

# CARBON BALANCED STATEMENT

AUGUST 2007



## ADDICTIVE ENTERTAINMENT PTY LTD



### BUSINESS CASE

Addictive Entertainment Pty Ltd has been in the travel and tourism industry for over 15 years and is the parent company to Neighbours Tours & Neighbours Trivia Night, Otway Discovery Tours, Penguin Island Tours and recently acquired Bunyip Tours.

These are all promoted under the Backpacker King brand which services most of the regional tourism destination in Victoria and are a significant operator in the international tourism industry.

With the recent acquisition of Bunyip Tours, George Josevski the managing wanted to apply many of the sustainable and minimal impacts policies of this company to his whole operation.

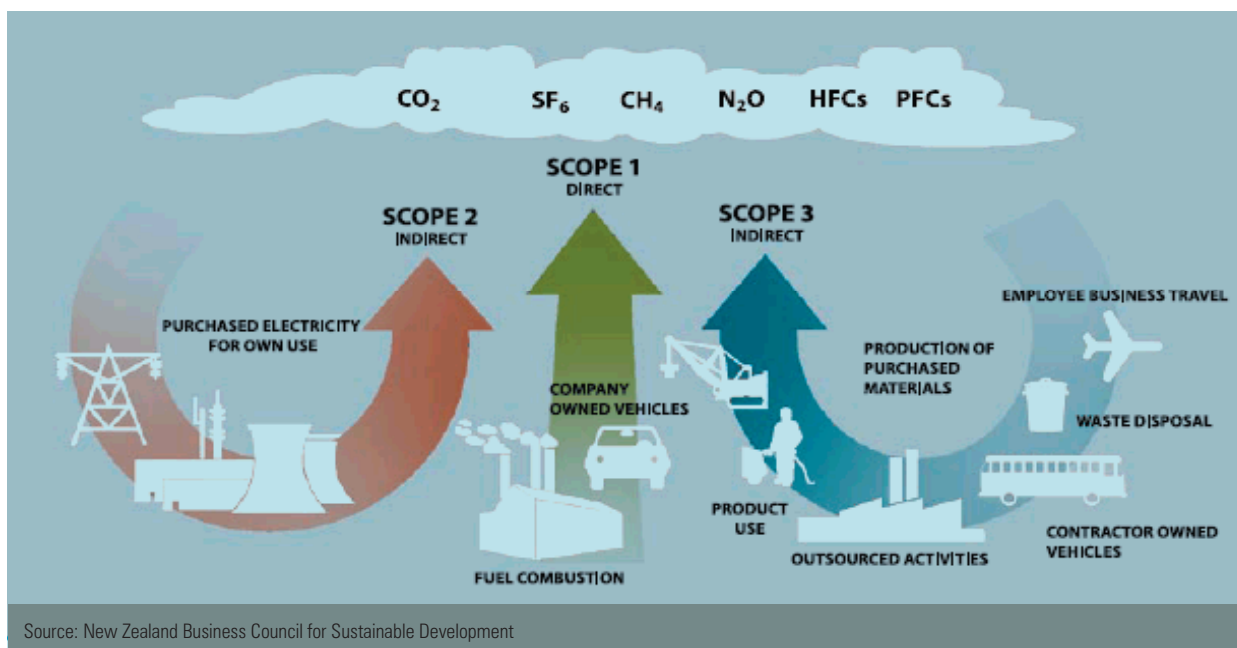
Becoming aware of the issues concerning Global Warming and an increasing awareness amongst his customers and marketplace of the need to minimise our impacts on the environment, he approached Carbon Balance Consulting to devise a strategy to achieve Carbon Neutrality.

### PUBLIC REPORTING AND VOLUNTARY INITIATIVE

Carbon Neutrality and offsetting emissions is a relatively new concept at tackling climate change. It is something that is often misunderstood and we wanted a process to be able to substantiate our claims.

By following an approach that is approved by the Australian Greenhouse Office we are able to substantiate our neutrality claims and be visibly active in promoting a true account of our process.

