

Sustainability Matters

27th Sept. 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.**

Survey: The Integration of Sustainability in the Education Journey of the Professional Accountant

The Accountancy Bodies Network (ABN) which includes Chartered Accountants of Australia and New Zealand (CA ANZ) has designed a survey to gain a sense of where people think sustainability is currently integrated into the education of the professional accountant. By education is meant at university, the qualification and CPD/ CPE.

"The survey should take only 5 – 10 minutes. The data collected will contribute towards a report consisting of observations and recommendations for accountancy bodies.

"The Accounting Bodies Network is seeking responses from people who have studied accountancy in the last 2 years or are professional accountants. We would appreciate it if you could distribute the link below to the following individuals in your network;

- Students in **accounting or finance** at a university, college or business school
- Students in training for a professional accountancy qualification
- Professional accountant (member of an accountancy body)

Survey: <https://www.surveymonkey.co.uk/r/ZBRPXWM>

Important: Read this before doing the survey
<https://ion.icaew.com/academia/b/blog/posts/stakeholder-survey-the-integration-of-sustainability-in-the-education-journey-of-the-professional-accountant>

More: www.accountingforsustainability.org/en/about-us/our-networks/abn.html

Source: Karen McWilliams, Business Reform Leader, CA ANZ Sydney, 19th September 2018. ❖

Government for the Public Good: The Surprising Science of Large-Scale Collective Action

"The global financial crisis shattered many people's faith in unregulated markets. However, there has been no corresponding swell in enthusiasm for more active government, partly because its effectiveness has been widely denigrated in recent decades.

"Max Rashbrooke's eagerly awaited new book challenges the assumption that government is inefficient or less effective than private markets. *Government for the Public Good* poses the question of whether governments do a good job of solving collective problems. Can we trust them to address the big issues like climate change and automation, or should we leave such things to the market? Reviews suggest most privatisation schemes have failed to deliver better services at lower cost.

More: www.scoop.co.nz/stories/PO1809/S00115/government-for-the-public-good.htm

Source: Tieke: *ECO Alerts & Events*, 26th September 2018. ❖

SUSTAINABILITY WORKING GROUP

At its meeting on 11th September 2001 Peter Casey reported a team had been created comprising Paul Watkinson, Tony Gray, John Strevens, Leanne Holdsworth and Collin Higgins to develop a remit to ICANZ's forthcoming AGM to form a National Committee which could be a catalyst to develop 'sustainability' within the Institute and throughout its membership. ❖

Tax Working Group Releases Interim Report

Released on 21st September the Tax Working Group's interim report canvasses a wide range of issues. The media have focussed on discussion about a possible capital gains tax, Chapter 9 'Environmental and Ecological Outcomes' is receiving scant attention. The Working Group has considered the issues on a wide front. The chapter commences by saying; 'Natural capital is one of the four capitals of the Living Standards Framework, and one focus for the Group has been to explore how Te Ao Māori perspectives can inform our understanding and application of the Living Standards Framework with regard to natural capital.'

It goes on to say; 'Waiora – which is commonly used in Te Ao Māori to express wellbeing – centres our conception of wellbeing in wai (water) as the source of all life. As human beings, we are largely comprised of water, and we draw our sustenance from the natural environment. Our wellbeing is inextricably linked to the wellbeing of our natural capital. Our success in managing ourselves in relation to these natural systems and resources will determine the sustainability and wellbeing of our people over time' before embarking on fourteen several pages of discourse on the issues as the Working Group perceives them.

This segment of the report concludes with the following summary;

"9.1 There is scope for tax instruments to play a greater role in delivering positive environmental and ecological outcomes in New Zealand. Environmental tax instruments can be a powerful tool for ensuring people and companies better understand and account for the impact of their actions on the ecosystems on which they depend.

