

Sustainability Matters

12th April 2018

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.**

Measuring the Meaning of Life

"Life is about more than money".

"Fair call; that's not normally a controversial statement.

"But should Treasury – every government's lead adviser on economic, financial and regulatory policy – be thinking about more than just money?

"That's more controversial. And it is happening, putting New Zealand at the forefront of a global shift in economic thinking.

"The quote above is pulled from Treasury's own documents, released with last month's annual Investment Statement.

"It's one of many examples of softer language in the past few months, all pointing to a big shift in focus.

"The new Government has charged the famously fiscally conservative institution with broadening its scope and producing a 'wellbeing' Budget in 2019.

"What does that even mean?

"Since the global financial crisis there has been a move away from a hardline focus on GDP growth – at an academic level at least.

"Now New Zealand's Treasury gets to put the theory into action.

"But they've been changing for longer than when this Government arrived. I think people are suddenly paying a bit more attention to it." ...

More:

www.nzherald.co.nz/business/news/article.cfm?c_id=3&objctid=12025722, plus 12 minute video interview

Source: *NZ Herald, The Business*, page 12, 6th April 2018.

Editor: Treasury is now seeking public feedback. ❖

How Climate Activists Failed to Make Clear the Problem with Natural Gas

"Author and activist Bill McKibben writes about what he considers the climate movement's biggest failure: its inability to successfully make the case that natural gas is not a clean replacement for other fossil fuels. The global warming strategy in the U.S. has largely been to replace coal-fired power plants with ones that run on fracked gas. As a result, McKibben notes, the nation has cut its carbon emissions, but only at the cost of dramatically increasing emissions of methane, another potent greenhouse gas. 'Put another way', he writes, 'it's as if we proudly announced that we kicked our Oxycontin habit by taking up heroin instead'.

More: <https://e360.yale.edu/features/how-climate-activists-failed-to-make-clear-the-problem-with-natural-gas-mckibben>

Source: *Yale Environment 360*, 16th March 2018. ❖

SUSTAINABILITY WORKING GROUP

The first edition of what eventually became *Sustainability Matters* was issued on 6th May 2001. Titled **SOME NEWS and VIEWS!** it arose from the meeting held on 19th April – one of several held at various venues in Auckland preceding formal creation of the Sustainability Working Group. ❖

The Commitment to Reducing Inequality Index – July 2017

"In 2015, the leaders of 193 governments promised to reduce inequality as part of the Sustainable Development Goals (SDGs). Without reducing inequality, meeting the SDG to eliminate poverty will be impossible. Now Development Finance International and Oxfam have produced the first index to measure the commitment of governments to reducing the gap between the rich and the poor.

"The index is based on a new database of indicators, covering 152 countries, which measures government action on social spending, tax and labour rights – three areas found to be critical to reducing the gap. This preliminary version of the *Commitment to Reducing Inequality* (CRI) Index finds that 112 of the 152 countries surveyed are doing less than half of what they could to tackle inequality. Countries such as India and Nigeria do very badly overall, and among rich countries, the USA does very badly. At the same time, countries such as Sweden, Chile, Namibia and Uruguay have taken strong steps to reduce inequality.

"This first version of the CRI Index is being presented by DFI and Oxfam as work in progress, and we welcome comments and additions. We find there is an urgent need for coordinated global investment to significantly improve the data on inequality and related policies to reduce it, together with much greater concerted action by governments across the world to reduce inequality.

Some Rankings;

- OECD countries – Sweden 1st, Australia 14th, NZ 27th
- All countries – Sweden 1st, Australia 14th, UK 17th, USA 23rd, NZ 30th, Russia 85th, Singapore 86th, China 87th, Fiji 127th, Tonga 144th

More: www.oxfam.org/en/research/commitment-reducing-inequality-index 64 pages, 1.11Mb

Source: ActionStation, 5th April 2018.

Editor: Note NZ's placement. ❖

A New Global Standard to Address Bribery Risk: ISO 37001

"Proactively managing bribery risk is both critical to business success and a legal necessity. Companies and other organisations face a dynamic, changing legal and operational landscape as more countries adopt and enforce anti-bribery laws. Today, offering, soliciting, or providing a bribe is illegal in virtually every country, whether in relation to a commercial or government engagement, and whether directly or indirectly through a third party.

