

# Sustainability Matters

23<sup>rd</sup> June 2016

A fortnightly selection of topical **news and views** about economic, social and environmental issues.  
Designed especially for accountants and those who use the services of accountants.

## Sustainability Matters is;

- Compiled and published by Ray Skinner of *Sustainability Matters*, providers of specialist services relating to sustainability and business support. **Business achieving a tomorrow for tomorrow's children.**

## Organic Dairy: Confirmation of Superior Performance

"Fonterra, the large NZ dairy farmer owned milk processor and exporter, recently announced their organic price forecast for season 2016/17 at \$9.20/KgMS. This is an astonishing 236% above the conventional forecast for 15/16 of \$3.90/KgMS. Even with the increase in the conventional forecast for 16/17 to \$4.25/KgMS, the premium for organic is still three figures in percentage terms.

"The difference at the farm gate in practical terms is between significant loss making and ahead of the curve profit making.

"We have consistently conveyed the story of organic market superiority over the last few EI issues in various articles. Fonterra's recent announcement articulates that reality in very clear numerical form. Further to this, although Fonterra only collect organic milk in the North Island officially (not strictly speaking the case as in reality they collect organic milk from a small number of suppliers in the South Island) a major processor in the South Island has made it clear to *Agro-Ecological* they will at least match the Fonterra organic price. The point being the organic option is available in both islands.

"While \$9.20/KgMS is impressive the underlying price story is even better than it appears. ....

"Having been involved with literally hundreds of conversions and working alongside similarly experienced people I am fully aware of the practical realities. There are no shortcuts and 'learning on the job' is neither quick nor easy, nor particularly financially rewarding either and certainly not viable in the context of generating returns back to investors.

"The right mind-set and an intellectual appreciation of ecological systems and how they function is mandatory.

"If the mind-set is wrong it does not matter how much conventional farming experience you have, you are lost before you begin. ....

**More:** <http://agro-ecological.com/organic-dairy-confirmation-of-superior-performance/>

**Source:** *Agro-Ecological Intelligence*, 8<sup>th</sup> June 2016. ❖

## Can we Have Affordable, Healthy and Resilient Homes?

"..... In summary, the Passive House Standard is a simple and effective means to deliver new and retrofitted buildings that provide healthy and comfortable places in which we can live, work, play and learn.

**More:** <http://pureadvantage.org/news/2016/06/09/housing-trifecta-can-homes-affordable-healthy-resilient/>

**Source:** Pure Advantage, 21<sup>st</sup> June 2016. ❖

## SUSTAINABILITY GROUP EVENTS

Next event – Date of webcast yet to be 'sorted'.



Announcements in 'due course'. ❖

## Higher Living Standards

"Our vision is to be a world-class Treasury working for higher living standards for New Zealanders. By living standards we mean much more than just income or GDP:

- Higher Living Standards Framework - Assess the Impact of Policy Advice Across Key Living Standards Dimensions. It includes a broad range of material and non-material factors which impact on well-being (such as trust, education, health and environmental quality).
- This diagram [graphic] summarises what we think are the important factors we need to consider for achieving our goal of higher living standards.

"Read the latest newsletter to be informed about:

- Deputy-Secretary Girol Karacaoglu's experience with taking the Living Standards framework to Europe
- Deloitte's recently released State of the State report
- What is the IDI – and how to find out
- An invitation to a talk in Auckland

**Auckland Talk: Friday 24<sup>th</sup> June**, 11.00-12.30pm, Level 14, Rooms 4, 5, and 6, 135 Albert Street, Auckland Council Building. To confirm your attendance please RSVP to [CPOStakeholder.EngagementandSupport@aucklandcouncil.govt.nz](mailto:CPOStakeholder.EngagementandSupport@aucklandcouncil.govt.nz)

### More:

[www.treasury.govt.nz/abouttreasury/higherlivingstandards/ls-newsletter-jun16.pdf](http://www.treasury.govt.nz/abouttreasury/higherlivingstandards/ls-newsletter-jun16.pdf) plus [www.treasury.govt.nz/abouttreasury/higherlivingstandards/index.htm](http://www.treasury.govt.nz/abouttreasury/higherlivingstandards/index.htm)

