

Business Community Intelligence

The newsletter for
Businesses that invest
in Communities

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leave in Australia p5*

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A five-page special p34*



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Take Five

Top 5 Discussion Starters

Here are Rhonda Galbally's Top 5 Discussion Starters – the major CR themes drawn from this issue of Business Community Intelligence.



1

WOMEN are a significant and valuable resource for the large majority of businesses. They are also responsible for bearing the children who will be our future workers. Every company should support the call for our Federal Government to introduce paid maternity leave for all women in Australia. And every company should be working to eliminate discrimination against women who are pregnant, who are on maternity leave, or who are returning to work. This edition of BCI also looks at discrimination against workers based on their sexuality. Your staff may not feel comfortable raising this issue themselves, but you should make sure your company is doing the right thing.

2

DO YOU really listen to what your staff have to say about corporate responsibility? They probably have a wealth of ideas, and will be more than willing to support your initiatives. Michael Kantor at the Malthouse Theatre says his organisation's environmental initiative is driven by staff support, and he is empowering staff with a degree of self-determination in their environmental decisions. And the 28 business members of the Australian Business and Community Network all have staff who offer themselves as valuable resources to young people in our communities.

3

HUMAN rights is a complex issue for any company. It can be hard to work out just what human rights are and which areas of your business may be affected. In this edition, we've included a series of articles to get you started. Spend some time researching the available resources and thinking about your operations. If yours is a large company, it's unlikely you'll be able to tackle it all at once, but don't let that stop you. Just take on one area of your business at a time. It's better to make a start than do nothing at all.

4

DOES your company have a policy instructing staff to print on both sides of the paper they use? This is one of the most basic things you should be doing for the environment, but Planet Ark's Jon Dee reveals that a number of companies are not even bothering with that. With all the hype around the environment over the past year or so, it's important to make sure your company is making a tangible effort, and not just talking about all things green. Two articles about Foster's in this edition demonstrate some of the innovative work you could be doing.

5

KNOWLEDGE can't be overrated, but with the busy hours of the daily grind, it can be easy to overlook updating your learning. We're starting a new page in this edition – Conferences and Courses – which will let you know what's on offer. Be selective, and try to get to a few each year. And if your company has developed expertise in a particular area, consider sharing it with other practitioners – by being willing to field their questions over the phone, or to present at CR conferences.

Left holding the baby

Next steps in maternity
leave in Australia

More than 35 years after the introduction of pay parity in Australia, the business world again sits on the cusp of a revolution in working conditions for women. The issue of paid maternity leave has simmered away for years; while successive governments have sat on their hands, businesses looking for kudos and talent in a tight employment market have put in place their own maternity leave provisions. The new Rudd Government appears poised for action on the issue but while it deliberates, women are still having babies. CHRISTY DOWLING scans the horizon for clues on what this all means for a modern, ethical business.

While she has been on maternity leave, Susan Robson has felt secure that her job as a liaison librarian at the University of Tasmania will be waiting for her on her return.

Under the university's terms of employment, Ms Robson was entitled to 14 weeks maternity leave, at full pay, or 28 weeks at half pay, plus an additional 12 weeks paid leave in exchange for a commitment to return to work for at least a year.

But she knows she is one of the lucky ones. One friend was told there would no longer be a role for her at her company at the end of her maternity leave, and was advised not to return.

Ms Robson says that if she was not entitled to the paid leave, or if there had been less paid leave available, she would have had to have delayed having a child, or returned to work sooner. Neither option was appealing.

"I've done a bit of reading about brain development and attachment theory and just how incredibly important it is for children," she says.

"It sets them up for life. And if they're in care, they are missing out when they're young, they really are, and that can have repercussions, really serious repercussions for the (child's) life and consequently society."

Australia has come a long way since the time when married women were forced to leave the workforce. These days, every woman in Australia who has been employed by the one company for 12 months is entitled to a year's unpaid maternity leave.

Yet there remains no government-mandated paid maternity leave.

While 37% of women access a period of paid leave provided by their employer, for the large majority of women who remain excluded, there are high hopes that the current Productivity Commission Inquiry into Paid Maternity, Paternity and Parental Leave will spur the government to level the playing field.

The Inquiry

The Productivity Commission's final report is due on February 28, 2009.

The model which has so far received the most support and discussion is based on that first put forward by Senator Natasha Stott-Despoja and the Human Rights and Equal Opportunity Commission in 2002.

That model calls for 14 weeks leave paid at the minimum wage, with superannuation, which could be converted to half pay over 28 weeks. Negotiations between women and their employers could have the payment topped up to their regular wage.

Not everyone is supportive of this model. Social commentator Anne Manne says it is "spectacularly limited", and others have called for six months paid leave or suggested that employers should be prepared to partially or entirely foot the bill for a national scheme, but most agree that some form of taxpayer-funded maternity leave is long overdue.

Australian Chamber of Commerce and Industry director of workplace policy, Scott Barklamb, says the ACCI supports a government-funded model.

"Any changes to maternity funding towards something called paid maternity leave must be wholly funded by the government," he says.

But what does the introduction of a government-funded scheme mean for those employers already providing some sort of maternity benefit for their staff?

Minister for Workplace Relations, Julia Gillard, has said that business would be expected to maintain current contributions.

"If the government does more, that doesn't mean that the businesses who are now offering paid maternity leave start to do less," Ms Gillard told *The Age*.

Director of the Centre for Work and Life at the University of South Australia, Professor Barbara Pocock, agrees.

"They are doing what they have done for bottom line and good ethical practice in relation to their employees," Professor Pocock says.

"I think they should adopt a principle of additionality; that is, anything that the government offers should be additional to the existing provisions," she says.

"I think that's a really important principle. To treat it as a substitution would be a really serious loss for a lot of women, and I think it's very important that companies stand by the decisions they've already made and hang on to the competitive advantage they've established."

Benefits and Costs

In an unusual alliance, Human Rights and Equal Opportunity Commission sex discrimination commissioner Elizabeth Broderick, Australian Industry Group chief executive Heather Ridout and Australian Council of Trade Unions president Sharan Burrow say there is a strong incentive for business to support a government-funded paid maternity leave scheme.

They say it increases the likelihood that new mothers will return to work, citing return-to-work rates of close to 90%.

They also cite Australian Bureau of Statistics figures which show that two-thirds of people who are not in the labour force but would like to be are women, mostly mothers.

The inquiry

The Federal Government has asked the Productivity Commission to look at:

- the extent of parental leave being provided by employers;
- models of paid leave that could be used in Australia;
- the financial and regulatory costs for businesses;
- the employment, earnings, and workforce participation of women;
- the work and family preferences of both parents;
- the post-birth health of the mother;
- the development needs of newborns and young children;
- and relieving the financial pressure on families.

For further details about the progress of the inquiry, or to read the issues paper, go to <http://www.pc.gov.au/inquiry/parentalsupport>.

Figures from the Equal Opportunity for Women in the Workplace Agency show 12% of women were motivated to resign from their previous job in search of greater work/life balance and 10% resigned because they sought a more flexible role.

It follows that companies that support women in their child-bearing and child-rearing will be more likely to attract and retain them.

The Australian Chamber of Commerce and Industry's Scott Barklamb says businesses will benefit in the same ways as the rest of the community from a government-funded maternity scheme.

"There's a general community benefit to providing a sound tax

base for the future, having a fertile, productive, regenerating country," Mr Barklamb says.

He says some businesses benefit from staff retention, and retaining the investments made in those staff, but not all businesses.

"Other businesses might be keen to retain people in work whilst they're parenting. So, ideas of flexible part-time work or flexible hours might be far more attractive to them," Mr Barklamb says.

He says business already makes a significant investment in maternity and parenting in Australia.

"The unpaid leave costs business. Now, it may have benefits, but it also costs businesses to have people not

there, the attraction and retention of replacement staff.

"You pay an initial premium for people to work shorter periods. You have re-skilling costs. You have adjustment and administrative costs."

Barbara Pocock acknowledges the cost and agrees that some employers will view it as unmanageable.

"It does take management capacity to deal with people who take leave, but we do it in relation to many other forms of leave such as long-service leave ... and I think some employers will view that as onerous and others view it as a normal part of hiring people," she says.

