

Sustainability Matters

7th December 2017

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.**

Extending Generosity Through Social Enterprise

"Hamilton landlords, Bren and Tara, have developed an innovative social enterprise. Each room of their five-bedroom house is rented separately to one tenant, with a portion of their rent going towards sponsoring a child with World Vision.

"My wife and I want to do good in the world now. We saw the amount of influence we have as landlords and thought about how we could leverage this dynamic to do good."

"Each flatmate got to choose the child they wanted to sponsor and recently they all got together to read the first round of letters from their sponsor child. It was really exciting to sit down and read the letters from all over the world, and spend time watching videos together about World Vision's work."

"We wanted to use the landlord-tenant relationship dynamic for good, open up channels of communication around social change and create an environment that encourages others to do good."

"Bren and Tara's hopes are for some of their tenants to continue sponsoring their child, even after they leave the flat. Then the process will start over with each new flatmate. 'If I turn 5 sponsored children into 10 over a decade that would be amazing. If I could reach other landlords and influence them to do the same, maybe we could help reach 1000 sponsored children.' Big ups to Bren and Tara in thinking outside the box and extending generosity.

More: www.worldvision.org.nz/give-now/sponsor-a-child

Source: World Vision, 29th November 2017. ❖

Climate Connection: Unraveling the Surprising Ecology of Dust

"Contributor Jim Robbins examines the complex dynamics of dust in a warming world. As droughts intensify due to climate change and development expands, the amount of dust blowing around the earth is increasing. The frequency of dust storms in the southwestern U.S., for example, has more than doubled since the 1990s – from 20 per year to 48 in the 2000s. As Robbins reports, this phenomenon is affecting everything from mountain snowmelt and water supplies to the spread of wind-borne diseases, such as Valley fever.

More: <http://e360.yale.edu/features/climate-connection-unraveling-the-surprising-ecology-of-dust>

Source: *Yale Environment 360*, 1st December 2017

Editor: To what extent is wind born dust from Australia [mentioned] impacting both Australia and NZ? ❖

Summer Scorcher: Tasman Sea a 'Bath with the Hot Tap on'

A whopping 6°C more than they normally are in early December.

More: www.newshub.co.nz/home/new-zealand/2017/12/summer-scorcher-tasman-sea-a-bath-with-the-hot-tap-on.html [Graphic]

Source: Russell Baillie. Facebook Link, 5th Dec 2017. ❖

SUSTAINABILITY GROUP EVENTS

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



Announcements in 'due course'. ❖

SBN's Awards Night – A Prime Example of Changing Times

"Prime Minister Jacinda Ardern's attendance at the NZ Sustainable Business Network Awards last Thursday [30th Nov.] was the first time in a decade a Prime Minister has attended the event. She paid tribute to the Sustainable Business Network, its members and all our awards entrants.

"I want to acknowledge the leadership of Rachel Brown", she said. "We wouldn't have made the progress we have in this area without you."

"To all of you here tonight as finalists in these incredibly important awards, regardless of where you end up, my sincere and heartfelt thanks. We as a new government have an ambitious vision: that New Zealand becomes a world leader in environmental practices. We have set a goal of being carbon neutral by 2050. We want a world-leading emissions trading system. And we will be making sure our rivers are swimmable again.

"The 15-year Vision of SBN is to make New Zealand the model sustainable nation for the world. I want to acknowledge the role you are playing to lift New Zealand's reputation. We want to know how we can keep doing this together, because there is so much to be done

"Together we can turn challenges into opportunities. That is what will bring people with us."

Ministers James Shaw and David Parker were also there....

"Winners were:

"Sustainability Superstar: Winner, Bob Burnett, Bob Burnett Architecture; commendation, Dee and Steve West, ChargeNet NZ.

"Communicating for Change: Winner, WasteMINZ; commendation, Sustainable Winegrowing NZ and The New Zealand Sustainability Dashboard.

