

# [The sunday times). this has caused chaos](https://assignbuster.com/the-sunday-times-this-has-caused-chaos/)

[Business](https://assignbuster.com/essay-subjects/business/), [Accounting](https://assignbuster.com/essay-subjects/business/accounting/)

The accounting profession has always played a crucial roleto the change and the growth of businesses. The issue of accounting regarding to climate change andglobal warming is that energy, tax, carbon emission has significantly increasedthroughout the years. The Australian Government has been trying to reduce theemission which caused problems to the accounting profession as they must identifystrategies in terms of budgeting, financial planning and prediction to helpbusinesses adapt to the change of regulations. In 2011 Labour party’s Prime Minister – Julia Gillard wasthe first person who implemented tax on carbon under the Clean Energy Act 2011. The cost of carbon from 2012 to 2013 was $23. 00 per tonne, however in 2013 to2014 this increased to $24. 15 per tonne.

“ It’s modelling suggested the$23-a-tonne carbon tax would increase electricity bills Australia-wide by about$3. 30 a week on average” (PerthNow. 2012.

Carbon Tax to push up powerbills by 9. 1c. The Sunday Times). This has caused chaos to theaccounting industry as now it’s harder to budget the expenses and secureincreased capital to grow businesses.

As Tony Abbott became the next leader ofLiberal party in 2009, he has called on a secret meeting of coalition MPs. Themeeting went successfully, and the Coalition withdrawn their support towardscarbon charges. Carbon Pricing Scheme was made to target large businesses andindustrial facilities which produced a large carbon footprint, ever increasingeach year, furthermore in 2014 as Tony Abbott became the next Prime minister, the repel was effective from 1 July 2014, he believed all tax payers should payto the Carbon Emission Fund. Accountants who understand the latest climate change and beable to forecast its outcome will be in the spotlight of a high demand as theyare useful in giving advice to businesses. Due to this opportunity, some bigaccounting firm such as KPMG and PWC, hasnow advertised to the public that climate change assurance research isnow part of their services.

On the other note, the biggest risk businesses willbe facing is inaccurate understanding of information in a financial perspectiveabout climate change and global warming could potentially cause great failures. A detail and throughout report on climate change will evaluate the risk alsothe opportunities enable businesses to act in the most sustainable, structuredand strategic ways. In the wake of climate change and global warming, accountingwill always be needed as the profession has a huge impact on the development ofbusinesses. In this chaos, Government regulation constantly changing, sofinding the right balance will require a lot of specific calculation from anaccountant point of view is very important as it would lead a business to along-term success.