The undertakings of Addictive Entertainment in this process are a totally voluntary process and we welcome others having input into this process. We recognize that immediately reducing our total emissions is not possible but will continue to improve our awareness of our Carbon Footprint and its effects on the environment.



## CARBON NEUTRALITY (BALANCED)

Carbon Neutrality is by definition a statement claiming that the organisation, event or product, has been audited on its Greenhouse Gas emissions and these have been expressed as total of Co<sub>2</sub>-e (Carbon dioxide). This total emission release is known as a 'carbon footprint' and once this amount has been arrested, or offset, then the net result is that the carbon footprint has been balanced and can be claimed carbon neutral.

## AUDITING PROCESS

The audit methodology applied to Addictive Entertainment complies with the AGO (Australian Greenhouse Office) *AGO Factors and Methods Workbook 2006*. This workbook has been harmonised with the international reporting framework of the World Resources Institute/World Business Council for Sustainable Development, known as *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*.

## EMISSIONS CONTAINED IN THE AUDIT

Our objective was to identify the major direct and indirect emissions created by Addictive Entertainment and include all manageable emission losses caused by our operations plus some that we are aware of but can't manage.

As defined by the GHG Protocol, and the World Resources Institute we have categorised the emission losses into the following scopes.

- Scope 1** covers **direct emissions** from sources within the boundary of an organisation such as fuel combustion and manufacturing processes.
- Scope 2** covers **indirect emissions** from the consumption of **purchased electricity, steam or heat** produced by another organisation. Scope 2 emissions result from the combustion of fuel to generate the electricity, steam or heat and do not include emissions associated with the production of fuel
- Scope 3** includes all **other indirect emissions** that are a consequence of an organisation's activities but are not from sources owned or controlled by the organisation. Business operational boundaries

## DESCRIPTION OF OPERATIONS AND BOUNDARIES OF REPORT

Their operations include running 5-6 buses using diesel fuel, an office and depot that are paper based, and the contracted hire of venues in Melbourne and Sydney. We have chosen to include all staffing, waste and have a contracted hire of an entertainment venue on a weekly basis.

## REPORTING BOUNDARIES

- ▶ All trading names owned by Addictive Entertainment and their emission losses are captured by the parent company.
- ▶ The contracted venues emission sources for the trivia nights in Melbourne & Sydney captured.
- ▶ Staff commuting, flights and general waste are included as calculated estimations as no method for accounting this information was kept

## NON CAPTURED EMISSIONS

Addictive entertainment took the step of purchasing additional carbon to cover any potential emissions identified but not captured by this audit due to their insignificance and difficulty in accounting.

These emissions include

- ▶ 50% share in Cafe566
- ▶ mechanical contractors and any service's that required visiting the premises
- ▶ expo's or external presentations.
- ▶ Taxi rides

## MEASUREMENT OF EMISSIONS

The first priority was to understand our emissions and establish an inventory for the financial year of 2006-07. This will serve as a benchmark for the future year's carbon footprint and any changes in inventories will be compared.

This inventory will continue to improve as our records improve and so far no attempt has been made to analyse the life cycle of the products used as this is considered the responsibility of the manufacturer's

## APPROACH TO CARBON NEUTRALITY (BALANCED)

The approach that was taken in achieving Carbon Neutrality was that of the most direct approach. Recognising an immediate need to balance their impacts they chose to identify the total amount of their footprint and immediately offset this. Now that this balance has been achieved they will look at implementing emission reductions.

## CHOICE OF OFFSETS

Considering the business is based on customers experiencing Victoria natural surroundings they wanted to choose an offset that related directly to the landscape they visited and was something tangible that their customers and staff could relate to.

There are some concerns and doubts about the future projection of some bio-sequestration projects and recommended that they select a robust, government approved solution with CarbonSmart, a division of Landcare. The CarbonSmart model for bio-sequestration plant in regional locations (Gippsland & Otways) and they only calculate the carbon acquired per year of growth. It is the yearly accumulation of carbon that has been purchased for our offset.

By choosing this bio-sequestration project Addictive Entertainment's aims of contributing back to the environment in a tangible way that helps reduce carbon, improve local bio-diversity that creates habitat for indigenous flora and fauna has been realised.