"Going Circular: Winner, Wishbone Design Studio; commendations, EcoStock Supplies, Ethique.

"Efficiency Champion: Winner, Christchurch International Airport; commendation, Foodstuffs NZ.

"Restoring Nature: Winner, Zealandia; commendation, Auckland Whale & Dolphin Safari.

"Transforming Food: Winner, Common Unity Project Aotearoa; commendations, Otago Locusts, Pakaraka Permaculture.

"Hardwired for Social Good: Winner, Bayfair Shopping Centre; commendation, Little Yellow Bird.

"Partnering for Good: Winners, Auckland Whale & Dolphin Safari, New Zealand Post & New Zealand Red Cross.

"Revolutionising Energy: Winner, Vector; commendations, Bayfair Shopping Centre, Reid Technology.

"Smarter Transport: Winner, Flip the Fleet; commendations, Ecotricity, New Zealand Post.

"Greatest Contribution to a Sustainable New Zealand – **supreme award: Winner, New Zealand Post;** commendations, Wishbone Design, Common Unity Project Aotearoa.

More: <https://sustainable.org.nz/sustainable-business-news/awards-night-prime-example-changing-times/>

Source: SBN, 5th December 2017. ❖

Dairy Farming is Polluting New Zealand's Water: Cows and Seep

More: www.economist.com/news/asia/21731435-government-data-suggests-60-rivers-and-lakes-are-unswimmable-dairy-farming-polluting-new → Worth reading!

Source: Angela Toy, Singapore, 23rd November 2017. ❖

NZ Minister of Finance – ANZ Speech 1st Dec.

The mainstream Press did not report several key aspects of the new minister's speech. Here are two topics - there is much more;

"Living Standards Framework

"One of the things we will be doing differently is how we decide our priorities and how we measure the success of our economic strategy.

"It is true to say that our GDP growth in New Zealand has been relatively impressive on a global scale. But that tells us only a fraction of the story. Firstly, it is a measure of activity, not the quality of that activity. And secondly, on a per capita basis, our performance has been significantly less impressive than many of our OECD counterparts.

"Our supply and confidence agreement with the Green Party commits us to working on new sustainable development indicators. Alongside this work I have asked the Treasury to further develop and accelerate the world-leading work they have been doing on the Living Standards Framework. This focuses on measuring our success in developing four capitals – financial, physical, human and social. These give a rounded measure of success and of how government policy is improving our well-being.

"This is a far better framework for judging our success. It is easy to say a policy is successful if it grows GDP, but what if that is at the expense of the physical environment? How can we be successful if the skill level of our workforce is not improving at the same time? If we do not have strong communities, any individual success can easily be undermined.

"Success for us will mean more than just a strong balance sheet - as important as that is. It will be marked by how we improve the well-being of all our citizens.

"This framework is still being developed, but I see this approach of focusing on well-being and lifting living standards as a core element of how we will create our future Budgets and measure the success of our work.

"It is too late in the process to make significant changes in this regard for the 2018 Budget, but I will have more to say when I deliver that Budget about how this approach will drive our future work. We will, however, take the first steps in this direction as part of our 100 Day Plan. We will introduce legislation to set measures of child poverty and a requirement to set reduction targets against them. This will include amending the Public Finance Act to ensure this work is part of our Budget process. I want to say something about the way we must work if we are to achieve the goal of our economic strategy. This will only be possible when central government partners with local government, businesses, iwi, unions and communities. There are some big challenges in front of us, which I will now turn to, but I want to be clear that we will be coming to you to solve them together.

"Just Transition to a Low Carbon Economy

"Climate change is the greatest challenge facing the world and has the potential to undermine our primary industries. But our response to it is also an opportunity to develop new high wage jobs. The government's commitment is to sustainable development that makes the transition to a low carbon economy. Work is already underway, under James Shaw's leadership as Minister for Climate Change Issues, to develop a Zero Carbon Act and an Independent Climate Commission. Through our \$100 million Green Investment Fund we aim to stimulate \$1 billion of new investment in low carbon industries by 2020. This will contribute both to New Zealand's climate targets and to the sustainability of our economy going forward.

