



CARBON OFFSETTING

The money trees

NOW that saving the planet has become a national priority, myriad opportunities are arising for small businesses to make their own contribution and strive for a carbon neutral status.

But, as is often the way, when new products or schemes come on to the market some providers aren't necessarily as effective, efficient or even as honest as others.

Environmental not-for-profit group Canopy has warned small businesses they should "adopt rigorous due diligence processes" before they sign an agreement with any carbon offset provider.

It said that one area where some carbon offset schemes fail is in the planting and management of trees which absorb carbon dioxide from the atmosphere.

"You should do two things — make sure the trees are registered on the land title and that the plan comes with a guarantee of survival," Canopy executive director Leonard Cohen explained.

"Ask your provider to prove it, to show you how, where, when."

He said that many providers are still sitting on funds unable to plant trees because conditions during the drought have made this unsuitable.

Canopy's chief executive officer Noel McArdle said that while he was pleased some businesses were taking the step to becoming carbon neutral, they needed to be careful who they worked with and how the arrangement was managed.

Mr McArdle said he feared that profit rather than the environment

was the motivation for some carbon offset providers.

He said it was especially crucial for any businesses which was planning to use their carbon neutral status in their marketing that they get the right scheme.

Plants absorb CO₂, keep the carbon and give off the oxygen. But because vast tracts of forestry are being destroyed at a rate of about 8000ha a day globally the natural balance has shifted, compounded by the fact that industry and our day-to-day living are producing more and more CO₂ every day.

Figures for 2006/07 claim that each Australian manages to contribute 29 tonnes of carbon dioxide a year but our forests are soaking up only 14 per cent of that.

Once you're in business, the carbon footprint is bigger. And naturally, the bigger the business the bigger the footprint, said Mr Cohen.

"For smaller businesses, the major contributor will be electricity, while larger businesses that have many workers in cars have a larger [carbon] footprint."

He said by careful management of energy use, most small businesses can reduce their carbon emissions by about 10 per cent a year, which means they will also save 10 per cent of their energy costs.

"The remaining 90 per cent of emissions can be offset at no extra costs because you use the savings you've made to buy the carbon sinks," he said. "You can be carbon neutral and cost neutral."

Anyway, even if it costs more, because it is a legitimate business

expense, a small business can write it off. In fact, Mr Cohen said there is now increasing value for small businesses to include a carbon offset program in their budgets.

While individuals can't take advantage of this tax break, they will get a break if they buy their carbon offsets from a registered environmental charity.

The most popular way to offset a carbon footprint is to buy trees.

For example, last year mining giant Rio Tinto was offering Queensland farmers huge seven-figure sums for doing nothing, that is, not clearing their lands and instead preserving the trees for the next century.

But Rio Tinto wasn't buying the trees as such, it was buying a place to put the CO₂ it emits during its mining operations.

Yet while Rio Tinto knows where its trees are, how can the average small business operator?

"Make sure the tree is registered on the land title, get the exact coordinates of where the tree is, go there and check it out," Mr Cohen said.

"We get hard-nosed businessmen who take out their Japanese visitors to inspect the trees."

He said the growing popularity of buying carbon offsets was more than just good citizenship. He said it was entering a new phase where companies are not only doing the right thing, but looking for what else they can get for it.

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Money trees to help save the planet

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"A while ago I was on the 15th floor of the Commonwealth Bank's offices in Pitt St surrounded by bankers," Mr Cohen said.

"They were buying a five green-star building in Adelaide.

"It's green but they wanted to make it greener.

"So I did the numbers, worked out the planting of trees every year, got the GPS

locations, the names of the farmers, a copy of the land title, a Google map and the guarantee that the trees were locked up permanently in the biomass.

"But all they wanted to know is what animals would be living in their trees, or what birds or insects would be there."