Scott Barklamb says there is a danger in focusing on maternity leave that we will lose sight of things like childcare and flexibility of hours in relation to people who might have responsibility for older children or elderly people.

"We want to watch we don't unduly draw a line under this debate and we're only talking about the initial period following birth," Mr Barklamb says.

He says employers should be able to choose where they spend money that supports their employees, either contributing to paid maternity leave or offering other supports.

Beyond the Birthing Suite

In her recent Quarterly Essay on "The Family and the Free Market", Anne Manne examines early childhood development needs, saying work and family policies should not be completely focused on getting women back to work.

There's a social price to be paid, she argues, when new mothers are driven back to the office or factory floor for financial reasons – a fact that appears to have been acknowledged by the government in framing the terms of reference of the current Productivity Commission inquiry. The Commission has been asked to look at not just the workforce participation of women and costs to business, but also the post-birth health of mothers and the developmental needs of newborns and young children.

This is important to many of the women BCI interviewed for this article, most of whom emphasised the significance of maternity leave

The Models

At the time of writing, several models and suggestions had been submitted to the Productivity Commission Inquiry. More are expected to be received before public submissions close on June 2.

HREOC/Stott-Despoja

The Productivity Commission has noted that two previous investigations into paid maternity leave will be valuable to its inquiry: the Human Rights and Equal Opportunity report released in 2002, and the Senate inquiry in the same year into the amendment bill introduced to parliament by Senator Natasha Stott-Despoja.

The two models are similar and several variations are discussed, but they basically involve 14 weeks leave paid at the minimum wage, with superannuation, which could be converted to half pay over 28 weeks. Negotiations between women and willing employers could have the payment topped up to their regular wage.

The Perry Model

This model was designed by former public servant Julia Perry and is endorsed by the National Foundation for Australian Women.

It proposes a social insurance scheme funded by a levy on employers and employees and a government contribution, which would provide full earnings replacement for women on maternity leave for 28 weeks, as well as four weeks paternity leave for fathers and four weeks equivalent pay to the employer to replace the woman on leave.

In her submission to the inquiry, Ms Perry argues that a taxpayer-funded payment could not match women's previous earnings because "it would create an indefensible inequity between them and social security recipients without other means of income and without prospects of an imminent return to work."

Critics of the Perry model cite transaction costs and its vulnerability to change with the election of a government opposed to paid maternity leave.

Public Health Association of Australia

The association advocates a minimum of 14 weeks paid leave, derived from consolidated government revenue, with payment equivalent to the income of women on low wages, but capped at average weekly earnings.

They recommend the right to breastfeed and express milk on return to work be included in any national policy, and would like to see an additional period of paid leave for the father or the other same-sex parent to spend time with the baby.

in helping women to establish and maintain breastfeeding.

Another key issue is the interaction between maternity leave and childcare. The Productivity Commission is also considering how any paid maternity leave policy might interact with other government programs, including childcare.

Ms Manne argues that the government should ensure any new policy gives women a real choice between taking up paid childcare and staying at home.

Graphic artist Melissa Ledwich, a first-time mother, expects to return to work in June, but says she does not know what she will do if she cannot secure childcare for nine-month-old Max.

"He's been on waiting lists since he was born, and I've been in to see them and they've said there are no guarantees you'll get a position."

Flexible working arrangements and maternity leave are also closely tied.

Those companies that offer paid maternity leave and benefit from high

rates of return-to-work are usually those that are also open to flexible working.

Petrina Fox, who had 24 weeks maternity leave at half pay from ANZ three years ago, says she found it very motivating to be given access to leave and to have had the option of returning to work part-time.

"If somebody makes it easier for me to do my job then I'm just more motivated to get my job done really well."

Melissa Ledwich says she would probably have been unable to remain with her company if she had not been able to return part-time.

"I probably would have gone back full-time and then kept my eye out for a part-time job and just left as soon as something came up."

Ms Ledwich's company has offered her and a colleague job-share roles.

"They just found it hard to replace the designers, it's hard to get skilled staff," she says.

Workplace culture is also important. Ms Ledwich says it is easier for staff at

her workplace to work flexibly because the head designer, a man, sometimes arrives early so he can leave at 5pm to pick up his children.

In a recent public lecture, professor of social policy at the Social Policy Research Centre at the University of New South Wales, Deborah Brennan, observed that the current federal policy focus on "working families" had "social dimensions such as achieving a fairer distribution of paid and unpaid work between men and women, getting men involved in the care of their children and strengthening local communities."

The Productivity Commission is also taking the role of fathers into account during its inquiry and it's possible that it may recommend a period of paid paternity leave, or that maternity leave be available to be shared between parents.

The Broderick/Ridout/Burrows opinion is that paid maternity leave will help ensure men do not face the pressure of becoming the sold breadwinner at the same time as

The benefits of flexible working

SARAH Young (not her real name) has had to work hard to negotiate appropriate hours for her return to work from maternity leave.

She has been away from her employer, a rehabilitation service, on 12 months maternity leave with her second child.

The organisation's policy forbids staff from returning to work on a casual basis, and stipulates that they can only return for a minimum of 10 hours a week.

Ms Young says the 10-hour minimum is impractical for parents.

"For most people that 10 hours is really 15, because it's two days. You're paying for childcare," she says.

With some hard work on her part she found a way around it: taking two hours of unpaid leave each week.

"I really had to push it. I didn't want to have to go back any more than one day to start with."

She says the policy preventing staff from returning on a casual basis may be in place to prevent managers from putting pressure on staff to return to work earlier than they wish.

"It could be a protection, but it takes away flexibilities that some people would like to have," Ms Young says.

"We had a staff member who went on six weeks leave overseas last year, and two of us on maternity leave would have loved to have come and done a few bits and bobs," she says.

Instead, the organisation had to bring in staff from a regional office three hours to do it.

When she was on maternity leave from the same company with her first child, Ms Young was invited to return to work for a few hours a week because her employer was busy. At the time no-one realised they were breaching guidelines.

"That was excellent. It was a really nice, gradual return to work."

Ms Young says policies should not be left to managers' discretion, and should offer workers both certainty and flexibility.

"They'd be able to get people who were trained and happy to come in and do little bits of work, rather than pay someone to travel three hours to do it, it would be much cheaper for them, and much easier," she says.

dealing with the challenges of new fatherhood.

Another key to successful flexibility in the workplace is to ensure it applies to all staff, not just mothers.

Law firm Maddocks has been named an Employer of Choice by the Equal Opportunity for Women in the Workplace Agency (EOWA) for four years running.

Human resources director Liz Ryan says Maddocks considers its EOWA policies good for its whole workforce.

"I think what started out as really helping our women and helping them develop has been really great for our workforce," Ms Ryan says.

Maddocks offers six weeks paid leave to women after 12 months of service, increasing each year to three months paid leave after four years of service. Men can access two weeks paid paternity leave.

Ms Ryan says Maddocks also offers part-time hours on return to work.

"I think apart from one partner who elected to come back full-time, everybody else that's ever come back from maternity leave has generally come back on a part-time basis," she says.

Ms Ryan says the strategy is about meeting individual needs.

"With the talent shortage that we've got in Australia, I think people do have to keep an open mind, think about ways they can work flexibly."

At recruitment consultancy Hays, 59% of women who work part-time hold management positions. Twenty-one per cent of those managers work in senior management.

Training manager Irene Triantafyllou says employment and promotion is based on performance, not the number of hours spent at work.

"I think a lot of the time what some of our part-timers achieve in three and four days is phenomenal," Ms Triantafyllou says.

Hays offers to its staff six weeks paid maternity leave at 90% of salary, and two days paid paternity leave. They have a return-to-work rate of 87%.

Ms Triantafyllou says the company gives women on leave the option of receiving regular updates about the company. They also provide a parental leave kit and a special site for parents on Hays' intranet.

"It offers lots of information about childcare," Ms Triantafyllou says.

"It has really useful links to parenting and government websites; you can book babysitters online; (there's) an emergency care system that you can search on."

She says the company tries to make it easy for staff to access affordable childcare.

"I think what that demonstrates to people is that we value employees and we want to have a balance and we want to make sure that parents and Hays have every opportunity to progress their career."

