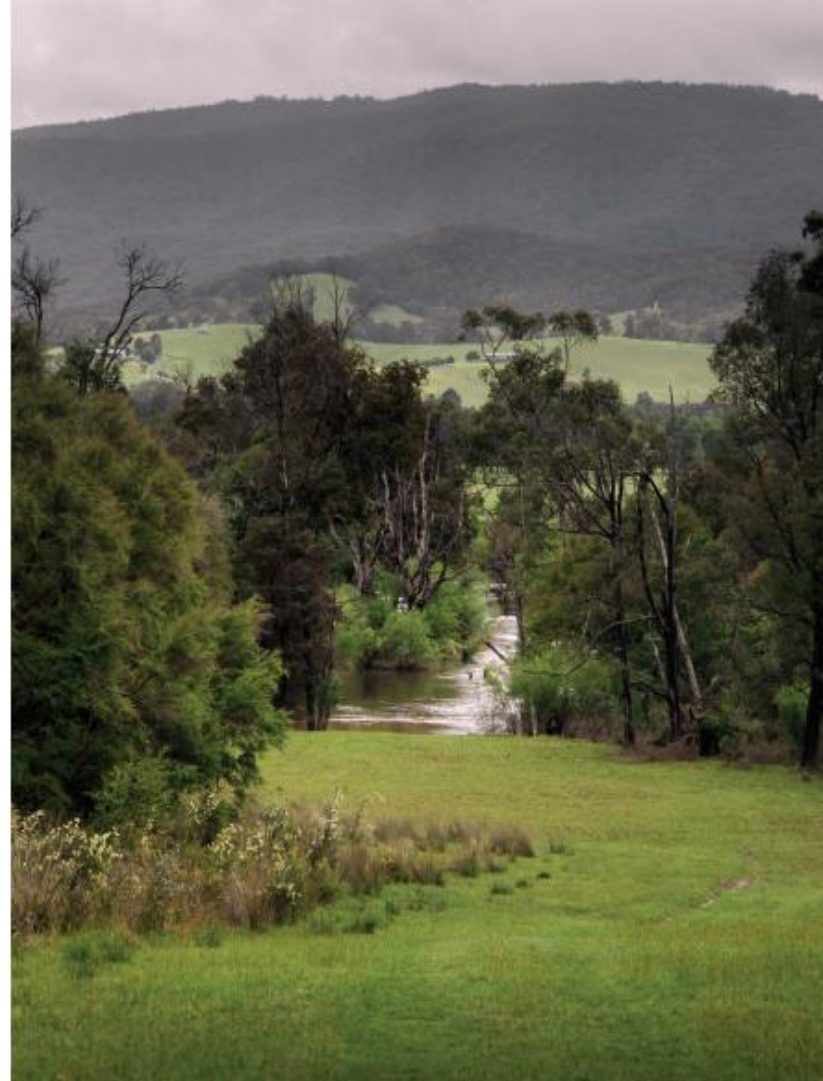


Local Government and Carbon Offsetting

3 April 2025



Content

Topic

Local government emission reduction policies

- Net zero targets
- Reporting practices

Current council offsetting practices

- Stocktake of current council offsetting practices for all of Victoria
- Innovative local government local offsetting projects

