

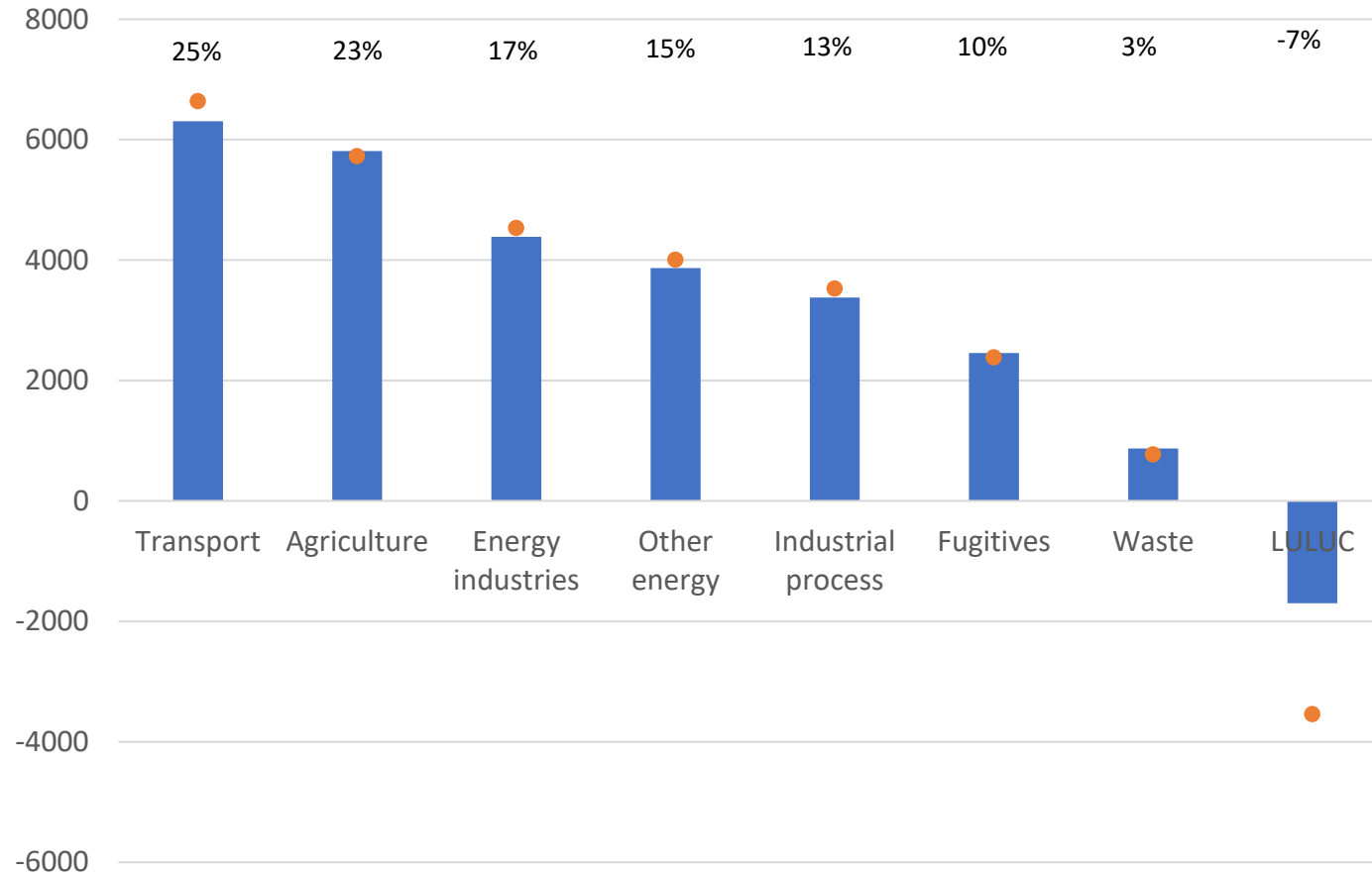


# Towards net zero – understanding carbon markets and their drivers

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# South Australia's emissions

Total emissions = 25,376kt CO<sub>2</sub>e (2020)



2019 = 24,042 kt CO<sub>2</sub>e



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# SA agricultural emissions

	2020		2019	
Source	ktCO2 e	% agriculture total	ktCO2 e	% agriculture total
Enteric fermentation	3,669	63.1%	3,680	64.2%
Manure management	507	8.7%	525	9.1%
Agricultural soils	1,355	23.3%	1,269	22.1%
Field burning of agricultural residues	29	0.5%	29	0.5%
Liming	40	0.7%	40	0.6%
Urea application	210	3.6%	181	3.2%