More: www.scoop.co.nz/stories/PA1712/S00002/robertson-anz-business-breakfast-speech.htm

Source: Graham Colman, 1st December 2017. ❖

2018 Investment Statement: Investing for Wellbeing

"To be published in March 2018, the Treasury's next Investment Statement explores how the Crown balance sheet can effectively contribute to wellbeing outcomes.

"Publication fulfills a fiscal reporting requirement of the [Public Finance Act 1989](#). The Act's purpose is to increase transparency and accountability over the investment taxpayers have made in the Crown's balance sheet. The Act states the Investment Statement must describe and state the current value of the Crown's assets and liabilities, as well as changes in the last four years and foreseeable changes in the coming four years.

"Central government contributes to wellbeing through the management of the Crown balance sheet. Government assets such as schools and hospitals, roads, defence equipment and financial investments contribute to the stocks of capital – natural, social, human, financial and physical – which generate tangible and intangible benefits relevant to wellbeing. Due to the size and scope of the balance sheet, government assets and liabilities can have a significant impact on wellbeing.

"The 2018 Investment Statement explores how, and how well, the Crown balance sheet contributes to wellbeing. Applying a five dimension investment performance assessment framework, we appraise performance at a government agency, sector, and system level, to support decisions on future investment strategy and capital allocation.

"It builds upon the Treasury's [2014 Investment Statement](#) which describes the performance of the Crown's major asset and liability classes, and discusses frameworks for good balance sheet management to underpin New Zealanders' living standards.

"By producing the 2018 Investment Statement we aim to advance thinking about the link between effective government spending and wellbeing outcomes.

"We are now consulting with subject matter experts and involving investment decision makers in the production of the 2018 Investment Statement.

"On publication, we'll be speaking widely about the future of balance sheet management to deepen public understanding, support practical application, and build on our findings.

More:

www.treasury.govt.nz/government/investmentstatements/2018 and to stay informed and connected

Source: Treasury, 29th November 2017. ❖

National Sustainability in Business Conference

"The 2nd *National Sustainability in Business Conference* will explore sustainability best practice within organisations, creating resilience in business and ways to implement change. The sustainability topics to be embraced by our speakers will include integration, politics, technology, automation, future of renewables, procurement, food security, sustainable construction and waste as a resource. The conference speakers and partners will provide insight into how they are interweaving sustainability practices within their organisations, navigating change and the differences they are making within national and multinational companies and small business.

"This conference will provide a platform for business leaders, sustainability innovators, researchers and those working toward progressing sustainability practice within their organisation. The inaugural Business Leaders Breakfast has been added to our 2018 program to provide additional networking opportunities among forward thinking professionals.

When/Where: Thurs 8th to Fri 8th March 2018, Brisbane

More: <https://conference.sustainability.asn.au/>

Source: Sustainability in Business, 1st December 2017. ❖

Cut Carbon, Cut Costs: Accounting Firm Staples Where Corn Is King, the Stirrings of a Rodway Counts the Benefits of New Certification Renaissance in Small Grains

"Gone are the days when environment advocates were seen as earnest but hopelessly impractical types who cared more about trees than keeping businesses afloat. Now solid environmental practices are being embraced by once-major polluters such as Toyota, Auckland Airport and freight giant Toll, all well aware of the social capital to be gained by going green.

"However, there are hidden benefits for even desk-based organisations, which can attract big dollar savings and millennial staff by becoming accredited eco-warriors.

"Staples Rodway Auckland recently celebrated becoming the first New Zealand accounting firm to receive CEMARS (Certified Emissions Management and Reduction Scheme) accreditation. As financial experts, they're keen to show clients that cutting carbon emissions makes good business sense.

"One of the first steps we've taken is to install LED lighting in our offices, meaning our power bill goes down", says business advisory services director Annette Azuma.