Collaborative Procurement Opportunities

- Bulk Buyers Group





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northern alliance for
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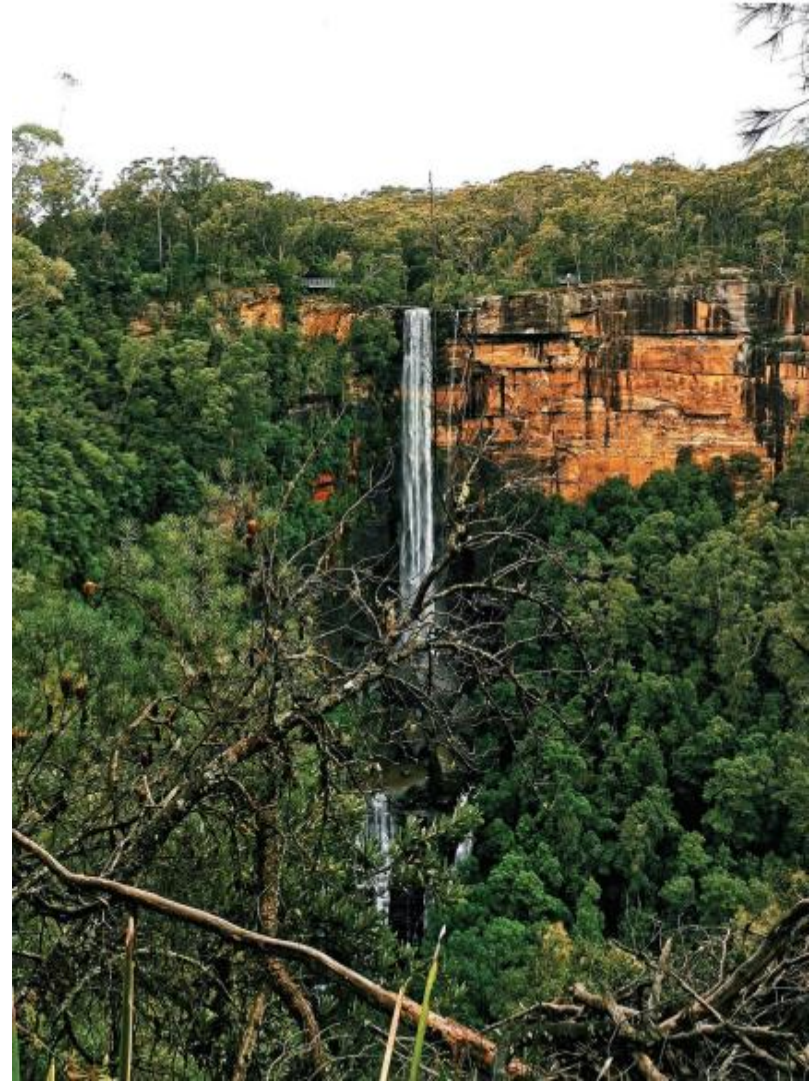


