



Welcome to the 3rd issue of the Carbon Conscious UPDATE

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WELCOME

Welcome to the third edition of Carbon Conscious Update, the newsletter with the latest on the carbon industry and the role of Carbon Conscious Ltd.

The global financial crisis has, and is expected to continue to have, an impact on the Australian carbon market. However, the recent release of the White Paper and the Government's commitment to commence the Carbon Pollution Reduction Scheme (CPRS) in July 2010 has required businesses to renew their focus on their potential carbon liability under the scheme.

With this in mind 2009 is shaping up to be a pivotal year for Carbon Conscious. We are expanding our team and setting up systems in preparation for a busy year ahead. With Greenhouse Friendly™ accreditation now granted, Carbon Conscious is in a strong position to be at the forefront of this fast paced exciting carbon industry.

Peter Balsarini
CEO and Executive Director

A handwritten signature in black ink, appearing to read "P. Balsarini", with a horizontal line underneath it.

GREENHOUSE FRIENDLY™ ACCREDITATION AWARDED

In December last year Carbon Conscious was awarded approved abatement provider status under the Federal Government's Greenhouse Friendly Program™ for its forest sink Carbon Capture Program™.



Measuring soil depth as part of the accreditation process

Why is this accreditation so important?

Accreditation means the Australian government certifies the integrity, credibility and quality of all the Carbon Conscious Carbon Capture Program™ systems, processes and forecasting.

You're assured you're acquiring credible carbon offsets from an approved abatement project that will be Kyoto Protocol compliant.

The accreditation process for Carbon Conscious was rigorous, taking significant time, input from industry experts and independent review and verification.

It's also a great environmental bonus that the Carbon Capture Program™ uses native Australian Mallee Eucalypt trees that have the potential to reduce soil erosion and salinity, generate jobs in rural and metropolitan Australia, provide wildlife corridors for native animals and increase the productivity of marginal farmland to name a few.



WHITE PAPER UPDATE – CARBON POLLUTION REDUCTION SCHEME (CPRS)

On 15 December 2008, the Australian Government released the CPRS White Paper.

Some of the key points from the release of the White Paper include;

- The Australian Government has committed to a medium term national target to reduce Australia's greenhouse gas emissions by between 5% and 15% below 2000 levels by 2020.
- If there is a comprehensive global agreement on climate change, Australia will reduce emissions by up to 15% below 2000 levels by 2020.
- Although the 2020 targets of between 5-15% (15% if strong international commitment is reached) are considered to be at the lower end by environmental groups, the target still represents a 27% reduction in carbon on a per capita basis.

- The government has advised it will commence the CPRS on 1 July 2010 and hopes to see legislation pass in parliament in 2009.
- The coverage of the CPRS remains broadly the same as outlined in the Green paper.
- Agriculture remains excluded until at least 2015 (a decision on inclusion will be made in 2013).
- The White Paper has reaffirmed the Government's commitment to forestry as the only net positive sequesterer of carbon.
- Forestry will be the only domestic source of CPRS permits available to the market other than purchasing permits at auction from the Government at the prevailing market price.
- The CPRS White Paper highlighted that the Federal Government expects most forests established as a result of the Scheme will be not-for-harvest forests grown on marginal or less productive farmland.
- The White Paper removed a number of technical issues around forestry, most notably addressing the key matters of measurement, retirement of carbon permits and specific elements relating to ongoing liability and risk management which will provide further stimulus for investment by major Australian carbon emitters.
- The White Paper is expected to provide additional certainty the market requires to make investment decisions in new technology and other abatement activities such as carbon forest sinks.

Some of the key carbon trading features from the release of the White Paper include;

- Emission caps will be specified five years in advance with the first five years to be announced in 2010.
- The initial cap will be set post Copenhagen meeting in December 2009.
- Approximately 1,000 facilities to be covered.
- Permits will be allocated through an auction process with auctions to be held monthly.
- A price cap of \$40 from 2010 (start), indexed at CPI+5% for the first 5 years.
- Emitters of greenhouse gases need to acquire a permit or 'emissions unit' for every tonne of greenhouse gas they emit.
- The number of permits issued each year by the Government will be limited.
- Entities that value the permits most highly are expected to be prepared to pay the most for them, either at auction or on the secondary trading market.
- Covered entities will have access to international Kyoto compliant carbon credits.
- There is a ban on exporting Australian Emission Units (AEU's).

ONLINE CARBON EMISSIONS CALCULATOR

The Carbon Conscious online emissions calculator will be launched early this year and will provide individuals and business with the opportunity to review and offset their carbon footprint.

