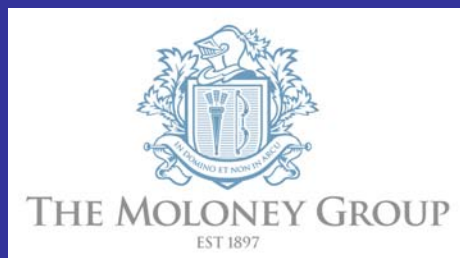


Green Pass will facilitate your business in becoming more sustainable, in saving on energy and in reducing your carbon footprint. In doing so, you will support the growth of projects through your purchase of carbon offsets.

Contact us at Green Pass Australia for an obligation free quotation that will lead to an audit and sustainability reports, as well as how to gain employee support for reducing energy.

Green Pass clients include:



MADGWICKS
Lawyers

Hello

We live in very interesting times, with the significant defeat of the Carbon Pollution Reduction Scheme bill, but the passing of the RET bills. China is stepping up to the renewable energy challenges as well as showing first signs of purchases of carbon credits on its Beijing Environment Exchange. Meanwhile, India is struggling with prolonged drought that is affecting its agriculture and national productivity. Business is implementing many changes to cope with climate change, with “upstream” and “downstream” chains being given special consideration, which is expected to become very profitable. The details follow.

Renewable Energy Targets legislation passed

The catch cry of ‘20% by 2020’ can now begin to be realised. The bills passed are the Renewable Energy (Electricity) Amendment Bill 2009 and the Renewable Energy (Electricity) (Charge) Amendment Bill 2009. The Clean Energy Council says that more than AU\$20 billion will be needed to finance new clean energy projects over the next 10 years to help create 28,000 new jobs.

With the lower house signing off on changes made in the Senate, the Government's renewable energy target (RET) scheme has finally passed Parliament. Greg Combet, Junior Climate Change Minister, welcomed the bills' passage, saying it was the result of Labor's commitment "to

achieve 20 per cent of Australia's electricity supply from renewable sources by the year 2020". However, Opposition climate change spokesman, Greg Hunt, said the result was due to co-operation between the major parties.

He noted, "We have negotiated, we have reached an agreement. It's a tremendous result for Australia." Mr Hunt said if Labor wanted similar result on emissions trading it should begin unconditional talks immediately. The vote was taken on voices alone, with most senators not required to attend and there were no Nationals senators present for the vote. A bid by the Nationals to give more support to food-processing companies under the RET failed. A bid by the Greens to "green up" the scheme, giving less assistance to industry and increasing the renewable target to 30 per cent, also failed. Asked why the Greens had voted for a renewable energy scheme they were disappointed with, Australian Greens deputy leader Christine Milne said the flawed model was a start.

Origin Energy Ltd head of policy and sustainability, Carl McCamish, said the legislation was a "great start" in having a cohesive policy for Australia to use less carbon in the future. He said the target, along with the proposed Carbon Pollution Reduction Scheme (CPRS), would be an important factor in whether companies invest in the infrastructure needed to deliver lower carbon emissions.

"The passing of the RET legislation provides a green light to progress with a pipeline of renewable energy projects," Mr McCamish said in a statement. The company has investments in renewable technologies including solar, wind power and geothermal.

Agriculture Minister Tony Burke claims that thousands of homes along the Queensland and northern NSW coast could be powered by renewable energy from sugarcane waste after the passage of the Government's Renewable Energy Target legislation. Mr Burke said the passage of the legislation opened up significant opportunities for agriculture, particularly in the sugar industry. A \$100 million Mackay Sugar project to expand an existing cogeneration plant could supply one-third of the power needs of Mackay.

Cogeneration plants burn sugarcane waste and capture the heat to convert into renewable power.

An upgrade to an existing mill in northern NSW which is being considered could generate enough power to support 40,000 households, providing half the Tweed Valley's power needs and one quarter of the power needs of the Richmond Valley. Three mill upgrades under consideration in the Herbert and Burdekin region near Townsville in north Queensland could power 140,000 homes – more than the region currently contains. The Australian Sugar Milling Council says the sugar industry already generates around five per cent of Queensland's electricity through cogeneration. Australia produces around 33 million tonnes of cane per year, which yields around 4.75 million tonnes of sugar.

