

Carbon Trading and Offsets What's it all about

With the proposed Introduction of the Government Carbon Pollution Reduction Scheme, it has caused a height of awareness and questions on how will it work and what is the effect on the business and the public.

The Government has committed to reduce Australia's Carbon Pollution to 25 per cent below 2000 levels by 2020 if the world agrees to an ambitious global deal to stabilise levels of greenhouse gases in the atmosphere at 450 parts per million CO₂-equivalent or lower by mid century.

The National Greenhouse and Energy Reporting Act 2007, underpins the introduction of the emissions trading scheme where this establishes a framework for company's to report Greenhouse Gas Emissions and energy.

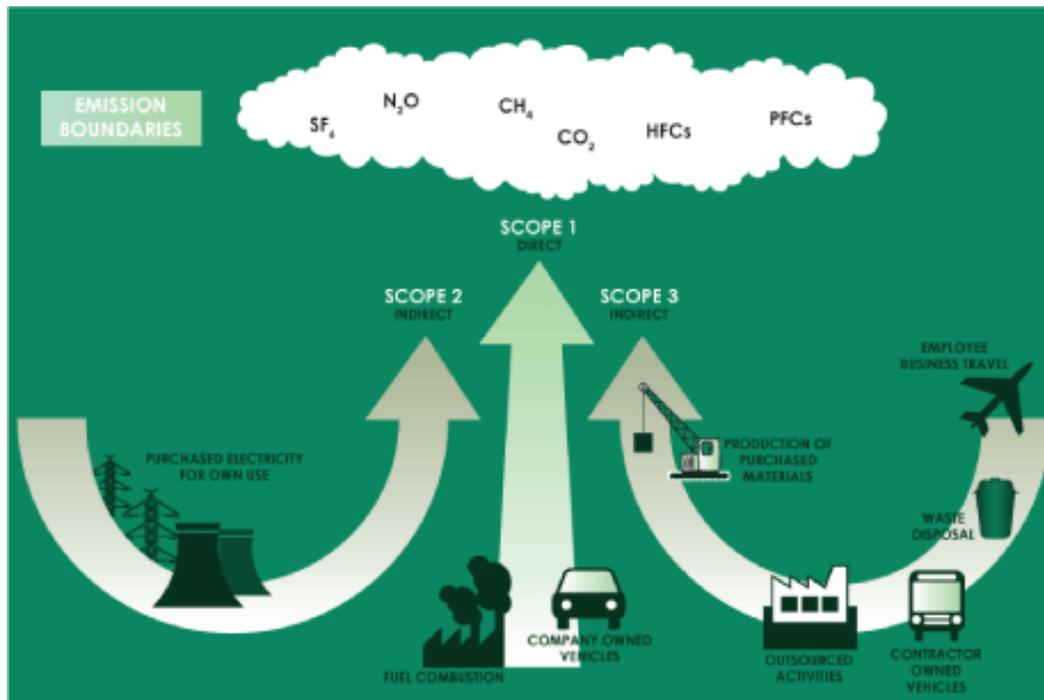
The Emissions are broken into 3 areas:

Scope 1 Emissions: The release of Greenhouse Gas into the atmosphere as a direct result of a activity.

Scope 2 Emissions: The release of Greenhouse Gas as a result of one or more activities that generate electricity, heating, cooling or steam that is consumed by the facility but does not form part of the facility.

Scope 3 Emissions : The release of Greenhouse Gas into the atmosphere that occurs outside the boundary of a facility as a result of the activities of the facility and are not scope 2 emissions.

A graphical image shows Scope 1,2 and 3 Emissions below:



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How do I know how much Greenhouse Gas I produce?

The First step is to Calculation of the Carbon Footprint of the activities of the company or building.

A Carbon Footprint is a measure of the carbon dioxide equivalent emissions attributed to an activity ;it is commonly used at a individual ,household or organisation ,product or service level.

A Carbon Offset represents a reduction in greenhouse gasses relative to a business as usual baseline. Carbon Offsets are tradeable and are often used to negate (or offset) all or part of another entity's emissions.

Being Carbon Neutral refers to a situation where the net emissions associated with an organisations' activities, product or service is zero.

What carbon offset units should I use?

There are four main types of acceptable units:

- (A) Australian carbon pollution permits;
- (B) Certified Emissions Reductions (CERS);
- (C) Emissions Reduction Units (ERU) and
- (D) Removal Units(RMUs).

Organisations that calculate their emissions footprint and purchase offsets to balance their emissions should develop a management plan to demonstrate that systems are in place to monitor reduce greenhouse gas emissions associated with the relevant product, service or organisation and to purchase and retire the equivalent carbon offsets.

A Annual Report should be made available to communicate carbon offsetting activities

Public statements of green claims can be assesses by the Australian Competition and Consumer Commission (ACCC). *Incorrect claims risk contravening the Trade practices act 1974*



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