"Published by ISO in October 2016, ISO 37001 is the first global standard on anti-bribery compliance. The standard was drafted to help organisations reduce risk and costs related to bribery by providing a business framework for preventing, detecting and addressing bribery

More: <http://complianceandethics.org/a-new-global-standard-to-address-bribery-risk-iso-37001/>

Source: Wendy Gallaher, LinkedIn, NZ Fraud Prevention Association group, 2nd April 2018. ❖

Energy Hogs: Can World's Huge Data Centres be More Efficient?

"The gigantic data centres which power the internet consume vast amounts of electricity and emit as much CO2 as the airline industry. And with global data traffic more than doubling every four years, these centres are growing fast. This week at *Yale Environment 360*, contributor Fred Pearce reports on the industry's massive environmental footprint and efforts to green data centres by powering them with renewable energy and dramatically improving energy efficiency. As Pearce writes, companies like Google and Microsoft are increasingly building carbon neutral or low-carbon data facilities in places like Scandinavia or Iceland, where cooling costs are low and renewable energy is abundant.

More: <https://e360.yale.edu/features/energy-hogs-can-huge-data-centers-be-made-more-efficient>

Source: *Yale Environment 360*, 6th April 2018.

Editor observation: 'If the global IT industry were a country, only China and the United States would contribute more to climate change.' The figures are 'mind blowing'. ❖

Southeast Asia Closes Island Beaches to Recover from Climate Change and Tourism

"More popular Southeast Asian islands will be off limits to visitors this year as officials seek to protect eco-systems crumbling from warming seas and unchecked sprawl, despite the risk to tourism revenues and tens of thousands of jobs.

"Thailand will shut Maya Bay, which famously featured in 'The Beach', starring Leonardo DiCaprio, for four months a year, from June. In the Philippines, officials plan to close Boracay island for six months at the end of April.

"Islands have very fragile eco-systems that simply cannot handle so many people, pollution from boats and beachfront hotels', said Thon Thamrongnawasawat, a marine expert in Bangkok.

"Coral reefs have been degraded by warmer seas and overcrowding. Sometimes, a complete closure is the only way for nature to heal', he told the Thomson Reuters Foundation.

"More than three-quarters of Thailand's coral reefs have been damaged by rising sea temperatures and unchecked tourism, said Thon, who last week recommended limiting visitors to its 22 marine parks to 6 million a year to enable their recovery.

"Currently, they number about 5.5 million, he said.

More: www.eco-business.com/news/southeast-asia-closes-island-beaches-to-recover-from-climate-change-and-tourism/

Source: eco-Business.com, 4th April 2018

Editor: This story plus similar closures elsewhere has also reached NZ newspapers and TV news. Question: Is the early stages of this already in NZ? Reportedly 33,000 people traversed the Tongariro Crossing during Easter 2017. ❖

GRI Standards and <IR> Courses Soon

"Be ready to join the growing number of organisations reporting their sustainability performance in 2018. As New Zealand's certified training partner for GRI and as an IIRC accredited <IR> trainer we're proud to announce our upcoming courses:

- Certified GRI Standards Sustainability Reporting course on 2nd and 3rd May
- <IR> approved Integrated Reporting course on 27th and 28th June

"You can register your interest on our courses webpage, or just send us an email. We expect high interest in these courses. Avoid disappointment and reserve your place early.

More: www.proxima.global/courses/

Source: Proxima, 4th April 2018. ❖

The Case for Taking Early Action on Climate Change

"... new research on the impact of climate change on New Zealand's economy, commissioned by Westpac and carried out by EY and Vivid Economics, finds New Zealand could be \$30 billion better off if early and consistent action is taken to meet our Paris Agreement commitment to help keep global warming to less than two degrees Celsius.

"The research looks at two scenarios – the first involved a proactive and smooth transition to reduce our greenhouse gas emissions. In the second, significant action is delayed for more than a decade, requiring a period of drastic catch-up.

"The modelling indicates the economy could benefit by \$30 billion in additional GDP by 2050 if Government and businesses get cracking and take early action.

"In a nutshell, more needs to be done, and more quickly.

"We've taken this on board and have set new targets in our own business. They are:

- To increase our lending to green businesses from \$1.5 billion to \$2 billion by 2020.
- To cut our own emissions by another 25% by 2020 and remain a net carbon zero business through offsetting.

"I encourage you to explore the report's findings and think about how your organisation can help take immediate action on climate change.