China checks carbon & credits for climate

China was likely to adopt stronger measures to rein in emissions, says Tony Blair and already China is the world's largest supplier of carbon credits, which allow companies to offset their emissions. China is the world's biggest emitter of greenhouse gases and is starting to explore goals for its next five-year development plan starting from 2011.

In an announcement from Beijing, China appears committed to stronger steps to contain swelling greenhouse gas emissions, noted former British Prime Minister Tony Blair after meetings in Beijing, urging practical steps of climate treaty negotiations. Blair's talks with Premier Wen Jiabao indicated that climate change had moved closer to the heart of Chinese policy-setting.

"I think the single most important thing is to understand that in its development plans -- in other words, how the Chinese economy grows over the coming years -- low-carbon growth is at the heart of those plans," Blair told a news conference. China's stance will be crucial in efforts to create a successor to the current Kyoto Protocol, which expires at the end of 2012. But Beijing says rich countries must lead the way with big emissions cuts, since they are responsible for most of the greenhouse gases from human activity that have accumulated in the

atmosphere, retaining rising amounts of solar radiation. China has already set a domestic goal of cutting energy intensity by 20 percent over the five years to 2010.

Green meets grey

China is due to generate 55% of all certified-emission reduction credits (CERs), which under the Kyoto protocol allow companies in developed nations to offset their emissions by buying credits from developing nations, making it the world's largest supplier of carbon credits. Until now, China has not been a source of demand, so when Tianping Auto Insurance, a Shanghai-based company, bought credits equivalent to 8,026 tons of emissions on the China Beijing Environment Exchange, an emissions-trading platform, earlier this month, analysts took note as it was the first known example of a Chinese company buying credits to offset emissions.

This is not a Chinese boom, since what Tianping bagged were voluntary, or verified, emission reductions (VERs). Voluntary credits are an increasingly popular means for companies to clean up their green credentials. In 2008, over-the-counter transactions of VERs globally hit a record \$397m, according to data from New Energy Finance (NEF), a research firm. Tianping bought credits from last year's Beijing Olympics, supposedly generated by commuters who opted for eco-friendly forms of transport.

What is significant about Tianping's voluntary purchase is that the concept of corporate social responsibility is no longer entirely foreign in China. A recent study found that from January to November 2008 just 121 Chinese companies published "sustainability reports", which is low by western standards and they have not been audited by specialists.

India's Crops cropped

India has been experiencing its worst monsoon in years, with summer rains usually making up around 80% of the country's annual rainfall. But from June to mid-August, when most crucial planting takes place, the rains were 29% lower than average. In Uttar Pradesh, they were down by more than 60%, the Economist reports.

The Economist (20 August 2009) reported that one farmer in the north Indian state of Uttar Pradesh, lounges with three sisters-in-law and six buffaloes in the broad shade of a neem tree, because the farmer, who owns one acre of ground, has no access to irrigation systems and they depend on the monsoon rains that fall between June and September.

Agriculture accounts for 18% of GDP. More importantly, it employs 60% of Indians, many of whom now seem certain to curb their spending this year. A bad monsoon can also reduce power production: hydropower provides a quarter of India's electricity. In 2002, when monsoon rains were down by 19%, GDP growth slowed from 5.8% to 3.8%. Some economists have shaved a percentage point off growth estimates for the year, to between 6% and 7%. Meanwhile, the government has said it has enough food stockpiled from two years of healthy harvests to prevent high inflation.

Climate Change Matters for Every Business

It is no surprise that BSR, the US consulting and research organisation, has recently fielded inquiries from a range of member companies asking how climate change is relevant to their business. Prospective climate change legislation and policy discussions in the United States and elsewhere, intensive international negotiations culminating later this year, and ongoing stakeholder interest, has meant that companies are scrambling to develop or boost their climate change strategies, assess their internal and supply chain emissions, and examine the potential risks and opportunities throughout their operations, value chain, and industry.

Energy companies and heavy manufacturers have long known that climate change regulation would have a significant impact on business. While representatives from other industries still insist climate change is not relevant for them, the best available research indicates it is significant for virtually every company, both in the traditional accounting sense and the sustainability context, which incorporates wider stakeholder concerns. Unlike issues such as animal welfare or toxic waste that may be irrelevant to some firms, climate change is never off the playing field for any company.

