

In Brief

30 per cent by 2020 feasible



Australia could meet 'aggressive' short-term targets. iStockphoto

A recent McKinsey & Company report – 'Australian cost curve for greenhouse gas reduction' – claims that Australia could reduce greenhouse gas (GHG) emissions by 30 per cent by 2020 at a cost of less than \$1 a day for every Australian household.

The report further claims that Australia could cut emissions by 60 per cent by 2030 'without major technological breakthroughs or lifestyle changes.' The findings are based on economic modelling to evaluate the costs and opportunities of more than 100 emission reduction measures.

'We recommend that the federal government take three key steps: set an aggressive but realistic GHG reduction target for 2020; accelerate the implementation of an integrated set of policies; and proactively support the global framework,' concludes the report.

An inconvenient tax system

Australia must develop a 'climate-change friendly' tax system to kick-start emissions-abatement initiatives ahead of the 2010 national Emissions Trading Scheme (ETS), according to a recent KPMG white paper, 'Climate Change: current accounting and tax issues for Australian business leaders'.

KPMG says businesses already taking steps to reduce their carbon footprint are finding that, unless they can clearly link their activities to generation of taxable income, the costs may not be tax-deductible under current rules. It recommends a raft of measures to kick-start development of low-



The current tax system can be a handicap for businesses taking early action to reduce their carbon footprint. iStockphoto

emissions technologies, such as accelerated tax depreciation and an expanded R&D tax concession. It also advises companies to investigate existing accounting tools for managing their greenhouse emissions including the Greenhouse Gas Protocol (www.ghgprotocol.org) and the Carbon Disclosure Project (www.cdproject.net).

Call to abolish 'senseless' incentives for company car use

The Australian Conservation Foundation (ACF) recently branded government tax concessions for the private use of company cars as 'economically senseless' and 'environmentally destructive', as well as adding to the tax burden on the rest of the population.

Last financial year, the government subsidised the use

of company cars to the tune of \$1.5 billion, a figure set to exceed \$2 billion a year by 2009/10.

'There are much better uses for \$2 billion than to hand it out to affluent corporate executives as an incentive to buy cars and drive them as much as possible to get the maximum tax benefit,' said ACF Strategies Director Charles Berger.

ACCC provides guidance to prospective 'greenwashers'



The Australian Competition and Consumer Commission (ACCC) has issued a *Green Marketing and the Trade Practices Act* guide for the business sector on the use of environmental claims in marketing.

ACCC Chairman Graeme Samuel said the publication aims to educate businesses about their obligations under the *Trade Practices Act 1974* and to assist manufacturers, advertisers and others to assess the strength of any green claims they make.

The guide contains advice about principles such as product life cycle, which takes into account resources used in a product's manufacture, recycling, destruction and disposal. Companies found breaching the *Trade Practices Act* could be fined up to \$1.1 million.

Free patents opening doors to more eco-innovation

The World Business Council for Sustainable Development (WBCSD) and IBM – the leading earner of US patents – have established a public online patents database that allows companies to share patents for environmentally responsible products.

Nokia and Sony are also involved in what is known as 'the Eco-Patent Commons', a

dedicated public website hosted by the WBCSD.

Patents pledged will include innovations in manufacturing or business processes where the solution provides an environmental benefit. For example, a company may pledge a patent for a manufacturing process that reduces energy or water consumption, or a logistics solution that reduces

fuel consumption. Nokia has pledged a patent to help companies safely reuse old mobile phones by transforming them into new products such as digital cameras, data monitoring devices or other electronic items.

Membership in the Eco-Patent Commons is open to all individuals and companies pledging one or more patents.



Bright 'green' ideas can now be shared freely. iStockphoto