

BUSINESS ENTERPRISE

PROFILE

CRI count helps carbon cutback

The entrepreneurs behind the Carbon Reduction Institute avoid flying to cut back on emissions, writes **Jason Clout**.

An emerging consultancy is helping businesses find their way through the unfamiliar going green territory. The Carbon Reduction Institute, based in St Leonards on Sydney's lower North Shore, assists businesses to assess and reduce their carbon footprints.

CRI has a grading system that demonstrates the green credentials of products and services. Managing director Rob Cawthorne, who started CRI in 2006, says that as a green business, staff avoid flying as much as possible.

"We've already started audits of overseas companies, but we have licensed out to operators in other countries. We just do the desk audits here. It's not good for us to fly too much as a green business."

CRI is on the track to profitability. "We lost \$45,000 in the first year and \$120,000 in the second as we faced start-up costs. But we made \$85,000 this year on about \$2 million in revenue.

"For the 2009-10 year we've forecast \$3 million in revenue and up to \$500,000 profit."

CRI says many organisations

need to know what their carbon footprints are but they are unwilling or unable to find out.

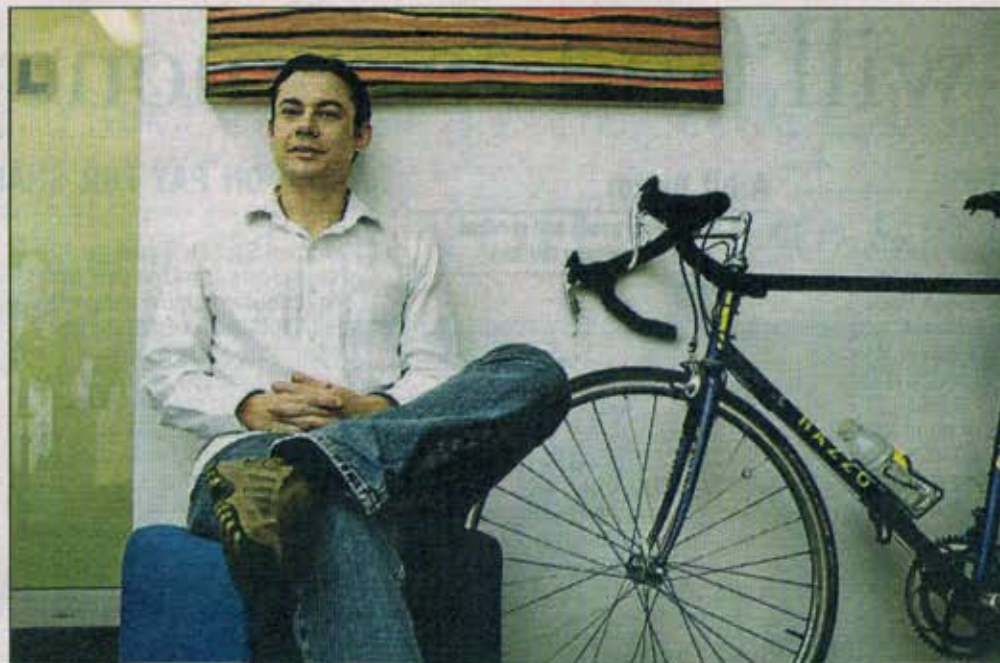
Cawthorne has an IT background, and is still involved in Vigilant Solutions, an IT business that developed software for an environmental project in the Hunter region in NSW. Cawthorne and his partners sensed there was potential for similar projects in other organisations and launched CRI.

About two-thirds of CRI revenue comes from audits. CRI undertakes a detailed examination of a business to determine how much carbon it produces.

CRI says it will capture all carbon dioxide or other greenhouse gas emissions in its procedures. It will also isolate each emission source so the client can decide how to deal with it.

"For a small business the audit might cost around \$1500 but for some big jobs it might be \$25,000 to \$30,000."

The amount of carbon produced varies widely. A small green consumer advisory website, zeroyourcarbon.com.au, was found to produce less than five tonnes of



CRI takes education seriously, says managing director Rob Cawthorne. Photo Louise Kennerley

We support the Indian project because it displaces energy from fossil fuels.

carbon a year. An organisation such as CPA Australia produces more. But Cawthorne says CRI can show it how to lower its carbon emissions. CRI has audited CPA Australia for the past four years. "We see it as an endorsement of our business that we are in fact auditing the auditors."

CRI has worked with government and private bodies, including the non-government Total Environment Centre.

CRI has its own stamp for those businesses wishing to sell green products. It has a low CO₂ grading

that applies to businesses that have offset a portion of their carbon emissions.

The no CO₂ rating is for businesses that have offset total operational greenhouse gas emissions and the emissions in products they sell and use.

That ranking entitles them to sell carbon-neutral products and services. Products in that classification include Bulloak shiraz from Zilzie Wines, Sukin skin care and Jasper Coffee.

CRI assists clients in securing carbon credits. Its offset project is the Karnataka Renewable Energy Project in India, which makes electricity by burning waste.

"That displaces electricity from fossil fuels, which is why we support it. But it has a secondary benefit in that the husks do not

rot, producing methane," says Cawthorne.

That is an active part of the business although there can be significant costs in buying carbon credits. The final version of the emissions trading scheme could provide a boost for CRI.

Along with Cawthorne, the shareholders include environmental director Gavin Pereira, projects director Andrew Barson and finance manager Marvin van Stralendorff.

Cawthorne says having "institute" in the name of the business is an advantage.

"We were very pleased that name was available. Although we're a private organisation, we're taking education seriously through lectures and other speaking events."