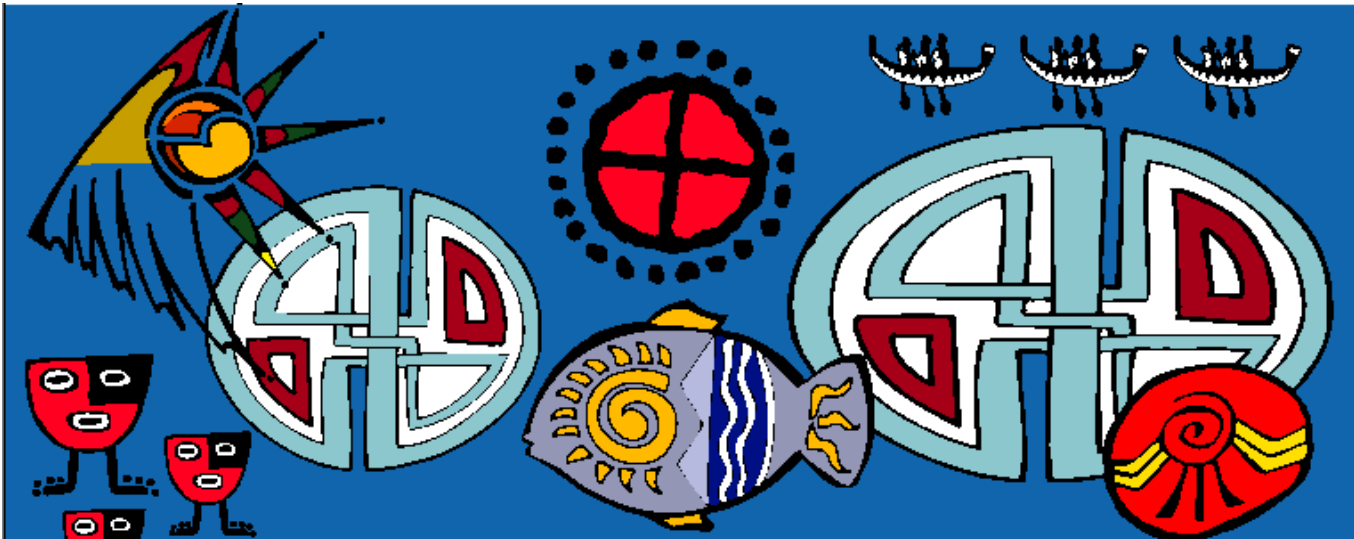




New Zealand Business Council
for Sustainable Development

Consumer Choice and Brand Awareness – The Importance of Environmental Issues



Peter Neilson, CEO, NZBCSD
RMLA Annual Conference

Michael Fowler Centre, 1.45pm 2 October 2009



‘Enlightened, long-term self interest’

- Some view the RMA - as a costly compliance requirement – as a pain;
- New Zealanders want both economic growth and a good physical or social environment, so it sits well with New Zealand values;
- Effective environmental law provides business with an opportunity to be a good neighbour, and maintain a license to operate;
- It is also in line with what better off consumers in most developed countries want to happen, and what people aspire to in developing countries;



'Enlightened long-term self interest' (con't)

- The process for properly balancing business, environmental and social needs to save money over time if it is to be sustainable;
- Increasingly, businesses will compete on their sustainability as much as they do on price and quality.



RMA reflects enduring New Zealand values

- The RMA reflects the view that the public want the best outcome from economic development, while also addressing any environment and social concerns.
- The aspirations were constrained by the recession, but remain intact.



Pressures coming from all sides

- Carbon – pricing;
- Water footprint issues (for New Zealand a problem bigger than carbon content);
- US dairy farmers – plan to halve emissions over the next 25 years;
- Next wave of protectionism – based around relative environmental performance.

We haven't much choice. That's why proposed changes around the ETS are so disappointing because they will delay adapting to future, and build up the adjustment costs for later.



“Enlightened self interest”

Time Magazine, in its September 21 cover story, describes it as a trend to “*enlightened self interest*”.

- 6 in 10 have bought organic products since January 2009;
- 82% consciously supporting local or neighbourhood businesses;
- Ethical investment funds up from 55 to 260 since 1995 (US\$2.7 trillion, 11% of all financial market investments);
- 78% would pay US\$2000 more to get a car that goes 35 mpg over a 25mpg car.



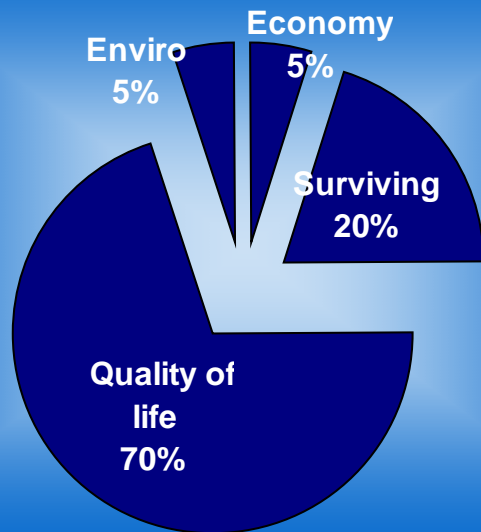


Where the public are ...

