

Australian companies rate well as responsible corporates

Westpac emphatically trumped the 2004 Corporate Responsibility Index, one of the most comprehensive ratings of company social and environmental performance, winning first place in both the Australian and UK ratings. The bank led a list of 134 major British companies, and beat the 26 other entrants in the local Index.

BP, BHP Billiton, Rio Tinto and Toyota achieved the next best placings among the Australian companies that volunteered to be scrutinised by the rigorous Index process, developed by the UK-based organisation, Business in the Community. The St James Ethics Centre in Sydney is trustee of the Australian Index, with Ernst & Young providing significant *pro bono* support as its independent validator.

Dr Simon Longstaff, Executive Director, of the St James Ethics Centre, highlighted that 'Westpac has topped the scores in both Australia and the United Kingdom, demonstrating that Australian companies can compete in this area of activity with the world's best – including those that have been driven to perform by a challenging regulatory environment'.

'Companies, like Westpac, have matched or exceeded mandated standards – and have done so as a matter of choice rather than compliance. Other companies, like Foster's and Insurance Australia Group, have shown really significant improvement – showing what can be achieved, even in the short-term, when building from a solid base', he said.

Special inaugural awards for



Westpac Banking Corporation Chairman Leon Davis accepts his organisation's Corporate Responsibility Index Award for Best Company, presented by the Deputy Premier of Victoria, the Hon. John Thwaites MP, at this year's Business Leaders Forum on Sustainable Development. St James Ethics Centre

the Index participants were presented at this year's Sixth National Business Leaders Forum on Sustainable Development in Melbourne, attended by over 200 leaders active in the field of sustainable

development. Westpac received its award for Best Company, but IBM Australia and Foster's Group received special awards for Best Newcomer and Best Progress, respectively.

Commenting on the special

Greenhouse gas levels in reach with action and new technology

While findings by the Cooperative Research Centre for Greenhouse Gas Technologies have suggested that action must be taken within the next ten years to stabilise global levels of atmospheric CO₂ by the end of the century, they also highlighted that with current technologies and practices this can actually be achieved.

Dr Peter Cook, the CRC's Chief Executive, said the recent research suggests that the world could stabilise CO₂ emissions in the next decade at 550 parts per million (ppm) by employing a combination of carbon capture and storage (CCS) technology, renewable energy, improved energy efficiency and land management practices. However, he emphasised that there needs to be an immediate, concerted international effort

to start mitigation action, agree long-term targets, and apply CCS technology and other reduction techniques.

Elaborating further, Dr Cook set out the CRC's scenario for achieving the 550 ppm level by 2100 as:

- **2005 to 2015:** commercially viable CCS technology would be fully developed and demonstrated; fossil fuel-based power stations and major industries would be preparing to adopt CCS as a greenhouse gas mitigation strategy.
- **2015 to 2035:** major industrial consumers of fossil fuel would begin using CCS technology; and there would be development for commercially viable hydrogen and electric transport technologies.

- **2035 to 2055:** the full implementation of CCS in all new fossil fuel power stations and major new industrial sources would be complemented by the use of CCS for transport; and the introduction of hydrogen and electric vehicles for all transport.

- **2055 to 2100:** the widespread use of CCS and hydrogen for electricity would lead to zero emissions from electricity generation, industrial plants and transport; and the stabilisation of the atmospheric concentration of CO₂ at 550 ppm.



The dredged coal face in an open-cut mine. Newest technologies will focus on mitigating the effects of ongoing fossil fuels use. Malcolm Paterson

'The companies that persist demonstrate gritty leadership of a kind that will hopefully inspire others'

awards, Dr Longstaff pointed out that 'Perhaps the greatest accolade should be reserved for those companies that have stuck with the Corporate Responsibility Index process – even though they are not (yet) at the top end of the table. It's far easier to participate when general acclaim is the most likely result than to do so knowing that the results will reveal a daunting list of further challenges.

'The companies that persist demonstrate gritty leadership of a kind that will hopefully inspire others to embrace this measurement as the first step to improving performance.'

