

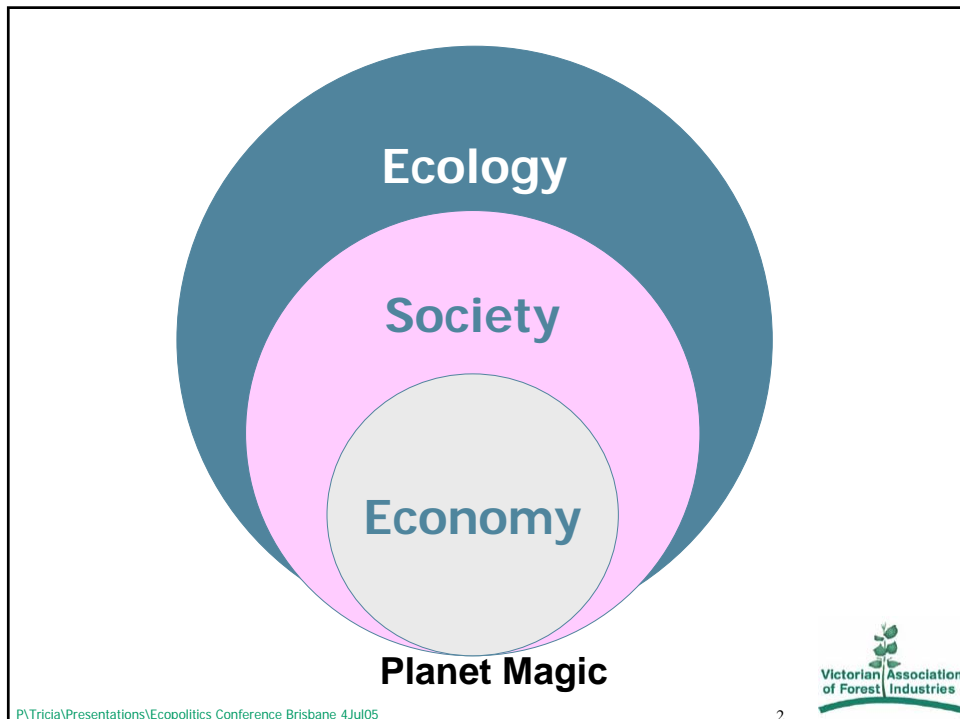


# **Global Sustainability: The Role of Industry, Governance & Engagement**

Ecopolitics Conference  
Griffith University, Brisbane

Monday, 4 July 2005

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## The Rise & Rise of Global Sustainability

### Environmentalism ⇒ Global Sustainability

The Brundtland Definition

RIO ⇒ WSSD; State of the Planet & People

↑ Sustainability knowledge, campaigns, policies

Trust ⇒ Mistrust, global & local



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## The Planet is in Trouble

### UNITED NATIONS

↑ UN Millennium Ecosystem Assessment April 2005

↑ 1,300 Experts in 95 countries found:

↑ 60% of ecosystems threatened or degraded

↑ freshwater, fisheries air and water regulation, regional climate change, natural hazards & pests

**We are Living Beyond our Means; Consequences in 50 years**



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## UN Millennium Ecosystem Assessment

- “ The overall conclusion.... is that it lies within the power of human societies to ease the strains we are putting on the nature services of the planet, while continuing to use them to bring better living standards to all.....”
  
- Achieving this, however, will require radical changes in the way nature is treated at every level of decision-making and new ways of cooperation between government, business and civil society. The warning signs are there for all of us to see. The future now lies in our hands.

**Scenarios: Global Orchestration, Adapting Mosaic, Techno Garden**



## Drivers: Global & Local

### **Economic and Political Globalism**

- Trade, Capital Flows, Communications, Media, Travel
- Born Global
- Anti-globalisation Demonstrations/Campaigns

### **People and Populations**

- ↑ Population in the Developing World
- ↓ Population in the Developed World
- Urbanisation, Migration
- Renaissance of the Local

### **The “Deep Divide”**

- Gaps between Rich and Poor, Urban and Rural, GDP, Access to Capital, Debt, Stability, Conflict/War, Fundamentalisms, Technologies

### **Industry/Market/Investment/Regulation**

- Global – National – Local; Codes ⇔ Legislation
- Voluntary v Mandatory
- Organics
- Certification/Verification/Ecolabelling/Indices
- Risk/Insurance
- Green Consumerism