## SUSTAINABLE IMPLEMENTATIONS

Addictive entertainment recognises that the bulk of their emission come from diesel fuel used in operating the buses. They are currently using modern efficient 4cylinder turbo diesels and to significantly reduce these emissions will be difficult whilst these are in service.

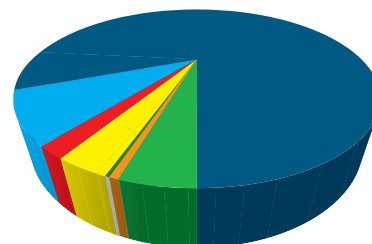
Steps taken to reduce emissions:

- ▶ **Brochures**  
FSC accredited recycled paper now used in our brochures
- ▶ **Eco Accreditation**  
Eco accreditation program embarked on and due to be completed by September 2007
- ▶ **Vehicle efficiency**  
Look at driver training for improved efficiency and investigate more fuel Efficient vehicle
- ▶ **Electricity reduction**  
Look at implementing light efficiency bulbs to reduce electrical usage in the office. Look at purchasing 100% Green electricity

## CONCLUSIONS

Addictive Entertainment recognise that a significant proportion of their emissions ( 73.3%) is attributed to the direct combustion of diesel fuel for the operation of the buses. This amount will be difficult to arrest until alternative fuels are sourced or different vehicles come into the market place that are more efficient. These are considered beyond the immediate responsibility of Addictive Entertainment. However some of the direct emission that can be reduced will be implemented where possible.

## 2006-2007 GHG INVENTORY\*, †



Emission Sources	Consumption	Consumption Units	CO2-e (tonnes)##	% of Total Emissions
<b>Direct emissions (Scope 1)</b>			<b>290.83</b>	<b>73.3</b>
Diesel for Vehicles	107,717.00	Ltrs	290.83	73.3
<b>Indirect Emissions (Scope 2)</b>			<b>29.99</b>	<b>7.5</b>
ELECTRICITY Combined Office, Depot & Leased premises	24210.00	kWh	29.99	7.5
<b>Optional emissions included (Scope 3)</b>			<b>76.56</b>	<b>19.3</b>
Emissions from fuel extraction, production & transport transmission & distrib line loss electricity.	33780.00	kWh	2.9	0.73
Emissions from diesel extraction, production & transport	107,717.00	Ltrs	32.31	8.1
Staff commuting	23400.00	km	6.8	1.7
Neighbours Night (leased premises Melb)	9570.00	kWh	11.85	2.9
Neighbours Night (leased premises Syd)	2208.00	kWh	2.4	0.6
Paper & Cardboard Waste (brochures & misc)	760.00	kg's	0.94	0.23
Domestic Flights#	14680	km's	1.76	0.44
Non Captured emissions**			17.6	4.4
<b>Totals Scope 1+2+3</b>			<b>396.8</b>	<b>100</b>
<b>Reduction offsets</b>			<b>-400</b>	<b>100</b>
Carbonsmart†	400	tonnes CO2-e	-400	100
<b>Nett Emissions</b>			<b>-3.2</b>	<b>0.8</b>

\* Inventory was developed in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards (GHG Protocol) developed by the World Resource Institute (WRI). The factors have been sourced from the AGO Factors and Methods Workbook 2006. † Figures may not sum due to rounding. # All flights in Australia considered medium length by WRI standards. \*\* These are surplus purchases for potential carbon solutions and to guarantee all emissions are compensated. † Australian Greenhouse Friendly approved offset. ## Including the six gases covered by the Kyoto Protocol, which are measured in carbon dioxide equivalents (CO2-e)

*"I was really keen to do something that showed to overseas travelers that we Australians are concerned about our environment, and wanted to do something that was bold and was giving back.*

*At first I didn't understand carbon neutrality but once Carbon Balance Consulting explained it, and took us through the process, it has become an invaluable exercise for us to understand our impacts on the environment.*

*The team is really excited at the new direction we are taking and keen to tell others about such an important cause."*

*George Josevski,  
Managing Director*