Overcoming Discrimination

The people at Hays share their outlook with any clients who are resistant to employing women of child-bearing age. ►

“Not every female between 25 and 35 wants to have a child, and just because you're recruiting a male doesn't mean that they're necessarily going to stay with your business for ever and ever.”

They Said It

"Our society is hoping to get something of immense value – talented women working at a time of increasing labour shortages – for nothing. We are not doing even remotely enough to support them in combining child-rearing and work."

Anne Manne, "Love and Money," Quarterly Essay, issue 29 2008

"Six to 12 months leave with a high proportion of one's previous wages is now the norm in Europe and, with the kind of globalised labour markets emerging in many professions and trades, international social policy norms are likely to be of increasing relevance."

Professor of social policy at the Social Policy Research Centre at the University of New South Wales, Deborah Brennan, in a public lecture reported in Australian Policy Online, March 12 2008

I am shocked, I must say, by the number of white-collar, well-educated women who are shocked to find that there isn't paid maternity leave. Journalists, for example. Either it's not on their radar yet because they're under 25, or they're 50 and they can't believe it still hasn't happened.

Director of the Centre for Work and Life at the University of South Australia, Professor Barbara Pocock

"The endless debate about paid maternity leave in Australia ... has become an embarrassment, with lingering notions that somehow raising children is an entirely private affair." "It's time – it's beyond time – that Australian women had government-paid maternity leave. It's a question of equity."

Editorial, The Sunday Age, March 23, 2008

"It has taken a special cocktail of sexism, bloody-mindedness and partisan exploitation to trash paid maternity leave into submission and off the front pages. Despite this, it still beats strongly in the hearts of many Australian women, their families, and, if they could speak, their babies."

Former federal sex discrimination commissioner and NSW Liberal MP, Pru Goward, The Sunday Age, March 23 2008

Ms Triantafyllou says the reality is that some people have pre-conceived ideas about women in that age group.

Hays staff focus on the fact that the market is currently short on candidates for jobs.

"We're operating in a really buoyant economy and it's really hard to get candidates, so the more filters and restrictions you have on people, the harder it is for our customers, our clients, to have their vacancies filled," she says.

"Not every female between 25 and 35 wants to have a child, and just because you're recruiting a male doesn't mean that they're necessarily going to stay with your business for ever and ever. So they need to be really flexible and open-minded about attracting the right person for the right role at the right time."

"Forget the legislation for a moment – you want to make sure that you've got every opportunity to access the biggest pool of candidates."

Barbara Pocock says a "significant subterranean discrimination" occurs all the time in the labour market against women of child-bearing age.

Lawyer and former Victorian Commissioner for Equal Opportunity Moira Rayner agrees, highlighting the case of a woman who had worked very well with a manager for nine years and went on maternity leave with an agreement that she would return on a part-time basis.

"She came back to a new manager who liked the woman who'd filled in for her on maternity leave and said it was his view ... that that job could not be done on a part-time basis ... notwithstanding it was actually in her contract of employment that she could return part-time."

Ms Rayner says this is a classic example of maternity leave discrimination, "because people who don't get pregnant don't get to spend their six or 12 months away from their job and have competitors come and remove it."

"It doesn't matter how strongly you feel that a job cannot be done part-time, you actually have to have thought about it and explain why, because most jobs can," she says.

It's a problem that has been brought into stark relief in Britain, which has recently extended its paid

maternity leave provisions from six to nine months, and is expected to increase them to 12 months by 2010.

A survey conducted by Employment Law Advisory Services found more than 50% of British employers considered the chances of a new member of staff falling pregnant before employing them, and 76% said they would not take on a new recruit if they knew they would fall pregnant within six months.

Sixty-eight per cent of employers said they would like more rights to ask candidates about their plans for having children.

It is possible attitudes like these could become more pronounced in Australia as we move to put in place our own maternity leave provisions.

Scott Barklamb, from the Australian Chamber of Commerce and Industry, says that while there have not been similar backlashes in Australia in the past, policy changes need to be made within "reasonable boundaries."

"We always have to be on the watch for going a step too far in policy-making in this area and stepping over that line into a point where you might create disincentives to the employment of particularly women that are of an age that are likely to be parenting," Mr Barklamb says.

But Moira Rayner thinks a backlash is unlikely. She draws a comparison with 1976, when sex discrimination laws were first introduced.

"They said that if they brought in anti sex discrimination laws, women wouldn't get jobs full-stop, and they made that absolutely, bluntly clear that's what their plans were," Ms Rayner says.

"And guess what? They didn't do a thing."

She says that 30 years later, the world hasn't caved in.

"In fact there's a skills shortage and so the best employers ... recognise that if they're going to keep people who are going to contribute, they're going to have to be flexible about these things and plan for it instead of putting their hands up in the air and moaning because it's inconvenient."

For the ethicist's view on paid maternity leave, see page 33

They Said It

"Other European countries have a short period of maternity leave and then beyond that the time is up for sharing between the parents ... I think we now need to think much more actively about how we ... move towards encouraging women and men to share that leave. That would allow those men who want to participate in childcare to do that, and it would also start a debate about whose responsibility children are. Because that's the other thing that comes out so clearly in this – the fact that children remain, in people's minds, women's responsibility."

Director of UK equality organisation the Fawcett Society, in "You're Fired," The Guardian, Wednesday April 23, 2008

"A universal and equitable system of paid child support could only be sustained by public funding. This is neither inherently unreasonable nor undesirable: it is a matter of will and priorities. It is feasible: other countries manage it. We use public funds to support an army: are soldiers so much more valuable than future citizens?"

Submission from the Australian Federation of University Women to the Productivity Commission inquiry

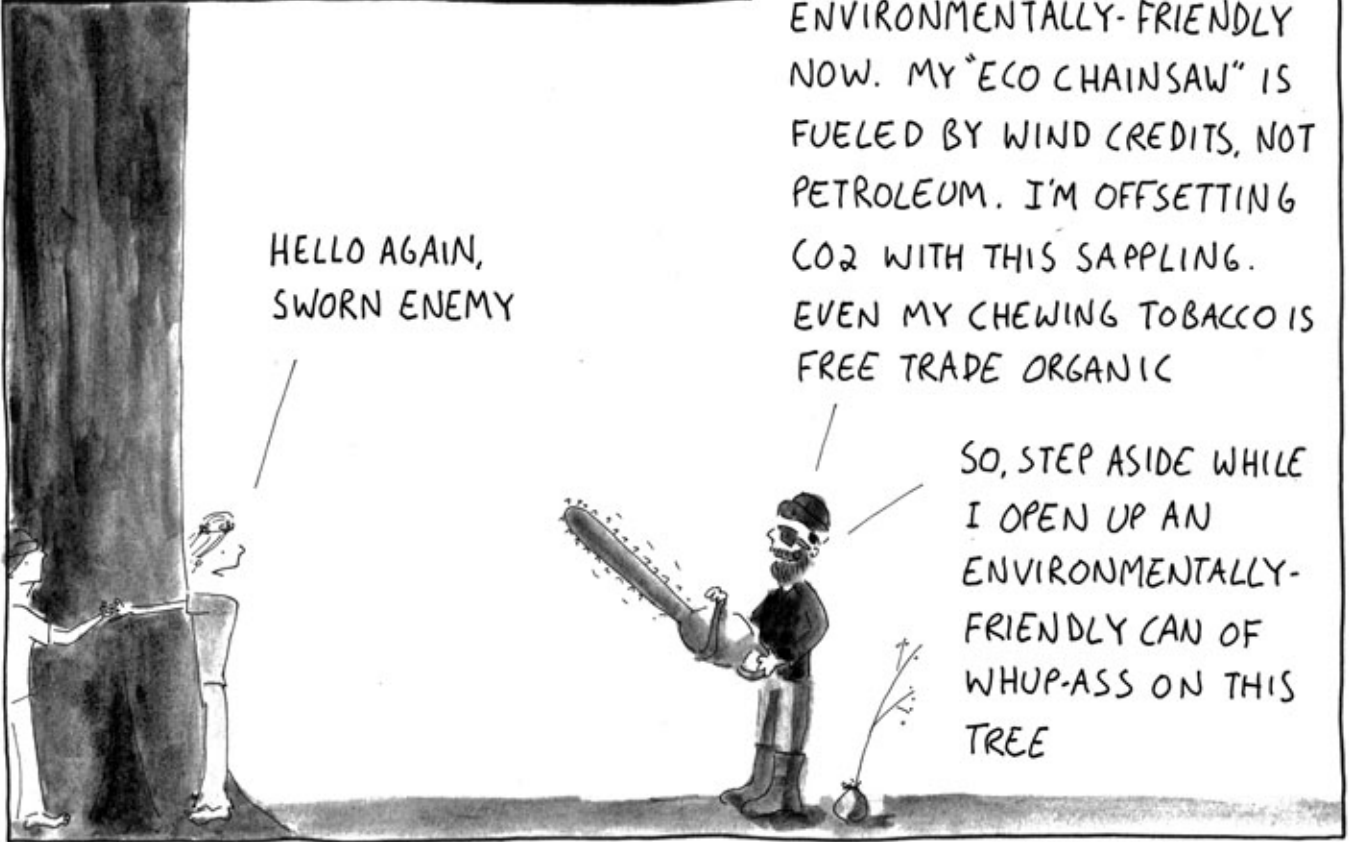
"Their proposal will just add another layer to the already dense system of middle-class welfare in Australia, and will no doubt be subjected to the same criticisms as the baby bonus. Why should taxpayers subsidise well-paid women to take time off work? By stating that maternity leave must be paid for by taxpayers, Ridout and Burrow circumvent any discussion of alternative funding."

