

## CARBONCARE™ VOICES

### Carbon Offset Buyer Insights

*By: Jennifer West*

*Edited By: Martha Barnard-Rae*

Across industries and businesses of all sizes, the topic of carbon offsetting is cropping up in meeting agendas, watercooler chats and annual reports. These discussions and the resulting action (or inaction) made us wonder how things were tracking when it comes to carbon offsetting in Australian businesses. That's where the CarbonCare Offsetting Survey\* comes in.

It turns out that more than half of privately owned Australian businesses in the survey indicated that they are offsetting some or all of their carbon footprint or intend to do so in the near future. In fact, there was a clear delineation in the survey, and respondents fell neatly into three camps: Introducing the Offsetters, the Soon-to-be offsetters, and the Non-offsetters.

## OFFSETTERS ARE CLEAR ABOUT THEIR MOTIVATIONS

Helen Pow is a Fremantle-based florist. She started offsetting the emissions of her business, The Little Posy Co, in 2020. For Helen, the cost of offsetting the entire carbon footprint of her fast-growing flower delivery business is a surprisingly small slice of its annual turnover.

Helen's decision to offset The Little Posy Co's carbon footprint was driven initially by her sense of moral obligation to society. "For me, the catalyst was that 2018 IPCC (Intergovernmental Panel on Climate Change) report on global warming, and [also] having my first child. That really made me think...jeez, this is bad, and we need to start taking action," she said.



But since making the commitment to carbon offsetting, Helen has found it has commercial, as well as ideological, value. She says sustainability is a strong focus for her business, and it really resonates with her customers. "We included the freight of our flowers [in the carbon footprint

calculations] even though we didn't have to, as that's classed as a 'second tier' emission. But from then on, when choosing our suppliers, we've made decisions based on limiting our emissions – so it's been valuable to know what our footprint was in different areas of the business," Helen said.

"We avoid plastic or cellophane and we get a lot of comments about how the wrap is sustainable. A lot of floral foam is used in our industry, which is very toxic and doesn't break down, but we've managed to find acceptable alternatives. Since we've been making these changes, we've just got busier and busier."

Apart from reducing waste and lowering her carbon footprint, Helen also said the business had made significant cost savings by adopting a better route planning system, which was also borne of a push to reduce emissions. For The Little Posy Co, lowering emissions is good for the environment and makes good business sense.

Similarly, Magia Solutions is dipping a toe into the emission reductions pool. The national computer systems provider has offices in NSW, Victoria and WA – and all that distance can mean that emissions, particularly from travel, can add up.

Chief Technology Officer, Peter Crewe, explained that Magia buys offsets for business travel at this stage, and they're hoping to start offsetting their electricity next. For Peter, it makes sense to get ahead of the game. "We're going to have to do it sooner or later," he says. "Whether or not you agree with the politics around carbon, we will have to do it at some stage".

Magia's customer base was keen, too. Peter says that clients are increasingly "interested in their suppliers' green credentials" – particularly local councils. And he reckons carbon offsetting will eventually become the norm across all industries. "It's just good business to do contingency planning. If we do it now, it'll be much easier than having to do it later when it's a legislative requirement." Choosing to offset emissions on their own terms boosts customer confidence and means that Peter and his team are ready for whatever the future throws at them.

## LACK OF OFFSETTING DOESN'T MEAN LACK OF ACTION

Surprisingly, about 40% of respondents say their business didn't buy carbon offsets and had no plans to do so. This group of non-offsetting businesses makes up the largest of the three groups of companies identified by the CarbonCare survey.

Whittingtons, a Western Australian herb and spice company run by Michael Brayshaw, is part of the 40%. He says his attitude to buying carbon offsets stems from being "educated in western liberalism and having a healthy scepticism". Michael doesn't buy into the idea that human activity is causing climate change. "I am in the minority of scientists," he says, "in that while I'm not saying there is not a case for carbon release causing climate change, I'm saying that there are other things in play than human activity, including geomorphological factors."

When asked if climate change was affecting his business, Michael says he can see no evidence of it so far. He doesn't feel there is an indication from clients, the food industry or government to suggest that buying carbon offsets is expected. Despite not intending to purchase carbon

offsets, Michael said calculating Whittington's carbon footprint could be useful in helping drive the reduction of emissions internally. He indicates that solar and wind power generation investments were examples of how Whittingtons could achieve reductions instead of buying carbon offsets.