# Australian Carbon Credit Units

- Australian Carbon Credit Units (ACCUs) most common trading unit in Australia
- 1 ACCU = 1t CO<sub>2</sub>e sequestered or avoided
- Accrued through Emissions Reduction Fund (ERF) projects

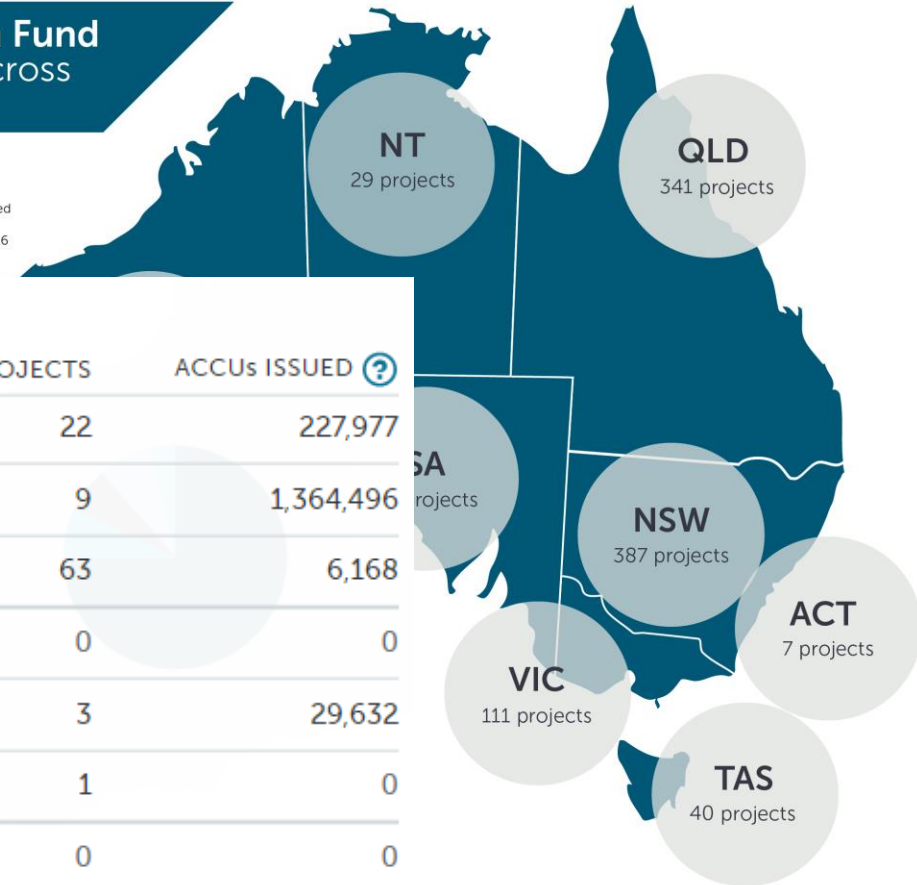
## Emissions Reduction Fund cumulative projects across Australia - April 2022