### **Crises**

- Corporate Collapses
- Insurance Blowouts
- Environmental Disasters
- Climate Change
- Refugees

### **Technology**

- Information and Communication Revolutions
- Scientific and Medical Innovation
- Alternative Energy and Technologies
- New processes, Dematerialisation, Zero Waste, Product Stewardship

### **Activism, Awareness & Trust**

- Planetary Public Opinion & ↑ Critical Theory
- Communities (Global, Local, Cyber)
- NGOs
- BINGOs
- Shareholder Democratisation
- Ethical/Socially Responsible Green Investment
- Consumer Boycotts
- Corporate Social Responsibility



## Sustainable Development

“...development (i.e. economic, environmental, social development) that meets the needs of the present without compromising the ability of future generations to meet their own needs...”

...Sustainable development is not a fixed state of harmony, but rather a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs.”

*(World Commission On Environment And Development (1987) Our Common Future, Oxford University Press, Geneva, Switzerland)*

## Towards Sustainability



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## Global Sustainability: New Knowledge & Industry

- **New Language: Concepts, Measures, Approaches**
    - Natural Capitalism and Cradle to Cradle
    - Sustainability Science: Harvard
    - Complex Systems and Networks Theories: CSIRO
    - Triple Bottom Line Plus One (GSI@RMIT)
  - **Natural Advantage of Nations**
    - ↑ **Government Policies, Organizations**
    - ↑ **NGO's – Advocacy, Campaigns**
  - **Industry Business Models**
    - PNG SD Program Company
  - **Universities**
    - Alliance for Global Sustainability:
      - ↑ 4 Universities, Multidisciplinary, Multicultural, Team Based
      - ↑ GSI @ RMIT
  - **Australia**
    - ↑ Sustainability Organisations in Governments, purpose built, industries, universities
- Sustainability Industry & Markets**
- **Scenarios**



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## Global Sustainability & Scenarios

World Business Council for Sustainable Development

Global Scenario Group – TELLUS Institute, Boston

Business Council of Australia

Pentagon

Millennium Ecosystem Assessment



## Scenarios



**Boiled Frogs**



**Geopolitical Crises**



**Jazz Players**



**Conventional Worlds**



**Barbarization**

**Riding the Wave**



**Stormy Seas**



**Changing the Crew**



**Imagining the Unthinkable**



**China Goes Green**



## Moving ⇨ Sustainability

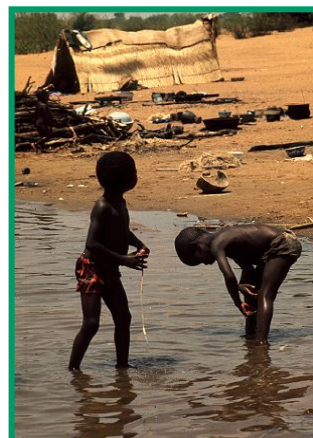
- Natural Capitalism & the Natural Advantage of Nations
- Cradle to Cradle
- Triple Bottom Line + 1 (TBL+1)
- Industry, Government Models

2005 is a different place to 1975



## Triple Bottom Line + 1

- Environment – EMS's, Ecofootprint, Resource Productivity, Life Cycle Analysis, Materials Flows
- Social & Cultural – Employer of Choice, Health and Safety, Regional Towns
- Economic – Certification, Sovereign Risk, Trade Deficit
- Governance – Codes of Conduct & Practice, Trust, Sustainability Reporting



**Towards Sustainability**



## TBL+ 1: Environment

- Eco-efficiency
- Ecological Footprint
- Factor 4/Dematerialisation/radical resource productivity
- EMS/ISO 14001
- Industrial Ecology & Estates
- Local Agenda 21
- Life Cycle Analysis & Materials Flows



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## TBL+ 1: Social & Cultural

- Child Labour
- Industrial/Employee Relations
- Health and Safety
- Community Participation/Consultation
- Human Rights
- Cultural/Linguistic Diversity
- Indigenous Land Rights & Use
- Social Entrepreneurship
- Ethical Leadership



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## TBL+ 1: Economic

- Full Cost Accounting (UNEP)
- Tax Breaks for Land Covenants
- Supply Chain Economics
- Socially Responsible Investment (SRI)
- Product Stewardship (Closed Loop)
- Bioregionalism
- GDP > GPI
- Accountability & Transparency
- Risk Management
- Dow Jones Sustainability Index
- Emissions/Rights Trading
- Companies Born Global
- Equitable Distribution of Wealth
- Shareholder Activism
- Limits to Growth

