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Committee Regional Sustainability Committee
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New developments in business sustainability

1. Purpose

To update the Committee on recent developments in business sustainability.

2. Background

Business activity makes a fundamental contribution to the sustainability of the region. Our way of life is expressed through the day-to-day operations of thousands of businesses, large and small. Reducing the environmental impact of even a small part of this activity can pay big dividends both for the environment and for the businesses themselves.

Climate change, changing consumer preferences, and the impending introduction of a carbon price into the economy through an emissions trading scheme are causing big changes in the business community. Businesses are looking hard at their environmental footprints.

Some businesses see retaining or increasing market share as the reason for more sustainable practices. There is a growing and recognisable group of consumers (estimated to be around 30% in countries like New Zealand) that is keen to purchase only sustainable products, both in the materials employed and the processes used to manufacture them. This is as true overseas as it is here. Many of our exports come from industries based on natural resources – farming, horticulture, fishing, forestry, and aquaculture which, with tourism, rely on sustainable production processes as well as healthy unpolluted ecosystems for their competitive advantage.

Reflecting the wider population of which they are a part, many business people are concerned by climate change and think more sustainable business practices are the right thing to do. Others are simply unsure of how they should react to these global scale shifts in sentiment and changing policies. Increasingly, businesses are turning to Greater Wellington for help.

3. Greater Wellington's services

In the last two years we have assisted around 175 businesses to improve their environmental performance. This happens in a variety of ways, from advice through to financial assistance and service delivery (e.g., waste audits). Topics covered include waste, recycling, energy use, purchasing, environmental policy, water use, emissions etc. By way of example, in early 2007 we helped Contact Energy to “green” its processes. The waste audits we showed Contact how to do, when applied nationwide, diverted 25 tonnes of material in 6 months. Other businesses helped last year included: NZ Rugby, Tonkin & Taylor, ANZ, Hotel Intercontinental, Westpac, Foodstuffs, Airways Corporation, Chamber Music NZ, Wesley Community Action, Sysdoc, BP, Cafe Laffare, Mirimar Golf Course, Westfield Queensgate, and NIWA.

Other work has included the:

- Readings Cinema waste reduction and recycling project – 23 businesses. Now diverting from landfill 550kgs waste per day.
- Wellington office towers waste reduction and recycling project – 57 businesses. Over six months 40 tonnes of paper was diverted from landfill. This project also involved Wellington City Council and was funded from the Sustainable Management Fund. Permanent recycling has not been instituted by many of these businesses.
- Majestic tower waste reduction and recycling project. Twenty three tonnes was diverted over three months. Permanent recycling and waste removal was set up at half the cost of the existing waste removal scheme.

4. EnviroSMART

The EnviroSMART business sustainability programme has been running successfully in the Region since July 2006. Twenty-three businesses have been cleaning up their production processes, reducing waste, making better use of energy, and generally reducing their environmental impacts. Greater Wellington contributes to the cost of this, along with other councils, participating businesses, and the Ministry for the Environment. Businesses also get a free Take Charge pollution prevention audit from us. EnviroSMART is very attractive to businesses (especially those with a production process) because they come out with a recognised environmental accreditation – EnviroMark Gold.

At a national level, however, there has been a smaller uptake of EnviroSMART than expected and the national steering group is now restructuring the management of the programme. Greater Wellington will soon take over EnviroSMART in this region so that those businesses currently in the programme can complete it. Funding is being provided through a return of funds (\$29,000) from the national account. This is only a management change and won't affect the delivery of the programme or the benefits businesses get from it.

With the programme's demise, however, a gap has opened up at a critical time when businesses are looking for help to become more sustainable. There is still a lot of demand for Envirosmart or something like it; we have at least 25 businesses wanting to take part, and the number is increasing, principally through word of mouth recommendations from those already taking part. To fill this gap we have developed a new programme that will deliver the benefits of Envirosmart and, in addition, provide a means for businesses to address the growing issue of carbon reduction.