For companies generating large quantities of greenhouse gases or purchasing large amounts of energy, climate change regulation is clearly a significant issue that is likely to affect future costs. As recent negotiations in the U.S. Congress have shown, however, climate change regulation is not just about greenhouse gas emissions and energy use. It has significant implications for international trade, agriculture, transportation, and other areas.

Companies need to think about how a changing climate may affect things such as heating and cooling needs, water availability, and emergency preparedness for catastrophic weather. The extended drought in Australia, for instance, has forced the food company Heinz to curtail local production of tomato paste and other commodities out of the country. Meanwhile, nations and industries have begun to discuss the

possibilities presented by expanded shipping through the Northwest Passage.

The most important climate change risks and opportunities for many companies may lie outside of their owned operations. As a 2008 McKinsey study noted, between 40 and 60 percent of manufacturers' carbon footprints often lie in their supply chains. Greenhouse gas emissions and physical climate change impacts would lead to significant implications for logistics and transportation choices in the supply chain. For example, companies that have "Just-in-time" inventory systems may rely heavily on air transport for rapid shipment of goods to keep inventories low. However, air transport -- which contributes more than 3 percent of global greenhouse gas emissions -- has a much larger climate change impact than trucking, rail, or ocean cargo shipping.

Industry responses to emissions

Increasingly, aviation is brought up as an area for regulation. In effect, climate change is a material issue for companies that have intricate supply chains or otherwise rely heavily on air travel and transport. More companies are focusing on supply chains, including Kraft, which is addressing growing climate and other risks to high-value tropical crops like coffee and cocoa by working with organisations such as the Rainforest Alliance and the Bill and Melinda Gates Foundation to support its suppliers and encourage sustainable production.

Supply chains also presents climate-change-related opportunities. For example, the confectionary company Cadbury is working closely with dairy suppliers to reduce greenhouse gas emissions. Such actions benefit companies like Cadbury by strengthening the firm's supply chain understanding and relationships and by improving its reputation for addressing climate change. It's also possible that these efforts will provide financial benefits if the company is able to obtain carbon credits for use or sale.

"Downstream" customers and consumers also need to be factored in. The

Ford Motor Co. was one of the first large companies to publicly address this issue through its corporate citizenship reports about nine years ago. Information technology companies like IBM and Cisco are touting the benefits of lower climate change impacts from their energy-saving products, while apparel companies such as Levi Strauss and Co. have begun using garment labels, promotions, and store staff to encourage customers to adopt reduced-energy washing practices.

Business Interests in Early Action on CPRS

Business Council of Australia president Greig Gailey says the carbon pollution reduction scheme (CPRS) is so important it would be a tragedy if it became bogged down in political tactics between the two sides: "we want them to sit down and negotiate, and to do it sooner rather than later," he told The Australian.

Big business has backed some proposed Coalition changes to the emissions trading scheme but suggested Malcolm Turnbull might have to drop his most dramatic redesign proposal, as it urges the major parties to do a deal and pass the laws to ensure investment certainty.

"If the ETS is defeated in November ... and it then goes to a double dissolution, it is highly likely the government would get the numbers to pass it afterwards ... and unlikely the government would entertain many amendments in that circumstance," Mr Gailey said. He stated that the BCA was still assessing the Coalition's Frontier Economics modelling, which proposes the scheme be dramatically redesigned for electricity generators, but suggested the change could be too far-reaching.

"The cold, hard reality of getting it passed is that it is more likely to be a modified ETS, rather than starting again."

Mr Gailey backed several of the Coalition's other proposed changes, including the need for coal to be included in compensation arrangements for emissions-intensive industries and for coal-fired electricity generators

to get more compensation for lost asset value to ensure security of supply.

While the government has insisted the emissions trading laws have to be passed before the UN meeting in Copenhagen in December and the opposition has said they should be deferred until after those talks, Mr Gailey said Copenhagen was "kind of irrelevant" as a deadline.

That's about it for now, with many significant developments happening,

Yours sincerely,



Peter Lovett
Managing Director

To unsubscribe from this newsletter please [click here](#)