Obviously the bank had done its own audit of the carbon offset, which may be

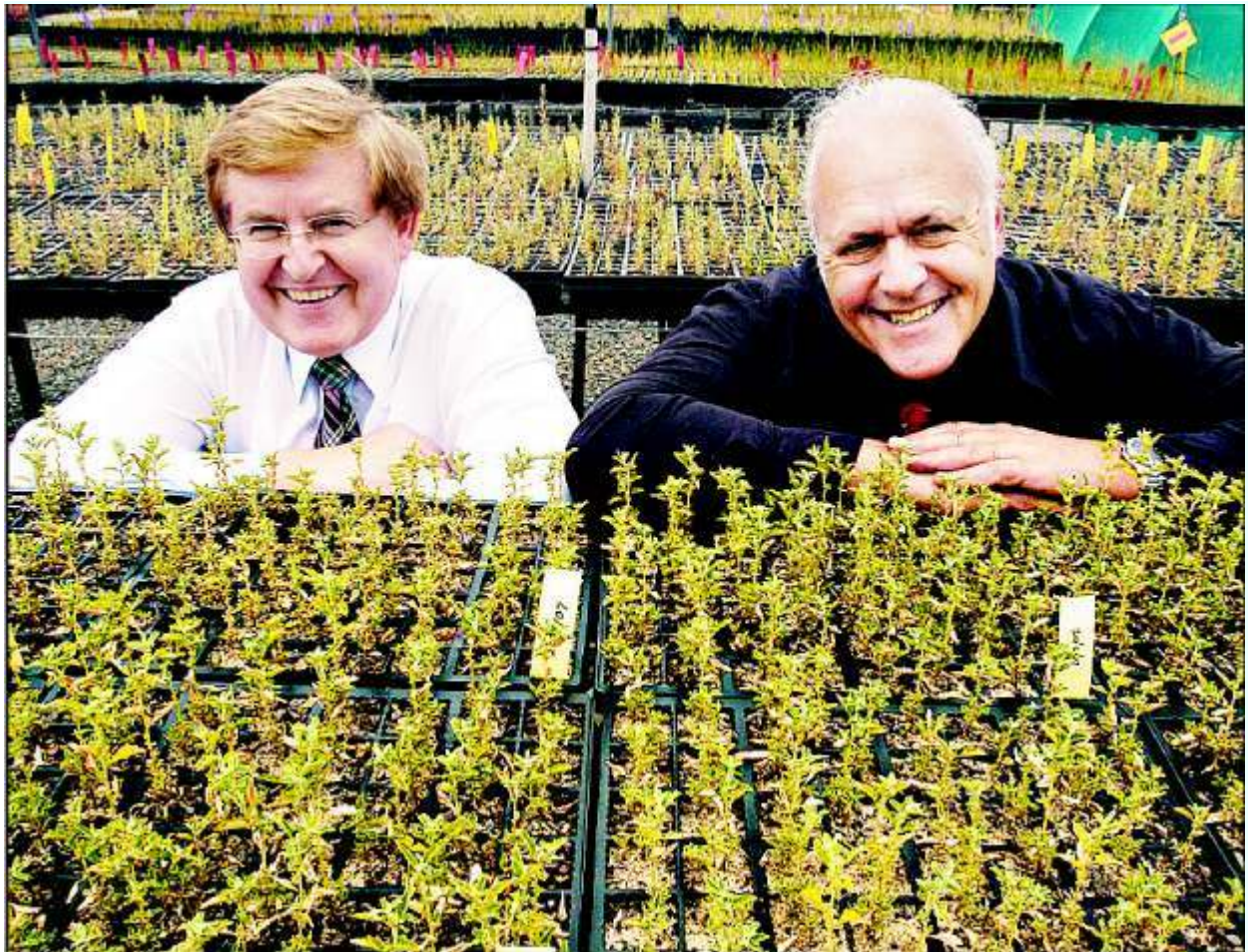
difficult to small operators.

And it's not just a case of trusting the first carbon offset provider who happens to come along.

Mr McArdle said that the Australian Competition and Consumer Commission was looking closely at "green claims" being made by companies and was working on providing guidelines to help them comply with the Trade Practices Act.

Mr Cohen suggested those businesses which were unsure of where to start should go to the guide on the website of the Royal Melbourne Institute of Technology (RMIT), www.carbonoffsetguide.com.au, which was developed in conjunction with EPA Victoria and Global Sustainability at RMIT.

For further information go to www.canopy.org.au



Growth business . . . Noel McArdle and Leonard Cohen with trees they will soon be planting *Picture: CHRIS MANGAN*



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How to select a carbon offset provider

- ENSURE** your selected provider uses a Department of Climate Change (former Australian Greenhouse Office) audit to calculate your carbon footprint
- ENSURE** it cuts your carbon emissions before you commit to offsets

- ENSURE** it offers Registered Emissions Reductions (RERs), where the trees are legally registered on the land title
- ENSURE** trees have a 100 per cent survival guarantee
- ENSURE** the regime for the trees' maintenance

complies with the Department of Climate Change guidelines

- ENSURE** the tree growth is monitored and reported annually
- ENSURE** a clear, long-term audit trail

Source: www.canopy.org.au