



Australian Government
**Department of Climate Change
and Energy Efficiency**

Inventory systems and carbon markets: the Australian story.

Rob Sturgiss

Department of Climate Change and Energy Efficiency

July 2012

thinkchange



This presentation will cover the following:

1 Carbon pricing
and emissions
trading

2 Greenhouse
Gas Inventory
Systems

3 Sharing
knowledge and
expertise

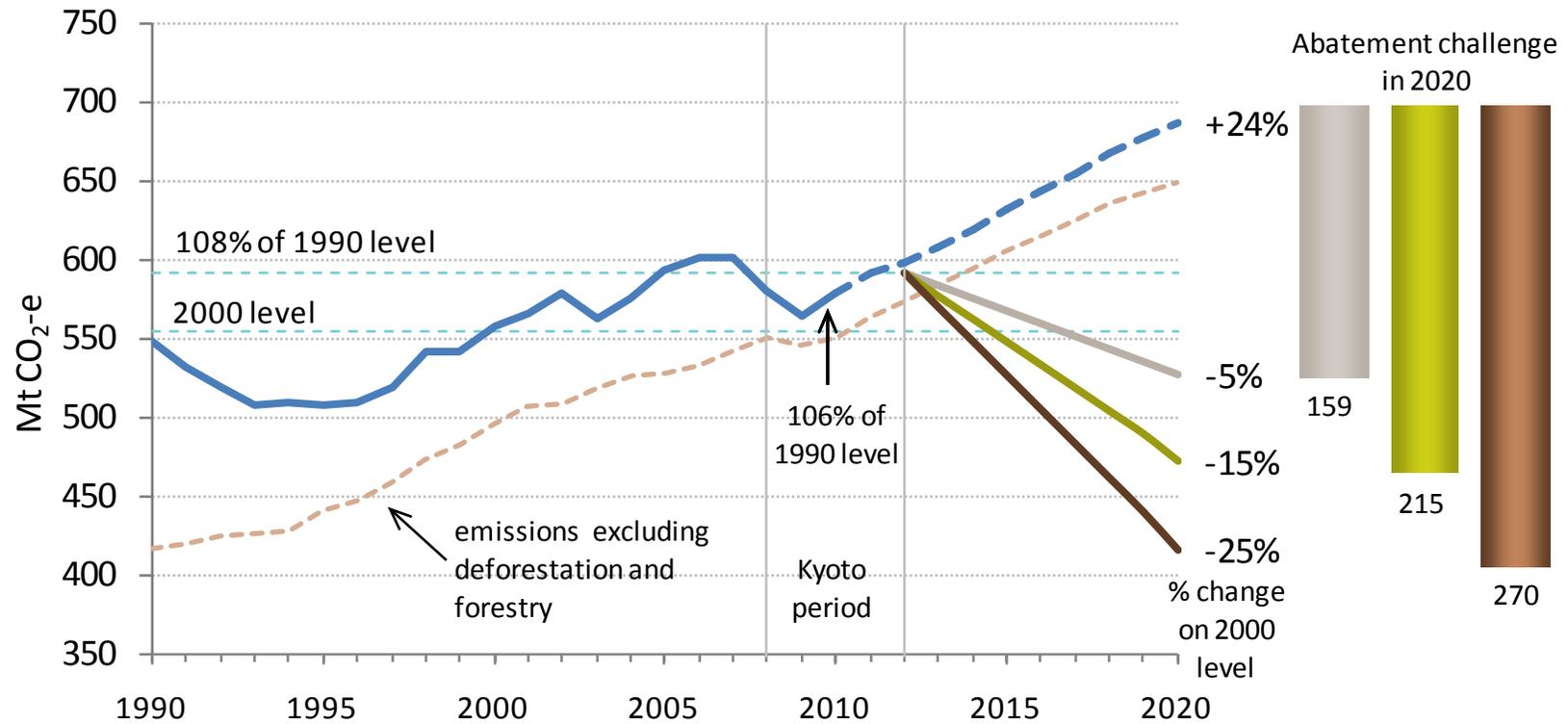
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Australia is committed to decreasing GHG emissions



Australia's Carbon Pricing Mechanism

Australia's largest emitters

Report emissions under the National Greenhouse and Energy Reporting Scheme

Satisfy liability for each tonne of emissions

Surrender emissions
units

OR

Pay a unit shortfall
charge

Monitoring, Reporting &
Verification

Australia's Carbon Pricing Mechanism

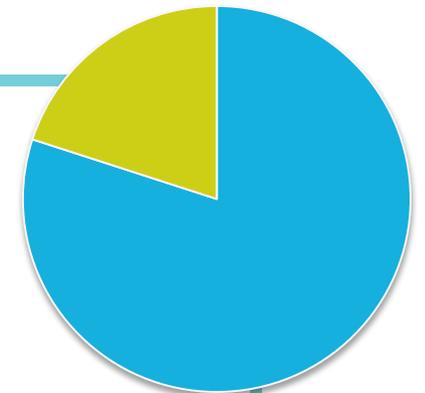
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3 year fixed price period

