

Dear Hon Minister Lawler,

The Central Australian Frack Free Alliance welcomes the opportunity to comment on the Northern Territory government's second draft Greenhouse Gas Emissions Offsets Policy (Emissions Offsets Policy). We hold serious concerns that the second draft Emissions Offsets Policy is farcical and does not genuinely attempt to offset greenhouse gas emissions produced by fracking activity in the Beetaloo Basin.

About CAFFA:

CAFFA is a grassroots community group located in Mparntwe/ Alice Springs and organising to protect the NT's water, health, communities and country from the harms of unconventional gas extraction. We have been active over the last six years in raising awareness within the Alice Springs and Central Australian community about the risks posed by this poorly regulated and inherently dangerous industry. We are calling for transparency, clarity, and independent scientific research, as well as thorough community consultation.

Our Concerns:

1. The Draft Offsets Policy entrenches fossil fuel interests and infrastructure and *enables* rather than disincentivises fossil fuel expansion in the NT

In a nation increasingly notorious for its vandalistic inaction on climate change, the NT is worst performer - it has the highest per capita emissions in Australia, and its greenhouse gas emissions have risen 46.5% since 2005¹. We strongly believe that the Draft Emissions Offsets Policy further entrenches the NT's economic and energy dependence on polluting fossil fuels and will lead to an even more drastic rise in greenhouse gas emissions over the next 20-30 years when the world desperately needs to decarbonise. Carbon offsets do not affect a structural shift away from fossil fuels, and are no substitute for keeping fossil fuels in the ground.

The Draft Offsets Policy, off the back of the release of a weak Greenhouse Gas Emissions Management for New and Large Emitters Policy (the Large Emitters Policy), is flimsy and discretionary. In blatant contravention of the Northern Territory government's commitment to offset **lifecycle emissions** in Australia from fracking for shale gas in the Northern Territory (as per recommendation 9.8 of the Pepper Inquiry), it **does not impose any requirement for gas companies to offset fracking emissions**. The Draft Offsets Policy does not mention Pepper Inquiry recommendation 9.8 at all, presumably because the Northern Territory Government knows that the policy does not implement this recommendation in good faith and would prefer that pesky submission writers forget about the recommendation altogether.

The Draft Offsets Policy enables offsets of a very low quality and questionable validity, including through the invented category of "indirect offsets". "Indirect offsets" appear to be a slightly more opaque version of Federal Energy Minister Angus Taylor's plan to award carbon credits to Carbon Capture and Storage fossil fuel projects. Just as Minister Taylor's recent comments that awarding carbon offsets to Carbon Capture and Storage projects "will help unlock new [fossil fuel] projects

¹ Climate Council Australia submission to *Northern Territory's Climate Change Response* 31st of October, 2019

across Australia”² indicate that he sees offsets as an effective form of greenwashing, so too “indirect offsets” are intended to make a climate wrecking industry appear “carbon neutral”. They are clearly intended to *enable* the expansion of the fracking industry in the NT, not reduce unavoidable greenhouse gas emissions. In a political climate in which it is now “unacceptable” (to quote from Pepper Inquiry 9.8) to be seen to contribute to a net increase in greenhouse gas emissions, offsets extend the life of the fossil fuel economy by making it appear as though action is being taken. For an offset to be genuinely low carbon, however, it must guarantee that it does not stimulate further emissions over the subsequent century (the approximate residence time of carbon in the atmosphere). Indeed, this is an explicit requirement of the Australian Carbon Credits Act 2011 offsets integrity standards which require that offsets projects “should result in carbon abatement that is unlikely to occur in the ordinary course of events”³. Carbon Capture and Storage projects (the likely beneficiaries of “indirect offsets”), are clearly intended to **accommodate** an **increase** in fracked gas production in the Northern Territory. This does not comply with the Australian Carbon Credits Act.

2. Carbon offsets are prone to fraudulent accounting and corruption

We hold further concerns that the draft offsets policy provides opportunities for the gas industry and carbon consultants to commit fraudulent carbon accounting to the detriment of future generations and the planet at large. Carbon consultants often freely fabricate information required on official forms⁴, and the more convoluted offset accounting methodologies become, the more opportunities for fraud emerge. The wholly novel and highly dubious new category of “indirect offsets” promise to be a case in point.

The central abuse of public office for private gain in the carbon offset trade does not stem from individual corporations getting special treatment from individual public officials in return for bribes. It derives, rather, from the way that public officials across the world acquiesce in the use of fake mathematics and science to benefit a fossil fuel-dependent corporate structure as a whole at the expense of public welfare. It is less the antics of market players than the attempt to construct an unfeasible market that is corrupt, and corrupting.

Conclusion:

It should be sufficient, instead, for the Northern Territory government to take the perfectly conventional, well worn and easily implementable self-protective path of simply abolishing the industry in question (fracking), just as it has banned, or could ban, the manufacture or trade of certain chemicals, weapons or financial derivatives. This would eliminate the need for a carbon offsets market, and the fraudulent carbon accounting inevitably built into it. Doing away with new fossil fuel projects which are threatening not only ordinary landholders, workers and victims of pollution but also human flourishing and survival itself, would be a simple, adult and effective approach to preventing catastrophic greenhouse gas emissions.

² <https://www.theguardian.com/environment/2021/oct/02/coalition-approves-plan-to-award-carbon-credits-to-ccs-fossil-fuel-projects>

³ <https://www.legislation.gov.au/Details/C2020C00281> page 157

⁴ Australia Institute. *Questionable integrity: Non-additionality in the Emissions Reduction Fund's Avoided Deforestation Method*.

https://australiainstitute.org.au/wp-content/uploads/2021/09/ACF-Aust-Institute_integrity-avoided_deforestation_report_FINAL_WEB.pdf