Policy analyst at the Centre for Independent Studies, Jessica Brown, in The Age, April 14, 2008

BRAND CAMP

by Tom Fishburne

THE ART OF GREENWASHING



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IN THE NEWS

Return on Investment

Hard decisions net results

Businesses giving money away should take that process as seriously as they do the process of making money, according to an opinion piece in the BusinessSpectator.

Chief executive of Social Ventures Australia, Michael Traill, observes that often "the accumulation of substantial wealth has been the product of focus, discipline and persistence."

"Goals are set, return expectations are defined and when these aren't met resources are reallocated," he says in an article published on February 15.

"For those who want to take a strategic approach to their philanthropy and are interested in ensuring that their giving contributes to creating long term social and environmental outcomes in areas they are passionate about, the same approach should apply."

Mr Traill says the most effective foundations are prepared to invest in research and analysis of the issues they want to help solve.

His other tips are:

- Selectively identifying high-quality partner organisations and chief

executives with a track record of delivery

- Utilising clarity and two-way understanding with the recipient of the finances about the goals and social outcomes expected
- Understanding that the most valuable support for not-for-profits is long-term, strategic funding, not short-term funding or one-off grants.
- Recognising that hard decisions need to be made when agreed targets are not being achieved.

Board Director: *and* Mentor ~~or~~ monitor



It's the classic dichotomy: long term vision versus day-to-day responsibility. As a Board Director, you embrace both dimensions – ensuring that the organisation you serve fulfils regulatory obligations, while monitoring its execution of long term strategy and sustainability.

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Helicopter View

CR in the year of economic uncertainty

What does the current state of economic downturn mean for corporate responsibility practitioners in Australia? Deloitte partner JANET LEWELL surveys the landscape.

I want to start this update of CR activity and developments by returning to some of the comments made by Boral CEO & MD Rod Pearse and Westpac Group General Manager Noel Purcell in last quarter's BCI newsletter.

Noel commented on likely trends in CR in 2008. Three months further in and a number of the developments he mentioned are well and truly in play.

The negative signs apparent early in the year – the continuing fallout in global credit and financial circles and the downward trends in the US domestic economy – have fuelled fear that the world economy is taking a negative turn, or at least becoming bipolar! Locally, the sectoral implosion and credit crunch combined with rising fuel prices and interest rate hikes has raised for some the sober prospect of a return to 80s-style stagflation.

There is nothing like a real or threatened negative turn in economic conditions to place every aspect of business under the microscope.

And nothing like a short sharp shock to the system – the imminent accounting for previously 'unaccounted' for emissions costs of production being a seemingly textbook example – to create a 'perfect storm' for reassessing the importance or contribution of CR to business and the community.

While no one is under any doubt that, from a cost perspective, CR has some big dollars attached to it; the counter perspective, for many, remains questionable. CR for some is still more 'fad' dictated by current social reality; a marketing 'tactic' or brand strategy to be reviewed as part of corporate cost reduction in light of the possible end of boom times.

Coming from a risk management perspective, it is clear to me that CR is not, and should not be seen as, an issue of cost and compliance, but as integral to business, core to sustainable business and core to revenue protection and growth. But there are a range of perspectives.

Recently at Deloitte we hosted a series of Board Audit Committee conversations in capitals around Australia bringing together groups of directors to discuss CR and non-financial reporting.

With many boards in the early stages of engagement with oversight of management's handling of CR, and most corporates yet to produce non-financial or sustainability reports even on a stand-alone basis, the conversations started with key definitional, operational and quantification of value issues.

The alignment of CR and the organisation's core business and profit drivers was seen to be critical. ▶

Janet Lewell is National Partner, Climate Change & Sustainable Resources and head of Corporate Responsibility for Deloitte Risk Services. Janet provides boards with advice on their responsibilities around climate change and Corporate Responsibility (CR), advice to management on CR and greenhouse gas emissions, CR audits of policies and practices against environmental standards and best practice, and GHG/Carbon footprint audits and determinations applying international standards and Australian Greenhouse Audit Office (AGO) standards.



Obstacles to integrating CR into a business' operations were seen to occur where the alignment between CR strategy and overall corporate strategy was not established and/or compounded by the:

- disaggregation of cost from benefit
- difficulty of measuring benefits
- previous experience of failure with CR initiatives
- difficulty of identifying appropriate CR initiatives or a strategic direction for an organisation (e.g. knowing what will be commonly perceived to be important in the longer term – five to 10 years forward)
- lack of designated champion and/or internal division of responsibility
- lack of willingness to champion CR due to the lack of a defined CR career path
- friction between business units as a result of the impact that CR will have on them
- compartmentalisation separating a company's benevolent or philanthropic initiatives from its compliance driven activity
- need for a clear communications strategy to socialise and support the incorporation of CR into operations
- generational or demographic issues (e.g. the perceptions of Gen Y versus the current Director / CEO views)
- need to know how to extract the value or benefit from an investment in CR.

The directors taking part in the conversations spoke at length on the difficulty of getting CR reporting 'right'. Major issues discussed included the lack of 'auditability' or the 'marketing' nature of corporate responsibility reports.

There was also discussion of the lack of standardised reporting and the inability, therefore, to compare performance between or across industries. Many directors were of the view that until standards for reporting have the robustness of existing financial reporting standards, effective reporting and consequently effective integration with overall strategic decision-making would remain a challenge.

In general it was acknowledged that the theory surrounding CR remains well in advance of the practical reality. But as Boral CEO & MD Rod Pearse made clear in his comments last quarter, the reporting issue is critical: what gets measured gets done.

Returning to our theme of CR in the context of economic downturn: much of the real CR action, as Noel Purcell suggested, is occurring out of sight in the boardrooms and executive suites as companies come to grips with the dynamics of the current environment, including the coming reality of emissions imposts.

With FY09 looking like a whole new economic ball game, the direct financial and economic implications of climate change policy – last year's watershed CR issue – are absolutely front and centre for Australian businesses.

And it's climate change that I want to focus on for the remainder of this review of CR.

A carbon price signal, whether by trading or tax, will create a serious impost on business – as well as some serious opportunities for those with the initiative to seize them.

Here at Deloitte we have been kept busy with the provision of policy advice and helping organisations get ready for the imminent mandatory reporting requirements of National Greenhouse and Energy Reporting Systems (NGERS), the coming regime of carbon imposts and emissions reduction, and strategic positioning for competitive advantage.

Working across sectors has made us acutely appreciative of the many issues and problems faced by organisations in confronting the rapid adjustment required by our climate change commitments, including systems issues, supply chain issues, and pricing and supply outcomes in the energy sector.

Preparation and positioning across and within sectors for the brave new climate changed world is quite spotty. There is significant work that can and should be well under way, notwithstanding that the final Garnaut report is not due until September and the Government's policy response is still being formulated.

Many related questions are still to be properly considered and addressed but let's deal with one that has scarcely hit the collective carbon corporate consciousness: taxation.