"9.2 Taxes are not well suited to all environmental problems and regulation will still be a better approach for dealing with some issues. Our draft framework identifies a range of criteria and design principles for environmental taxes to be effective. Environmental taxation and regulation should be considered together for positive outcomes.

"9.3 In the short term, there may be benefits in expanding the coverage of the Waste Disposal Levy, and for reassessing waste and landfill disposal externalities to see if higher rates are warranted. There could also be benefits from strengthening the ETS and advancing congestion charging. Over the medium term, there could be benefits from greater use of tax instruments to address challenges in both water pollution and water abstraction. Addressing Māori rights and interests in fresh water should be central to any changes. In the longer term, new tools could allow for an expanded role for environmental taxes to address other challenges such as biodiversity loss and impacts on ecosystem services.

Source: Editor, 21st September 2018

More: <https://taxworkinggroup.govt.nz/resources/future-tax-interim-report> 194 pages, 1.40Mb

Note: The concept of 'taxing bads' and using the tax gathered to incentivise 'goods' is outside the scope of the review. There are several pertinent papers at <https://taxworkinggroup.govt.nz/key-documents/papers-organised-theme#environment> providing e.g. a few issues raised by submitters. ❖

Gasoline Made of Carbon Sucked From the Air *Carbon Legislation for Infrastructure:*

"Imagine Driving up to your local gas station and being able to choose between regular, premium, or carbon-free gasoline.

"Carbon Engineering, a Canadian company, is already making a liquid fuel by sucking carbon dioxide (CO₂) out of the atmosphere and combining it with hydrogen from water. This is an engineering breakthrough on two fronts: A potentially cost-effective way to take CO₂ out of the atmosphere to fight climate change and a potentially cost-competitive way to make gasoline, diesel, or jet fuel that doesn't add any additional CO₂ to the atmosphere.

"This isn't going to save the world from the impacts of climate change, but it's going to be a big step on the path to a low-carbon economy', said David Keith, a Harvard Professor of Applied Physics and founder of Carbon Engineering. Keith said capturing CO₂ from the air and making fuel didn't require scientific breakthroughs per se as much as \$30 million, eight years of engineering, and a 'million little details' to get the process right.

"Getting it right also meant keeping the costs below \$100/ ton of CO₂ removed from the atmosphere. The design and engineering cost of the pilot project that's been running since 2015 in Squamish, British Columbia, was published today [8th June] in the peer-reviewed energy journal *Joule*. The company used existing industrial processes to scale up and reduce costs.

More: www.nationalgeographic.com.au/science/this-gasoline-is-made-of-carbon-sucked-from-the-air.aspx plus www.nature.com/articles/d41586-018-05357-w and https://www.youtube.com/watch?v=Mb_8DJF6Hp0 with 770 comments as at 24th September

Source: Rob Skinner, 23rd September 2018. ❖

Aotearoa Social Enterprise Forum

"This one-day event will deliver practical skills and inspiration for social entrepreneurs and those who work with them..

"*The Aotearoa Social Enterprise Forum* is our chance to get together as a sector to connect and grow our collective impact.

"Join us and together we can share our views on how to harness the power of social enterprise to transform our economy, so positive social and environmental impact is embedded in the way we do business.

"But there will also be plenty of content for those who provide support to social entrepreneurs. Business leaders and sustainability managers can join in the conversation on social procurement, intermediaries will gather to push the boundaries of capability building in the regions, policy makers will have a chance to hear from social entrepreneurs themselves what sort of policy changes will really enable them, investors will leave with a better understanding of the opportunity impact investing represents, etc....

When/Where: 8:00- 5:30pm Fri. 19th Oct, Wellington Zoo

More: <https://www.asef.nz/>

Source: *SBC Weekly Pānui*, 20th September 2018. ❖

2018 World Indigenous Business Forum

"The *World Indigenous Business Forum 2018* (WIBF 2018) is a major international event growing in global momentum since 2010. Aotearoa, New Zealand, has successfully won the 2018 bid to showcase Māori business and leverage global indigenous trade and development. WIBF 2018 provides a platform to lead private and public sector conversations and collaborations with Iwi leaders, international corporations, social enterprise initiatives and community development. Hosting the WIBF 2018 in New Zealand will see a global attendance of 1,000 business participants in an innovative focused forum, significantly lifting both Māori and New Zealand trade profiles across global Indigenous business communities.