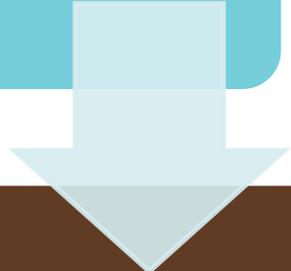
1 July 2015

Flexible price period

On average around **20 per cent of domestic liabilities are expected to be met using international permits.**



Australia will be a **net importer** of carbon credits.



Australia will be buying carbon credits supported by well-established MRV and inventory systems.

Innovative policies



The Carbon Farming Initiative is a unique, project-level, activity which will generate carbon credits for domestic and international sale.

Relies on strong MRV.

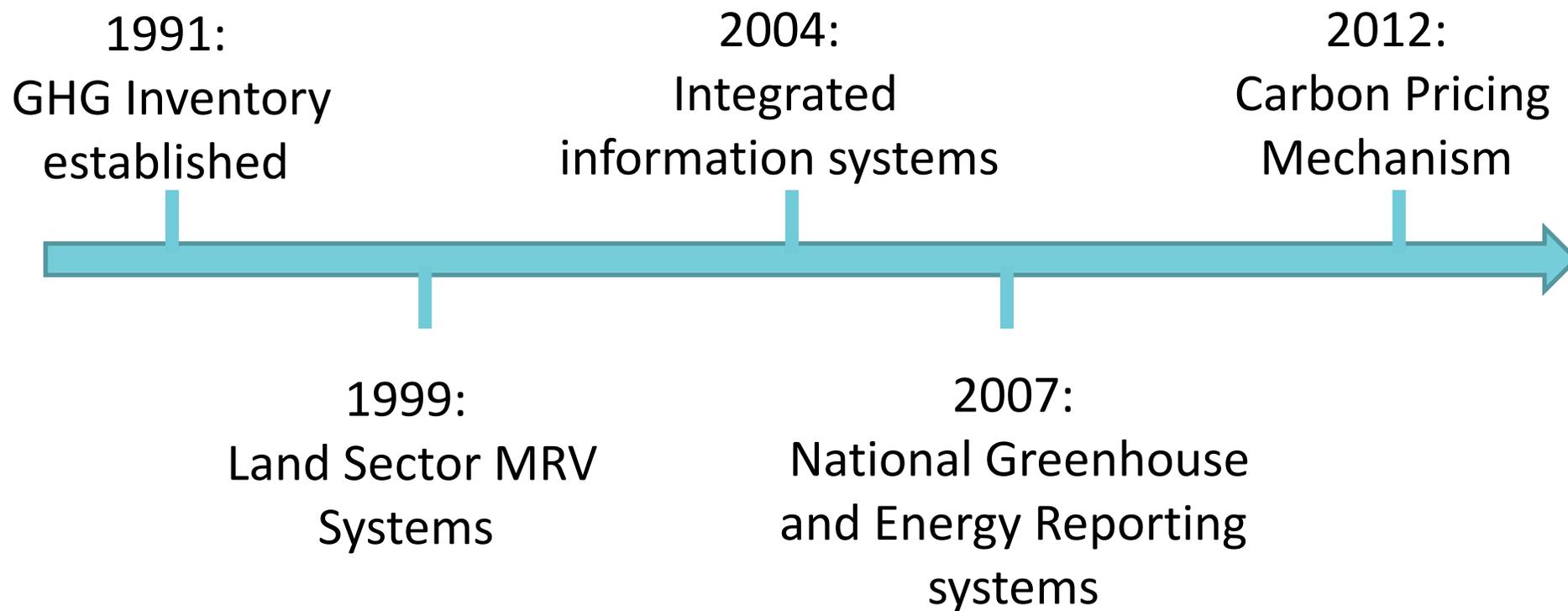
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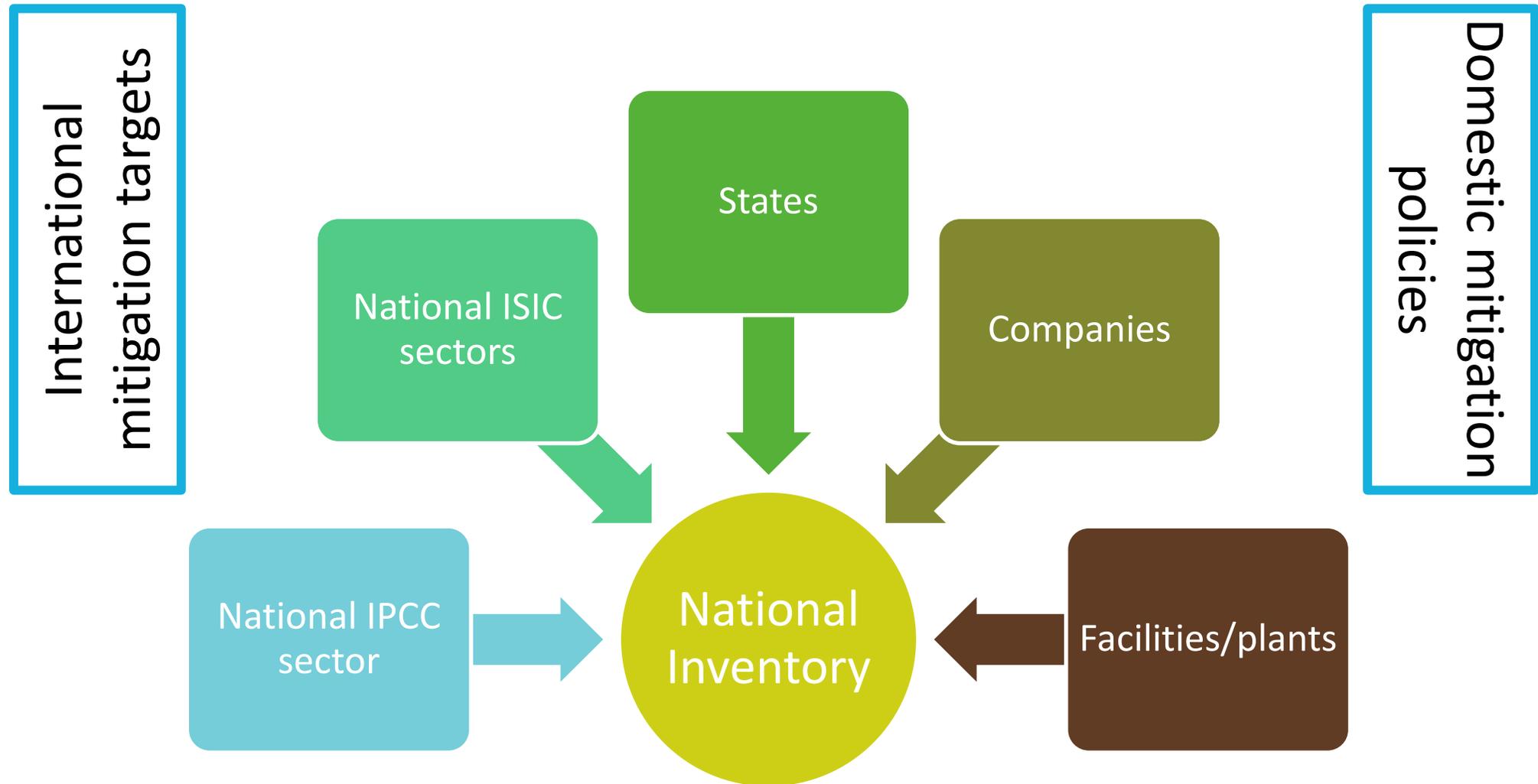
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Australia's National GHG Inventory