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A carbon price signal, whether by trading or tax, will create a serious impost on business – as well as some serious opportunities for those with the initiative to seize them

Now, for the non-accounting oriented, I know your eyes are immediately glazing over but if CR does not, bottom line, address financial outcomes – and what is climate change but the omission to account for all the costs of economic activity to date! – then it’s on the periphery of corporate focus.

Deloitte is currently exploring, in conjunction with a survey group of companies, important tax implications of the proposed 2010 introduction of an emissions trading scheme (AETS). Key among the taxation concerns as yet unaddressed in relation to Australia’s commitments to address climate change are:

- FBT concessional treatment for salary-packaged cars
- increased transaction costs and uncertainty in the trading of carbon credits due to inadequate state taxation laws (i.e. stamp duty and property taxes)
- non-deductible treatment of fines/penalties for participants who exceed their emissions caps
- lack of clarity in transfer pricing rules governing the way in which related parties trade emissions permits between jurisdictions

- inadequate interaction with other jurisdictions’ trading schemes
- reduction or abolition of the Fuel Tax Credit regime for carbon intensive fuels
- application of fuel excise to alternative fuels, (e.g. all ethanol/biodiesel).

There is significant dialogue to take place around what corporate Australia would like to see adopted in response to Australia’s commitment to address climate change, with options including:

- rewarding lower vehicle use with a lower FBT cost
- stamp duty concessions for ‘green’ cars
- additional R&D tax concessions for abatement activities
- increased capital allowances for abatement activities
- initial allocation (if applicable) of emissions permits are tax-free
- no taxes, (i.e. withholding, value added taxes) on cross-border emissions trading
- deductibility of carbon credits for personal income tax purposes
- more incentives for the developing and built environment such as

increased capital allowances

- GST-free treatment of energy efficient goods or greenhouse abatement activities
- GST-free treatment of electricity from non-carbon emitting sources, (e.g. wind, solar, etc.)
- customs exemptions for goods used in energy efficient projects, (e.g. solar panels, etc.).

Of course big bottom line questions relate to whether existing tax law will deal with the introduction of the AETS such that it will be tax neutral and that anticipated tax liabilities will not increase, and the biggest issue of all – the lack of certainty. A lack of certainty that significantly increases risk for corporate decision-makers.

You can read the full conversation summary of the Board Audit Committee conversations on CR and Financial Reporting hosted in March 2008 at www.deloitte.com/au/risk_boardaudit.

If you would like to receive a copy of the results of Deloitte’s survey of emissions regime issues, please email karogers@deloitte.com.au

INTERNATIONAL NEWS

Supermarket takes responsibility for under-age drinking

STAFF at UK supermarket chain ASDA will be tested twice as often to check whether they ask young alcohol purchasers for identification, as ASDA campaigns against underage drinking and anti-social behaviour.

An ASDA media release says the company is aiming for a target of no alcohol sales to people under 18.

Stores will be tested at least once a month, and the company has committed to publishing the results on its website.

Statistics published in the media release said the chance of an under-18 being caught and punished for attempting to purchase alcohol in the UK was one in 300,000.

It also said near half of all violent crime occurred at the weekend, mostly between midnight and 6am.

Consequently ASDA’s “town centre” stores will no longer sell alcohol between midnight and 6am.

Front of (Green)House

Performing arts staff and patrons support environment initiative

Melbourne's Malthouse Theatre has found that green procurement is affordable and patrons are willing to help.



Malthouse Theatre artistic director Michael Kantor (left), with Sydney Theatre Company joint artistic directors Cate Blanchett and Andrew Upton, in Melbourne to address a public forum on theatre and the environment.

Michael Kantor says we cannot afford to think about the carbon emissions of individual organisations as mere drops in the ocean.

"In fact with the earth's population just soaring, we all have to take responsibility for every little drop of carbon," The artistic director of Melbourne's Malthouse Theatre says.

"And wherever it can be improved, wherever we can make savings, we should make savings, be it in our own personal lives or through the businesses and communities we work in."

In the year prior to launching its Malthouse Greenlight sustainability program, the theatre estimated its productions emitted 595 tonnes of carbon.

Greenlight is focusing on changing the behaviour of staff, artists and contractors; changing the culture (which includes charging patrons for carbon offsets); and changing the theatre's double-brick building and tin roof with a 10-year engineering strategy.

Mr Kantor says charging patrons an additional 50 cents per ticket or \$2 per subscription is the more controversial part of the project.

"Unlike other schemes ... we haven't made it voluntary; we've made it mandatory. Essentially what we're saying is, if you want to come to our theatre you will contribute with us to a carbon offset scheme.

"If you don't want to contribute to a carbon offset scheme, then don't come to our theatre."

He says the responses have all been positive.

"In fact we've had people saying, are there other ways we can help, are there other things we can do?"

Mr Kantor says the project is driven by staff involvement, rather than from the top down.

Staff also have a degree of self-determination when it comes to the theatre's green purchasing policy.

"If it doesn't cost more than 10% than the alternate, then the particular manager of a particular area doesn't even raise that with us," Mr Kantor says.

"If it's above 10% then it becomes something that we need to discuss as a company, through management meetings, simply because everything can have an effect on our bottom line which is, like every theatre company, precarious at times."

But he says so far the more environmentally-friendly alternatives have not proven to be more expensive than traditional purchases.

"The initial responses have been, well, it's the same price. Or if you hunt around, it might be a bit less. It forces a kind of competition. It makes everyone think about pricing a bit more."

The more expensive aspect of the Greenlight program is addressing what Michael Kantor refers to as the "long-term, systemic problems with the building".

"Infrastructure problems about a tin roof that just leeches energy, lighting in the theatre ... that's where we burn our carbon, when we turn on our theatre lights."

Purchasing carbon offsets allows the theatre to make some effort to address those emissions in the short term, but Mr Kantor says the people at the Malthouse hope to engage their government and corporate stakeholders in the bigger project of introducing solar panels and renewable energy generation.

ING Direct

Can-do culture helps community and environment

Christian Bohlke has been working with ING Group for 12 years in various roles and several countries. As brand and advertising manager at Mercantile Mutual in Australia in 2002, he led the brand change to ING. He transferred to ING DIRECT in November 2006 as head of branding and communications. Mr Bohlke has a Masters degree in Economics and Psychology from the University of Amsterdam.

1. Where did you work before ING DIRECT?

I have worked with ING Group companies throughout my professional career (which started with ING in 1996).

2. What's the best thing about working with ING DIRECT?

ING DIRECT is truly a great place to work. The culture is very "can do" and people here are cooperative and really like to work together. Our culture is something we cherish and are very proud of. Of course it helps a great deal that the company has grown a lot since

its start in 1999 and has had many successes. We now have more than 1.2 million customers in Australia alone, and internationally we are the world's largest direct bank.

3. What are the key Corporate Responsibility challenges for ING DIRECT?

This year our green program will be expanded throughout the business. We have already made great progress but we can improve by buying more green energy, using more recycled paper, saving paper and reducing ▶



Christian Bohlke led the brand change from Mercantile Mutual to ING Direct.

energy consumption. The next challenge is to encourage our staff and customers to take these changes to their home environment. Changing behaviour at work is one thing but we have a real communication challenge to influence our staff and customers to be greener in their own homes and communities as well. At ING DIRECT we have a highly motivated team of representatives from all areas in the business, the Green Lions as we call them, who will help make these changes happen.

4. Why does responsibility for corporate responsibility fall under 'branding and communications' at ING DIRECT?

CSR and business results are linked. Marketing is a good area to make sure both sides are represented.

The ING Foundation is run as an initiative for all ING companies and as a result fits with branding and communications or corporate communications. Recently the daily management has moved from the ING DIRECT business to the ING business, where it is now part of corporate communications.

The management and budget of

the environmental program falls in the branding and communications area. However, each business unit is represented in the team so ideas come from all areas in the business.

Corporate responsibility fits nicely in the marketing and communications area because we are constantly communicating to staff, customers and other stakeholders. Changing people's attitudes requires regular communications.