Ask 100 New Zealanders ...



What matters to Kiwis

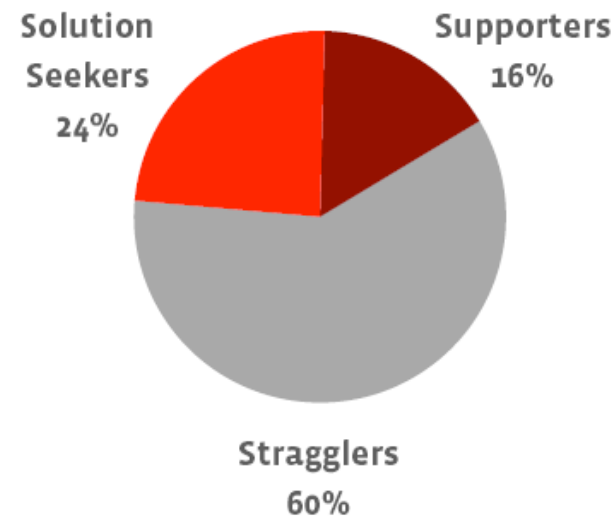
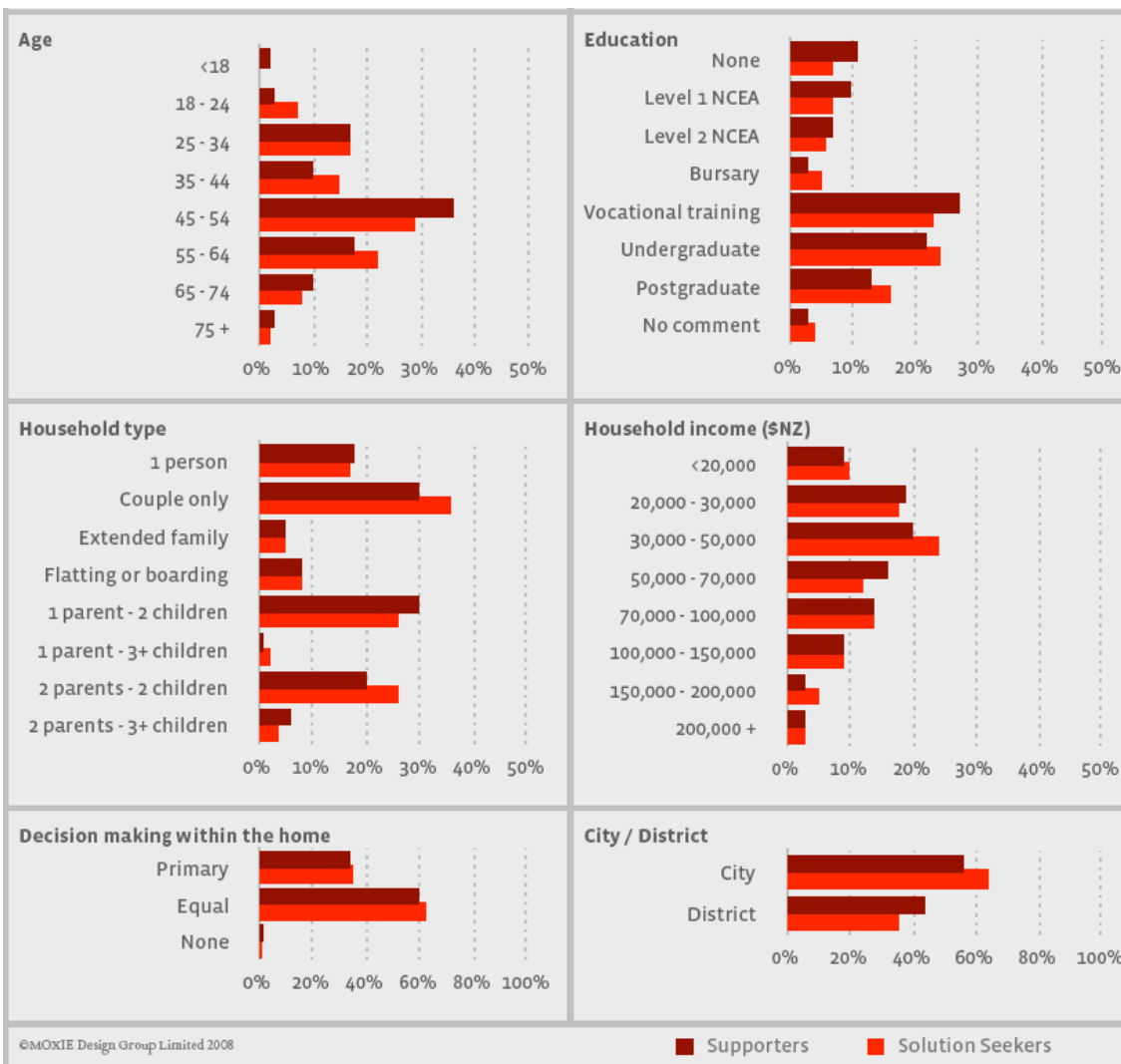


- 5 think its only about the economy;
- 5 say its only about the environment;
- 20 say that life is too hard for me to think about anything other than today;
- 70 say I want a better standard of living and to maintain my quality of life: we should make decisions on what's best long term.