More: www.westpac.co.nz/who-we-are/sustainability-and-community/looking-after-our-environment/climate-change/climate-change-impact-report/ plus www.westpac.co.nz/assets/Sustainability/Westpac-NZ-Climate-Change-Impact-Report.pdf 29 pages, 953kb

Source: David McLean, CEO, Westpac NZ, 4th April 2018

Editor: Take a look at *Four Future Scenarios for New Zealand, Edition 2*, 17th June 2009, Bob Frame and others, 112 pages, 11.1Mb at

www.landcareresearch.co.nz/science/living/sustainable-futures/future-scenarios plus <http://tools.envirolink.govt.nz/case-studies/denew-casestudy/> ❖

Waste Land, Promised Land

".... Constant's kids were living with him for the summer, and sometimes he brought them here, to his farm that teems with the organic produce he grows on an easement beneath an electricity transmission tower at the intersection of Fondren and Willowbend in southwest Houston. The land once belonged to Braeswood Church across the street, but they had donated the narrow, unbuildable lot to Plant It Forward, a local nonprofit which trains refugees to become urban farmers. Plant It Forward divided the land into three one-acre plots and allocated these 'Fondren Farm' plots to refugees like Constant – all Congolese – after mentoring them for nearly a year on how to grow in the soil and climate of Houston, and to market their produce to this city's clientele. The goal of Plant It Forward is to offer refugees a path toward economic self-sufficiency through organic farms that have the potential to generate enough income to support a family of four.

A commenter adds: Our dreams must be put into action in order to have results.

More: <https://orionmagazine.org/article/waste-land-promised-land/> plus <http://plant-it-forward.org/>

Source: *Orion*, 6th April 2018.

Editor: Very long article; a story of refugees from the Congo and how a non-profit set up by some local software entrepreneurs helps them settle and earn a living in Houston. ❖

Impact Investing Fund Goes Live in NZ

The Impact Enterprise Fund, New Zealand's first domestically-focused Impact Investing Fund, has gone live following the completion of its first round of fundraising.

"After receiving expressions of interest from potential investors in excess of \$8 million, the Fund completed a First Close on 8th February. The Fund's Chairman David Woods stated that having established a solid investor base, the Board is confident of reaching the original \$10 million to \$15 million target.

"The First Close comprises 35 investors, from a diverse range of investment backgrounds, structures, and geographies. The Fund has two cornerstone investors, St John's College Trust Board and The Tindall Foundation, and has attracted offshore investment.

"Woods stated the 'momentum behind impact investing in New Zealand is growing week on week, especially in well-publicised areas such as climate change.' The management team expects that a lot of the work it has completed in the past few months educating the investor landscape around the country will translate into demand before the Final Close.

"With around \$8 million to invest, the Fund's management team will now commence evaluation of investment opportunities in the New Zealand market, whilst continuing their fundraising....

More: www.akina.org.nz/wp-content/uploads/2018/02/IEF-First-Close-Press-Release-Final-1-1.pdf 9th February 2018. Also, <http://business.scoop.co.nz/2018/02/09/social-enterprise-focused-impact-enterprise-fund-raises-8m/> plus <http://akina.org.nz/impactenterprisefund> plus www.impactinvestingnetwork.nz/ also www.impactinvestingnetwork.nz/letter-from-david-woods and www.newground.co.nz/about/

Source: *Carbon News*, 10th April 2018

Editor: These are hugely exciting developments for NZ Inc by Ākina, New Ground Capital, Impact Ventures Ltd and others. ❖

The Growth Delusion: Wealth, Poverty, and the Well-being of Nations

"A provocative critique of the pieties and fallacies of our obsession with economic growth.

"We live in a society in which a priesthood of economists, wielding impenetrable mathematical formulas, sets the framework for public debate. Ultimately, it is economists who set the agenda for how much we can spend on our schools, highways, and defence; who decide how much unemployment is acceptable and whether it is right to print money or bail out profligate banks.

"The backlash we are currently witnessing suggests people are turning against the economists and their faulty representation of our lives. Despite decades of steady economic growth, many citizens feel more pessimistic than ever, and are voting for candidates who voice undisguised contempt for the technocratic elite. For too long, economics has relied on a language which fails to resonate with people's lived experience, and we are now living with the consequences.