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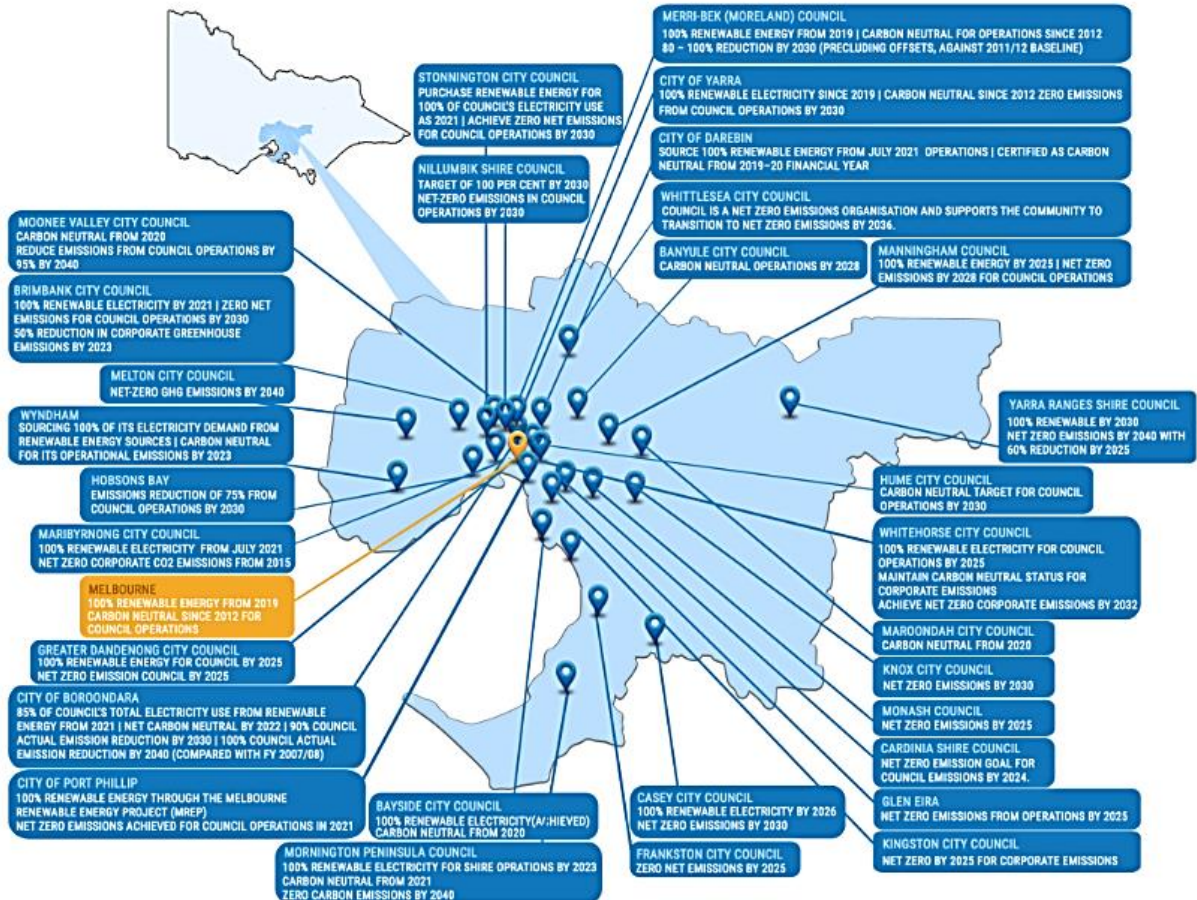


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Local Government Emission Reduction Plans and Reporting

