New Zealand – Unmistakable Signs of Progress in Environmental Reporting

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New Zealand has been a fairly late starter. Two years ago Bruce wrote for the APCEA News Journal (New Zealand: Lacking Leadership', September 1999 pp 12-13): ‘In environmental reporting, New Zealand is currently lacking leadership, a sense of direction, and urgency’. This was undoubtedly true at the time. The good news is that, according to Bruce, much has changed recently. The following are some of the signs:

1. Political Will

The Labour–Alliance Coalition, elected in late 1999, has provided a strong sense of direction in this area. It has announced its commitment to sustainable development, it has confirmed that it will ratify the Kyoto Protocol, it has expressed enthusiasm for triple bottom line reporting, and it has set aside some funding for pilot work on ‘green national and business accounts’.

The Green Party, although not a coalition partner, has worked closely with the Government in these areas and has seen its popularity steadily increase, out-performing all other small parties. Increasingly, its influence is being felt.

The cabinet has agreed that the principles of sustainable development should underpin all of the government’s economic, social and environmental policies, and that this requires new performance measures and methods of reporting. There has been little legislation, but the principles and some general directions for the future have been made crystal clear.

2. Business Leadership

Until quite recently, the major business leaders here were telling us that companies had no mandate to do anything other than maximise financial returns for shareholders. Two new organisations have shifted the balance.

The NZ Business Council for Sustainable Development, launched in 1999, now has 40 members including many of New Zealand's largest and most progressive companies and two of the Big 5 accounting firms. Members are committed to producing sustainable development reports within three years, and the first of these have been issued. The Council has produced a report on how to prepare them (see www.nzbcsd.org.nz).

NZ Businesses for Social Responsibility has a larger membership of (generally) smaller businesses, and is planning to produce a template for triple bottom line reporting for small companies (information available from enquiry@bsr.org.nz). These organisations have been promoted by a number of high-profile and highly successful businesses. Between them, they are having a major impact on attitudes to corporate accountability, and are providing real leadership by example.
3. **Sustainability Working Group**

This new group, linked to the Institute of Chartered Accountants of NZ, has an ambitious work programme and looks set to have an exciting future here. Its aim is ‘to enhance the understanding of sustainability in business’, with a particular emphasis on the potential contribution of the Institute and its members. An article on the group’s goals, rapid growth and progress to date is included in this Journal.

4. **Environmental Reporting Awards**

For the first time in their seven year history, the judging panel for our Environmental Reporting Awards had a tough choice to make. The result (in the category for ‘Other Entities’) was that two outstanding reports, Watercare Services Ltd and Landcare Research Ltd, tied for first place. There was no winner in a new category for Listed Companies, but seafood company Sanford Ltd was commended for its energy and commitment in producing its first triple bottom line report.

Watercare (a supplier of water and wastewater services) had built on its long-standing commitment to excellence in environmental reporting with a comprehensive, highly readable, ‘warts and all’ report. Landcare (a crown research institute) had produced a report considered to be a ‘ground-breaking, highly ambitious first-up effort, demonstrating total commitment’; this included sections showing the company’s progress towards sustainability through its influence on others, and an Eco-Balance project which attempts to assess the cost to achieve ‘certain levels of environmental sustainability’.

But even more important than the winners were the other features of this year’s Awards: an increase in the number of entries, the promise of growing numbers for the future, the ‘arrival’ of triple bottom line reports here, an overall improvement in quality and commitment, and the number of entrants who said ‘this is our first report, we want to improve it, and we’d welcome feedback’.

For next year the scope of these Awards will be expanded to ‘Environmental and Sustainability Reporting’, to make it clear that ‘triple bottom line’ and ‘sustainability’ reports are welcome. The judging panel is eagerly anticipating even tougher choices in future. A full report on this year's Environmental Reporting Awards in New Zealand is included in the NZ 'Chartered Accountants Journal', September 2001 (pp 58-62).

And one other item – a challenge – for the future. There are Environmental Reporting Award schemes operating in a number of European countries, as well as an overall scheme for Europe itself. Australia, New Zealand and Japan, at least, have their own Award schemes. Should we consider a scheme for the Asia Pacific region (the area of this Journal’s readership)? I would welcome any thoughts on this. New Zealand is ready for the challenge!

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