

**55th CONFERENCE OF
DIRECTORS GENERAL OF CIVIL AVIATION
ASIA AND PACIFIC REGIONS**

*Denarau Island, Nadi, Fiji
22 — 26 October 2018*

AGENDA ITEM 7: AVIATION AND ENVIRONMENT

**TOWARDS IMPLEMENTATION OF THE CARBON OFFSETTING
AND REDUCTION SCHEME FOR INTERNATIONAL AVIATION
(CORSA) – AUSTRALIA’S EXPERIENCE**

Presented by Australia

SUMMARY

This paper welcomes the commitments made by 73 Member States, including Australia, representing some 76 per cent of total international aviation activity to join the pilot phase of the CORSIA from 2021. The paper provides a brief overview of Australia’s experience to date which may assist other Asia-Pacific States seeking to progress their CORSIA obligations.

Action: The Conference is invited to:

- a) encourage States to implement the necessary steps for implementing the CORSIA Monitoring, Reporting and Verification system (MRV); and
- b) encourage States to seek assistance from ICAO as soon as possible if they are facing challenges to implement the CORSIA MRV from 1 January 2019.

TOWARDS IMPLEMENTATION OF THE CARBON OFFSETTING AND REDUCTION SCHEME FOR INTERNATIONAL AVIATION (CORSA) – AUSTRALIA’S EXPERIENCE

1. INTRODUCTION

1.1 The CORSIA forms part of a basket of measures including the use of aircraft technology, a new aeroplane CO₂ emissions certification standard, sustainable alternative fuels, operational improvements, and voluntary State Action Plans on CO₂ emissions reduction activities. These will contribute to ICAO’s global aspirational goals for the international aviation sector of improving fuel efficiency by 2 per cent per annum and keeping the net carbon emissions from 2020 at the same level.

1.2 It is the first time an industry sector has committed to reducing its carbon footprint on a global scale. As at 29 June 2018, 73 Member States, including Australia, representing some 76 per cent of international aviation activity have advised ICAO of their intention to voluntarily participate in the pilot phase of the scheme (from 2021 to 2023), ahead of the voluntary first phase (from 2024 to 2026) and the mandatory second phase (from 2027 to 2035).

1.3 The ICAO Committee on Aviation Environmental Protection and its technical working groups, task forces and sub-groups have continued to progress the technical design elements and governance of the CORSIA including the Monitoring, Reporting and Verification (MRV) system; the recommended criteria for emissions units to be purchased by aircraft operators, and the establishment of the CORSIA registry.

1.4 The International Standards and Recommended Practices (SARPs), Environmental Protection — CORSIA (Annex 16, Volume IV to the Convention on International Civil Aviation) were adopted by the ICAO Council at the tenth meeting of its 214th Session on 27 June 2018. ICAO has also made available supporting documentation such as the Environmental Technical Manual Volume IV, the CORSIA CO₂ Estimation and Reporting Tool (CERT Tool), assorted templates and other CORSIA supporting information.

2. DISCUSSION

2.1 In many States, including Australia, responsibilities for the implementation of climate change and emissions reduction policies relating to environmental protection involves a number of different Ministerial portfolios. For example, in the lead up to the 2016 ICAO Assembly a set of principles were agreed between the Australian Government Ministers for Infrastructure and Transport, Foreign Affairs and Trade, and Environment and Energy, and subsequently approved by the Prime Minister, regarding arrangements for Australia’s participation in the pilot phase of the CORSIA.

2.2 Australia has adopted an inter-governmental coordinated approach to progress its CORSIA obligations which builds on existing expertise within the Department of Infrastructure, Regional Development and Cities, the Department of Foreign Affairs and Trade, and the Department of the Environment and Energy (including the Clean Energy Regulator). The current responsibilities of these departments and agencies are outlined in **Table 1**. In addition, Australia’s approach has sought to minimise regulatory burden including any administrative complexity and unnecessary costs for Government and the aviation industry.

Table 1: Australian Government coordinated approach

Department/Agency	Existing responsibility
Department of Infrastructure, Regional Development and Cities	Overarching responsibility for all ICAO aviation environmental protection matters, including the CORSIA obligations. Responsible for collecting domestic and international aviation activity data and meeting existing ICAO reporting requirements.
Department of Foreign Affairs and Trade	Policy responsibility for foreign policy including international climate policy (e.g. engagement with the United Nations Framework Convention on Climate Change).
Department of the Environment and Energy	Policy responsibility for all domestic climate policy, including emissions reporting (e.g. the <i>National Greenhouse and Energy Reporting Act 2007</i>) and emission unit tracking (e.g. the <i>Australian National Registry of Emissions Units Act 2011</i>).
Clean Energy Regulator	Responsible for implementing and administering climate policies and programs, including the National Greenhouse and Energy Reporting Scheme and the Emissions Reduction Fund.