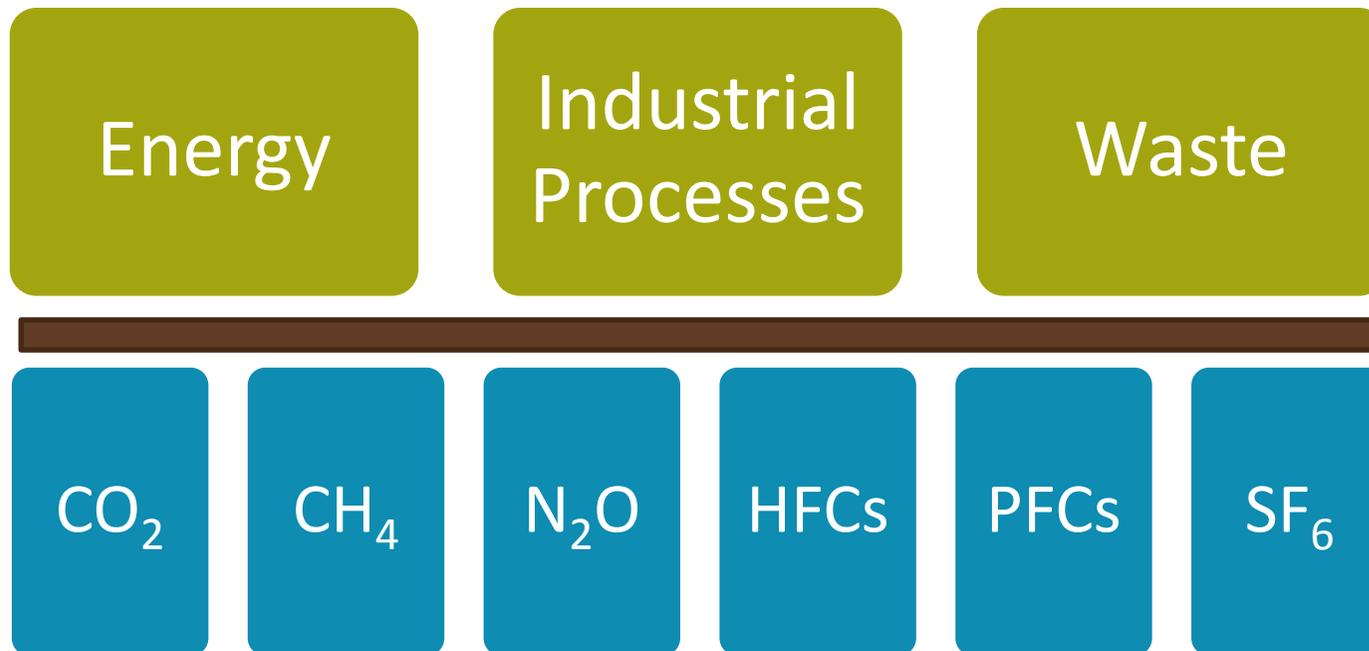
Australia now has one of the broadest mandatory data collection systems in the world.