When/Where: 9th to 10th October, Rotorua

More: <http://wibf.ca/> plus www.tpk.govt.nz/en/rauika/event/12737

Source: *SBC Weekly Pānui*, 20th September 2018. ❖

Workshop

"With New Zealand's climate change legislation aspiring towards the UK model, Enviro-Mark Solutions has organised for leading UK water company, Anglian Water, to share their experience of operating under the UK's Climate Change Act with NZ businesses.

"David Riley, Head of Carbon & Energy at Anglian Water, (one of the largest water companies in the UK) will share Anglian Water's sustainability story. Anglian Water is recognised as a leader in climate action in the UK. They have been CEMARS certified since 2008, measure carbon in infrastructure, and issued the first green bond in the UK.

Where/When:

- Wellington: Friday, 12th October Event Link : <https://www.eventbrite.co.nz/e/climate-change-legislation-lessons-from-the-uk-tickets-49364431343>
- Christchurch: Monday, 15th October Event Link: <https://www.eventbrite.co.nz/e/climate-change-legislation-lessons-from-the-uk-tickets-49367057197>

Source: Ashish Kundalkar, enviro-Mark, 17th Sept. ❖

Obama Foundation Fellowships

"The Obama Foundation Fellowship supports outstanding civic innovators – leaders who are working with their communities to create transformational change, addressing some of the world's most pressing problems. The program selects 20 community-minded rising stars from around the world for a two-year, non-residential program, designed to amplify the impact of their work and inspire a wave of civic innovation.

"Obama Foundation Fellows are a diverse set of leaders who bring a community-centred approach to science, criminal justice, healthcare, education, the arts, and more. Together they model the powerful truth that each of us has a role to play in civic life.

"The two-year, non-residential Obama Fellowship offers hands-on training, resources, and leadership development to help Fellows scale the impact of their work. Fellows participate in four multi-day gatherings where they collaborate with each other, connect with potential partners, and collectively push their work forward. Throughout the program, each Fellow pursues a personalised plan to leverage the Fellowship experience to take their work to the next level.

"Fellows are working alongside their communities to solve important public problems in creative and meaningful ways. Living out the Foundation's values of Imagination and Fearlessness, Fellows are bringing bold ideas to bear on the most pressing problems we face. By engaging their communities in this work, they create stronger and more sustainable solutions.

Fellowship applications for 2019 closed 18th September 2018. Consider making an application for the next round for which applications open about August 2019.

More: www.obama.org/fellowship

Source: PeaceNow, 18th September 2018. ❖

Recycling the Unrecyclable

A British company has developed technology to convert mixed plastic waste into oil rather than dumping to landfill, burning and/or exporting. Substantial funding agreements have recently been signed to accelerate the commercial roll out of the technology.

More:

<https://www.facebook.com/BBCworldhacks/videos/10155492270113129/> plus <https://recyclingtechnologies.co.uk/technology/the-rt7000/> and <https://recyclingtechnologies.co.uk/2018/09/boost-to-uk-recycling-as-ecosurety-and-recycling-technologies-strike-new-partnership/>

Source: Craig Skinner, 24th September 2018. ❖

Air Pollution Particles Found in Mothers' Placentas

"Scientists have found the first evidence that particles of air pollution travel through pregnant women's lungs and lodge in their placentas.

"Toxic air is already strongly linked to harm in foetuses but how the damage is done is unknown. The new study, involving mothers living in London, UK, revealed sooty particles in the placentas of each of their babies and researchers say it is quite possible the particles entered the foetuses too.