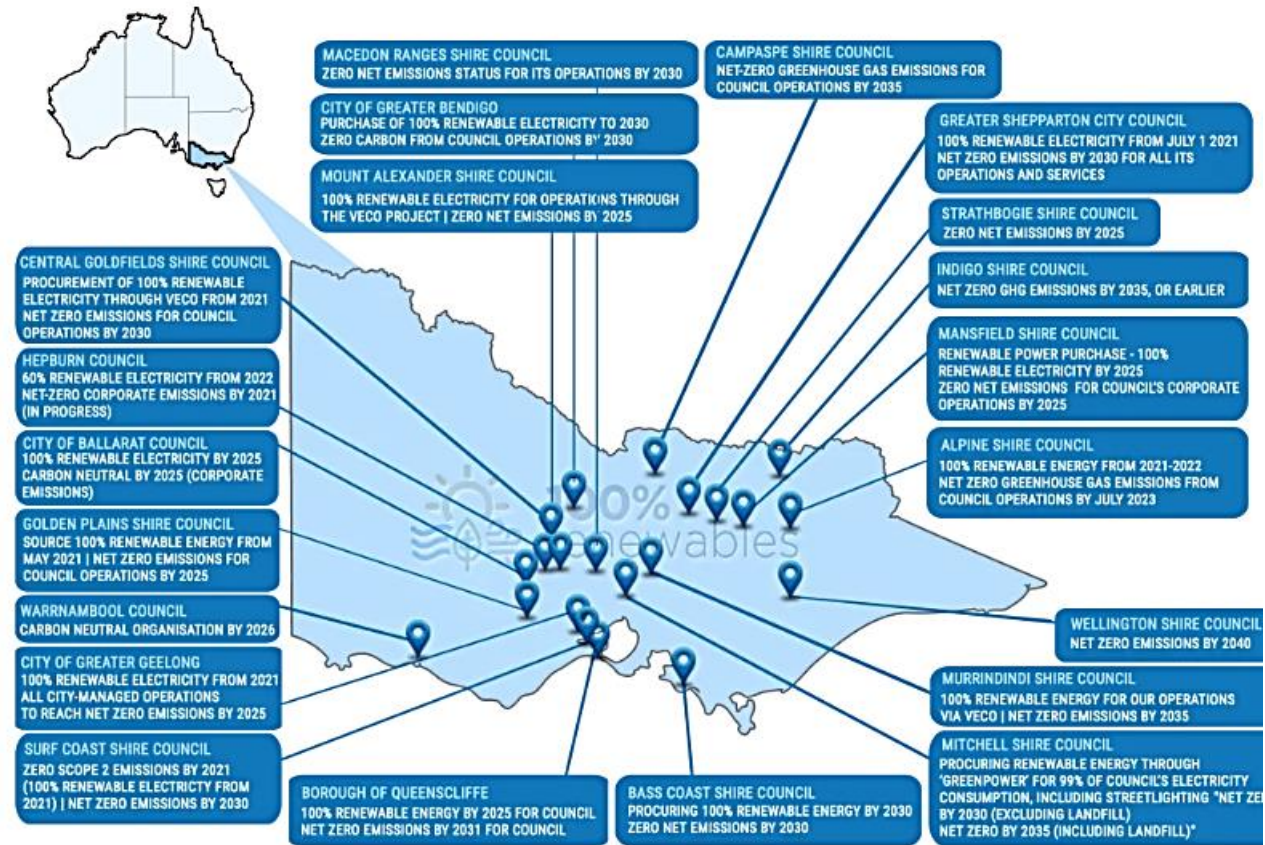


Net zero commitments by Victorian metro councils



Source: <https://100percentrenewables.com.au/net-zero-commitments-by-states-local-governments-and-communities-sept-2024/#List-of-ambitious-commitments-by-local-governments>

Net zero commitments by Victorian regional councils



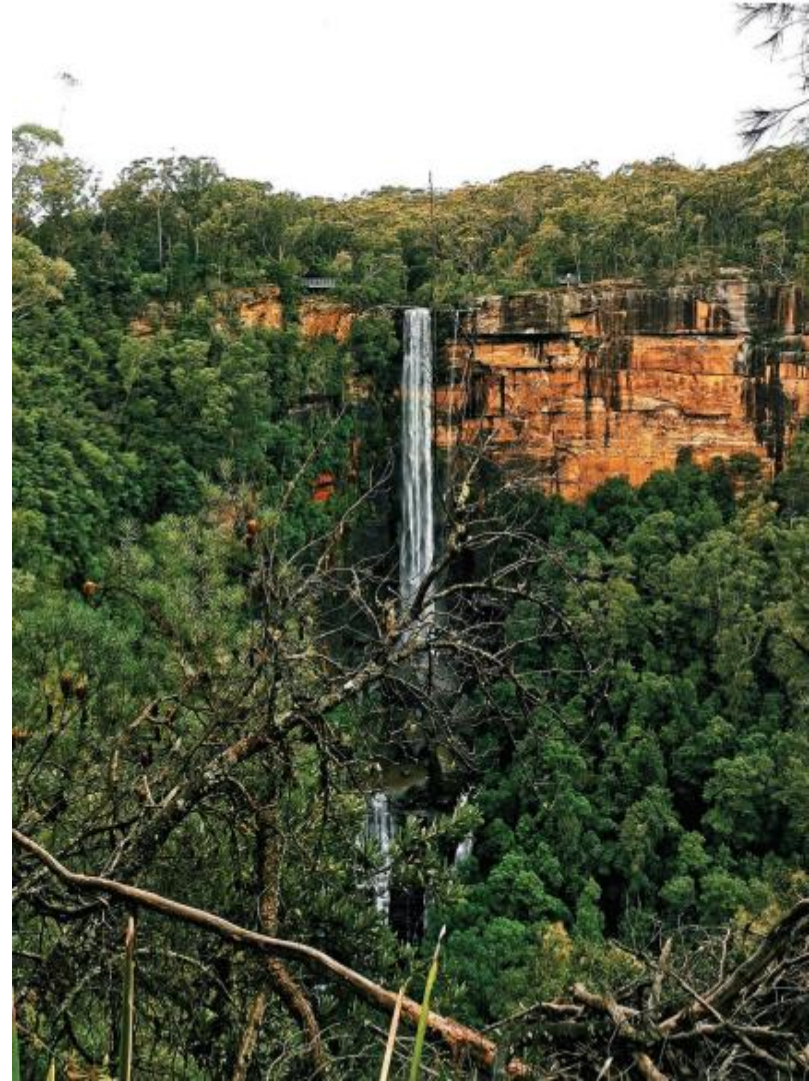
Source: <https://100percentrenewables.com.au/net-zero-commitments-by-states-local-governments-and-communities-sept-2024/#List-of-ambitious-commitments-by-local-governments>

