

## Australian Carbon Offset Market to Represent \$550 Million Opportunity

**BRISBANE, 23 MARCH 2011:** Analysis released by consultancy firm Carbon House today shows that the Australian carbon offset market could be worth approximately \$550 million in the first year under the Government's plan to introduce a fixed carbon price from July 2012, combined with the latest recommendations of advisor Professor Ross Garnaut.

The analysis, available in full on Carbon House's website, shows that under Professor Garnaut's recommendations there would be two separate offset markets created; a regulatory market and a faux 'voluntary' market where offsets would be purchased by a regulatory authority in order to encourage emissions reductions in the agricultural and land sector.

In 2012/13 - the first year of the proposed scheme - the regulatory offset market would represent approximately 16 million tonnes of CO<sub>2</sub>e and a value of \$320 million. The 'voluntary' market would represent approximately 15 million tonnes of CO<sub>2</sub>e and a value of \$230 million.

Andrew Wilson, a Carbon Markets Analyst at Carbon House, said that these projections are likely a conservative estimate of the potential market size.

"The significant size and financial value of these markets is despite recommendations by Professor Garnaut that liable firms should be limited to meeting 4% of their emissions responsibilities with offsets in the first year of the scheme and that the regulatory authority should limit their 'voluntary' purchases financially to 2% of total carbon revenue. The government will ultimately have to impose some kind of limits on offset purchases in order to guarantee budget neutrality, but whether these will be higher than those recommended by Professor Garnaut remains to be seen."

The Carbon House analysis also outlines that there is a strong case for the Government to only allow the use of carbon offsets generated within Australia in the final design of the scheme.

Mr Wilson said that the findings of this analysis represent an exciting opportunity for the Australian land sector and the Australian economy.

"Whilst most of the media and political attention has focused on the potential costs of a fixed carbon price as well as the recommendations of tax cuts and pension increases made by Professor Garnaut, this analysis shows that there is likely to be significant new opportunities as well."



# MEDIA RELEASE

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## ABOUT CARBON HOUSE

Carbon House is a dynamic and innovative carbon advisory, projects and training firm based in Brisbane. Carbon House works with businesses of all sizes to provide consultancy and advice services, carbon management strategies and carbon offset and renewable energy solutions. With vast in-house expertise and experience and an innovative and dynamic outlook, Carbon House is positioned at the forefront of the industry as carbon markets develop domestically and internationally.

## CONTACT

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