"It is a worrying problem – there is a massive association between air pollution a mother breathes in and the effect it has on the foetus", said Dr Lisa Miyashita, at Queen Mary University of London, one of the research team. 'It is always good if possible to take less polluted routes if you are pregnant – or indeed if you are not pregnant. I avoid busy roads when I walk to the station.'

"A series of previous studies have shown air pollution significantly increases the risk of premature birth and of low birth weight, leading to lifelong damage to health. A large study of more than 500,000 births in London, published in December, confirmed the link and led doctors to say the implications for many millions of women in polluted cities around the world are 'something approaching a public health catastrophe'.

"Air pollution harm to unborn babies may be global health catastrophe, warn doctors

"Scientists are increasingly finding that air pollution results in health problems far beyond the lungs.

More: www.theguardian.com/environment/2018/sep/16/air-pollution-particles-found-in-mothers-placentas

Source: *Carbon News*, 19th September 2018. ❖

Animated Map: 2,400 Years of European History

"The history of Europe is breathtakingly complex. While there are rare exceptions like Andorra and Portugal, which have had remarkably static borders for hundreds of years, jurisdiction over portions of the Continent's landmass has changed hands innumerable times.

"Today's video comes to us from YouTube channel Cottureau, and provides an informative overview of European history starting from 400 BC. Empires rise and fall, invasions sweep across the continent, and the borders of modern countries slowly begin to take shape (with the added bonus of an extremely dramatic instrumental).

"Below are nine highlights and catalysts that shifted Europe's geographic dividing lines:

More: www.visualcapitalist.com/2400-years-of-european-history/ with 11:45 video

Source: *LinkedIn News*, 19th September 2018. ❖

HomeGrown - Inspiring Local Stories of Sustainability Success

"We live in an era of global interdependence. But remote little New Zealand also needs to build a truly 21st century resilient, independent economy. This will safeguard our unique selling point to the world, and give us something to fall back on in turbulent times.

"At SBN's annual conference you will discover how a home grown future is emerging. NZ businesses large and small have identified unique opportunities, developed innovations, implemented solutions, and are reaping the benefits of sustainable practice. We are a creative nation, a bold and brave people, and this work sets the tone for our aspirations.

"This is an opportunity to be inspired by local success stories and learn from our courageous business community. It's a chance to reflect on what success might look like for you, your business, and for NZ in years to come.

When/Where: 8:30am- 6:30pm, Tues. 16th October, at Orākei Marae, 59 Kitemoana Street, Auckland

More: <https://sustainable.org.nz/homegrown-conference>

Source: SBN, 13th September 2018. ❖

(Un) Changing Behaviour: (New Zealand's delay & dysfunction in utilising) Economic Instruments in the Management of Waste?

The New Zealand Product Stewardship Council (NZPSC) has recently issued an open submission to the Parliamentary Commissioner for the Environment (PCE), calling for a review by the Commissioner of waste management in New Zealand which the Commission last reviewed in 2006.

Specifically the submission: 'draws on the PCE's 2006 reporting, as a rubric for examining New Zealand's poor performance minimisation and managing waste.

"The purpose of this submission is to highlight multiple 'red flag' issues in this sphere and specifically to call on the PCE to once again research and report on waste, as a key environmental issue for New Zealand.

"Whilst the submission is addressed to the PCE (as the agency mandated with holding government to account around environmental matters), this is an open public document, which seeks to inform and cultivate necessary debate in this sphere of environmental practice.

"The NZPSC position is that, overall waste management in New Zealand is simply not working well enough, nor transitioning us fast enough into the huge environmental, social, cultural and economic benefits on offer in a zero waste focussed, circular economy.

"The dysfunction and delay characterising New Zealand's policy and performance around waste, involves real environmental harm, significant cost to our community and damage to our international reputation.