"We're not saying we won't do anything, but we're sceptical about offsetting," he explains.

Michael is one of the 73% of survey respondents who said climate change was not affecting their business at present. But the concern that climate change will harm businesses in the future seems to be increasing, with 58% of respondents believing their business would suffer from future climate-related issues.

## SOON-TO-BE OFFSETTERS HAVE PLANS IN THE WORKS

The soon-to-be offsetting group are the survey's centre-ists. The people who run these companies believe that businesses need to step up to the plate on emissions reduction and intend, but have not yet started, to buy carbon offsets. More than two-thirds of the CarbonCare survey respondents say they plan to reduce their carbon footprint, and three quarters said their emissions were of concern to management. More than half of the companies surveyed intend to buy carbon offsets in the future.

Melbourne-based architect, Jonathan Brener from Edition Office, says offsetting its carbon emissions is a priority in the coming year. "I brought up the idea of carbon offsetting one evening late last year when everyone was working back late. Everyone had been thinking along similar lines so strongly supported the idea," Jonathan said. He said reducing the company's emissions has taken longer than he'd hoped, thanks to COVID-19.

Having been introduced to the idea of regenerating land by family members, Jonathan said restoring native vegetation would be Edition Office's go-to method for carbon offsetting. According to the CarbonCare survey results, planting trees is many companies' first choice for reducing net emissions. In fact, 70% of buyers who responded to the survey said their management and staff would be enthusiastic about tree planting projects.

According to Jonathan, "it's important for architects to present ideas and lead processes". Edition Office is one of the 976 architectural firms in Australia that signed the 'Architects Declare' movement. "We are calculating the embodied carbon of building materials and working with a builder to help engage the construction industry," he said. Jonathan reckons the construction industry is becoming increasingly aware of its environmental impact. Tools such as eTool Life Cycle Design software are supporting the construction industry to determine its carbon footprint. On top of letting clients down and missing out on potential savings associated with carbon emissions, failure to act on community concerns about global warming will impact a company's ability to attract bright young people to work for them, Jonathan predicts.

"In the past, people were just looking for financial reward, but the current generation is less focused on money and more on the ethical and sustainable focus of the businesses they choose to engage with."

This makes offsetting even more attractive as a means of demonstrating a company's commitment to carbon reduction. Seventy-two percent of survey respondents said their employees would strongly support their company's decision to buy carbon offsets. "We're a practice of eight people, and we're all dedicated to the idea of offsetting our ecological impact," Jonathan said.

## CARBON CALCULATORS CAN CONFUSE CONSUMERS

Without a carbon calculator that is standard across industries, it can be hard to measure carbon outputs and savings. Not only that, it takes time to understand the carbon offsetting process. These are two of the most common barriers cited by businesses when it comes to taking steps to offset their carbon production. That's why only about a quarter of companies surveyed had calculated their total carbon emissions.

And despite enthusiasm from 80% of surveyed business owners who said that, in theory, they want to support climate offsetting, survey respondents listed a few common and significant reasons for why their company hasn't invested in emissions reduction. These are:

- Access to a reliable carbon calculator
- The drain on staff time to arrange offsetting
- The potential cost of carbon neutrality

Carbon Positive Australia's new carbon calculator is expected to overcome at least one of those problems.

## CARBON POSITIVE AUSTRALIA IS ON THE JOB

Developed with support from Lotterywest, the new Carbon Footprint Calculator will allow households and small businesses to accurately calculate their footprint with ease. Carbon Positive Australia CEO Louise Tarrier wants to make it as simple as possible for individuals and businesses alike to take positive action on climate change.

"We field daily calls from businesspeople seeking to calculate and offset their organisation's emissions," she said. The calculator will support small business owners (whether they're non-offsetters, soon-to-be offsetters, or offsetters) to understand the activities that contribute to their carbon footprint, and provide tailored insights into how they can reduce emissions. Calculator users will also have the option to offset these emissions by donating to Carbon Positive Australia's range of native restoration projects.

*\*CarbonCare is a Carbon Positive Australia project, supported by Lotterywest. The survey drew responses from privately-owned companies operating in a range of industries, across Australia, in July and August, 2020. For a copy of the final CarbonCare report, contact Carbon Positive Australia. [www.carbonpositiveaustralia.org.au](http://www.carbonpositiveaustralia.org.au)*