"In this powerful, incisive book, David Pilling dives into the biases and failings of our obsession with economic growth, and explores the alternatives to GDP, from measures of wealth, equality, and sustainability to measures of subjective wellbeing. Authoritative, provocative, and eye-opening, *The Growth Delusion* offers witty and unexpected insights into how our society can respond to the needs of real people instead of pursuing growth at any cost.

More: www.goodreads.com/book/show/36130581-the-growth-delusion plus www.washingtonpost.com/news/posteverything/wp/2018/02/28/the-growth-delusion-an-interview-with-david-pilling/ January 2018, 352 pages

Source: *NZ Herald, Weekend*, page 17, 31st March 2018

Editor: This is by no means the first book in which these issues are discussed. Said to be witty sharp, engaging and timely. ❖

Learning from Tūhoe – Four Practical Insights to Run Great Design Workshops

"What does it take to strike breakthrough ideas that can create strong foundations for a sustainable future? All too often we take what we know from the past and project it into the future, even despite our awareness that the future needs to be quite different from the past.

"Proxima's Simon Harvey was invited to be part of a large working group helping Tūhoe address this challenge as the tribe develops its vision of a regenerative future, for their buildings and their communities. What emerged from the experience were four clear insights about how to inspire fresh thinking, creative solutions and a deep understanding of challenges to be met:

- The power of outside thinking
- Knowing the value of who's in the room
- The power of deep contextual awareness
- Taking a different approach to inspire creative thinking

More: www.proxima.global/news/four-practical-workshop-insights-from-working-with-tuhoe/

Source: Proxima, 4th April 2018. ❖

Will the 'Educated' Save the Environment?

"Manshi Asher argues that the reliance on education providing merely literacy, connecting people to a wider world, but alienating them from their environments, has done little good to people or their ecosystems.

"For decades, the social change discourse has been dominated by the idea that lack of access to modern 'education' and the resultant 'non-integration' of societies into mainstream is pivotal in the continuation of various socio-economic and political challenges. And this argument is rarely ever re-examined, by our social 'engineers', be they in the academia or grassroots practice, for a multitude of reasons, the primary being that it would mean that they may have to stop peddling the wheels of the system and consider a serious reinvention. However, not engaging with this debate is a choice that is posing barriers to the process of transformation.

"If you wanted to change a culture in a single generation, how would you do it? You would change the way it educates its children....

More: www.responsiblebusiness.com/channels/climate-changes-news/will-education-save-environment/

Source: Global Initiatives, 3rd April 2018. ❖

The Statistics are Mind-Numbing ...

"As many as 357 million children are growing up in areas affected by conflict. That's 1 in every 6 children around the world.

"The world's #1 worst: Syria.

"For 7 brutal years, Syria's children have lived in a war zone, many suffering 1 or more of the UN's 6 'grave violations'. We're talking about killing, maiming, sexual violence, abduction, recruitment into combat, attacks on schools and hospitals, and denial of basic humanitarian access. In fact, 5.3 million Syrian children need our help right now – even in Syria's so-called 'de-escalation zones.'

"In Syria, childhood is being re-defined by the cold, cruel realities of war.

"By any account, Syria's 7-year war is re-defining childhood.

More: www.savethechildren.org/site/c.8rKLIXMGIpI4E/b.7998857/k.D075/Syria.htm

Source: Save the Children, 15th March 2018

Editor: That is 12% more than the entire population of NZ – and does not include Syria's adults. ❖

Trading for Good: A Report on Small and Medium-sized Social Enterprises

"Trading for Good was commissioned by Lloyds Bank Foundation for England and Wales to provide greater depth of understanding into the work of social enterprises, particularly small and medium-sized social enterprises.

"The report shows the important impact social enterprises are having on some of the poorest communities in the UK and calls for more to be done to encourage Government, funders and the public to ensure social enterprises are supported. Focusing on small-medium sized social enterprises it demonstrates start up rates are high, that they are more diverse in their leadership than traditional SMEs, and that they are working directly in the communities that need them most.

More:

www.socialenterprise.org.uk/Handlers/Download.ashx?IDMF=2fd3af34-6102-4739-9feb-490d196b8672 44 pages, 5.09Mb

Source: SAN, 19th March 2018. ❖

It's Time for Companies to Clean up Their Act

"With environmental concerns rising rapidly, [NZ] consumers are asking why companies aren't doing more to clean up their act.

