

COST OF CARBON OFFSETS



With more and more buildings committing to carbon neutrality, it's important for you to understand the cost of offsetting emissions. The following information is designed to help you learn more about carbon offsets and the cost of offsetting a building's emissions as part of the NABERS Carbon Neutral certification.

CARBON NEUTRALITY FOR YOUR BUILDING

A carbon neutral building reduces emissions where possible and compensates for the remainder by investing in carbon offset projects to achieve net zero overall emissions.

CARBON OFFSETS EXPLAINED

Carbon offsets (or carbon credits) are generated by projects that reduce or remove emissions from the atmosphere. One carbon credit is issued for each tonne of emissions avoided or removed. Some examples of carbon offset projects include renewable energy projects, reforestation, biogas, or energy efficiency projects.

There are numerous different projects that generate offsets in Australia and around the world. To be Carbon Neutral certified under the Climate Active Standard, buildings are required to purchase eligible offsets that result in genuine emissions reduction. The average cost of eligible offsets is roughly AU\$25 per 1 tonne of CO₂ abated; however cheaper offsets can cost as little as AU\$10 per tonne.



IN AUSTRALIA, THE AVERAGE COST OF AN ELIGIBLE CARBON OFFSET IS

AU\$25 per tonne of CO₂ abated

AND CAN BE AS LOW AS

AU\$10 per tonne of CO₂ abated

Eligible offsets can also be purchased from overseas carbon projects.

GETTING STARTED

To find out more about a Carbon Neutral rating for your building, view our [Carbon Neutral Fact Sheet](#).

For a list of eligible offset units, view the [Climate Active website](#), or check out Australia's carbon marketplace for carbon offset projects that provide benefits directly to Australian communities and our environment.

If you have any questions, please contact us at nabers@environment.nsw.gov.au

AVERAGE OFFSET COSTS

The examples modelled below provide an estimated cost for going carbon neutral, based on an average 5-star NABERS rated building in NSW purchasing carbon offsets between AU\$10-25 per 1 tonne of CO₂*.

Assessors and building owners can view their building's CO₂ emissions on their NABERS Energy rating report. This can indicate the amount of energy emissions a building needs to offset. The figure on the rating report does not include additional emissions from waste, water and refrigerants, which also need to be offset to achieve NABERS Carbon Neutral certification.

**This modelling does not include renewable energy in the calculations such as RET (Renewable Energy Target), GreenPower or other LGC's (Large-scale Generation Certificates). By procuring renewable energy, a building can reduce the emissions associated with energy consumption to zero, making the cost of purchasing offsets significantly cheaper.*

HOTELS¹

1,252t

ESTIMATED CO₂ GENERATED
COST OF CARBON OFFSETS

\$13k - \$32k

OFFICES²

1,073t

ESTIMATED CO₂ GENERATED
COST OF CARBON OFFSETS

\$11k - \$27k



FIND OUT MORE ABOUT CARBON NEUTRAL CERTIFICATION

Visit our website

www.nabers.gov.au/ratings/climate-active-certification

Contact the NABERS team for more information

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NABERS is a national initiative managed by the NSW Government on behalf of the Federal, State and Territory governments of Australia.

Average NABERS building characteristics, as of Jan 2020, used for model: ¹Hotel - 4-star luxury rating, 265 rooms, 69 rooms with laundry service, 567 function room seats, 40m² heated pool, 90% electricity, 10% gas. Calculation excludes emissions from waste, water and refrigerants; ²Office - 15,000 m² rated area, 50 hrs/week core hours, 90% electricity, 10% gas. Calculation includes average building emissions for energy (88.6%), waste (0.5%), water (6.4%) and refrigerants (4.5%); ³Shopping Centre - 46,707 m² GLAR, 17190m² centrally serviced area, 447 mechanically ventilated car parks, 1,648 naturally ventilated car parks, 360 trading days/year, 60 hrs/week, multi storey, 393 food court seats, 3 cinemas, 474 m² gym, 88% electricity, 12% gas. Calculation excludes emissions from waste, water and refrigerants; ⁴Data Centre - 19,947,837 kWh assessable IT energy, 9,182,651 kWh total energy, 100% metered heat rejection, 100% electricity. Calculation excludes emissions from waste, water and refrigerants.