Australia's national MRV



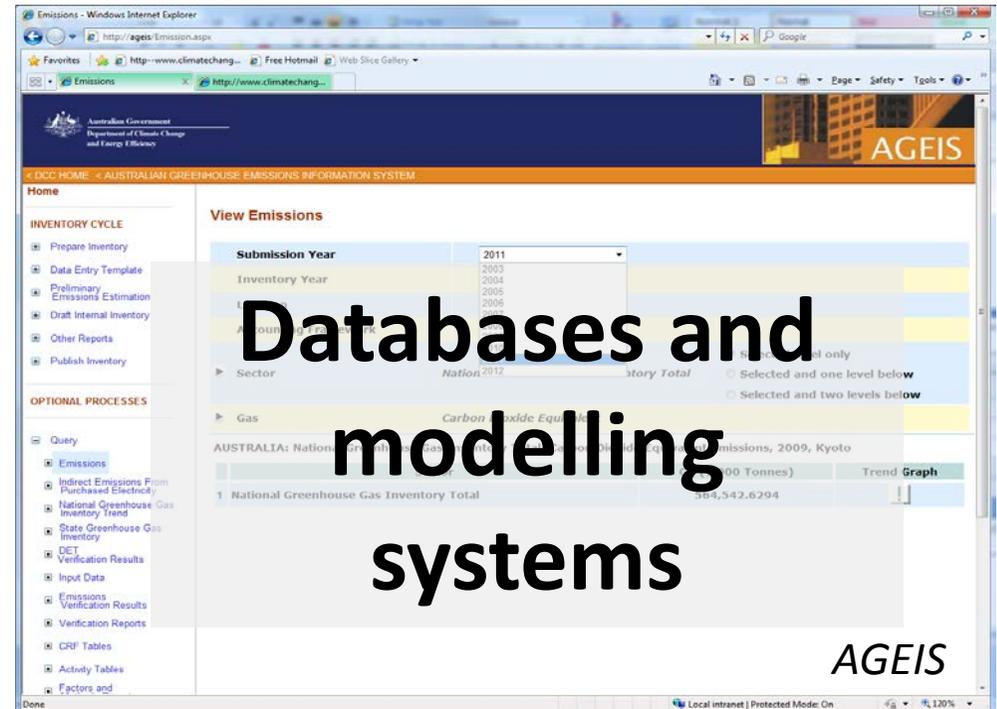
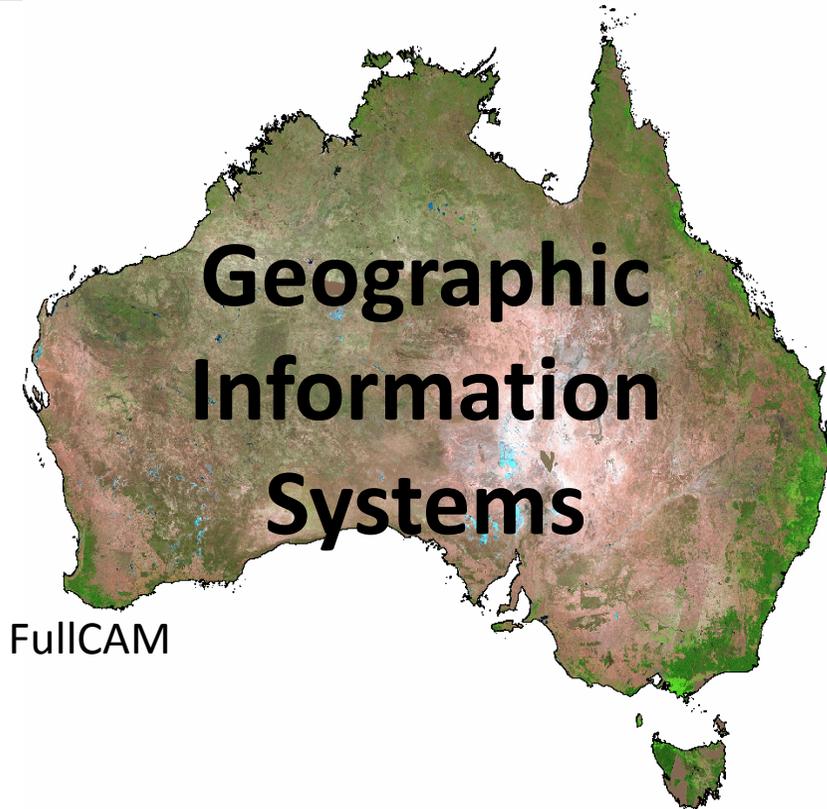
National Greenhouse and Energy Reporting Act