We look at four pillars within CSR: the marketplace, the workplace, the community and the environment. ING DIRECT is very strong in terms of CSR in the marketplace as it is a bank where the brand stands for "fairness". We literally live by rules like "never outsmart a customer" and to be truly "open and honest". This is unique and as Head of Brand and Communications, something I guard and treasure. We have a good diversity of people with a good mix of different backgrounds. We also have a high percentage of women at Director level. This element of CSR is not looked after by Marketing but by HR. Community activities with staff involvement are managed out of marketing but have a strong link into HR.

5. What are you most proud of in your time in this role?

We have always had a strong culture that does the right thing for our customers. In the end, this is what we are all about.

We have also always supported diversity at work.

Our community involvement, which is very grass roots, dates back to 1978 with the Mercantile Mutual Foundation, which later became the ING Foundation.

I am very proud of the environmental improvements made over the last year, and I am particularly proud of how the business and staff have embraced the green program.

I am also happy the snubfin dolphin (which ING supports in partnership with WWF-Australia) has become a true member of our family with real environmental contributions, real customer involvement and real business outcomes.

To read about ING's support of the snubfin dolphin through the partnership with WWF-Australia, see page 29.

ING DIRECT and CR

The ING Foundation was founded in 1978 and makes financial grants to organisations that deal with an acute need in the community, with a strong focus on children. It has partnered with The Spastic Centre, Redkite, Barnardos and UNICEF Australia. ING Employees are encouraged to donate their time and skills through fundraising and volunteering.

The global ING Group strongly supports the UNICEF Chances for Children program, and since last year ING has been acknowledged as one of the first financial institutions to become carbon neutral.

For further information:

www.ingfoundation.com.au;

www.ingdirect.com.au/about_us/environment_and_us.htm

Pending approval by La Trobe University, Australian corporate responsibility practitioners may next year have access to further education designed specifically for their role.

Australian First

Corporate responsibility qualification introduced

La Trobe University, in partnership with the Australian Centre for Corporate Social Responsibility, is working on developing a post-graduate certificate in corporate responsibility.

If approved by the university, the course could have its first intake in 2009. It is believed that it would be the first corporate responsibility-specific qualification in Australia.

Managing director of the Australian Centre for Corporate Social Responsibility (ACCSR), Dr Leeora Black, said the course would be targeted at people who are or would like to be working in corporate social responsibility, and those who work with them.

"The people working in CSR and the people who would like to get a job in CSR and the people employing people in CSR would like to see greater professionalisation and clearer educational pathways," Dr Black said.

"The aim was to contribute to the professionalisation of the CSR function by creating an educational pathway and an agreed set of competencies, skills and fundamental knowledge that people need if they're going to work in this field."

An industry advisory group – including representatives from National Australia Bank, Telstra and IBM – was convened to sketch out the proposed structure of the certificate.

Subjects being considered for inclusion in the course are Foundations in Managing Business in Society, Foundations in Integrating Responsible Business Practice, Ethical Decision-Making in Business, and Foundations of Managing Risk and Value.

Dr Black said three of the subjects would be taught at La Trobe University and the fourth, Foundations in Integrating Responsible Business Practice, would involve attendance at ACCSR workshops, with a 5000-word assessment piece to be administered by the university.

"We've been running workshops since 2005 and there are quite a number of people who have already done four days worth of workshops with us and for those people, they've basically already met the attendance requirements for one subject, and they would only need to do the assessment piece."

Dr Black said Foundations in Managing Business in Society would introduce the idea of organisations as open systems and look at interdependencies between organisations and their various different types of environments. Ethical Decision-Making in Business would look at decision-making frameworks and how to integrate ethical decision-making into performance management systems, and Foundations of Managing Risk and Value would examine how

corporate social responsibility fits with business-level concepts of risk and value.

"It will be face to face, there's no distance component at the moment, so this will mean that people outside Melbourne will need to travel to Melbourne for that, so we're aware that we will attract people from interstate and that we need to bundle these things in convenient ways (so) that people can travel without taking too much time out of work," Dr Black said.

Senior lecturer and director of executive education at La Trobe University, Dr Suzanne Young, said subject to university acceptance, governance and corporate social responsibility could be introduced as an area of specialisation for the university's Master of Business Administration.

"We see this as being something that all managers need," Dr Young said.

"The units, hopefully, will be offered as part of a normal MBA, so people can pick up all the units in the stream, or one or two depending on their interest. So it beds it more into general management," she said.

For details on workshops being offered at the ACCSR, see Conferences and Courses on page 46.

Drinking green beer used to be a novelty reserved for St Patrick's Day – but no longer. The Foster's Group hopes other companies will follow its lead and provide consumers with environmentally friendly alternatives to their regular products

Good Beer

Carbon-offset beer hits the market

Foster's is committed to making its Cascade Green beer a commercial success.

The beer, released in February, is certified by the Federal Government as Greenhouse Friendly, and is being marketed as "100% carbon offset".

To achieve certification for the product, Cascade Brewery's environmental foot-print was measured and reduced, and the remaining greenhouse gas emissions associated with the beer's production are being offset through a landfill gas flaring project in Hobart.

Foster's Group sustainability manager Scott Delzoppo said developing the product was not just a marketing exercise.

"We think it's important for us, obviously investing shareholder money, to make products commercially viable," Mr Delzoppo said.

"We're obviously working closely from a reputation point of view to ensure the process is tight, and what we'd like to see is other companies follow our lead."

He said a number of people working in different areas at Foster's were interested and involved in getting the project off the ground.

Research showed consumers were committed to better environmental outcomes, and while that commitment had not yet extended to demonstrated behaviour change, there was enough evidence to support the development of a product.

Mr Delzoppo said other companies wanting to provide consumers with more environmentally friendly choices needed to have reliable data and know a product's lifecycle both upstream and downstream.

"The other important thing is to have buy-in from all of the elements of your

company, at least.

"You need marketing to be involved, if it's a product. You'd need your corporate affairs or corporate communications team to be involved. You need your supply people if it's a separate department, because you have to have the ability to look at your transport impacts."

He said all of those people had to be able to commit time, generally in addition to their existing role, to work through the process.

The cost of creating a carbon offset beer didn't come from paying for the certification itself, which is free, but for the time invested in achieving it.

"If it's not internal time, external time we've had to pay for," Mr Delzoppo said.

Foster's used a consultant to assist with the lifecycle analysis, which was then reviewed by independent experts and verified by two panel members from the Department of Climate Change.

"In effect, four different bodies have reviewed or contributed to our lifecycle analysis, and more than 1000 hours of work has gone into it," Mr Delzoppo said.

The Foster's lifecycle analysis examined the process from when the hops were planted, and the raw materials, through to refrigeration at the consumer's house and the percentage of the product that goes back into the lifecycle, and what goes into landfill.

"Obviously you've got packaging, labels, caps, so there's transport in all of those elements. We produce the glass in one place, then transport that to Tasmania, and then it's transported back if the beer is sold on the mainland."

Foster's invested in developing 100% recycled cartons for the beer.

"The other thing we've done is we've sourced a higher-recycled-content-than-the-norm bottle, and a lighter weight, and also gone from three labels down to two on the bottle, so there's a couple of ways that we've been able to reduce what would be the normal impacts of a beer production," Mr Delzoppo said.

He said the main priority was to reduce environmental impacts before offsetting the remainder, and Foster's had energy efficiency targets in place to drive improved behaviour and reduce emissions over time.

Over the past six years, for example, greenhouse gas emissions at Cascade Brewery have been reduced by 16%.

The target now is to achieve a 10% reduction on 2007 levels of energy use per unit of production by 2011.

Mr Delzoppo said that in marketing the beer, the company decided the appropriate choice of phrase was "carbon offset" rather than "carbon neutral."

"Every product is producing emissions," he said.

"We thought (the 100% carbon offset label) was the best way of representing what we're doing, which is offsetting the carbon in the process, which reduces the net emissions to zero."

Related Story: Protecting, Enhancing, Restoring - Conservation as Core Business, p39

Transport

Foster's pays GreenFleet to offset the emissions of its company-owned vehicles. All flights are also offset by default through the company's travel booking system.

An Inclusive Workplace

There are some unique challenges faced by gay, lesbian, bisexual, transgender and intersex (GLBTI) workers, and by organisations that strive to be GLBTI-friendly. Solving them is not rocket science. CHRIS GILL, senior adviser, training and consultancy, at the Victorian Equal Opportunity and Human Rights Commission, outlines how it can be done. The principles (if not the law) outlined here are applicable to companies throughout Australia.