Victorian Council Emission Reporting Practices

- Local government currently have no mandatory reporting requirements however can make voluntary pledges as set out in the *Climate Change Act 2017*
- *Local Government Act 2020* – third overarching principle:
"the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted"
- Majority of local governments in Victoria now have council approved climate action or climate emergency plans, many of which include net zero or climate neutral targets
- 9 Councils are registered with Climate Active
- 2 Councils currently report through the Federal Governments National Greenhouse and Energy Reporting (NGER) scheme.



Current Council Current Offsetting Practices



Victorian Council Carbon Offsetting Practices

- ~ 60% Victorian Councils have either net zero or carbon neutrality targets, most by no later than 2030. It's likely that most councils would need to purchase offsets to neutralise residual emissions.
- Nine Climate Active Certified councils offset 102k tCO₂-e in 2022-23


Name	2022-23 Emissions offset	Offsets used
Bayside City Council	8,070	24.78% ACCUs, 10.15% VERs, 57.55% VCUs 7.52% CERs
City of Darebin	5,798	5% ACCUs, 5% VERs, 89.5% VCUs, 0.5% CERs
City of Melbourne	12,175	40% VERs 60% VCUs
City of Yarra	7,072	5% ACCUs, 95% VERs
Maroondah City Council	7,575	100% VCUs
Merri-bek City Council	7,388	100% VERS
Moonee Valley City Council	7,385	100% VCUs
Surf Coast Shire Council	28,988	5% ACCUs, 34% VERs, 61% VCUs
Whitehorse City Council	17,550	15% ACCUs, 11% VERs, 74% VCUs
Total	102,001	

- Several non-Climate Active Councils currently also use offsets to meet net zero targets

Victorian Council Carbon Offsetting Procurement Practices

- Councils purchasing offsets will usually run a tender process
- Many councils have an offsets procurement policy that identifies the type and quality of offsets. Example of criteria will include:
 - Price
 - Project type (local or overseas, nature-based, removal or reduction)
 - Transparency
 - Availability of project documentation
 - Register details
 - Alignment to SDGs
 - Other benefits (First nations, local employment, positive social and health outcomes, improved biodiversity)
 - Certification standard (e.g. ACCU, Gold Standard, Verra etc)

Victorian Local Government Carbon Offsetting Initiatives

- Yarra Ranges Biochar Project
 - NCCMA Community Carbon Pilot
 - Bendigo, Macedon Ranges, Mount Alexander and Hepburn councils
 - SECCCA Carbon Sink Study
 - Whittlesea Environmental Plantings Project
- 