The new programme has been developed with our existing Envirosmart partners (Hutt City Council, Wellington City Council, Porirua City Council and Weltec) and Right House (for the energy audits). It will enable an initial tranche of 25 businesses to improve their overall environmental performance, get the external accreditation, and reduce their carbon usage by 15-20% over a two year period. Carbon reduction will be achieved through initiatives to reduce waste, improve energy efficiency, and better utilise transport and fuel.

The programme's carbon focus adds to its appeal and makes it an ideal candidate for central government support through the World Environment Day fund. An application has been made to the Ministry for the Environment (MFE) but, at the time of writing, we are yet to hear the outcome. The launch of the programme is planned for World Environment Day (June 5). At least 60% of the required funding will come from the businesses taking part, Greater Wellington, and territorial authorities but the direct financial cost to Greater Wellington is small. We will also contribute to overall programme management and undertake the waste audits. The programme has been developed with the Transport Policy and Strategy Division who will deliver the travel plans.

The aim is to enable these businesses to improve their environmental performance but there are also wider goals. The intention is to place business sustainability and carbon reduction in the public eye over a sustained period. We will follow the progress of these businesses over time and communicate this to a wider business and public audience through relevant media channels. Using the communications resources of the partner councils, the experiences of the businesses involved and, crucially, *the need for other businesses to follow the same path* will be highlighted. Businesses will be profiled on council web sites and their successes will be regularly highlighted.

5. Get Sustainable Challenge

The 2008 Get Sustainable Challenge has commenced, with Greater Wellington as cornerstone sponsor in our region. The Challenge is a business sustainability assessment tool provided by the Sustainable Business Network. It helps businesses develop sustainable approaches to waste, transport, energy use, company values, community involvement, health and safety and financial management. Businesses also get the opportunity to enter the regional Sustainable Business Awards.

Greater Wellington's contribution has been absolutely fundamental to the success of the Challenge and the growth of SBN in the region. The number of participants has increased and the awards have grown in prestige. In 2006 27 businesses took part and in 2007 41 businesses. Major companies such as Dulux Paints and Contact Energy were winners last year. For Greater Wellington the Challenge is another mechanism to increase the uptake of sustainable practices amongst businesses. The involvement of businesses in the activities of the SBN that come with doing the Challenge ensures this happens. From our perspective, there has been a very pleasing growth in membership of the central region of the Sustainable Business Network, with membership doubling to around 125 businesses since 2006. We present workshops jointly with the SBN for members on sustainability topics and have undertaken waste audits as an incentive for some companies to join.

Thus far 19 entries have been received for this year's Challenge which is considerably more than at the same time last year.

6. Porirua business sustainability

Business Porirua, Porirua City Council, and Greater Wellington have also been working on an initiative to promote business sustainability in Porirua. This was developed because Porirua businesses were not taking up other options such as Envirosmart and the Get Sustainable Challenge. The year-long programme will assist 15 businesses to target waste, energy, and procurement. Funding has been provided by MFE.

7. A smarter approach

A significant proportion of the cost of the programmes and initiatives described here has come from non-Greater Wellington sources. Much has been achieved working with territorial authorities. Central government funding has been tapped regularly. Businesses also contribute and are happy to pay for services such as Envirosmart and waste audits. Other businesses provide in-kind support or reduced pricing because they see it is in their commercial interests to do so. The Greytown project (described elsewhere in these Committee papers) would not happen without the active participation of local businesses. Businesses are willing and ready to sponsor sustainability initiatives for other businesses by Greater Wellington.

8. Future options

There is huge scope for this kind of work. We have been doing some preparatory analysis of the hospitality industry and on the retail sector to identify possibilities and options. As the national capital, Wellington also provides opportunities to showcase the sustainability of its national and regional institutions. Work has commenced, for example, with the Stadium Trust on the Westpac Stadium.

9. Communications

The communication of business successes is an essential component of these projects, both for the businesses participating and to encourage others to do the same. Over the years we have taken numerous opportunities to use the media to promote Envirosmart, the Get Sustainable Challenge and business sustainability generally and this will continue.

10. Recommendations

That the Committee:

1. *Receives the report; and*
2. *Notes the content.*

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