

Draft Carbon Offsetting and Drawdown Policy

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Related legislation:	• Local Government Act 2020 (Vic) • Climate Change Act 2017 (Fed) • National Greenhouse and Energy Reporting Act 2007 (Fed)		
Related strategic documents, policies, or procedures:	• Procurement Policy 2021 • Roadmap to Carbon Neutrality 2020-2025 • Climate Change Strategy 2023 • Environment Strategy 2015-2025 • Economic Development Strategy (currently under development) • Waste Management Strategy 2023-2033 • National Greenhouse and Energy Reporting (Measurement) Determination 2008 • National Greenhouse and Energy Reporting Scheme • Offsetting and Drawdown Procedure		

Date	Version Number	Details of Version	Modified by
Click here to enter a date.	1	Inaugural policy	Climate Change Coordinator



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1. Purpose

The purpose of this policy is to guide decision-making to achieve Council's target of zero-net operational greenhouse gas emissions on an annual basis.

2. Background

Through Council's Climate Change Strategy, we recognise that the enormous challenge of climate change requires long term operational and societal change within the Mount Alexander Shire, Victoria, Australia and beyond. Our commitment to climate action is emphasised throughout Council's major guiding documents such as the Mount Alexander Shire Council Plan (2021-2025) and Municipal Health and Well-being Plan (2021-2025), and is essential to achieving the Mount Alexander Shire Community Vision (2021-2031). Meeting Council's target of zero-net operational greenhouse gas emissions from 2025 presents a key mechanism for how this can be achieved.

3. Scope

This Policy applies to:

- Council's greenhouse gas emissions accounting boundary, established under the Roadmap to Carbon Neutrality 2020-2025, which includes Scope 1 and Scope 2 emissions.
- Councillors and employees involved in the accounting of greenhouse gas emissions and the procurement of carbon offsets and investment in drawdown projects, to balance Council's operational emissions boundary.

This Policy does not apply to:

- Greenhouse gas emissions from community or business activities undertaken within Mount Alexander Shire.
- Scope 3 greenhouse gas emissions (indirect upstream or downstream emissions such as those from contractor fuel and energy consumption, investments, leased assets, etc.)

4. Policy

Council sees investing in carbon offsets as a credible option for achieving carbon reductions that cannot be readily achieved within its own operations due to its level of control, financial or operational barriers. It recognises the integrity issues that have been prevalent in some carbon offset markets and, as such, will use this policy to ensure high-quality, high-integrity investment outcomes.

Council also recognises this opportunity as one to support the establishment and expansion of locally-led projects that may struggle to meet the complex requirements for certification, yet have potential for significant local benefits across multiple sectors.



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Accordingly, this policy will ensure a multifaceted approach is taken, and that any investments are made with the best of intentions.

The investment in carbon offsets will occur in accordance with the Carbon Offsets and Drawdown Procedure. The Procedure sets out the Mount Alexander Shire Council's process and requirements for the investment and retirement of carbon offsets to achieve Council's zero-net emissions commitment.

The following policy principles guide this process:

4.1. Policy Principles

4.1.1. Achieve zero-net greenhouse gas emissions annually

To achieve this, we will:

Reduce operational carbon emissions.

Invest in carbon credits and drawdown projects to offset residual emissions each year.

Report annually on zero-net emissions achievement.

4.1.2. Calculate our greenhouse gas emissions inventory annually and base this on the best available data.

To achieve this, we will:

Collect and collate all data relevant for the Mount Alexander Shire Council's Scope 1 and Scope 2 greenhouse gas emissions accounting boundary.

4.1.3. Invest in actions that reduce our greenhouse gas emissions.

To achieve this, we will:

Collaborate with others wherever possible to up-scale actions

Continue to embed consideration of climate change across our operations and service delivery.

4.1.4. Offset residual emissions through investment in high-integrity carbon credits and drawdown projects.

To achieve this, we will:

Invest in credits that are permanent, measurable, transparent, and additional.

Invest in offsets that are accredited through Australian Carbon Credit Units or other high integrity third-party auditing and certification processes.

Undertake insetting projects



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4.1.5. Prioritise investment in local carbon offsets.

To achieve this, we will:

Prioritise the purchase of local carbon credits; if not available, Australian carbon credits; and as required, International carbon credits.

Champion the establishment and expansion of locally-led carbon drawdown projects

Preference projects that provide maximum local co-benefits such as integration with the circular economy, environmental benefits, or increased social connection.

4.1.6. All credits and projects will be certified or verified by an independent third-party.

To achieve this, we will:

Request and review evidence of certification and/or verification for all carbon credits and carbon drawdown projects.

5. Responsibilities

Position	Responsibility
Council	Approve Carbon Offset and Drawdown Policy Receive annual zero-net emissions report
Executive Leadership Team	Ensure compliance with the Carbon Offsetting and Drawdown Policy. Approve Carbon Offsets and Drawdown Procedure. Receive annual zero-net emissions report
Climate Leadership Group	Review assessment and evaluation of carbon offsets and drawdown projects. Review annual zero-net emissions report
Manager Operations	Approves assessment and evaluation of carbon offsets and drawdown projects. Oversee development the development of annual zero-net emissions report.
Climate Change Coordinator	Calculate Mount Alexander Shire Council's greenhouse gas emissions portfolio. Conduct assessment and evaluation of carbon offsets and drawdown projects in line with Policy. Report annually to Council on Council's zero-net emissions achievement, carbon offset and drawdown projects.

6. Review

This Policy will be reviewed every 3 years in acknowledgement of the many changes expected in this sector over the following decade.