**Editor:** Well worth a read including the link to the Michael Porter chaired [www.socialprogressimperative.org/](http://www.socialprogressimperative.org/)

**Source:** *Living Standards*, Treasury, 8<sup>th</sup> June 2016. ❖

## The Future of Smart Transport in NZ

"Delve into what is happening now and where further opportunities lie. Hear from some of NZ's leading experts on smart transport, including:

- Prof Ralph Sims, Massey University and the Intergovernmental Panel on Climate Change
- Rachel Brown, Sustainable Business Network
- Louise Baker, Opus International Consultants
- Richard Menzies, Uber
- Brad Norris, Synergy Health
- Dr Janet Stephenson, University of Otago

Get up to date with;

- Electric vehicles Biofuels
- Bike 2050 Car/bike sharing
- Infrastructural and behaviours changes
- Smart technology

**When:** Thursday 21<sup>st</sup> Jul 2016, 8:30am–4:30pm

**Where:** AUT University, 55 Wellesley Street East, Auckland

**More:** [www.eventfinda.co.nz/2016/smart-transport-forum/auckland](http://www.eventfinda.co.nz/2016/smart-transport-forum/auckland)

**Source:** SBN, 10<sup>th</sup> June 2016. ❖

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## Entries Open for SBN 2016 Awards

"... The NZI Sustainable Business Network Awards, which are now in their 14<sup>th</sup> year, celebrate the contribution organisations and individuals are making to transforming New Zealand to a more sustainable nation. Entry is free and open to all organisations and individuals in New Zealand.

"CEO of the SBN Rachel Brown says, 'There's been a tremendous amount of action in sustainability over the past year and the need to be recognised in this space is greater than ever. The sustainable business landscape has shifted with events such as the Paris Agreement on climate change putting sustainability firmly on the agenda.

'Now's the time to be recognised for your sustainability innovations or impacts. Entering these Awards is a quick and easy way to celebrate your achievements.'

"The NZI Sustainable Business Network Awards focus on four transformation areas key to the future direction of sustainability in New Zealand: Renewables, Community, Mega efficiency and Restorative.

"Within each of these four categories there are separate awards for Impact and Innovation. There are also awards for an individual Sustainability Champion, Communicating Sustainability and Energy Management.

"The supreme award, NZI Greatest Contribution to a Sustainable New Zealand, will be awarded to a business that has performed outstandingly well in all aspects of sustainability.

"Last year's winners ranged from small businesses like Wishbone Design Studio and social enterprises such as Ākina Foundation to corporates like Gull and DB Breweries. The 2015 supreme award was presented to Taupō Beef. ...

"Entries close 1<sup>st</sup> August 2016.

**More:** [www.sustainable.org.nz/awards](http://www.sustainable.org.nz/awards)

**Source:** Fiona Stephenson, SBN, 9<sup>th</sup> June 2016. ❖

## 9<sup>th</sup> International Urban Design Conference – Submit an Abstract

"Authors or organisations interested in presenting at the 9<sup>th</sup> International Urban Design Conference are invited to submit an abstract of no more than 300 words.

"All proposals will be reviewed by the program committee. Presentations will be selected to provide a program that offers a comprehensive and diverse treatment of issues related to the conference theme. Authors will be notified by e-mail of the outcome of their abstract submission. ...

### Conference Topics

- How to make a city smart?
- Sustainability in a smart city
- Urban design innovation for smart cities
- City Infrastructure
- Urban design opportunities in high density living areas
- Mixing up residential and commercial uses in inner cities
- Population change and liveability
- Housing affordability
- Financing city development
- What future for car dependent cities like Canberra?
- Politics and city form: lessons learnt from the City of Canberra, and other Australian cities
- Open

**Abstracts close:** Monday 25<sup>th</sup> July 2016

**Conference:** 7<sup>th</sup> – 9<sup>th</sup> November 2016 at the Hyatt Canberra.

**More:** <http://urbandesiginaustralia.com.au/>

**Source:** Urban Design Conference C/o AST Management Pty Ltd, 2<sup>nd</sup> June 2016. ❖

## 'Yes We Can'

"The renewable and energy efficiency associations says New Zealand can achieve the greenhouse gas emission reduction targets agreed in Paris by domestic mitigation rather than the purchase of international units, and they are out to demonstrate how that can be done.