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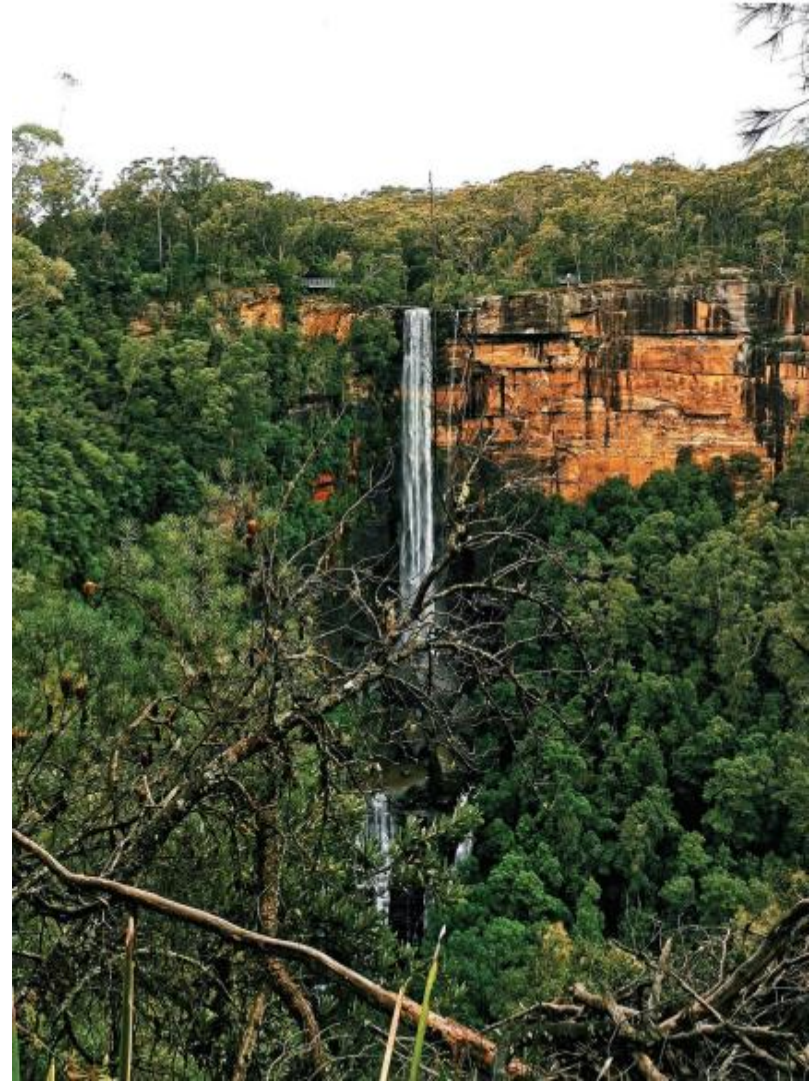


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Collaborative procurement opportunities



Carbon offsetting Bulk Buyers Group

What is a Carbon Offset Bulk Buyer's Group

- Group of councils collaborate to purchase carbon credits in volume

What are the benefits

- Potentially access wholesale prices rather than retail
- Leverage existing expertise within councils
- Shared resources which could:
 - Establish a shared procurement strategy
 - Align councils offsetting requirements
 - Source credits through RFI or tender process
- May lead to project developers investing in new projects if guaranteed demand is contracted in advance

Buying Group Recipe

- Agree to objectives
- Scope a solution that can be shared with potential collaborators
- Set up a clear governance model
- Define principles for how the group makes decisions
- Allocate sufficient resources to support a project facilitator or lead
- Get independent and objective advice
- Build the capacity of the group so they can make timely and informed decisions
- Leverage experience from similar programs e.g. VECO, BRBG

Next Steps – Local Drawdown and Carbon Offsetting: Assessing collaborative procurement opportunities study

Scope of study

- Conducting market sounding with local offset sector developers.
- Mapping potential risks, opportunities, and delivery models for collaborative procurement and direct contracting with offset projects.
- Modelling potential group-buy offset pricing v Business as Usual procurement.

Thankyou