Case Card
Greenhouse Gas Emissions Offsets in the NT

THE ISSUE
The current Draft NT Greenhouse Gas Emissions Offsets Policy is stopping the NT from making rapid deep cuts to emissions and will not get us to net zero Greenhouse Gas emissions.

BACKGROUND INFORMATION

What is Greenhouse Gas offsetting?

- A reduction of greenhouse gas (GHG) emissions in one area to compensate for emissions made elsewhere.
- GHG offsets are used by businesses, organisations and individuals to compensate for the GHG emissions they produce.
- They should be a last resort for emissions that cannot be avoided.

Types of GHG offsets

Offsets are generated by projects that **reduce, remove or capture** GHGs from the atmosphere.

- **Reducing GHGs:**
  - Includes: renewable energy; energy efficiency measures; and fire management practices to reduce emissions from wildfires.
- **Removing GHGs**
  - Includes reforestation projects that take atmospheric carbon and store it in the ecosystem.
- **Carbon capture and storage (see inset)**

NT Offsets Framework

The Draft Greenhouse Gas Emissions Offsets Policy was released for consultation in September 2021.

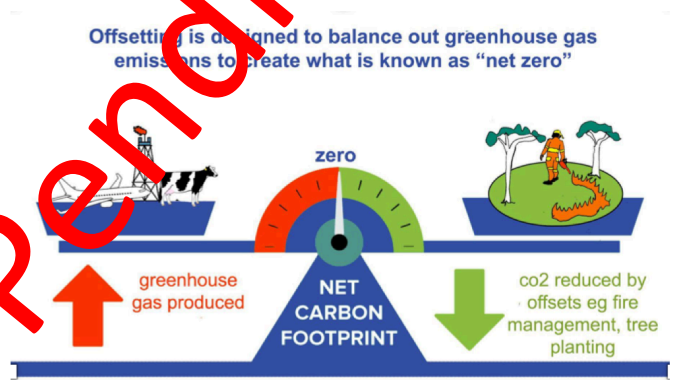
It is part of the NT Offsets Framework[2], which establishes the principles:

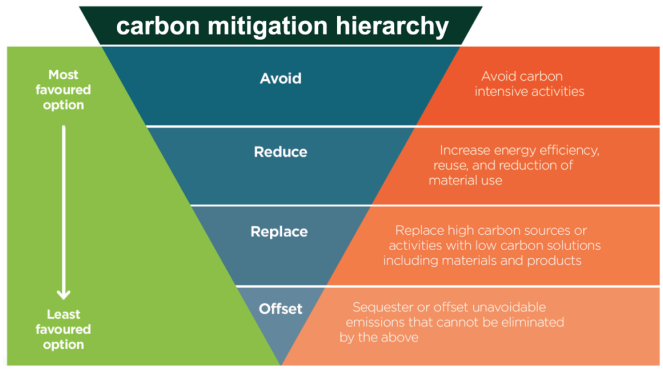
- Avoid significant impacts wherever possible
- Where significant impacts cannot be avoided, mitigate those impacts to the greatest extent practicable, and
- Only where significant impacts cannot be avoided or mitigated, offset the impacts.

The framework states ***offsets cannot be used to make an unacceptable impact acceptable.***

In reality, it is clear the draft GHG offsets policy made under the framework is allowing proposals with significant, avoidable impacts to be approved.

WRITE TO
Hon. Michael Gunner
NT Chief Minister, GPO Box 3146
Darwin, NT 0801
Chief.minister@nt.gov.au
(08) 8936 5500





Carbon capture and storage (CCS)
CCS involves capturing GHG emissions from fossil fuel power stations, energy intensive industries and gas fields and injecting the captured greenhouse gases back into the ground.

The technology has been plagued by failure high costs and under delivery[3].

The Climate Council[4] describes CCS technology as an expensive attempt to prolong the role of fossil fuels in the energy system. It states it will never be a zero emissions technology, particularly where it's attached to highly-polluting coal and gas projects.

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Letters for the Environment Central Australia

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WHY THE NT GREENHOUSE GAS EMISSIONS OFFSETS POLICY IS A CONCERN

The Policy is flawed

The draft carbon offset policy is very friendly to large polluters.

1. Only **significant** residual emissions need to be offset.
2. Assessing agencies decide if residual emissions are significant.
3. Decision makers decide the timeframe for when emissions to be offset (which could potentially be far into the future).
4. It allows for "**indirect" emissions offsets**. This innovation by the NTG lets polluters fund research and development, which *might* lead to emissions abatement down the track, when it's too late.

The Policy has dire consequences.

The draft policy makes it easier for new and expanding large GHG emitting projects to gain approvals.

It allows fundamentally unacceptable proposals to be approved.

Already the NT Government:

- Is facilitating massive expansion of gas projects (see inset).
- Has announced a partnership with CSIRO and major gas and petroleum companies to scope development of a Carbon Capture Use and Storage (CCUS) facility outside of Darwin[5,6] despite CCUS technology's track record of under-performance.
- Permitting clearing on pastoral lands at an unprecedented scale, releasing huge amounts of extra carbon into the atmosphere for a very questionable benefit (see inset).

Offsets are an option of last resort.

Approval of new and expanding large GHG emissions projects is ecocide with global consequences.

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Indirect Offsets

This is an offset that does not exist anywhere else in Australia.