"21 low carbon organisations are hosting the 'Yes we can!' Symposium in Wellington [31<sup>st</sup> May 2016] at which they will be showing what can be achieved. They will also outline a range of low cost policy actions which they recommend Government could take and how much greater the greenhouse gas mitigation would be if these policies were adopted.

"The organisations are industry associations representing the renewable energy (electricity, heat and transport) and energy management sectors and their associates.

"Brian Cox, spokesperson for the symposium says 'there is a lot of low-hanging opportunities out there and with a 'Yes we can!' attitude we can achieve what we need to."

"The Government's main policy response to reducing emissions is the NZ ETS. However the Government acknowledges the NZ ETS alone will not drive New Zealand towards a low emissions economy. In some sectors or cases, there may be barriers or market failures that also need to be addressed. This provides an opportunity to advise Government what those barriers or market failures are.'

"Currently the Government is assuming a major part of the climate change targets will have to be met by the purchase of international units. This is an opportunity for the sector to show domestic mitigation can be much greater than is currently assumed meaning less reliance on the purchase of international emission reduction units.'

"Government has welcomed this initiative to outline the opportunities and to suggest policies which would assist achievement of the targets. The Hon Simon Bridges Minister of Energy Resources and Associate Minister of Climate Change Issues will be speaking at the symposium as will Mike Underhill, Chief Executive of the Energy Efficiency and Conservation Authority who are tasked with increasing New Zealand's energy related mitigation opportunities."

"Buying carbon credits offshore will take money that would be better spent improving domestic mitigation. We should be taking advantage of low-cost opportunities to reduce our carbon emissions here in New Zealand as they will provide on-going mitigation into the future. With the purchase of international units we would have to go back in subsequent years and purchase more. Purchasing international credits makes no economic sense for the New Zealand economy.

"Each of the organisations presenting at this symposium are developing their own strategies and plans for addressing climate change mitigation. This is an opportunity for sharing these with attendees. The symposium is aimed at bringing these initiatives together and developing a Plan of Action which can eventually be agreed by business, central and local Government. It will also provide guidance to businesses on the viability of low carbon investment opportunities. Most importantly we want to move from discussion about climate change to action on mitigation.'

For a copy of the draft plan presented to the seminar go to; [http://events.bioenergy.org.nz/documents/events/EMAN\\_Z-Summary-Action-Plan-v2.pdf](http://events.bioenergy.org.nz/documents/events/EMAN_Z-Summary-Action-Plan-v2.pdf)

**More:** <http://events.bioenergy.org.nz/symposium/yes-we-can-symposium> plus [www.yeswecan.nz/](http://www.yeswecan.nz/) with presentations and details of attendees, and also [www.bioenergy.org.nz/node/20](http://www.bioenergy.org.nz/node/20)

**Source:** Carbon News, 31<sup>st</sup> May 2016. ❖

## Ethical Investment Principals

Robert Howell has advised, he together with Thea Ormerod (Australian Religious Response to Climate Change) and Jacqui Remond (Catholic Earthcare Australia), are authors of a paper on Catholic ethical investment principles. People are free to circulate and reproduce and are invited to acknowledge the ARRCC source. Robert adds Thea has also written a paper on Catholic Social Teaching.

A letter from the Bishops' agency, Caritas Philippines, handed to Pope Francis in January 2015, asking him to support their call for fossil fuel divestment is also available.