Supports both a **national inventory system** and a **carbon pricing mechanism**.



Mandatory reporting for all companies that reach an emissions threshold (around 500 companies).

Inventory IT systems



Integrated information systems are important because a 1% error in the inventory may cost Australia AU\$100M .

Investing in Methodologies

Fugitive
emissions: coal
mines

Fugitive
emissions: oil
and gas sectors

Landfill &
waste water
facilities

Fuel
combustion

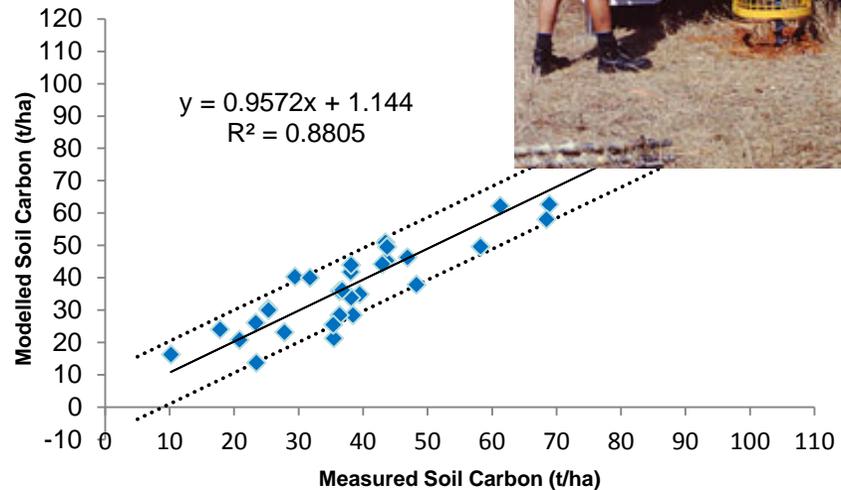
Transport

Industrial
processes

Agricultural
emissions &
Forest

Research and Development

Australia is investing in ongoing **research and development projects** regarding emissions measurement techniques and new inventory methodologies.



Challenges of Australia's MRV

Challenge

Ensuring the quality of input data and the estimation of emissions.

Solution

Public, national and international: audits, consultations, and review processes.

Clear rules, transparency, and fines for non-compliance.

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Australia's MRV experience

Australia's has more than 20yrs of MRV experience.

Our methodologies, data collection and data management systems are highly advanced.

We have unique knowledge and experience in GHG and Energy reporting, IT systems, inventory methodologies and mitigation policy.

MRV capacity development program

- Australia has developed an **MRV capacity development program** to assist countries that are interested in developing robust and transparent **methodologies, data collection and data management** systems.
- We are open to discussing **knowledge-sharing opportunities** with interested countries.

Please contact us for more information

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