"Every carbon emission has a dollar value attached. For every percentage point your carbon footprint shrinks, your costs will reduce by the same amount. For a professional services organisation without a lot of vehicles on the road, this could mean consolidating staff travel, switching light bulbs or reducing paper or ink usage.

"The average emissions saving of businesses which belong to CEMARS is 17% over three years, but some organisations have achieved much more than this, such as Auckland Museum (\$500,000) and Counties Manukau District Health Board (\$4 million). Since switching to LED lighting Staples Rodway Auckland has already saved 30% on electricity daily consumption, when comparing May 2016 to May 2017.

"Ms Azuma says that isn't the only reason to join.

"It also helps us recruit the best new graduates", she says. "These days, young millennials are much more interested in the environment. If they see our ethics align with theirs, that's a great attraction for them." The 2016 Colmar Brunton Better Futures Report showed 72% of millennials want to work somewhere with a strong ethical and environmental ethos....

"An audit is carried out on an annual basis...

More: www.scoop.co.nz/stories/BU1709/S00368/cut-carbon-cut-costs-benefits-of-new-certification.htm

Source: Nicola Hankinson, Staples Rodway [Until recently with CA ANZ], 27th November 2017. ❖

2017 Sustainability Review Westpac NZ

".....Today [29th November] we've released our Westpac Sustainability 2017 review which showcases some of the progress Westpac NZ, our customers and our partners have made this year.

"Some of our highlights over the past year include:

- Westpac Group being named the world's most sustainable bank in the 2017 Dow Jones Sustainability Index for the fourth time in a row
- Reducing our emissions by 21% and maintaining our carbon neutrality
- Increasing lending to the CleanTech services sector to \$1.3 billion
- Increasing women in leadership to 52%
- Supporting the Middlemore Foundation's Mana-ā-Riki pilot programme which has, a year and half in, delivered more than 1000 Chromebooks into classrooms, provided health services to 1090 children and treated around 900 cases of preventable illness
- Delivering Managing Your Money workshops to nearly 5,000 people
- Fundraising \$1.3 million for NZ's Rescue Helicopters

More: <https://westpac.sustainability.co.nz/> plus https://2017annualreport.westpacgroup.com.au/assets/Westpac_Sustainability_report_2017.pdf 119 pages 8.21MB

Source: Westpac, 29th November 2017. ❖

"Journalist Twilight Greenaway reports from Iowa on a growing movement to plant small grains that is helping regenerate soils, clean up waters, and extend the growing season on family farms. In the U.S., most conventional corn and soybean farmers leave their soil barren for nearly half the year, making it vulnerable to erosion and nutrient depletion and polluting nearby waterways with runoff fertiliser. But incorporating small grains such as oats, alfalfa, and rye into crop rotations caps and protects the soil. It is also more labour intensive, Greenaway writes, and so could help foster a new generation of farmers

More: <http://e360.yale.edu/features/where-corn-is-king-the-stirrings-of-a-small-grain-renaissance>

Source: *Yale Environment 360*, 1st December 2017

Editor: Although different the issues seem to have a certain similarity to those experienced in N.Z. e.g. water quality, soil degradation, loss of biodiversity. ❖

The Someday Challenge 2017 Winners

"Young New Zealand film-makers tell their sustainability stories.

"This year's winning films in the Someday Challenge have been announced.

"The film challenge, which has been running annually since 2007, asks young people aged up to 24 to make short sustainability-related films of any genre, filmed with any camera and any length up to 5 minutes.

"The 20 winning films have been made by individuals and teams from 9 to 22 years old from all over the country: Millers Flat, Christchurch, Wellington, Otaki, Palmerston North, New Plymouth, Tauranga, Putaruru and Auckland.

"A Judging Team of 12 people from media, education, government and business selected the winners from 75 entries, involving 246 young people. The winning films (listed below with synopses) are now live at Stuff.co.nz.