**More:** [www.arrcc.org.au/catholic\\_investment\\_principles\\_today](http://www.arrcc.org.au/catholic_investment_principles_today)  
[www.arrcc.org.au/catholic\\_social\\_teaching\\_and\\_divestment](http://www.arrcc.org.au/catholic_social_teaching_and_divestment)  
[www.arrcc.org.au/caritas\\_philippines\\_asks\\_francis\\_to\\_support\\_divestment](http://www.arrcc.org.au/caritas_philippines_asks_francis_to_support_divestment)

**Source:** Robert Howell, 11<sup>th</sup> June 2016

**Editor:** The articles are quite long and although written from a Catholic perspective seem to apply to all peoples whatever their faith (or lack thereof). ❖

## Sanford Takes Sustainability and Integrated Reporting Awards

"Sanford has taken out a Gold Award for their 2015 Annual Report and three special awards for sustainability and integrated reporting at the 2016 Australasian Reporting Awards.

"CEO Volker Kuntzsch, who attended the awards ceremony in Sydney with Sanford Group Financial Controller Stuart Houlston and General Manager for Sustainability Lisa Martin, said he was very proud of the Sanford team.

"We have been rewarded for our efforts in creating more transparency in the seafood industry."

"The awards recognise that Sanford is committed to sustainability across all areas of our business, sustainability is the foundation of our industry." Kuntzsch said.

"Alongside the Gold Award for reporting, Sanford also won the ARA Sustainability Reporting Award, the ARA Hong Kong Sustainability Reporting Award and was the winner in the Integrated Reporting category.

"At the ARA, we acknowledge and reward emerging forms of external reporting with our Special Awards, including Integrated Reporting, which is our newest Special Award", Suresh Gugesan, Chair, Australasian Reporting Awards said.

"Sanford is clearly a leader with a Report which demonstrates honesty about the challenges faced, providing a level of credibility not often seen."

"The ARA judges commented 'we enjoyed reading the Sanford Report, we will remember it and look forward to reading it again next year.'

"The ARA seeks reports which provide a balanced and reasonable picture of their economic, environmental, and social performance; facilitate comparability, benchmarking and assessment of performance; and address issues of concern to stakeholders.

**More:** [www.scoop.co.nz/stories/BU1606/S00379/sanford-takes-sustainability-and-integrated-reporting-awards.htm](http://www.scoop.co.nz/stories/BU1606/S00379/sanford-takes-sustainability-and-integrated-reporting-awards.htm) plus [www.arawards.com.au/specials](http://www.arawards.com.au/specials) for special awards and linked pages for all the other awards among which are several NZ entities e.g. NZ Superannuation Fund, Auckland Council, NZ Post Group, Vector, Whanganui District Health Board. The report [7Mb] is at [www.sanford.co.nz/assets/announcements/SAN044-AR-2015-WEB\\_spreads.pdf](http://www.sanford.co.nz/assets/announcements/SAN044-AR-2015-WEB_spreads.pdf)

**NOTE:** CPA Australia was a finalist for the integrated reporting awards of which Sanfords was winner.

**Source:** *Carbon News*, 15<sup>th</sup> June 2016. ❖

## The Perils of Acting Too Slowly on Global Warming

"If your house has a hole in the roof it's time to stop meditating and fix it." – Sri Yanchi Ji.

"If we know something is true, but don't do anything about it, then in effect we are saying that what we know is not really true, or that we aren't convinced. With global warming – more euphemistically described as 'climate change' – there has been a huge disinformation campaign waged over many years, funded by the fossil fuel industry and right wing interest groups and think tanks, that aimed to undermine any actions to address the issue. From denying concepts like 'peak oil' to alleging that global temperatures haven't increased, the result has been that our political leaders have been so scared of losing votes – or upsetting the corporates who fund their parties – they are unwilling to take meaningful action.

"Recently a New Zealand group called Wise Response – of which I am a signatory – presented a petition to a Select Committee, seeking an analysis of the major areas of risk faced by New Zealand. They were not asked any questions, and a Government member of the committee said 'In 1798 Malthus predicted that the world was overpopulated and would soon run out of food. It has not happened yet, and quite frankly I do not believe that the predictions about global warming will come true.'