".... Environmental considerations also feature large when they make other purchases. ... a growing number of consumers rank the worsening state of the environment as a major concern.

"Environmental issues feature in the top five spots in our latest survey of consumer concerns. Water quality jumped to first place this year. Eighty percent of consumers named it as their key concern, up from 66% last year.

"That rise is coupled with a marked increase in people worried about climate change: 70% identified it as a major concern, up from 61% a year ago.

"The new normal. The resurgence in environmental awareness is seeing more consumers like Heather wanting to make better choices.

"Fifty-five percent say environmental considerations are very important to them. The majority also factor these considerations into their buying decisions, at least some of the time.

"For every one in two consumers, it's become second nature to search out energy-efficient products. Seven out of 10 routinely think about how long a product will last before they hand over money. Taking reusable bags to the supermarket is the new normal for 44%.

"However, there's mounting dissatisfaction that consumers' voluntary efforts to do the right thing are being frustrated by business-as-usual. Nearly two thirds of consumers believe companies aren't doing enough to reduce their environmental impacts. Just as many think it's hard to find out which products really are better environmental choices.

"Eight out of 10 also think products don't last as long as they used to. Many of us want to get goods repaired rather than replaced, but product design means this isn't always possible.

"Greenwash – claims of greenness that don't stack up – is also muddying the waters and increasing scepticism about companies' eco-branding. Just 15% of consumers feel very confident they can trust green claims.

"When shopping, do you ... [Two tables]

"Local companies lagging behind

More: www.consumer.org.nz/articles/environmental-issues-survey

Source: *Consumer*, 17th March 2018. ❖

World Congress of Accountants

"Co-hosted by CA ANZ, and CPA Australia, the 20th World Congress of Accountants (WCOA) in Sydney later this year. Described as the 'Olympics of Accountants', the conference is held every four years and was last near our [Australian and NZ] shores in Sydney, 1972.

"Previous conferences have brought together the best minds and leaders in finance and business from around the world, and this year will be no different.

"WCOA 2018's conference theme of 'Global Challenges, Global Leaders' will be reflected in its programme and line up of global speakers. The current line-up of confirmed speakers is set to inspire and inform

"*Global Challenges | Global Leaders* is a theme that speaks to the innovative way our profession turns challenges into opportunities. Our conference program will reflect this.

"With massive social, political and technological changes sweeping the globe, the need for decisive, impactful leadership is now.

"This leadership must be grounded in values like integrity, trust and honesty, and must embrace diversity, new technologies and innovation.

"As accounting professionals, we are perfectly positioned to lead and make a difference

"Congress themes;

- Protecting the public interest and building prosperity
- Safeguarding the future of the accounting profession
- Building trust and confidence in financial advice
- Leadership addressing the challenges
- Technology embracing disruptive technologies
- Ethics and integrity the core of the profession
- Sustainability integrated reporting and transparency

When/Where: 5th – 8th November, Sydney

More: <https://wcoa2018.sydney/about-wcoa-accounting-conference/>

Source: CA ANZ, 20th March 2018. ❖

Greenpeace International Ends its Forest Stewardship Council Membership

"The international arm of Greenpeace has ended its membership with the Forest Stewardship Council (FSC), a certification organisation that aims to ensure responsibly managed forests.

"We believe robust timber certification is a helpful but imperfect tool for protecting people's rights and improving forest management, which is why Greenpeace International will not renew its Forest Stewardship Council membership,'

"Greenpeace announced its decision on 26th March, saying the FSC was not accomplishing its goals of protecting forests and the rights of people who live there. The organisation called on the FSC to increase the transparency of its certification process and to do more to ensure that certified companies were indeed adhering to the FSC's social and environmental standards....

"Several national Greenpeace offices, located in countries with stronger forest governance, are sticking with the FSC, including those in the US, Canada, New Zealand, Finland and China, according to the FSC....