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7. Definitions and Abbreviations

A table of terms and their definitions as they relate to the policy

Term	Definition
Additionality	The concept that the carbon emissions reductions achieved by a carbon offset project must be beyond business as usual, or 'additional'. For example, if an area of forest is declared as being protected from deforestation and creates carbon offsets, it must be an area that was at threat from being cleared as opposed to it never being in danger in the first place.
Accounting Boundary	Council's current accounting boundary includes emissions from the following sources: Scope 1: • Stationary combustion (e.g. natural gas or diesel) • Mobile combustion (e.g. petrol from car fleets) • Fugitive emissions (e.g. methane from landfill) Scope 2: • Purchase of electricity – buildings; street lighting (does not include Council owned buildings managed by a third party, e.g. kindergartens, stadiums and sporting facilities, with the notable exception of the library complex)
Carbon Emissions	The direct or indirect release of greenhouse gases into the atmosphere in terms of the equivalent impact that carbon dioxide would have on global warming, usually expressed in tonnes (also referred to a carbon dioxide equivalent or CO₂e-)
Carbon Neutrality or Carbon Neutral	Being carbon neutral means that the net greenhouse gas emissions associated with an organisation's activities are equal to zero. The 'net' depicts that emissions are balanced by absorbing an equivalent amount from the atmosphere through other activities. It is achieved through a combination of measuring and reducing greenhouse gas emissions and purchasing of carbon offsets. The terms zero net emissions and carbon neutral can be used interchangeably.
Carbon credit	A tradable financial instrument that when purchased and retired represents a unit of CO₂e- emissions that is reduced, avoided or sequestered to compensate for emissions occurring elsewhere. As defined by the United Nations Environmental Program. Within this document a credit is considered to be certified.
Co-benefits	Additional benefits from carbon offset projects that go beyond direct greenhouse gas mitigation. Benefits could include economic, environmental, or socio-cultural benefits.



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Drawdown projects	Local projects that are smaller-scale and may struggle to meet the complex requirements for certification, yet have potential for significant local benefits across multiple sectors, in addition to emissions removal/reductions. These projects must be verified by a third-party in lieu of certification.
Greenhouse Gases	The atmospheric gases responsible for causing global warming and climate change. The Kyoto Protocol lists six greenhouse gases – carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphurhexafluoride (SF ₆) – with the addition of nitrogen trifluoride (NF ₃) from the beginning of the protocol's second commitment period.
High-integrity carbon credits / drawdown projects	Projects that meeting the following criteria: For carbon credits: • Are permanent, measurable, transparent, and additional. • Are accredited through Australian Carbon Credit Units (ACCU's) or other certification processes that can demonstrate the above. • Are not likely to result in other adverse impacts such as forced displacement or biodiversity loss. For drawdown projects: • Benefits can be verified by a third-party and are additional, local, and transparent.
Insetting	Anything from procuring local existing greenhouse gas offset opportunities, through to co-designing and implementing a product in the local community that has circular economy outcomes, or value chain impacts related to the greenhouse gas emitting area Council is offsetting. In this way it can directly connect and strengthen the relationship between Council and the community. Insetting projects may either reduce emissions (e.g. energy efficiency) or remove emissions (e.g. regenerative agriculture or ecological restoration).
Local	Local is considered within the Mount Alexander Shire Council boundary and may be considered in neighbouring Local Government Area boundaries where projects directly benefit the Mount Alexander Shire community.
Net Zero	Net Zero is achieved when Mount Alexander Shire Council reduces its CO ₂ e- emissions to the lowest amount before balancing its residual CO ₂ e- emissions, by purchasing carbon offsets as a last resort.
Offset	General term used within document that refers to either a certified carbon credit or local uncertified drawdown project that is or will contribute to Council's achievement of zero-net emissions. For example, Council's residual greenhouse gas emissions are offset by certified carbon credits and verified local drawdown projects.
Permanence	The emissions reduction achieved from a carbon offset must be considered a permanent removal or reduction in greenhouse



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	gases and avoid the risk of “reversal”. For example, if an area of forest is affected by bushfire, then all the carbon captured is released back into the atmosphere and the offset no longer exists.
Scope 3 Emissions	Indirect emissions released in the wider community from consumables as a result of Mount Alexander Shire Council Activities.
Transparent (in relation to carbon credits)	Includes the following requirements: • All assessment documents available for review, including validation reports, registered ownership, proof of right to credits and rights to retire. • Clarity on all parties and beneficiaries involved in project operations and credit sales • Substantiation of project outcomes and benefits, including evidence of additional analyses defending claims of integrity, leakage, permanence, and additionality, stakeholder impacts report, etc. • third-party assessment (rated high-quality with no concerns or watch-status)

8. Human Rights Statement

It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights and Responsibilities Act (2006). Mount Alexander Shire Council is committed to consultation and cooperation between management and employees. Mount Alexander Shire Council will formally involve the Workplace Consultative Committee in any workplace change that may affect employees.

9. Gender Equity

It is considered that this policy goes towards promoting gender equity principles as outlined in the *Gender Equality Act 2020* and does not contribute in the promotion of inequalities. Mount Alexander Shire Council is committed to meeting its obligations as stated in the Act and to further promote the right to equality as set out in the Charter of Human Rights.

10. Child Safety

Mount Alexander Shire Council is committed to being a child safe organisation and has zero tolerance for child abuse. We recognise our legal and moral responsibilities in keeping children and young people safe from harm and promoting their best interests. All children who come in contact with Councillors, employees, contractors and volunteers from the organisation have a right to be and feel safe. We have specific policies, procedures and training in place to support employees, volunteers and contractors to achieve these commitments. We create environments where all children have a voice and are listened to, their views are respected and they contribute to how we plan for, design and develop our services and activities.