"Slowly however the penny is dropping – in the media, in the corporate worlds where the value of fossil fuel reserves on a petroleum company's balance sheet has been reducing, along with the price of fossil fuels as the market gets oversupplied. This is not because there is too much oil – which is a finite commodity – but because the perception is fossil fuel will become a pariah in the near future and oil companies should sell it while it still has some value. New Zealand's State-owned Solid Energy was a victim of the fall in the price of coal amongst other factors. In fact fossil fuels will continue to have a huge transitional value as a chemical feedstock, when prioritised for making products that are essential to society such as pharmaceuticals, rather than just burning it as fuel for heat and discharging the greenhouse gas waste products into the atmosphere.

"Dealing with global warming is really a subset of the problem of making the planet sustainable. The 1983 UN World Commission on Environment and Development – the Brundtland Commission – coined the most widely quoted definition of sustainable development – 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs' but even that now seems dated. Continued development – or 'economic growth' itself – is flawed unless its purpose is to increase people's wellbeing, rather than just their material consumption. Production needs to be based on renewable resources, rather than finite and exhaustible ones.

"Global warming is a global commons problem – that is we are all in this together – and effective climate change mitigation requires strong international cooperation. According to the above graph from Mauna Loa in Hawai'i recorded from 1960, we are now sitting just below 400 parts per million (ppm) of CO (<https://www.co2.earth/>) This is already past the assumed 'safe' level of 350 ppm. The time has come for citizens to ask their leaders to step up and fix the hole in the roof and save humanity from itself – the planet won't care either way if humans disappear.

**More:** <https://www.linkedin.com/pulse/perils-acting-too-slowly-global-warming-gerry-te-kapa-coates-mnzm>

**Source:** Gerry Te Kapa Coates MNZM, 26<sup>th</sup> May 2016 via LinkedIn *Pulse*, 1<sup>st</sup> June 2016. ❖

## Our Renewable Future: Tiptoeing Through the Renewable Energy Minefield

".....This is especially the case because our ultimate conclusion was that, while renewable energy can indeed power industrial societies, there is probably no credible future scenario in which humanity will maintain current levels of energy use (on either a per capita or total basis). Therefore current levels of resource extraction, industrial production, and consumption are unlikely to be sustained – much less can they perpetually grow. Further, getting to an optimal all-renewable energy future will require hard work, investment, adaptation, and innovation on a nearly unprecedented scale. We will be changing more than our energy sources; we'll be transforming both the ways we use energy and the amounts we use. Our ultimate success will depend on our ability to dramatically reduce energy demand in industrialized nations, shorten supply chains, electrify as much usage as possible, and adapt to economic stasis at a lower overall level of energy and materials throughput. Absent widespread informed popular support, the political roadblocks to such a project will be overwhelming.

"That's not what most people want to hear. And therefore, frankly, we need some help getting this analysis out to the sorts of people who might benefit from it. Post Carbon Institute's communications and media outreach capabilities are limited. Meanwhile the need for the energy transition is urgent, and the longer it is delayed, the less desirable the outcome will be. It is no exaggeration to say that the transition from climate-damaging and depleting fossil fuels to renewable energy sources is the central cause of our times. **And it will demand action from each and every one of us.**

"You can help by visiting the [Our Renewable Future website](#), familiarising yourself with the issue, [sharing your thoughts](#), and [spreading the word](#) with friends, family, colleagues, and allies.

**More:** <http://ourrenewablefuture.org/> and [www.resilience.org/stories/2016-06-13/tiptoeing-through-the-renewable-energy-minefield](http://www.resilience.org/stories/2016-06-13/tiptoeing-through-the-renewable-energy-minefield)

**Source:** Richard Heinberg, Senior Fellow-in-Residence, Post Carbon Institute, 14<sup>th</sup> June 2016. ❖

## Panama Papers

"The biggest leak in the history of data journalism has exposed financial corruption among some of the world's most powerful people.

"A giant leak of more than 11.5 million financial and legal records exposes a system that enables crime, corruption and wrongdoing, hidden by secretive offshore companies.

"Explore a searchable database that strips away the secrecy of nearly 214,000 offshore entities created in 21 jurisdictions, from Nevada to Hong Kong and the British Virgin Islands.

