

Sustainable Business Practices is pleased to present a review of recent activities from government, business and research centres on issues relating to business sustainability.

National Greenhouse and Energy Reporting Bill 2007

This Bill, which gives effect to part of the necessary actions outlined in the Australian Government's Climate Change Policy released in July to implement an emissions trading scheme, was introduced to Federal Parliament on 15 August by the Minister for the Environment and Water Resources, Malcolm Turnbull.

The Bill provides for reporting or disclosure of greenhouse gas emissions, energy production or consumption by registered corporations that exceed specified thresholds. For greenhouse gas emissions the thresholds are:

- 2008-09 financial year > 125,000 tonnes of CO₂e
- 2009-10 financial year > 87,500 tonnes of CO₂e
- 2010-11 financial year > 50,000 tonnes of CO₂e

For a corporation and controlled members the reporting requirement covers all facilities of a group. Unless exemption has been granted to a registered corporation, the information supplied will be published by 28 February of the following year (i.e. for the 2008-09 financial year emissions will be reported in February 2010).

As outlined in the policy statement released in July, the Commonwealth system of emissions reporting will operate to the exclusion of all state and territory schemes ensuring that businesses will only have to report to a single entity.

Indonesia upgrades the Bali CopMop meeting by inviting finance ministers

The Indonesian Department of Foreign Affairs has confirmed that invitations have been issued to finance ministers from the Group of 20 countries, including Treasurer Peter Costello, to the UNFCCC CopMop in Bali from December 3-14 this year.

The involvement of finance ministers as well as environment ministers "reflects the seriousness with which they (Indonesia) want to get things done" according to Tony Beck, co-ordinator of the Australasian Emissions trading Forum. He added that decisions by environment ministers at previous UN meetings "had often been scuttled when they returned home because they did not have the imprimatur of finance ministers".

Treasurer Peter Costello has confirmed he has been invited to speak at the meeting.ⁱ

Gen X to pay for emissions target delay

The importance of early action to address climate change has been reinforced with research by The Climate Institute which suggests that Australia's Generation X stands to lose up to \$1,300 in superannuation each year of retirement due to delayed action on climate change.

Because stock valuations are calculated on short term value, no one has looked ahead to measure what impact carbon pricing might have on stock values. Our modelling investigates that, and shows that if we are forced to take sudden action later, the adjustment in the stock market will adversely effect the superannuation payments of thousands of Australians //

Climate Institute Chief Executive John Connor.

"The modelling, which has input from Goldman Sachs JBWere and AMP Capital, looks at the data collected by the 44 Australian-listed companies that participated in the 2006 Carbon Disclosure Project and the likely impact of future carbon prices on company value. These companies represent over 80% of the ASX100 by market capitalisation."

According to Goldman Sachs JBWere's Head of Quantitative Research Andrew Gray, the model has taken a conservative approach which may even underestimate the impact of late policy action to address climate change.

"Past 2030 [the model] is probably even conservative in terms of carbon liability given how difficult it will be to bring the delayed action emissions down sharply," he said.ⁱⁱ

More detail and an online calculator is available at www.climateinstitute.org.au/index.php?option=com_content&task=view&id=69&Itemid=40

The Climate Institute research supports the findings of the Australian Business Roundtable on Climate Change which in April 2006 reported that in parallel with early action from 2013 to reduce greenhouse gas emissions by 60% by 2050, Australia's economy will continue to grow. Australia's GDP will grow at 2.1% pa with early action and increase from \$0.8 trillion in 2005 to \$2 trillion in 2050.ⁱⁱⁱ

Sustainable Business Update

Sustainability – the \$12 billion business

Research by the Mobium Group has identified the Australian sustainability market as a \$12 billion business, a part of a \$500 billion global category, described by The New York Times as “the biggest market you have never heard of”.

According to the research, the LOHAS (lifestyles of health and sustainability) segment is growing at 20% annually and will reach \$21 billion by 2010, although many businesses have yet to acknowledge the opportunities in the sector.^{iv}

Industrial real estate going green

Owners and developers of industrial property are seeing the opportunities for incorporating environmentally sustainable development (ESD) in both existing and new development projects. At their 337,000 square metre Erskine Park development west of Sydney, GPT are proposing 333,000 litres of water tanks for every 10,000 square metres of roof area, a total storage of more than 11 million litres.

Water is not the only issue being considered. Photo-voltaic cells are also on GPT’s agenda.

Education of tenants is a major consideration for the future. Whilst ESD is not high on many tenant agendas, pressure from architects, engineers and lawyers is bringing the issue to the fore. Shareholders are also asking boards questions about their activities and buildings are an obvious target.^v

Australian Business and Climate Group calls for National Low Emissions Technology Strategy

In the report “Stepping Up, accelerating the deployment of low emission technology in Australia” launched at Climate Change and Business Conference in Brisbane on 31 August, the Australian Business and Climate Group has called for the adoption of a low emissions technology strategy to complement the early introduction of a national emissions trading scheme.

The Group comprising nine leading Australian and global businesses notes that “transforming the way Australia produces and uses energy must be a cornerstone of a national response aimed at significantly reducing greenhouse gas emissions”.

The report is available at: www.businessandclimate.com

Victorian Government to map coastline vulnerable to effects of climate change

The Victorian Government has sought to identify the stretches of the state’s coastline most vulnerable to the impacts of climate change in a study announced on 26 August. A key objective of the study will be improvements in the planning and development process in Victoria.

The Minister for Climate Change, Gavin Jennings was quoted as saying “The project will provide more certainty to coastal planners and managers in their decisions relating to whether or not a development has adequately taken a precautionary approach to climate change”.

The failure of planning authorities to take into account in their decision process the potential future impacts of climate change has been cited as a possible cause for legal action by landowners affected by storm surge and coastal flooding.

The study, to be conducted in collaboration with CSIRO, will create detailed three dimensional models of the coastline 10 metres above and below the mean sea level.^{vi}

Sydney APEC Leaders’ declaration on climate change, energy security and clean development

In the declaration released in Sydney on 9 September, APEC Leaders committed to a number of matters in relation to addressing global climate change:

- The United Nations Framework Convention on Climate Change is the paramount means of dealing with climate change
- Future international climate change arrangements need to reflect differences in economic and social conditions among economies
- Research, development, deployment and transfer of low and zero emissions technologies for coal will be essential
- Sustainable forest management and land use practices play a key role in the carbon cycle and need to be addressed in the post 2012 protocol
- Adapting to climate change impacts is a priority for domestic development strategies
- APEC members of the UNFCCC agree to work actively toward a comprehensive post 2012 arrangement at the Bali meeting of the CoP in December.

The full statement is available at: www.apec2007.org/documents/Declaration%20Climate%20Change.pdf

References

- i Australian Financial Review, 31 August, 2007, page 34
- ii The Climate Institute press release 2 September 2007, www.climateinstitute.org.au
- iii “The Business Case for Early Action” www.businessroundtable.com.au

- iv The Age, Business Day, 6 September 2007, page 3
- v Australian Financial Review, 6 September 2007, page 52
- vi The Age, 27 August 2007, page 1