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Tax breaks alone will not green-up business – consumer demand needed

As political debate rages around the best way to reduce Australia's carbon emissions, a new report has found that consumer demand outweighs tax incentives as a key driver to operate a more sustainable business.

- 82% of Australian privately held businesses have identified consumer demand for green goods and services as a core reason for making their business more environmentally -friendly

Over 250 businesses across Australia were analysed by the Grant Thornton International Business Report (IBR), a survey which investigates privately held business attitudes toward sustainable practices and their motivations for considering greener alternatives.

Over 90% of respondents reporting that environmental credentials had no impact on whether they had won or lost customers over the past 12 months.

Although greater tax incentives to invest in R&D for the development of low carbon products or services (77%) and rising energy bills (71%) are considered key motivators, a high proportion of respondents still pointed to tenders demanding greener suppliers (69%) as a key factor in operating a more environmentally-friendly company.

Tony Markwell, National Head of Privately Held Business at Grant Thornton Australia, remarked:

“From the data we can see that the core challenge that our country faces is the lack of consumer pressure to encourage a change in business practices. However, there is still a responsibility on the part of business to account for their environmental impact and make the necessary changes to reduce this – the extent to which business can viably make these changes though will greatly depend on the policies proposed.”

- Ends -

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Notes to Editors

Over 250 medium to large Australian businesses participated in the survey in October 2009. Medium to large companies are defined as having between 20-299 employees.

What would encourage you to operate a more environmentally-friendly/sustainable business?	% Response
consumer demand for green goods and services	82%
tax incentives to invest in R&D around developing low carbon products and services	77%
rising energy bills	71%
tenders from clients demanding greener suppliers	69%
greater tax incentives for installing renewable energy sources	68%
tax incentives to invest in energy-efficient equipment/technology	53%
free energy audits and expert advice	10%
just not a priority in the current downturn	4%

The International Business Report

Grant Thornton International started a major annual survey of the attitudes and expectations of small and medium-sized businesses in 1992 called the European Business Survey (EBS). In 2003 the research project was widened to an international perspective covering medium-sized businesses and renamed the International Business Owners Survey (IBOS).

In 2007, the survey's name was changed from IBOS to the International Business Report (IBR). The IBR survey draws upon 17 years of trend data for original EBS participants and 7 years for original IBOS countries. The 17 year trend data is available for: France, Germany, Greece, Ireland, Italy, Netherlands, Spain, Sweden and the United Kingdom, while the 7 year trend data is available for Australia, Canada, Hong Kong, India, Japan, Mexico, Russia, Singapore, South Africa and the United States.

Grant Thornton International will donate US\$5 to UNICEF for every completed IBR questionnaire. In 2009, this will result in a donation of almost US\$36,000.

The research was conducted by Experian Business Strategies Limited. To find out more about IBR and to obtain details of IBR reports and results please visit www.internationalbusinessreport.com.

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