## TBL+ 1: Governance



- Corporate Citizenship
- Trade Agreements
- National Sovereignty
- Voluntary Codes of Conduct (Mining)
- Responsible Care (Chemical)
- Integrity Pacts
- Community Right to Know
- Shareholder Democracy
- Extraterritoriality (Anti Bribery, Sex Tourism Laws)
- Covenants and Green Leases
- Stewardship Agreements (Forestry, Marine)
- Compliance (Local & National Legislation)
- International Conventions/Agreements
- Multilaterals eg WTO, UN, WB
- UNDP Good Governance Model

## Industry Transformation is Key

- The Planet, its systems and species
- 10 Billion of Us
- A TBL + 1 Approach



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## Industry Transformation

- Chemical Industries
- Mining & Minerals
- Waste
- Energy
- Landscape Management
- Forest Industries
- Urban Planning



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## MINING & MINERALS PAST AND PRESENT

### Big Bad Blokes with;

Ecological and social footprints, drilling and digging,  
trashing and poisoning

Disasters and death

Concentration of capital and power

Local domination

Being self interested, self sustaining

Concerned with profits **NOT**  
people and the planet or **Global Sustainability**



## MINING & MINERALS FUTURE: A BEAUTIFUL THING

Open, Accountable, Fair Rents

Beyond Zero Harm, Zero Waste

Repairing the Planet

Leading Global Sustainability

R&D New Systems Technologies

Stakeholder Engagement

Employer of Choice

Walking the talk

New Business Opportunities



## FOREST INDUSTRIES Magic

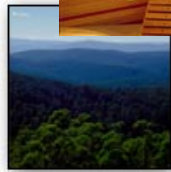
Tree Magic, old, new, red gum



Wood Magic



Paper Magic



Lost Connections

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## Images of the Past

Chop ping Match, Beech Forest, Cape Otway Ranges



Grenades and Blockades

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## Images of Now



**Towards Sustainability**



## Images of the Future

**Victoria, a working model  
of  
Healthy Forests & Healthy Forest  
Industries  
Worlds best Forest Management**

**Towards Sustainability**



## A Line in the Sand

- Recognition of progress and potential
- Resource Security
- Diverse resource – native forests, plantations, agroforestry
- Right to harvest
- Long term R & D ⇒ ecology, harvesting, new products
- Development & application of the sustainability model (TBL + 1) whole of industry, whole of government
- Regional Development
- Industry Plan, Development & Incentives
- Fair, transparent accountable pricing & allocation
- Community Engagement
- Environmental Services, Ecosystems Survival

