acknowledges that individual voluntary action under CPRS will not further reduce the level of Australia's emissions beyond the cap. Nonetheless, many who have been active to date in taking substantial voluntary actions remain committed to continuing to take voluntary action

### **MEMBER ORGANISATIONS**

BANYULE CITY COUNCIL, DAREBIN CITY COUNCIL, HUME CITY COUNCIL, MANNINGHAM CITY COUNCIL, CITY OF MELBOURNE, MORELAND CITY COUNCIL, MORELAND ENERGY FOUNDATION LIMITED, NILLUMBIK SHIRE COUNCIL, CITY OF WHITTLESEA, CITY OF YARRA

following introduction of an emissions trading scheme. NAGA supports the establishment of a Voluntary Offset standard so that those entities and individuals that want to continue to take additional voluntary action and those with carbon neutral targets have a credible and recognised option from which to purchase offsets.

- Greenhouse Friendly accreditation has been perceived as a well recognised and credible offset; therefore the model, including associated accreditation, verification and audit processes could be used as a model for a new Voluntary Offset standard under CPRS.
- **Calculation of Scope 3 emissions and life cycle analysis**  
Voluntary offsets providers and purchasers need assistance with calculation of Scope 3 emissions through life cycle assessments, which can be complex and difficult. There is a key role for the Federal Government to develop a standardised set of coefficients and values, similar to the Factors and Methods Workbook, for a range of goods and services, to streamline and standardise Scope 3 calculations.
- **Green Power**  
The Discussion paper makes no reference to Green Power. This is a significant omission, as Green Power purchase is currently a central element of voluntary action for many, including several of NAGA's member councils, as well as residents and businesses within the NAGA region and beyond. It is likely that many will be keen to continue to purchase Green Power after the introduction of the CPRS. However, the Federal Government should commit to treating Green Power purchase as additional to the annual target cap, with the cap being annually reduced by the certified voluntary abatement undertaken in that financial year.

Please contact me if you would like any further detail on the points identified above, or on NAGA and its programs and projects. I can be contacted on (03) 9385 8504 or [judy@mefl.com.au](mailto:judy@mefl.com.au)

Yours sincerely



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