"It is important that these issues are now independently examined, understood and quickly resolved, so as to reset New Zealand on a trajectory of efficacy and success in dealing with the critical, globalised issue of waste.

More: www.nzpsc.nz and www.nzpsc.nz/wp-content/uploads/2018/09/NZPSC-open-submission-to-PCE-v-final-sept-2018.pdf 60 pages, 189 footnotes

Source: Jonathon Hannon, Coordinator - Zero Waste Academy, Massey University, 20th Sept. 2018. ❖

United Airlines Plans 50% Emissions Reduction by 2050

"United Airlines plans to reduce greenhouse gas emissions by 50% by 2050, the airline announced. To reach its goal, the airline will continue investing in newer, more fuel-efficient aircraft, implementing operational changes to conserve fuel, and expanding its use of more sustainable aviation biofuels.

"The airline punctuated its announcement with a flight from San Francisco to Zurich using its most fuel-efficient aircraft – the Boeing 787 – fueled by a 30/70 blend of biofuel and conventional jet fuel. The biofuel comes from World Energy's AltAir Fuels and is made from Carinata seeds from agri-tech company Agrisoma Biosciences Inc. The seeds are crushed to recover the oil and refined into jet fuel.

"United Airlines has sourced more than 2 million gallons of sustainable aviation biofuel since 2016 and is responsible for more than 50% of the airline industry's commitments to biofuel, according to the company.

"Agrisoma has commercial agreements across the global aviation industry to supply Carinata for a low-carbon fuel that is 'chemically identical to conventional, petroleum-derived jet fuel', the company says. Agrisoma has Carinata growers in place throughout the Americas and Australia, where Carinata is grown as a second crop to complement existing crop production....

More: www.environmentalleader.com/2018/09/united-airlines-plans-50-emissions-reduction-by-2050/ plus <https://agrisoma.com/biofuel/carinata>

Source: *Environmental Leader*, 20th September 2018

Editor: For more about carinata (which grows in hot and dry regions) visit www.rdmag.com/article/2014/04/pass-mustard-why-carinata-taking-root-biofuel. ❖

Low-carbon Economy 'Growth Story of the Century': Stern

"As thousands of mayors, governors, CEOs and experts gathered in the Californian city of San Francisco for the Global Climate Action Summit, economist Lord Nicholas Stern has called for big thinking and bold action to avoid the worst ravages of catastrophic global warming.

"A report released earlier this month [5th September] by the Global Commission on the Economy and Climate, which he co-chairs, concluded strategic investment today across five sectors, energy, cities, food and land use, water and industry, would deliver trillions of dollars in benefits over the next 12 years.

"The French newsagency AFP reports those benefits would range from 700,000 fewer premature deaths from air pollution to more than 65 million new low-carbon jobs.

"A former chief economist of the World Bank, Lord Stern was appointed by the British government to review the economics of climate change, resulting in the highly influential 2006 Stern Review. ... Today, he chairs the Grantham Research Institute on Climate Change and the Environment at the London School of Economics.

"Our civilisation has arisen in just the last 10,000 years, when temperatures varying by plus or minus one degree Celsius', Lord Stern told AFP. 'Continuing down the path we are on would see an increase, within a century or so, of 3 or 4°C, something Earth has not known for three million years.'

"Coastal areas would be under water, deserts will have expanded, hurricanes would become much more intense. Many parts of the world would become uninhabitable. Hundreds of millions would have to move, perhaps billions. 'The risk of serious conflict would be high.'

"The science is even more worrying than we thought, and the cost of inaction is much bigger.

"At the same time, the cost of action, due to technological change, is far lower.'

"Who would have thought then that renewable energy with storage would already be out-competing fossil fuels in the marketplace, even without a price on carbon?"

"And who would have thought that the heads of the major car companies would all be agreeing that the era of the internal combustion engine is coming to an end?"

"And there is so much more in the pipeline. This is the growth story of the 21st century. There is no long-run high carbon growth story.'