- *UMR research for the Business Council*



Values and market opportunities



“Solution Seeker” Market 24%, 40% with ‘supporters” (2008)

Climate change the biggest driver:

- 83% of New Zealanders aware of the problems the world faces;
- Want business and Government to take action, but losing faith in their ability to respond;
- Want **authentic solutions they can buy.**






The sustainability market share opportunity




- 32% of New Zealand consumers will move their purchases to a provider of goods and services if its social and environmental performance is better, and the cost is about the same.
- This is the sleeping giant of New Zealand business because, at the moment, most consumers cannot tell the difference between the good and the bad guys.



In principle, should businesses *create long term shareholder value by embracing opportunities - and managing risks - resulting from economic, environmental and social developments?*

Yes		76%
No		3%
Don't know		21%

Business decision makers:

Yes		87%
No		3%
Don't know		11%

September 2009 research: where your clients and customers stand

ShapeNZ/Fairfax Business Media survey completed by 2,981 respondents 2 - 21 September 2009.

Weighted to represent the national population, the maximum margin of error on the national sample is +/- 1.8%. 727 business decision makers: Maximum error +/- 3.6%.






Among senior decision makers:

- **41%** say their business' reputation relies on sustainable business practice;
- **61%** say they balance making returns to investors with their role in the community;
- **28%** actively buying on whole-of-life cost basis, not just day-one price, while 39% practice something in-between;
- **26%** actively buying from suppliers who behave sustainably (22% don't care, provided at the best price);
- **64%** regard supportive workplace as critical to organisation's success;
- **22%** have or plan to measure their organisations carbon footprint.

September 2009 research

Has the organisation you work for or with deselected suppliers in the past year because of their environmental, social or ethical behaviours?

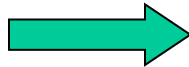
Business decision makers:

Yes		28%
No		37%
Don't know		35%



New Zealand Business Council
for Sustainable Development

*The Crafar brothers:
poster boys for what
not to do..*



Laws will reflect values

- It doesn't matter how the RMA is reformed – laws will always eventually reflect underlying community values.
- If the public believe the ETS is too soft or unfair, they will press for local action.
- Local councils, under public pressure, will move to direct regulation, e.g. bans on dairy intensification or have requirements to apply nitrogen inhibitors, if we don't develop better tools to manage water quality.

Crime Education Health Politics **Farming** Weather Blogs Videos Photos

'Dirty' farmers in firing line

Last updated 21:23 22/07/2009 [Text Size](#) [Print](#) [Share](#)

Farming **RD1** Two brothers at the head of a farming family which controls some of the North Island's biggest dairy farms, Allan and Frank Crafar, have been convicted over "dirty dairying".

The brothers – convicted of a series of offences relating to a poorly maintained farm effluent system – were today targeted by the Green Party, which has called on the Fonterra cooperative to use financial penalties against them.

Party co-leader Russel Norman said a 70-page decision by District Court Judge Lewis Newbold, who is also a judge in the

- Restructuring at Fonterra
- Sky apologises for Fonterra broadcast
- Fonterra payout boost predicted
- Dangerous dogs maul four sheep (graphic content)
- Dirty farm rules may mean comp...
- Farmers back proposal to invest in co-operative

Dairy pollution 'disgusting': ORC

[Home](#) » [News](#) » [Regions](#)

By Rebecca Fox on Thu, 23 Apr 2009

The Regions: Otago

Dairy farm pollution of a "magnitude and scale a lot higher" than found last season, with effluent finding its way into waterways, has been described as "disgusting" by Otago regional councillors.

The regional council got tough on dairy farm pollution last season - between September and February - taking 25 prosecutions in the hope it would improve compliance.

This season, 21 prosecutions, involving 18 dairy farms, have



RMA: questions and answers

- The relevant question is not whether we should have planning laws that ask project sponsors how they will address social and environmental effects;
- Public opinion will inevitably require that test to be applied whether through our planning process or the common law;
- The real question is how we should do so;
- A planning process that gets to a better decision at less cost and with fewer delays is desirable;
- If we get it right, our planning law can be a source of comparative advantage internationally, and help maintain our clean and green reputation;
- Changing the tests is, however, likely to produce 5 years of uncertainty, as the new provisions are tested in the courts;



RMA: questions and answers (con't)

- Far more productive would be:
 - ➔ Introduction of more economic instruments (tradeable water transfer rights, a price on carbon emissions) to get the RMA out of allocation decision-making that it was not designed for; and
 - ➔ Ensuring the process of decision-making is accessible, quick, and well informed so we can make good decisions earlier.

Cost effective planning law could help underpin our 100% Pure clean green branding if we choose.

Why don't we?



Thank you

Peter Neilson

64 9 525 9727

E-mail: peter.neilson@nzbcSD.org.nz

Web: www.nzbcSD.org.nz