"An online vote for the Stuff Audience Choice will run from today [28th November] until midnight on Monday 4th December.

"The film-maker or team behind the vote-winning film will receive a prize package that includes a Panasonic HC-WXF995 4K Ultra HD Camcorder donated by Photogear.

"Anyone in New Zealand who takes part in voting has a chance to win a \$100 voucher to spend at The Body Shop plus a signed copy of Ecoman by Malcolm Rands and a box of either Karma Cola, Gingerella or Lemmy Lemonade. Ten voters will also receive a \$25 voucher to spend at The Body Shop.

"The young people behind each of the 20 winning films will be honoured at The Body Shop Someday Awards red-carpet ceremony at the Aotea Centre in Auckland on 7th December.

"Among their prizes will be a commitment that their film will be entered into at least one international film festival in 2018.

"As well as receiving their prizes the winning film-makers will find out which special award (listed below) they have each won.

"The climax of the ceremony will be the announcement and screening of the film chosen as the NZ On Air Standout Winner, for which the prize package includes a mentorship with a New Zealand film producer in association with the Screen Production and Development Association of New Zealand (SPADA).

"The ceremony will also be live-streamed, enabling families, friends, schools and communities of the winning film-makers to watch it all unfold from wherever they are.

[Lengthy list of 20 winning films of various genre.]

More: <http://connectedmedia.org/index.php?pageID=11&itemID=126>

Source: Editor, 28th November 2017. ❖

Charities – Reporting Stars

“..... New regulations which came into force last year, represented a significant shift in reporting standards for many organisations in the not-for-profit sector.

“We [CA ANZ] wanted to recognise best practice in the sector and give organisations the opportunity to demonstrate the value they are providing to funders, volunteers and the broader community,” Vial said.

“Three years ago, the majority of New Zealand’s more than 27,000 charities did not need to comply with any accounting standards.

“But the legislative changes, introduced in 2013 and mandatory from April 1 2015, mean all charities now have to follow specified accounting standards. A four-tier structure, reflected in the awards, means smaller charities have less onerous requirements than larger ones.

“It’s been a steep learning curve for many organisations, particularly smaller ones’, said Vial.

Annual Report Winners and Highly Commended;

- Tier 1 (Over NZ\$30m in annual expenses). Winner: Comprehensive Care PHO (Auckland based). Highly commended: The Electrical Training Company (Wellington based)
- Tier 2 (Between \$2m and \$30m in annual expenses). Winner: Royal New Zealand Ballet (Wellington based) Highly commended: The Fred Hollows Foundation (NZ)
- Tier 3 (Under \$2m in annual expenses). Winner: Kiwi Community Assistance Charitable Trust (Wellington based) Highly commended: Toy Library Federation of NZ
- Tier 4 (Under \$125,000 in annual operating payments). The Waikato Society of Potters (Hamilton based). Highly commended: ADC Incorporated (ADC offers micro loans to skilled, enterprising communities in Myanmar and Malawi).

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More: www.charteredaccountantsanz.com/news-and-analysis/media-centre/press-releases/ballet-and-potters-star-in-nz-charity-reporting-awards

Source: Charities Services, 28th November 2017. ❖

NZ’s Prosperity – The Very Very Good and the Not So Good

In the just released Legatum Prosperity Index 2017 NZ ranks 2nd among 149 jurisdictions. The not so good news is it ranks 23rd for safety and security, 16th for education 17th for health and 13th for environment. First place-getter Norway scores far better overall. Our Aussie cousins are ranked 9th. Their ratings are far better on several measures including, surprisingly, the environment.

“What true prosperity is, and how it can be realised, are fundamental questions that must be answered by every country. This year the global findings reveal good news – prosperity is rising. But there are major challenges facing many countries and regions.

