

Manual for Environmental Cost Accounting
Effects on the Resource and Energy Efficiency of Production

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The term environmental costs is not defined on a clear basis. Depending on interests and institutions different costs are regarded, e. a. waste disposal or investment budgets. For this reason companies, but also public decision-makers miss common grounds for comparison of the costs for environmental management and measures for reduction of those efforts. The traditional companies accounting systems mostly don't separate the costs that result from environmental management activities, but sum them up in general costs. There is no consistent methodology for the assessment of environmental costs for their evaluation and for their integration into traditional accounting systems. Many responsible environmental managers have a technical background and therefore don't actually know which environmental activities actually result in what environmental costs and how they can be influenced.

The project on behalf of the Austrian Ministry for environment contained:

1. Development of a methodological framework
2. Company case studies with BRAU AG, ELIN and IMMUNO AG
3. Manual for environmental cost assessment:

The manual has been published in September 1997 within the publication series of the ministry of Environment. It will probably be translated into english and spanish by the time of the conference.

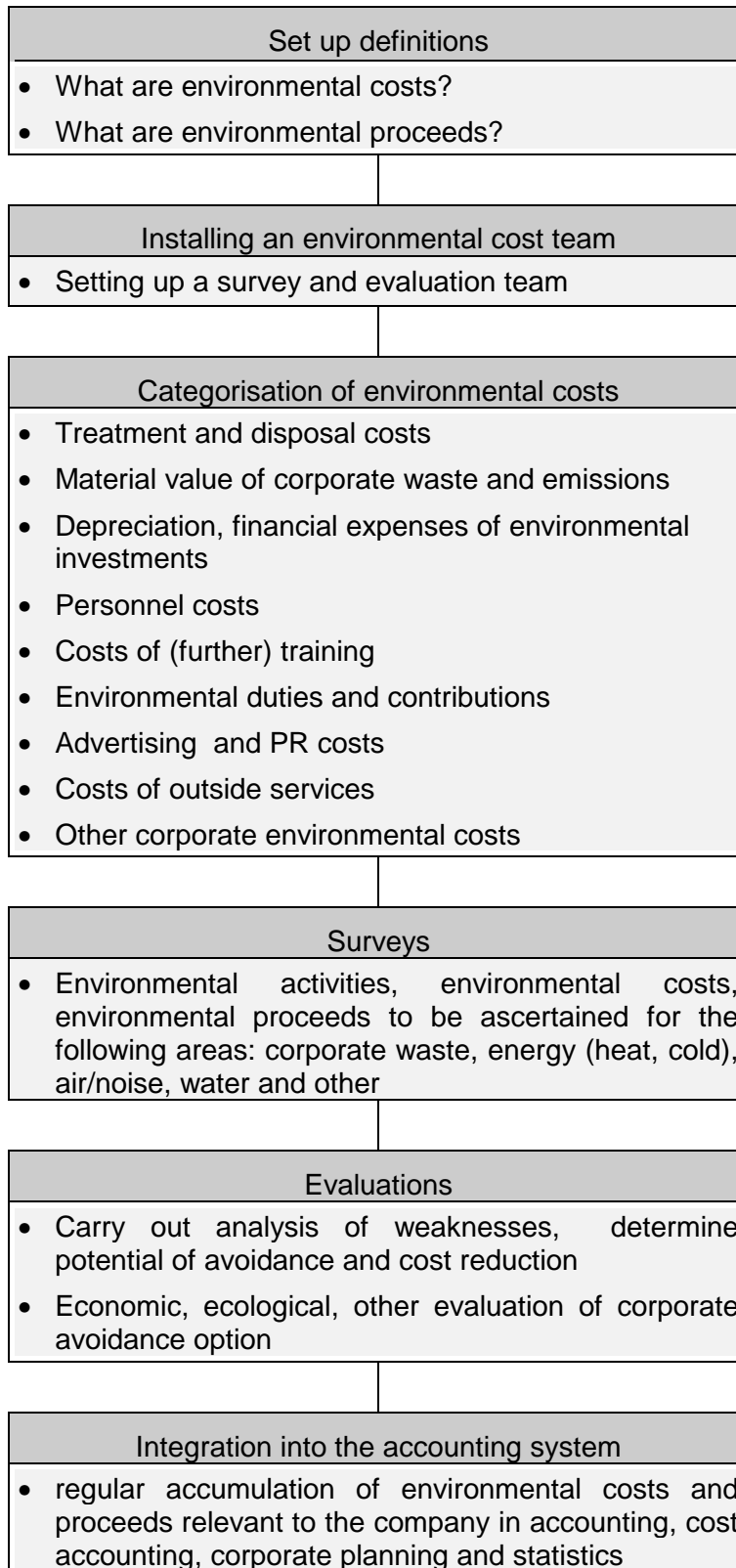
The methodical approach described below makes work much easier for a wide range of companies in distinguishing between various environmental activities and in ascertaining, allocating and evaluating environmental costs.

Methodical approach:

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Definition of environmental costs: Costs that may arise as a result of corporate environmental activities - i.e. statutory or voluntary activities aimed at avoiding, reducing, treating and Treatment/disposing corporate waste and emissions - but also as a result of lacking corporate environmental policy.

A detailed checklist of "Corporate Environmental Costs" was developed which facilitates delimitation of corporate environmental activities and ascertainment of contingent costs. This checklist is comprised of various categories of environmental costs tuned to the Austrian standard chart of accounts. These cost categories list exemplary environmental activities so as to facilitate data collection.

The checklist "Corporate Environmental Costs" contains the following categories of costs:

1. Treatment and disposal costs
2. Material value of corporate waste and emissions
3. Depreciations and financing costs of environmental investments
4. Personnel costs
5. Costs of (further) training
6. Environmental duties and contributions
7. Advertising and PR costs
8. Costs of outside services
9. Other corporate environmental costs

The checklist "Corporate Environmental Costs" distinguishes between the following corporate environmental activities for the areas

- corporate waste
- energy (heat/cold)
- air/noise
- water
- other

and records the contingent environmental costs, thus indicating first apparent avoidance potentials. Practically tested worksheets kept separately for each area (corporate waste, energy, air/noise, water) facilitate data collection work.

The german manual „Entwicklung eines methodischen Ansatzes zur Ableitung von Umweltkosten aus dem betrieblichen Rechnungswesen“ can be ordered at the Bundesministerium für Umwelt, Jugend und Familie, Fr. Müllner, Presseabteilung, Stubenbastei 5, 1010 Wien, Tel 0043.1.51522.5093, Karin.Müllner@BMU.gv.at.

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