## Towards Sustainability



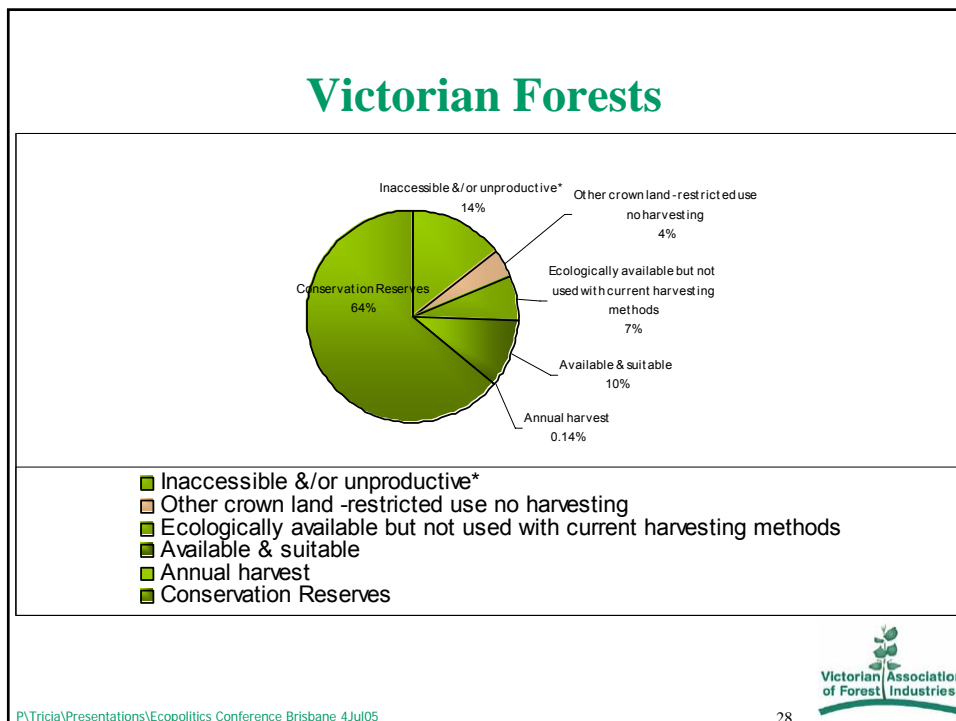
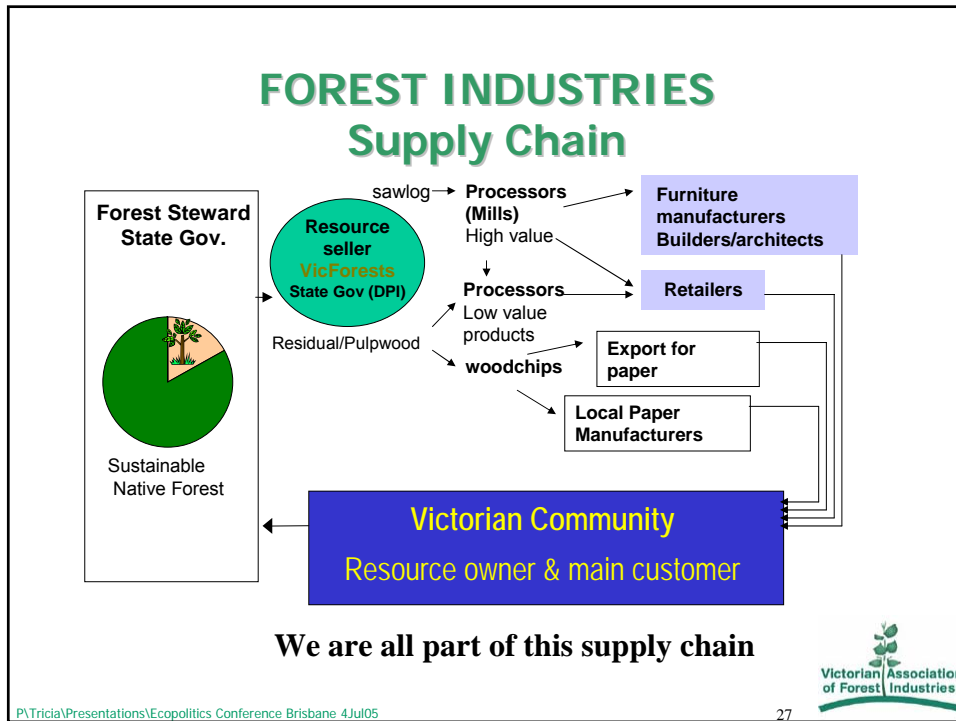
## Forest Industries Sectors

The Forest and Forest Products Industry covers a diverse range of activities ranging from growing and management of plantation and native forest resource, through harvesting, sawmilling and processing, to the manufacture, merchandising and retailing of finished products.

The Industry is characterised by a mix of small, medium and large enterprises. Some enterprises show a high degree of vertical integration, being involved in activities across multiple sectors. The seven industry sectors are:

- Forest Growing & Management
- Harvesting
- Sawmilling & Processing
- Wood Panel Products
- Timber Manufactured Products
- Timber Merchandising
- Pulp and Paper Manufacture





## FOREST INDUSTRIES Ecology

### Australia

- 21%** of Australia's land mass is forests (native & plantation, public & private)
- 164M ha** is native forests (public & private)
- 70%** of native forests are private
- 13%** of all native forests (public & private) are formally protected
- 7%** is available for harvesting
- <1%** of forests available is harvested each year

### 15 out of 17 forest types exceed IUCN's target of 10% protection

This should be understood in terms of declining ecosystems and biodiversity health globally. Australia is a mega diverse nation with a high level of biodiversity loss over the last 200 years of European Settlement. Forests need to be part of the repair and survival of ecosystems.



## FOREST INDUSTRIES Economics

### Victoria

Total Value	\$1.5 billion
Total employment	10,000
GDP	>1%

Family Companies, Regional Communities & Supports

### Australia

Total Value	\$15 billion
Trade Deficit	\$1.8 billion

Illegal, Unsustainable, Stolen logs?