More: www.eco-business.com/news/greenpeace-international-ends-its-forest-stewardship-council-membership/

Source: *eco-Business.com*, 4th April 2018. ❖

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 Phone: +64 (09) 443 0773 Web: www.sustainabilitymatters.co.nz

Disclaimer: This news letter does not purport to represent the views or policies of the Chartered Accountants Australia and New Zealand (CAANZ), or, necessarily represent the views of the Sustainability Working Group. ❖

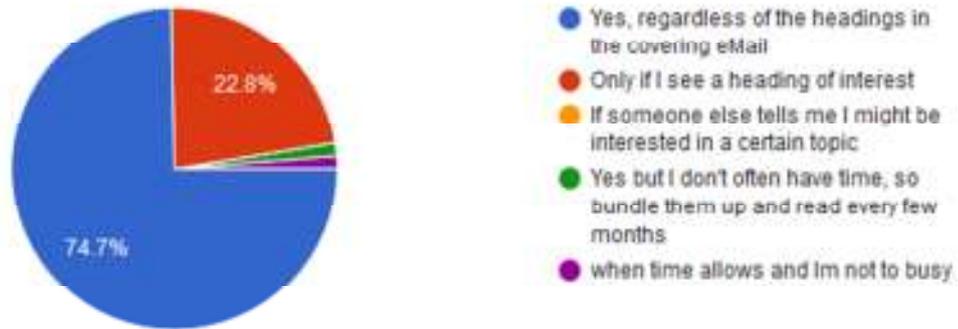
Sustainability Matters 4

Sustainability Matters – Reader Survey March 2018

Preliminary Results

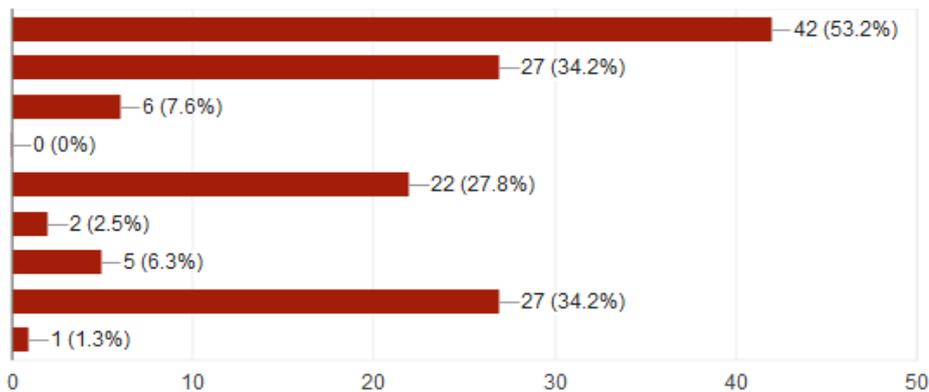
1. From the covering eMail, do you open the newsletter?

79 responses



2. How often do you open the newsletter and how much of it do you read?

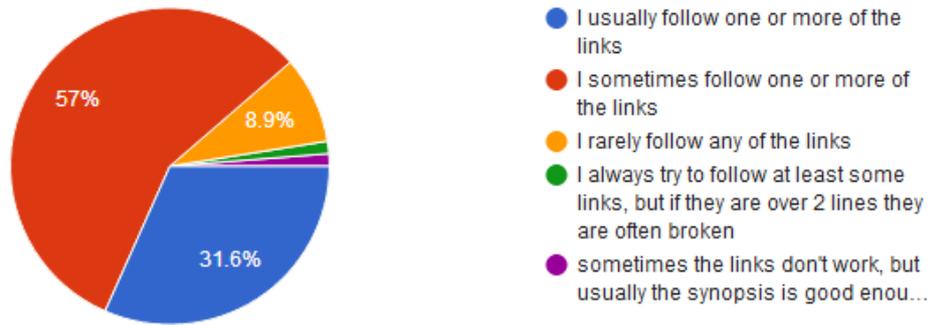
79 responses



Value	Count
I open it every time I get it	42
I open it more than half the time	27
I open it less than half the time	6
I never open it	0
I scan all of it	22
I scan a page or two	2
I usually read all items in depth	5
I usually read some items in depth	27
I seldom read any items in depth	1