"Mossack Fonseca's U.S. affiliate has resigned from more than 1,000 companies and paid a penalty in Nevada, as the firm announces the closure of three of its offices amid ongoing global investigations and scrutiny.

"Wrangling 2.6TB of data: The people and the technology behind the Panama Papers

And more...

**More:** <https://panamapapers.icij.org/>. Among the many references [www.theguardian.com/news/2016/apr/03/what-you-need-to-know-about-the-panama-papers](http://www.theguardian.com/news/2016/apr/03/what-you-need-to-know-about-the-panama-papers) (5<sup>th</sup> April) provides graphics showing the enormity of what of the matter – about 153 times larger than the size of WikiLeaks.

**Source:** CSEAR Newsletter, March, page 12, 14<sup>th</sup> June 2016. ❖

"In December 2015, the world celebrated the international climate change agreement reached at the end of United Nations Climate Change Conference (COP21) held in Paris. Critics believe the Paris accord does not go far enough to protect the planet. Nevertheless, the COP21 agreement is widely considered to be the turning point for the world as it is the most far-reaching climate commitment made so far by 195-member states of the United Nations.

"Against this backdrop, the academic community and other stakeholders from around the world will get-together in Karlsruhe, Germany from the **19<sup>th</sup> to 21<sup>st</sup> of October 2016** to examine the pivotal role of education and training in creating a climate-friendly world. The conference will provide a global platform to exchange views on integrating climate change and environmental sustainability at all levels of education. During the three-day event, delegates will share their unique approaches and innovative ideas for preparing students and learners to become responsible leaders and stewards of our planet and transform the world's fossil fuel-driven economy.

"This year's global gathering .... will be an opportunity to deliberate on how education can be reshaped to address the 21<sup>st</sup> century challenges. Further to sharing knowledge on education for sustainability, the upcoming event also provides an excellent networking opportunity with peers and experts in Europe and beyond. ....

**More:** <http://eosd.org/en/igee.html>

**Source:** ESD, Germany, 13<sup>th</sup> June 2016. ❖

## Almost 46 million Trapped in Slavery

"Almost 46 million people are living as slaves globally with the greatest number in India but the highest prevalence of slavery in North Korea, according to the third Global Slavery Index released on Tuesday [7<sup>th</sup> June].

"The index, by Australia-based human rights group Walk Free Foundation, increased its estimate of people born into servitude, trafficked for sex work, or trapped in debt bondage or forced labour to 45.8 million from 35.8 million in 2014.

"Andrew Forrest, founder of Walk Free, said the rise of nearly 30% was due to better data collection, although he feared the situation was getting worse with global displacement and migration increasing vulnerability to all forms of slavery.

"Incidences of slavery were found in all 167 countries in the index [including NZ?], with India home to the largest total number with an estimated 18.4 million slaves among its 1.3 billion population.

"But North Korea ranked as worst in terms of concentration with one in every 20 people – or 4.4% of its 25 million population – in slavery and its government doing the least to end this with reports of state-sanctioned forced labour. ....

"About 58% of people living in slavery are in five countries – India, China, Pakistan, Bangladesh and Uzbekistan.

"However the countries with the highest proportion of their population enslaved were North Korea, Uzbekistan, Cambodia, India and Qatar. ....

"This is not AIDS or malaria. We have caused slavery and because it's a human condition we can fix it,' he said.

**More:** [www.eco-business.com/news/almost-46-mln-people-trapped-in-slavery-with-north-korea-india-key-offenders-global-index/](http://www.eco-business.com/news/almost-46-mln-people-trapped-in-slavery-with-north-korea-india-key-offenders-global-index/)

**Source:** eco-Business.com, 8<sup>th</sup> June 2016. ❖

Contributions and feedback are welcomed.

Send your news items, handy hints, case studies, suggestions, comments and questions to Ray Skinner of *Sustainability Matters*.  
eMail: [ray@sustainabilitymatters.co.nz](mailto:ray@sustainabilitymatters.co.nz) Phone: +64 (09) 443 0773 Web: [www.sustainabilitymatters.co.nz](http://www.sustainabilitymatters.co.nz)