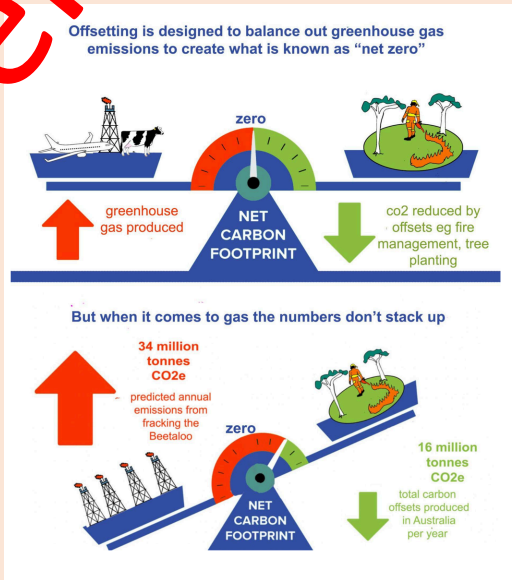
It is stated that these offsets are to support research and development (R&D) that will assist emissions abatement in the Territory (e.g. Carbon Capture and Storage).

The policy states that there needs to be "reasonable confidence that the R&D will achieve the proposed benefits" but there is no mechanism to ensure that indirect offsets lead to genuine emission reductions or a definition of what reasonable confidence means.

It may create a loophole for companies to manipulate the offset system further, while backing questionable technologies like CCS which support the extraction of fossil fuels.

Gas

The Beetaloo Basin threatens to increase Australia's GHG emissions by 5.122 million tonnes of GHG emissions annually[7]. They are relying on offsets to mitigate these emissions.



Even if possible, the cost to offset GHG emissions from the Beetaloo is extreme – estimated at between $140 million – $1.1 billion annually under a low and high production scenario[8]. It does not make economic sense to support this plan.

The Barossa Off-shore Gas field[1] would be the most carbon-intensive gas project in Australia. It has been called a "carbon dioxide emissions factory with an LNG by-product" by economist John Robert.

Clearing on Pastoral Leases

Pastoral Land Board is currently considering 12 clearing applications, covering 17,000ha of native vegetation. The GHG emissions from just these could be as high as 2.6 million tonnes, equivalent to 13% of the NT's annual emissions[9].

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ACTION REQUESTS

The GHG Offsets Policy is still in draft and can be changed.

The Chief Minister must step in and close off the following loopholes in the GHG Offsets Policy:

1. Account for the lifecycle of ALL GHG emissions as per Recommendation 9.8 of the Pepper Inquiry[12]
2. Abandon the misleading and illogical concept of 'indirect offsets.
3. Make sure carbon capture and storage technology cannot be counted as an offset.
4. Decision makers with delegated authority such as the Pastoral Lands Board must always count all emissions and not approve projects of marginal benefit if they require carbon offsetting.

We need deep cuts in emissions now, not later. (Producing more emissions is not producing less emissions)

The Chief Minister needs to stop the pipeline of projects being waved through, which are locking in a high GHG emissions future.

1. No large GHG emitting projects should be approved
   - No new gas field should be opened. No existing gas fields should be expanded.
   - There should be no clearing of woodlands permitted on pastoral lands.

2. The Carbon Capture Use and Storage (CCUS) facility outside of Darwin must not go ahead.

Update Pending

REFERENCES

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4. Climate Council information on Carbon Capture and Storage https://www.climatecouncil.org.au/resources/what-is-carbon-capture-and-storage/
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6. https://www.gasworld.com/australias-northern-territory-to-explore-darwin-ccus-hub/2022067.article
7. Abdulla, A., Hanna, R., Schell, K.R., Babacan, O. and Victor, D.G., 2020. Explaining successful and failed investments in US carbon capture and storage using empirical and expert assessments. https://iopscience.iop.org/article/10.1088/1748-9326/abd19e
8. Bardon, J, 2020. How the Beetaloo gas field could jeopardise Australia's emissions target October 2021, https://www.abc.net.au/news/2020-02-29/beetaloo-basin-gas-field-could-jeopardise-paris-targets/12002164
9. Reputex Energy, Analysis of Beetaloo Gas Basin Emissions and Carbon Costs RepuTex Energy, 2021, p.21. Analysis of Northern Territory gas basin emissions and carbon costs
10. Information on clearing https://www.facebook.com/photo/?fbid=259680492871679&set=a.149955217177541
11. Climate Council 'What is Carbon Offsetting and is it Worthwhile?' https://www.climatecouncil.org.au/resources/carbon-offsetting-worthwhile/
12. Pepper inquiry https://frackinginquiry.nt.gov.au/inquiry-reports/final-report

Letter Writing Tips
Greenhouse Gas Emissions Offsets in the NT

Your name
Address

Hon. Michael Gunner
NT Chief Minister
GPO Box 3146
Darwin, NT 0801

Date

Dear Hon. Chief Minister Gunner,

Introduce yourself e.g. I am a resident of Alice Springs

Identify the issue you are concerned about (you can use the issue from the case card)

Include some facts (you can use some facts from the background section of the case card)

Explain in your own words why this issue is of concern (you can use some points from the list of concerns in the case card)

Tell the Minister what you want them to do (you can use the "action requests" from the case card)

I look forward to your response.

Yours Sincerely,

Your Name

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