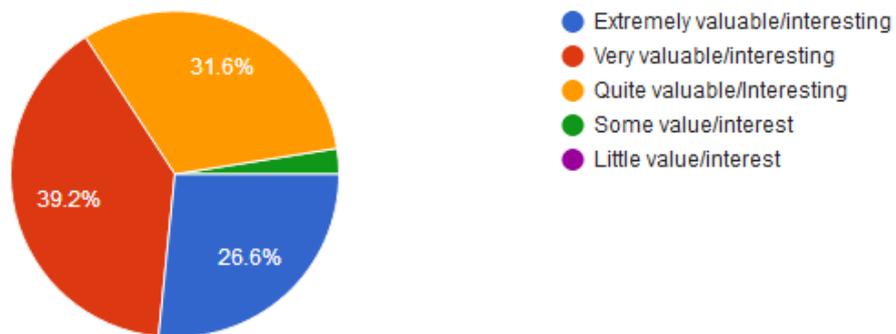
3. Links

79 responses



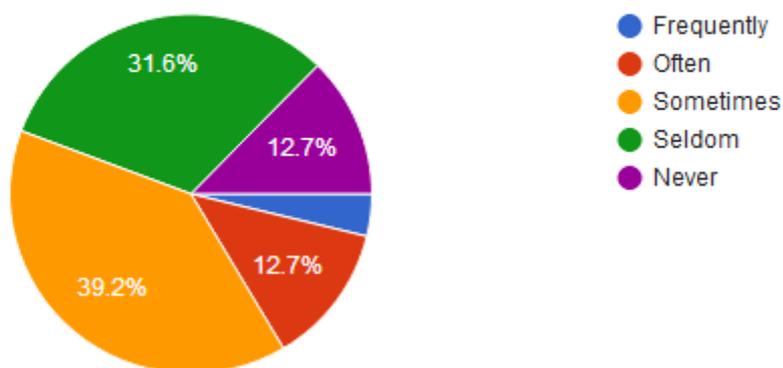
4. Content: How valuable or interesting do you usually find the information in the newsletter?

79 responses



5. Forwarding to or sharing with others

79 responses



6. Look, format and presentation

- Staid and old fashioned and needs a radical change:
8 strongly disagree, 9 partly disagree 21 OK 'as is', 31 partly agree, 10 strongly agree
- I might read more if it was tweaked a bit:
16 strongly disagree, 14 partly disagree 18 OK 'as is', 25 partly agree, 6 strongly agree
- All fine as it is:
7 disagree, 9 strongly, 28 partly disagree, 22 OK 'as is', 25 partly agree, 15 strongly agree

7. Improving look, format or presentation; minor change

Suggestion	Yes	No
Add a QR Code	15	64
Add photos/images	43	36
Substantially reduce length of articles	9	70
Links – change from full to hypertext	25	54
Links – change to shortened length (bit.ly)	13	66
Links in covering eMail	25	54
“MailChimp” instead of eMail and attached PDF document	29	50
Desired changes but retain PDF document	47	32

8. Improving look, format or presentation; significant change

There were 44 responses with a wide range of ideas ranging from no change to “the format is so easy as it is”, to recognition a lot of work could be involved with some possibilities. Much to think about. Thank you!

9. Frequency and length

Suggestion	Yes	No
Fortnightly with four A4 pages	66	13
Weekly with two A4 pages	21	58
Four weekly same length	38	41
Four weekly longer length	11	68

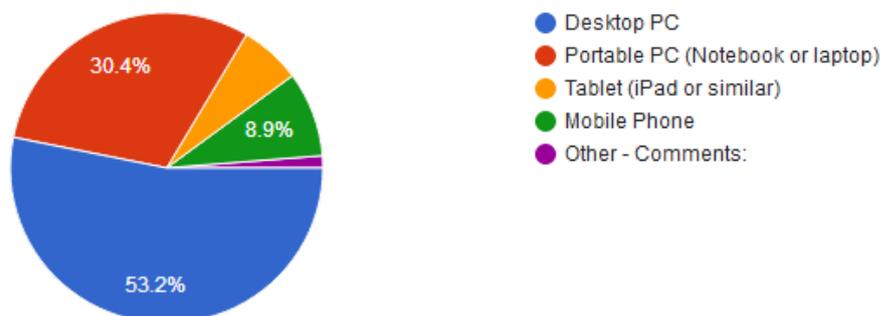
10. Audience

Description	Yes
Member/provisional member CA ANZ	19
Member/provisional member of another accounting body	3
Studying to be a professional	0
Not a professional accountant	55

No answer by 5 respondents and readers could be a member of CA ANZ and another body

11. Device mainly used

79 responses



12. Donations

There were 46 responses covering a wide range of ideas. Plenty of ideas to consider! Every one much valued.

13. Other comments

There were 32 responses. These too covered a wide range of issues and were overwhelmingly supportive. Thank you.