For more information contact [Ryan Noble](#)

DEVELOPMENT OF PLANTING MACHINE

Following successful demonstration of a modified tree planting machine during 2008, Carbon Conscious has entered into a Heads of Agreement with an experienced planting contractor to construct a planting machine capable of meeting the scale of operation required by the company.

The planting contractor will be able to manage seedling delivery and planting at a rate of up to 100,000 mallee seedlings per day per planting unit.

The mallee plantations will be established within GPS coordinates and every row will have known GPS coordinates to help facilitate plantation assessments in future.

The contractor will be ready to commence planting early in the 2009 season in areas where sufficient summer rains have fallen.

DRILLING RIG

Recently, Carbon Conscious received delivery of a custom made drilling rig to assist the planting team to accurately profile soil and measure its depth.

The drilling rig has the ability to measure up to 3.5 metres in depth and is currently in operation to map out future carbon estates.

Depth of soil is a major determinant of mallee growth and hence carbon sequestration. The drilling rig enables the plantation team to examine the soil profile to identify possible impediments to plant growth such as rock or clay, gravel or silcrete soil types.



Shane Lyons- Carbon Conscious Plantation Forester, operating the Drilling Rig

CARBON CONSCIOUS - OUT & ABOUT

ECU WEST COAST 1000

On 29 November 2008 Carbon Conscious was the official partner for the ECU West Coast 1000, making it the first ever WA carbon conscious open water event.

West Australian swim star Eamon Sullivan led the charge that attempted to take the record from the Victorian community of Lorne.

But despite a positive turnout of 1500 people, WA fell short of the required 3072 participants.



ECU West Coast 1000 finishing line

AUSTRALIAN MASTERS MARKETING SUMMIT 2009 (AMMS09)

A message from the organisers;

AMMS09 is proud to be associated with Carbon Conscious as the official AMMS09 carbon offset partner. Trees planted as part of the event program go towards offsetting the conference's emissions and we encourage all corporate events to take the same initiative .

AMMS09 is a chance for Perth marketing and business executives to hear from industry-leading thinkers, innovators and practitioners from Australia, ASIA the US and UK discussing the latest trends for 'real' marketing and branding solutions designed for local level activation. The focus is on the current and relevant topics associated with Branding, Sponsorship and Promotional Marketing techniques and practices.

AMMS09 will arm you with an artillery of new ideas, solutions, strategies, mind sets and networking contacts, perfectly timed for implementation into your marketing budgets, creating real impact and return into 2009/10. Whether you are a small or large organisation, AMMS09 is not to be missed if want to lead your industry.

The Australian Masters Marketing Summit is on at the Sheraton Hotel on the 17th and 18th of March 2009. Please visit www.amms09.com.au for more information and to register for the event. Seats are selling fast so be quick to reserve your place at Perth's biggest marketing event in history.

SEA TO SUMMIT

Sea To Summit recently entered into an agreement with Carbon Conscious whereby they offset the company's carbon emissions from business air travel for a 12 month period.

Sea To Summit Australia is a worldwide manufacturer of high quality outdoor, backpacking and travel products and accessories. They manufacture and distribute products for skiing, camping, hiking, backpacking, travelling and many more outdoor activities.
www.seatosummit.com.au



Sea To Summit Managing Director Roland Tyson & Carbon Conscious Marketing Manger Ryan Noble

2009 LOTTERYWEST SKYWORKS

On Australia Day 2009, Skyworks partnered with Carbon Conscious Ltd to make the corporate entertainment area a carbon conscious function.

Measuring emissions relating to elements such as travel, waste and energy, the City of Perth worked with Carbon Conscious to determine the approximate carbon footprint of the area.

Sufficient Mallee Eucalypt trees will be planted in the Australian wheatbelt to offset elements of the corporate entertainment area's carbon emissions.

As guests left for the evening they were offered a City of Perth Carbon Conscious eucalypt tree to plant in their garden.



Sam from The City of Perth with one of the trees given to guests on the night

INTERNATIONAL CARBON MARKET UPDATE

According to research group New Carbon Finance, the global carbon market was worth around \$118 billion in 2008, rising 84 percent from the previous year due to higher trading volumes and prices.

It is anticipated that the market's value should swell to \$150 billion in 2009, in spite of the gloomy backdrop of a global recession, the group forecast in a quarterly trading update.

The price of carbon permits called European allowances (EUAs) fell to around 15 Euros (\$20.46) a tonne in late 2008, halving a two-year high hit that summer.

NEXT EDITION - CONTENT REQUESTS

If you have content suggestions or areas of specific interest you would like us to cover in the next edition, please e-mail rnoble@carbonconscious.com.au

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