This year's Australian Index

achieved a higher average overall score than the inaugural assessment, by 5%, raising it to 82%, despite efforts to make it more challenging. The ratings were adjusted to be more attuned to the real actions of companies – and not just their strategic planning prowess. While the scores in 2004 were encouraging, the weakest areas were around supply chain management, and action – the latter still demonstrating a noticeable gap between 'saying' and 'doing'.

A core group of 20 companies volunteered to participate again in the Australian Index. Seven new companies completed the Index for the first time, with six taking a break this year. Encouragingly, those re-competing generally bettered their scores.

More information:
www.corporate-responsibility.com.au

Meanwhile, a March report by the Australian Bureau of Agricultural and Resource Economics (ABARE) has shown how accelerated development and adoption of new technologies could markedly reduce the growth in energy consumption and greenhouse gas emissions in Asia Pacific countries. Over the period to 2030, reductions could be 40 per cent in the electricity industry and 50 per cent in the steel industry.

These technologies include advanced coal gasification and combined cycle gas fired electricity plants (being developed as part of the United States Vision 21 program) and casting and single vessel smelt reduction processes in the steel industry.

The extent to which this potential can be realised, however, will depend on both research to develop more advanced technologies and, again, the appropriate institu-

tional settings within APEC economies to facilitate the transfer of these technologies.

Federal Minister for the Environment, Ian Campbell, has acknowledged the integral need for new technology in emissions reductions, saying in March that being able to use traditional energy sources such as coal, oil and gas through cleaner and more efficient methods is undoubtedly the biggest challenge facing governments and industry.

'Other energy sources – such as solar, wind and hydro – have an important role to play but for the foreseeable future fossil fuels will continue to be the principal source of Australia's energy needs,' he said.

The Government had established a \$500 million fund, which aims to leverage \$1 billion from industry to help further develop emissions reduction technologies.

Mustard 'gas' in use around Adelaide

Mustard seed and canola oil are now being used across Adelaide's public transport network to reduce greenhouse gas emissions, offset fuel dependence, and possibly pave the way for a local biofuel industry.

Coinciding with the official introduction of the Kyoto Protocol this year, the State Government announced the city's buses and trains will be partly powered by biodiesel – an environmentally friendly fuel that can be made from recycled frying oil.

After a successful trial of a biodiesel bus service along Henley Beach Road and Parade routes since mid-2002, all metropolitan trains and diesel buses began running on 5 per cent biodiesel from 1 March 2005. Over time, this will be increased to 20 per cent.

Premier Mike Rann said 95 railcars and about two-thirds of the 810-bus fleet will run on biodiesel, with the remainder using natural gas.

'Together with the extensive use of compressed natural gas in buses and the purchase of new Euro 4 standard emission buses, this will make our public transport system fleet the cleanest in Australia,' Mr Rann said.

Transport Minister Trish White said the bio-component of biodiesel is comprised of waste cooking oil, mustard seed oil or rapeseed oil, combined with tallow and fats. The environmental benefits of biodiesel include using recycled oils, cleaner emissions and therefore, cleaner air.

'In Australia, the transport sector is the third largest emitter of greenhouse gases, after power stations and agriculture,' Ms White said.

'Biodiesel fuel is widely used



Adelaide's trial biodiesel buses have become a popular sight along Henley Beach Road and Parade routes, running since mid-2002. Courtesy of Transport SA and Greenfleet

in Europe and the US and I want to see it used more in South Australia, to make Adelaide cleaner and greener in terms of air quality.

'Significant expansion of biodiesel use would justify a new production plant and stimulate a new green industry for South Australia, which is also great news for jobs and our agriculture sector.

'We are aiming to have a secure, reliable supply of biodiesel fuel blend.

'Reducing energy consumption and greenhouse emissions is one of the objectives of South Australia's Strategic Plan.

'We are encouraging greater use of public transport, walking and cycling, all aimed at improving our air quality, less car travel, a safer system, a healthier environment, and healthier people.

'By using an alternative fuel source we are also reducing our dependence on imported fuel supplies,' Ms White said.

'South Australian Farmers Federation President John Lush and the State Government have agreed to explore possibilities for local farmers to supply a new biofuel production industry.

'This could mean we end up with a South Australian biodiesel product from field to fuel tank,' she said.