2.3 Australia is a member of the ICAO Committee on Aviation Environmental Protection (CAEP) and participates in a number of the technical working groups, task forces and sub-groups reporting to CAEP. This includes high-level industry representatives from Australia’s major airline operators, the Qantas Group and Virgin Australia, whose expertise in co-leading and participating in various CAEP groups has been integral to progressing the CORSIA requirements and in Australia’s early preparations for CORSIA implementation in the lead up to the pilot phase.

2.4 More recently, the Government, as part of its inter-governmental coordinated approach, has been able to more actively participate with technical advisors and experts in environment and energy efficiency, climate change analytics, carbon markets, and sustainable alternative fuels. This has enabled Australia to consider the options for possible integration into existing aviation and emissions data collection systems and processes.

2.5 Australia has established a Government and Industry CORSIA Working Group comprised of stakeholders from Government and major airline operators. The group meets regularly to share whole of Government policy positions, provide debriefing on CORSIA-related meetings attended, and discuss next steps towards phased implementation. It also considers the other elements of the basket of measures to reduce CO2 emissions such as aircraft-related technology development, improved air traffic management and infrastructure, efficient operations, the preparation of the voluntary State Action Plan and the use of sustainable alternative fuels.

2.6 From 1 January 2019, aircraft operators will need to commence monitoring and reporting of their emissions, which will develop the 2019-20 emissions baseline. In order to be ready to meet these implementation timeframes, all stakeholders with roles and responsibilities in implementing CORSIA will need to make the necessary preparations during the remainder of 2018. In particular, States will need to have assessed and approved Emissions Monitoring Plans submitted by aircraft operators. States will also have to submit details of aircraft operators it administrates to ICAO.

2.7 As with other States, Australia’s legislation and regulation-making processes can be time consuming and establishing a fully-formed regulatory framework to implement CORSIA prior to 1 January 2019 is impractical. As an ‘interim’ step to ensure the effective implementation of the MRV system, Australia has decided to take a fit-for-purpose approach that presents a low regulatory and cost burden to Government and industry. Australia will include a condition on its International Airline Licences of Australian airlines (regulated by Australian aviation legislation) to require these airlines to comply with the CORSIA SARPs. This approach will meet the immediate requirements of the MRV, and will provide flexibility for Australia to develop permanent compliance methods for the pilot phase of the CORSIA.

2.8 Progressing the CORSIA obligations requires the participation of many stakeholders across ICAO, its Member States and the aviation industry. It is multi-faceted and requires early engagement to ensure all parties have sufficient lead time to progress the necessary measures for implementation whether it relates to domestic policy and legislative changes, operational changes, capacity building and/or technical assistance.

Capacity building

2.9 The ICAO Council has acknowledged the important role of capacity building and assistance activities to support Member States and to ensure the necessary infrastructure is in place for States and aircraft operators to monitor, report and verify CO₂ emissions from 1 January 2019. Recent capacity building has included five regional seminars held in Guatemala, Macedonia, Egypt, South Africa and Australia followed by a global seminar at ICAO Headquarters in Canada in July 2018. Australia hosted a regional seminar in April 2018, noting the benefit of discussion of the requirements, practicalities, and challenges of implementing CORSIA in the Asia Pacific region, and learning from other countries' experiences.

2.10 The seminars identified the need for more targeted assistance for some ICAO States to prepare for the implementation of the CORSIA MRV system from 1 January 2019, which led to the creation of the ACT-CORSIA initiative. ACT-CORSIA involves the establishment of 'buddy partnerships' between States. Experts from donor States will work together with recipient States to provide on-site training, and follow-up on the preparation and implementation of the recipient States' CORSIA MRV system (in particular on the development and approval of Emissions Monitoring Plans, as well as on the establishment of national regulatory frameworks). Australia has volunteered to buddy five States in the Asia-Pacific region. It is important that any State that is having difficulty preparing for the commencement of the MRV contact either their 'buddy partner' or ICAO to seek further assistance.

3. ACTION BY THE CONFERENCE

3.1 The Conference is invited to:

- a) encourage States to implement the necessary steps for implementing the CORSIA MRV; and
- b) encourage States to seek assistance from ICAO as soon as possible if they are facing challenges to implement the CORSIA MRV from 1 January 2019.

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