Merit, safety & flexibility

Do you know what constitutes discrimination against people who are gay, lesbian, bisexual, transgender or intersex?

The following three examples are all cases that may represent a breach of the Equal Opportunity Act (EOA) that protects GLBTI people from discrimination.

- Aaron is a very successful sales representative. Everyone knows he is gay. After completing a relevant training course, he applies for a promotion to become an assistant buyer. He thinks the interview is going well when the company owner asks him “How do you think an obviously gay person can represent our company to important clients?”
- Every time Jack hears his supervisor make anti-gay comments like “Those faggots deserve to die”, he feels sick in his stomach. Jack is gay but, like 47% of gay workers, no-one at work knows. He worries that if he tells his supervisor to stop the comments, he will be labelled as gay and picked on by the other guys.
- Jill’s partner Mary has a young child Terry, who has just started primary school. Jill asks her boss if she can start and finish work an hour early each day to pick up Terry after school. Her boss says “No. It’s inconvenient for us. It would be different if Terry was your child.”

Equal opportunity means that all people should be treated at work according to three principles: merit, safety and flexibility.

Aaron may have been denied merit in selection. Under the EOA, it is unlawful to consider irrelevant personal characteristics like sexual orientation when making recruitment or selection decisions. Even asking Aaron about his sexual orientation in the job interview is against the law.

Jack has been denied safety at work. Under both the EOA and the Occupational Health and Safety Act (OH&S), Victorian workers have rights to work free from harassment and bullying. Any repeated unreasonable language or behaviour that makes someone feel unwell qualifies as ‘bullying’ under OH&S law. If that language or behaviour is related to a personal characteristic like sexual orientation or gender identity, it is also a type of discrimination that is covered by the EOA.

Jill has been denied flexibility in working conditions. When a worker asks for changed hours or duties because of their parental status (or illness), the employer must seriously consider their request and, wherever reasonably possible, grant it. Since reforms in 2001, employers must treat all domestic partnerships equally, whether married or unmarried, heterosexual or homosexual.

In other states:

The Equal Opportunity Commission of South Australia <http://www.eoc.sa.gov.au>

Anti-discrimination Commission Queensland <http://www.adcq.qld.gov.au/>

Northern Territory Anti-Discrimination Commission <http://www.nt.gov.au/justice/adc>

Tasmanian Office of the Anti-Discrimination Commissioner <http://www.antidiscrimination.tas.gov.au>

Equal Opportunity Commission of Western Australia <http://www.equalopportunity.wa.gov.au/>

ACT Human Rights Commission <http://www.hrc.act.gov.au/>

New South Wales Anti-Discrimination Board

http://www.lawlink.nsw.gov.au/lawlink/adb/ll_adb.nsf/pages/adb_index

Going the extra mile for your staff

Just because you have a good policy in place doesn't mean discrimination won't occur at your company. Two thirds of people who have been discriminated against do nothing, which is one reason why discrimination continues. As an employer, you can't be there physically keeping an eye out for every instance of discrimination, but you can make sure your employees know what they can do about it. No matter how bleak it seems, there will always be at least four options available to employees to have their rights to merit, safety and flexibility respected.

Consider publicising this information at your workplace, perhaps on the intranet, or alongside your policy. Make sure your employees are aware it's there, and make sure managers know that it is company policy to respect employees' rights to take action against discrimination.

One: Handle it yourself. Approach the person one-to-one in private and politely but firmly ask them to change their behaviour or their decision. Don't use name calling. State the effect of the problem on you. Indicate that you believe you have entitlements under your organisation's policies and the law and ask them to respect these. Ask for their agreement to change or reconsider their behaviour. Make a diary note of the discussion.

Two: Get support or assistance from another person. Go to human resources, your supervisor, their supervisor, further up the hierarchy, your union or professional association or your OH&S representative. Explain the situation and ask for assistance such as a three-way meeting or a formal written instruction from management.

Three: Make a formal complaint in writing addressed to senior management. Clearly describe the problem and the effect on you. Provide details of the behaviour or decision that has caused the problem but don't speculate about anyone's motives. Indicate which policy or law you feel is being broken. Outline what you would like done.

Four: Call the Victorian Equal Opportunity & Human Rights Commission on (03) 9281 7100 (or local equivalent) and ask about lodging a complaint. The Commission's complaint process may involve a conciliation meeting. Have a think about what you want out of it. If it's as simple as an apology or a change to work practice, there may be other ways to get it, but a letter from the Commission to your employer can break the ice.

Businesses that want the best possible staff also have an interest in making their workplaces as safe and flexible as possible. You might be surprised how eager your employer is to solve the problem.

Education & Training

The Victorian Equal Opportunity & Human

Rights Commission conducts education and training workshops that demystify the law by providing a practical outline of equal opportunity and human rights principles and the opportunity to develop problem-solving and communication skills to apply these principles in your organisation. The Commission can also:

- provide general advice on equal opportunity in your workplace
- review your organisation's policies and complaint handling procedures
- provide advice and support on how to conduct a workplace equal opportunity climate survey, needs assessment or training program
- provide ongoing equal opportunity assessment to monitor progress or developing needs.

Call (03) 9281 7168, Toll Free 1800 134 142 (country callers), TTY 9281 7110 or email:

education@veohrc.vic.gov.au to discuss your needs.

Website: www.humanrightscommission.vic.gov.au

Check your policies

Create a GLBTI-friendly workplace policy if you don't have one already. And if you do, make sure it has broad definitions and it makes clear that GLBTI employees have equal access to benefits, for example:

- **Spouse / husband / wife / partner** – policies should refer to 'partner' or 'domestic partner' (not 'spouse') so as to include unmarried heterosexual (de facto) and same sex couples
- **Family** – defined to include domestic partners (see above) and their children
- **Children** – of the employee, of their domestic partner, including adopted children must all be equally covered (e.g. to qualify for 'family leave' or 'parental leave')
- **Household** – must be defined (e.g. in carer's leave) to include domestic partner
- **Transgender** – transgender people must be treated and referred to with respect and according to their affirmed gender identity
- **Flexible arrangements** – the organisation will be as flexible as reasonably possible to respect

employees' responsibilities to their families, domestic partners, household members or others who are substantially reliant on them for their care and support

- **Privacy** – Requests for working arrangements related to disability, family responsibility or other personal matters will be treated seriously, fairly and confidentially to respect the privacy of the employee

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Equal opportunity means that all people should be treated at work according to three principles: merit, safety and flexibility.

- **Parental leave / paternity leave** – if available (often two days paid leave) to 'the father' or 'the husband', rewrite to refer to where the employee is the domestic partner of the mother
- **Relocation allowance** – if paid to employees for the extra costs associated with moving their married partners and children, it must also be paid for domestic partners and their children
- **Harassment** – include sexual orientation and transgender identity along with (for example) race, age and physical appearance as examples of types of unlawful discrimination
- **Sexual harassment** – comments or speculation about a sexual orientation or gender identity are examples of sexual harassment. More detailed general checklists for equal opportunity policies and complaint handling procedures can be found in the 'Information for Employers' section of the Victorian Equal Opportunity & Human Rights Commission website: www.humanrightscommission.vic.gov.au

INTERNATIONAL NEWS

Targeting Investors

DUTCH chemicals, paints and coatings company Akzo Nobel has targeted its sustainability report at the investment community, emphasising the link between environmental, social and governance (ESG) factors and sustainability.

The 2007 report is targeted at the financial community and contains a "summary for investors" and a "reporting principles" section.

Akzo Nobel, which last year faced the European Court of First Instance over its role in the Iraq oil-for-food scandal, acknowledges in its sustainability report that "sustainability

related risk exposure and business opportunities vary widely between and within sectors."

It says the company is accelerating sustainable growth to become "even more competitive."

Investing in employee talent and skills and the business opportunities brought about by demand for products that help reduce carbon footprints are both highlighted in the report.

So is the enhancement of market competitiveness brought about by supply chain management that involves ESG policies.

The report looks at "sustainable

value creation" and says the company's "market driven approach" comes from wanting to outperform the competition on both product performance and ecological footprint reduction.