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### SOUTH AUSTRALIA

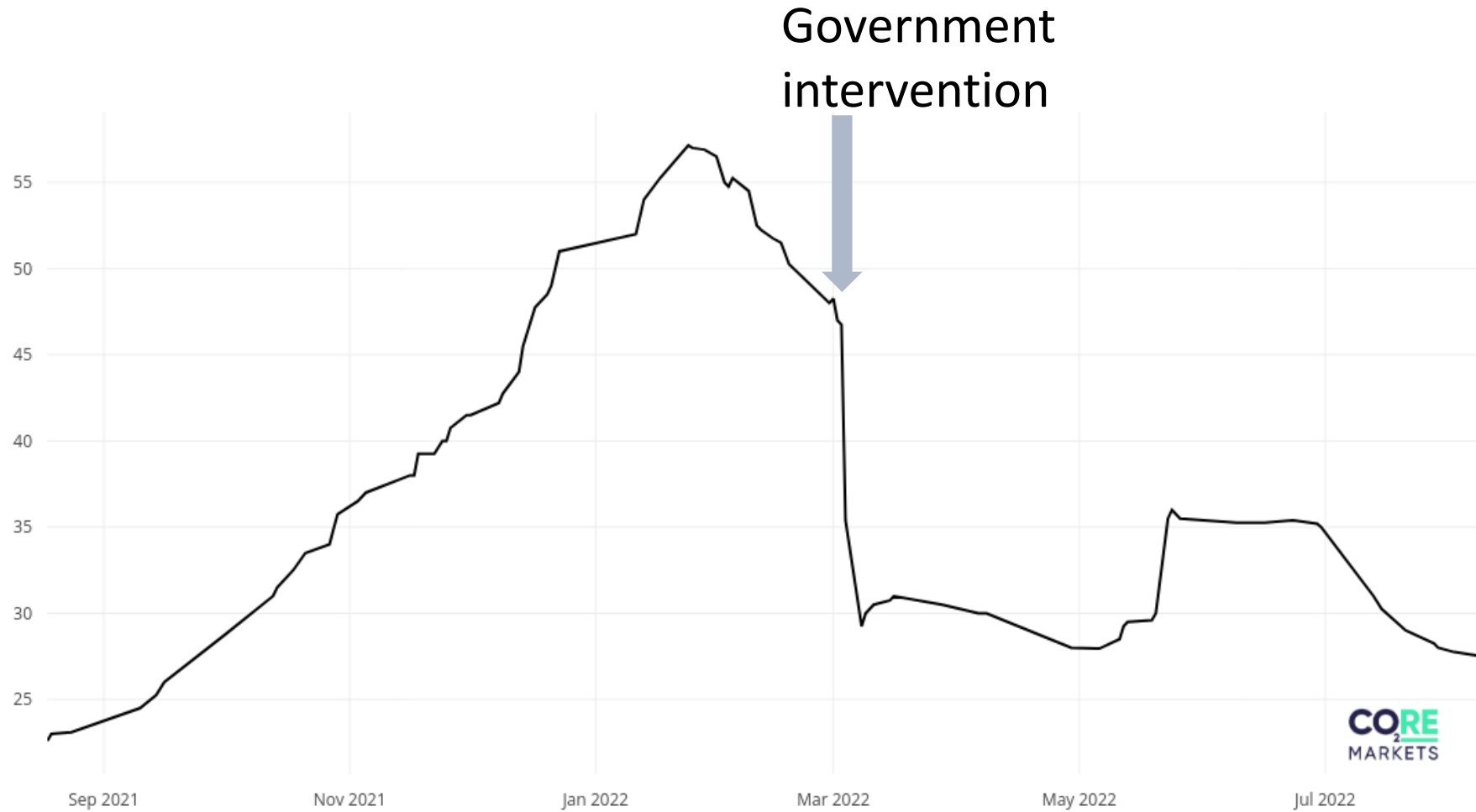
METHOD	PROJECTS	ACCUs ISSUED <sup>?</sup>
Vegetation	22	227,977
Landfill and Waste	9	1,364,496
Agriculture	63	6,168
Savanna Burning	0	0
Energy Efficiency	3	29,632
Transport	1	0
Industrial Fugitives	0	0
Facilities	0	0
<b>Total</b>	<b>98</b>	<b>1,628,273</b>



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# ACCU spot price



Source: [renewableenergyhub.com.au](https://renewableenergyhub.com.au)



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# Trading ACCUs

## **Compliance market (*safeguard mechanism*)**

- Ensures large corporations do not exceed baseline emissions registered under the Kyoto Agreement.
- Makes provisions for businesses to use or purchase offsets to meet baseline requirements

## **Voluntary market**

- Businesses wanting to offset emissions (airlines, corporate entities)
- Meeting government commitments and policy