"We are not moving anywhere near fast enough.

"The United Nations sponsored Paris Agreement target is 'well below' 2.0°C. But even at 1.0°C, we are experiencing very severe effects. This will add to the pressure.'

"Also, if we invest differently it doesn't have to cost all that much, we can have cities where we can move, breathe and be productive. The attractions of different ways of living will start to appear.'

"We are now seeing measures that will change the whole pattern of investment.

"Lord Stern said the key actions for government were clear and strong targets for emissions reductions, so investors in each country know what the overall story is going to be in 20 or 30 years.

More: www.afp.com/en/news/826/low-carbon-economy-growth-story-century-stern-doc-1922bq1 plus <http://econews.com.au/58710/lord-stern-low-carbon-economy-growth-story-of-the-century/> and <https://newclimateeconomy.net/content/press-release-bold-climate-action-could-deliver-us26-trillion-2030-finds-global-commission> 11.46Mb, 208 pages

Source: *eco-News*, 14th September 2018. ❖

Pay More for Your Clothes, Bangladesh Workers Tell Global Fashion Brands

"Garment workers in Bangladesh have rejected an increase in the minimum wage, saying it is still not enough to live on and urging global brands to pay more for the clothes they buy, unions said on Monday [17th Sept 2018].

"Bangladesh raised the minimum wage by more than 50% last week to 8,000 taka (\$95.50) a month – the first increase since 2013, when a string of fatal factory accidents thrust poor working conditions and pay into the spotlight.

"The new wages announced are not enough for workers to live a decent life', said ... 'Workers were demanding 16,000 takas. They are not happy and many organisations are talking about an indefinite strike if the wages are not reconsidered', ...

"Bangladesh is the world's second largest garment producer after China and its \$30 billion industry employs an estimated four million people, 80% of them women.

"The workers are among the worst-paid in the world, a compensation report released by the Fair Labor Association (FLA) in April stated.

"Overtime income accounts for 20% of their salary, it said, and half the workers put in more than 60 hours a week despite the impact on their health.

"The decision to raise wages for garment workers in Bangladesh is an encouraging – though long overdue – step in the right direction', adding the fight for fair wages would however continue.

"The unions also say production targets should not be increased after the wage hike, which many small and medium factory owners argue is a 'burden' that may lead to the closure of units

More: www.reuters.com/article/us-bangladesh-labor-fashion/pay-more-for-your-clothes-bangladesh-workers-tell-global-fashion-brands-idUSKCN1LX23X plus www.dw.com/en/bangladesh-unions-reject-95-monthly-wage-for-garment-workers/a-45485117 – has numerous related articles plus videos

Source: *Carbon News*, 19th September 2018

The Human Element Movie NZ Premiere

"Brought to you by Pure Advantage, the Climate Change & Business Conference is pleased to host the New Zealand Premiere of *The Human Element*. A riveting and visually rich documentary, telling stories of climate change impact with compassion and heart.

"We are on the frontlines of climate change, a reality that is challenging us to re-evaluate our relationship with the natural world. Human activities alter the basic constituents of life – earth, air, water, and fire – and these elements change human life in turn.

"Featuring renowned environmental photographer James Balog of *Chasing Ice* fame, an award winning documentary previously supported by Pure Advantage, *The Human Element* explores the impact of climate change on everyday people, documenting stories of wildfires, cyclones, sea level rise, a struggling coal mining community, and our changing air supply.

"You are invited to attend the New Zealand premiere screening including a Q&A from one of the movie's producers, Kiwi-born Olivia Ahnemann....

When/Where: 7:30pm Tues 9th October, Grand Millennium Hotel, Mayoral Drive Auckland

RSVP: www.eventbrite.com/e/the-human-element-movie-premiere-tickets-50145627923

More: <http://earthvisioninstitute.org/the-human-element/>

Source: Climate Change & Business Conference, 13th Sept. ❖

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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