## Progress: Forest Harvesting & Management

- ↑ Understanding of forest ecologies, disturbance, biodiversity, cycles (20-300 years)
- Ongoing increases in protected areas (national parks, other reserves)
- 1996 Revised Code of Forest Practices for Timber Production & annual audits
- ↑ Technologies for data collection and mapping
- ↑ Independent biodiversity mapping, protection (Vict. Flora & Fauna Guarantee Act 1988)
- ↑ Environmental Management Systems (EMS)
- ↑ Regeneration, Reforestation methods
- Improved silvicultural techniques
- ↑ OHS standards & automation
- Reduced coup sizes, ↑ buffer zones, ↑ special protection zones
- 2002 revision of sustainable yield (31% resource withdrawn from industry)
- Experimentation with various harvesting regimes, ongoing, with ecologists/environmentalists
- ↑ Resource productivity
- ↑ Connections: water, carbon, wood, ecosystems
- There are more than 31 pieces of key Legislation/Regulation (federal, state, local)

### Towards Sustainability



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## FOREST INDUSTRIES

### Governance & Stakeholders

- People of Victoria
- VicForests, DPI
- DSE, Treasury, Department of Victorian Communities, Premier
- Political Parties
- Regional Communities
- Environmental NGOs, global ↔ local
- Federal Government
- Local Government
- Other Resource Industries
- Family Companies
- Employees, Unions
- Architects, Planners, Builders
- Consumers

### Beyond Blockades and Grenades



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## Towards Sustainability Vision 2025



**Industry leadership, credibility & recognition around sustainable forest issues and change**

**World's Best Practice; Industry & Ecology**

- TBL + 1 Approach
- Third Party Certification
- Highest Quality Products
- Employers of Choice, Skills & Jobs
- Sustainability Reporting
- Sustainable Yield, Worlds Best Codes of Practice

**Native forests, plantations, agroforestry**



## Towards Sustainability Vision 2025



**Whole of Supply Chain Presence and Co-operation**

- Long Term Plan & Incentives
- ↑ Research, Science & Innovation
- New Products & Markets
- Redressing the Trade Deficit
- No illegal log imports
- ⇔ 100% Resource Recovery/Use
- Value Adding & Niche Markets
- Socially responsible investment

**Native forests, plantations, agroforestry**



## Towards Sustainability Vision 2025



### Community Understanding & Support: Working with Diverse Organisations & Voices

- Social Licence to Operate
- Contributions to local communities
- Right to Harvest, Access to Resource/Land
- Stakeholder Engagement, NGOs, Scientists, Leaders, Community Councils
- Collaboration and Tolerance
- Customer Satisfaction
- Community Coherence & Sustainability
- Transparent, Fair Prices/Charges

Native forests, plantations, agroforestry



## Towards Sustainability Vision 2025



### Environmental Credentials and Management Services

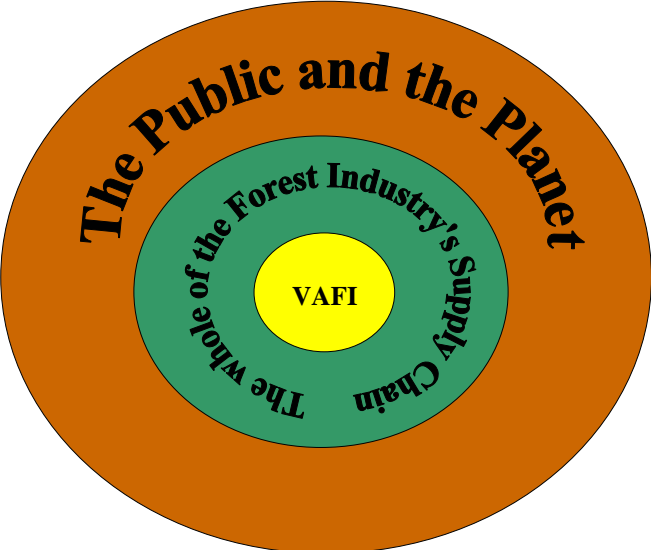
- Landscape Planning & Management
- Biodiversity, Air, Water, Carbon, Salinity, Tourism, Aesthetics, Ecosystem Health, Biofuels, Pharmaceuticals
- Third Party Certification, Product Stewardship EMS's and Labelling
- Sustainable Yield



### The Case for Sustainable Forest Industries

Native forests, plantations, agroforestry






**The Public and the Planet**

**The whole of the Forest Industry's Supply Chain**

**VAFI**

Beyond Blockades & Grenades



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