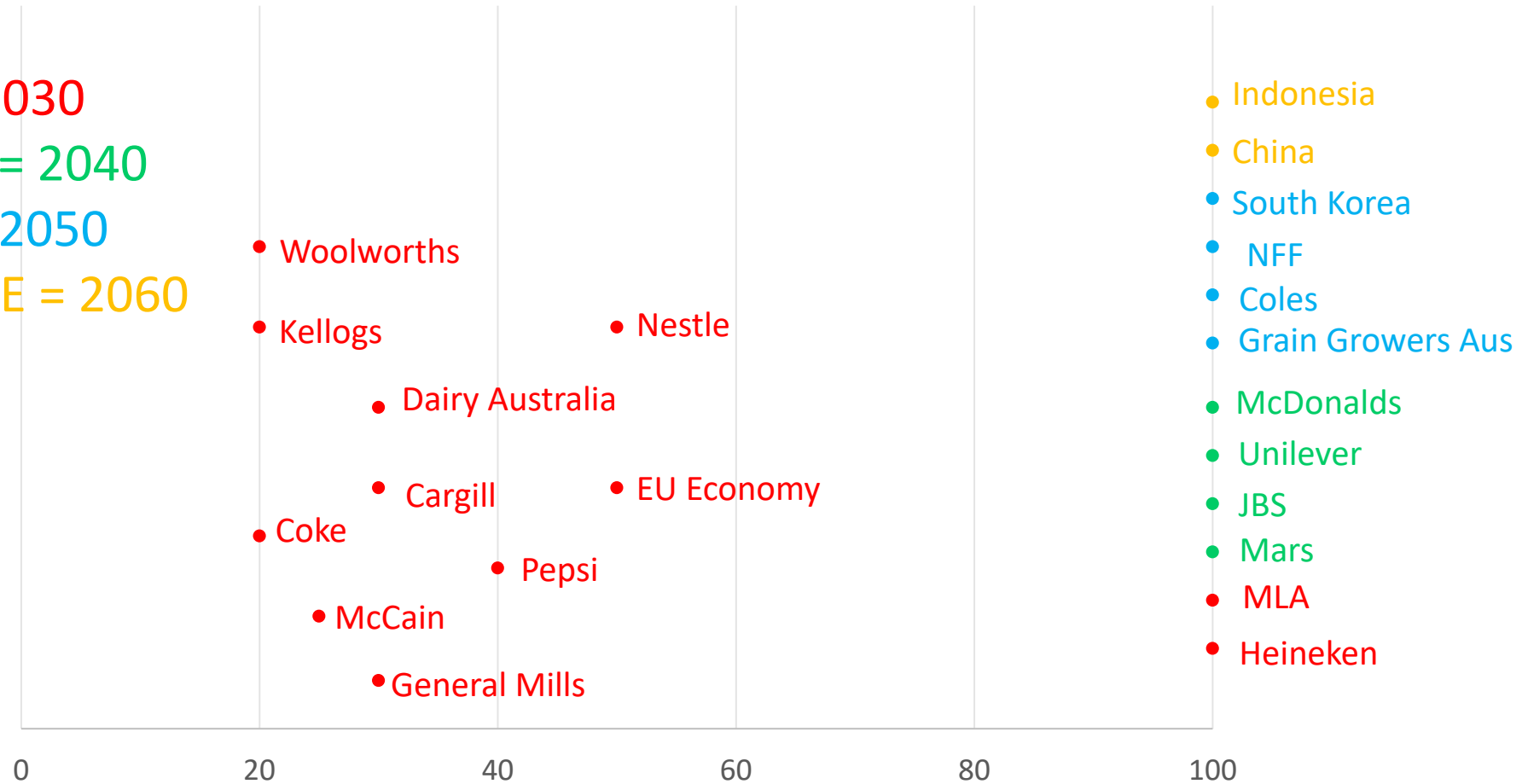
# Market drivers

RED = 2030

GREEN = 2040

BLUE = 2050

ORANGE = 2060



Carbon Neutrality



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# Banks

	Net zero commitment of lending portfolio	\$ commitment to carbon financing
ANZ	2050	\$50 billion by 2025
CBA	2050	\$15 billion by 2025
Westpac	2050	\$15 billion by 2025
NAB	2050 51% ↓ by 2025	\$70 billion by 2025





# Co-benefits

The indirect benefits that occur as a result of carbon farming.



## Environmental

- Improved air, water and soil quality
- Biodiversity
- Sustainable pest and weed management
- Sustainable land use management
- Improved coastal ecosystems



## Social

- Increased social capital
- Improved animal welfare
- Increased human capital
- Indigenous community empowerment
- Better livelihoods and community cohesion
- Improved physical and mental health



## Economic

- Increased farm profitability
- Improved farm productivity
- Diversified revenue streams for landholders
- New skills and career opportunities
- Jobs on the land
- Investment in regions and rural communities

# Emissions in grazing systems



- Sources
- Sinks
- Footprint/ baseline
- Benchmark
- What data is needed to develop a footprint?

- Market access
- Carbon markets
- Co-benefits
- Enhanced productivity
- Environmental stewardship

- Sequestration
- Emissions reduction
- Revegetation
- Integrated Farm Management

