



Company admits misleading consumers about marketing carbon credits

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The Federal Court of Australia has declared that Prime Carbon Pty Ltd made false or misleading representations concerning the supply of its services in relation to the sale of carbon credits.

The representations were made in Prime Carbon's promotional brochures and on its website, www.primecarbon.com.au.

Prime Carbon sells a 'soil carbon and sequestration program' to farmers which aims to sequester carbon from the atmosphere and store it in agricultural land. In signing farmers up to this program, Prime Carbon provides the following services:

1. design and facilitate carbon sequestration and other greenhouse gas abatement and offsetting projects for customers,
2. assist in the creation and management of specific amounts of carbon dioxide sequestered or abated from the environment (carbon credits), and
3. assist in the registration and marketing of those carbon credits.

The court orders, made by consent, follow Australian Competition and Consumer Commission action taken against Prime Carbon and its sole director, Kenneth Bellamy, in December 2009.

Justice Spender declared that between July 2008 and December 2009, Prime Carbon claimed an affiliation or association with the National Stock Exchange of Australia that it did not have, in contravention of section 53 of the *Trade Practices Act 1974*.

The court also declared that between July and December 2008 Prime Carbon had made misrepresentations concerning the National Environment Registry Pty Ltd, a company through which Prime Carbon supplied some of its services. Those misrepresentations included that the NER was regulated by the Australian Government, when it was not, and that NER entered into an arrangement with the Chicago Environment Registry, when it had not.

Mr Bellamy was also found to have been knowingly concerned in the contravening conduct.

Justice Spender also made orders:

- restraining Prime Carbon and Mr Bellamy from engaging in such conduct
- requiring Mr Bellamy to undertake compliance training
- requiring the respondents to publicise the Court's orders through letters to the company's customers and a notice on its website, and
- requiring Prime Carbon to pay the ACCC's costs.

ACCC chairman Graeme Samuel said this outcome signals the ACCC's vigorous pursuit of companies that make

misleading representations in the carbon credit market.

"Companies operating in the carbon credit market need to be on alert: the ACCC is closely monitoring this industry sector and if you are making representations that you cannot substantiate, we will take action to ensure your compliance with the Act," Mr Samuel said.

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