“World prosperity increased in 2017 and now sits at its highest level in the last decade. It is now 2.6% higher than in 2007. Furthermore, prosperity growth has been faster from 2012 to 2017 than it was from 2007 to 2012. However, the gap between the highest and lowest scores in the Index has increased for five straight years and the spread between nations is growing, indicating that while prosperity as a whole may be increasing, not all countries are yet benefiting from the increase.

“While prosperity improved worldwide in 2017, no region grew as fast as Asia-Pacific. Gains came through a fast-improving Business Environment, especially in India (100th), China (90th), Pakistan (137th) and Indonesia (59th). It is now easier to access credit, and intellectual property rights have improved.

More: www.prosperity.com/rankings plus www.prosperity.com/feed/key-findings-brief

Source: Clare Feeny, 4th December 2017. ❖

Rising Seas Caused by Climate Change are Seeping Inside a Remote Island Nuclear Waste Dump

“In the late 1970s, Runit Island, on the remote Enewetak Atoll, was the scene of the largest nuclear clean-up in United States history.

“Highly contaminated debris left over from dozens of atomic weapons tests was dumped into a 100-metre wide bomb crater on the tip of the uninhabited island.

“US Army engineers sealed it up with a half-metre thick concrete cap almost the size of an Australian football ground, then left the island.

“Now with sea levels rising, water has begun to penetrate the dome....

“The United States detonated 43 atomic bombs around the island chain in the 1940s and 50s.

“Four of Enewetak’s 40 islands were completely vaporised by the tests, with one thermonuclear blast leaving a two-kilometre-wide crater where an island had been just moments before.

“Enewetak’s population had been re-located to another island in the Marshalls ahead of the tests.

“Residents would only be allowed to return home more than three decades later — some on the island today can still recall returning to Enewetak as children.

“As part of the clean-up process, Washington set aside funds to build the dome as a temporary storage facility, and initial plans included lining the porous bottom of its crater with concrete.

“But in the end, that was deemed too expensive.

“The bottom of the dome is just what was left behind by the nuclear weapons explosion’, says Michael Gerrard, the chair of Columbia University’s Earth Institute in New York.

“It’s permeable soil. There was no effort to line it. And therefore, the seawater is inside the dome.’ ...

“This could cause some really big problems for the rest of mankind if all that goes underwater, because it’s plutonium and cement.’

“Some of the debris buried beneath the dome includes plutonium-239, a fissile isotope used in nuclear warheads which is one of the most toxic substances on earth.

“It has a radioactive half-life of 24,100 years....

More: www.abc.net.au/news/2017-11-27/the-dome-runit-island-nuclear-test-leaking-due-to-climate-change/9161442 plus <https://nuclear-news.net/2017/11/27/rising-seas-caused-by-climate-change-are-seeping-inside-a-remote-island-nuclear-waste-dump/>

Source: Carbon News, 29th November 2017

Editor: ‘Awesome’ video. ❖

Tread Lightly Caravan’s Growing Influence

“2017 has been another knock out year for the Tread Lightly Caravan!! 6,651 students hosted from 19 schools across the Auckland region.

“We thought the demand from schools to book us in 2017 was unprecedented.....but 2017 is nothing compared to 2018 when we are forecast to host 8,900 students!

“We are continuing to build the programme so that we engage more effectively with families and communities, as well as building new partnerships and collaborations to further add depth to the programme. This year we hosted our very first beach clean up event.

More: [https://gallery.mailchimp.com/0f7213259a9f257fa650ef208/files/f724c7a9-1f3f-4bca-a4c9-701088a60675/Tread Lightly Caravan 2017 end of year report.pdf](https://gallery.mailchimp.com/0f7213259a9f257fa650ef208/files/f724c7a9-1f3f-4bca-a4c9-701088a60675/Tread%20Lightly%20Caravan%202017%20end%20of%20year%20report.pdf)

Source: Tread Lightly Caravan, 5th December 2017. ❖

Contributions and feedback are welcomed.

Send your news items, handy hints, case studies, suggestions, comments and questions to Ray Skinner of *Sustainability Matters*.
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