The company says it anticipated changes in chemicals-related legislation and adjusted product portfolios accordingly, and now expects to comply with new regulation "well in advance."

To see the full report go to <http://www.akzonobel.com>.

Good Governance

Boosting profits and reducing volatility through better governance

Many people working in business have long suspected that good corporate governance has a strong link to good results. A new British study has provided some evidence to back the hunch.

Good corporate governance produces good share-price returns, and reduces the volatility of those returns, research conducted by the Association of British Insurers (ABI) has found.

By studying the “lagged values” of governance and performance (the gap in time between a poor governance rating and a show of poor financial performance) the ABI found that governance impacts performance, rather than performance impacting governance.

“Superior performance in early years does not lead to significant changes in a company’s governance practices later on,” the report found.

“We find that ... poor governance, in 2004, is strongly and negatively correlated with performance in 2007. The link does not diminish when we include the performance in 2004 as an additional control.”

Performance was defined by return on assets (the ratio of earnings before interest and taxes to total assets) and Tobin’s q (the company’s market value divided by its asset value).

The governance ratings were from the ABI’s Institutional Voting Information Service, where a colour-coding system rates issues for investors to consider. Red tops indicate the most serious issues of concern, followed by amber

tops, then blue (no areas of major concern) and green (issue resolved).

A company’s performance was worse on both return on assets and Tobin’s q according to the number of years it received red tops.

The report, *Governance and Performance in Corporate Britain*, also found that the share price returns of well-governed companies were “significantly less volatile” than those of poorly-governed companies.

“Well-governed companies deliver higher risk-adjusted returns. Our two portfolios of well-governed companies deliver 18% and 13% higher average returns to investors than the portfolios of poorly governed companies after underlying risk is accounted for,” the report said.

To obtain those figures, the ABI

compared portfolios of well-governed companies with portfolios of poorly governed companies between December 2002 and November 2007.

In the first part of this section of the study, companies were grouped into three portfolios ranked by level of compliance with good governance practice.

Those companies considered to have good corporate governance delivered 18% higher average share price returns.

“Investing £100 in the portfolio of well-governed companies ... yields roughly £120 by the end of 2007. Investing £100 in the portfolio of poorly governed companies ... yields just £102.”

To read the full report, go to www.abi.org.uk.

Governance and Performance in Corporate Britain says the Institutional Voting Information Service system does not use a one-size-fits-all approach.

It gave this example to illustrate how it works:

In a two-month period during the last reporting period, three companies increased the maximum payment of the annual bonuses. One company received a red top for this increase, as it was being used to replace along-term incentive plan that had become unlikely to pay out due to poor performance. A second company received an amber top because the increase did not clearly require an improvement in performance and it was accompanied by rises in base salary. The last company received a blue top as the shift was accompanied by more stretching targets and the economic rationale underlying the change had been explained and accepted by investors during a consultation.

ISPT, the Industry Superannuation Property Trust, enables industry funds to invest in property on a low-cost basis. It invests the savings of over 40% of the Australian workforce and their families in property. CEO DARYL BROWNING tells BCI investing in environmental sustainability is a major part of reducing risk in the portfolio. He says sustainability will only succeed with a collaborative approach.

Daryl Browning

BCI: How is ISPT a responsible investor, and how does the company balance responsible investment with delivering the highest possible return to investors?

DARYL BROWNING: ISPT is in a unique but challenging position. To an extent we effectively sit at a major crossroad. Yes, we are an active property market participant but at the micro level we also represent the superannuation investment in property of around 4 million Australians through their membership in our 26 superannuation funds. Whilst we do deal in billions of dollars we also frequently ask ourselves how each of those superannuants would like to participate in the market.

Superannuation is a relatively long-dated commitment. Income is needed to provide for retirement of 20 to 40 years. Our investment decisions are made on the basis that we need to deliver relatively risk-free returns for a long time. It is that which drives much of our investment thinking. It follows that sustainability has had to become a major part of our business and reducing risk in the portfolio is really about things like partnering with our tenants to minimise the impact we both have on the environment and providing them with business premises they can occupy well beyond the traditional 10year lease. ►

Daryl Browning is CEO of ISPT and a divisional councillor and vice president of the Property Council of Australia (Victoria). He joined ISPT in 2002 as manager, investor services, and became CEO in 2005. He has 25 years experience in the property investment and management sector, including five years in direct financial services.

Daryl's previous experience includes 14 years with Knight Frank Australia, where he was director and chief operating officer. Daryl has a Graduate Diploma in Valuations, a Certificate of Business Studies in Real Estate, and a Diploma of Financial Services.



We have developed a strong set of values and a culture which means in most instances the right investment decisions become relatively clear.

BCI: ISPT's new office developments are targeted at 4.5 star Australian Building Greenhouse Rating or better. What's the return on investment?

DARYL BROWNING: The returns come in different forms. It is also difficult to measure the social aspects of sustainability. In the traditional development sense we are after a total return on our equity of more than 12% and we want a margin to reflect the risk we are taking.

At the same time the immediate profit cannot come at the expense of our ability to deliver good returns for a long period. This is probably the greatest difference between a "developer" and an "investor who develops". ISPT is very much the latter. A traditional developer creates his product and sells it to someone else who lives with the economic and environmental consequences of that development. Our projects and the decisions on specification etc. are made on the basis the investment needs to deliver long term returns against a benchmark of CPI +6%.

BCI: How do you secure commitment to ecologically sustainable development from your consultants, property managers and tenants?

DARYL BROWNING: The focus on sustainability has seen a fundamental shift in the relationship with all stakeholders. Where previously in many instances there was an adversarial approach, we now know that sustainability will only succeed with a collaborative approach. It is not simply a challenge for ISPT alone. It needs everyone's involvement and commitment to change what in many instances are well established and entrenched behaviours and to generate new thinking.

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Where previously in many instances there was an adversarial approach, we now know that sustainability will only succeed with a collaborative approach.

Transparency and education are the keys and I think the property industry has been the leader in rapidly taking up the challenge. It does mean a lot of meetings, workshops and revised specifications and legal documentation but most of the hard yards have been done and momentum is evident. In the early stages of our environmental, social and governance program there were some laggards but I think the take up from all stakeholders has accelerated rapidly in the last year as community and business awareness has grown. Most now understand it is not only good business but it is the right thing to do.

BCI: It seems from your annual report that ISPT prides itself on staff attraction and retention. What practices do you have in place to attract and retain staff?

DARYL BROWNING: We have tried to become a preferred employer with both hard and soft strategies. To be successful we need people who are technically good at what they do and they need to be fairly remunerated and work in an environment which allows them to perform at their best. During our recruitment phase we do spend a lot of time making sure potential staff fully understand our values and are a good corporate fit. Of course they need to be good at their profession but we also want those that stand a "good person" test.

People expect to be reasonably paid but it is increasingly evident they are looking for a greater purpose in their working life. The support of our investors has meant we have been a growing and dynamic business, creating the opportunity for our staff to work on many exciting projects and investments in the interest of creating a retirement income for Australian mums and dads. We strongly support the professional and personal development of our team financially and with time allowances for study and course attendance. We also offer flexible office hours, work from home opportunities,

good maternity, family and sick leave allowances and staff are able to work a 19-day month.

BCI: You're willing to accommodate new mothers returning to work on a part-time basis. Does this come at a cost to the company, and is it worth it?

DARYL BROWNING: We don't necessarily regard it as a cost to our business but rather a continuation of the investment we make in all of our staff. We are keen to retain the knowledge and expertise in the business and experience has proved that with careful planning our type of work can successfully operate with part-time staff.

The cost of replacing the person in down time and recruitment costs we think far outweighs any minor inconvenience. Technology has also helped and the introduction of Blackberrys and remote system access means that working mothers can in many instances work at times that best suit them and their family without impacting the business.

BCI: Why target the company's community contributions to groups outside the mainstream charities?

DARYL BROWNING: Our major challenge has been to endeavour to align our community program with the interests and sometimes illnesses of staff members. We also want to work with causes consistent with the values of ISPT and the industry funds themselves. We're really trying to work with groups that can make short and long term improvement to people's lives and opportunities.

In many instances we don't know whether a staff member or their family will have reason to call on a service or charity but it has been surprising the number of times we have supported a group only to find out there is a connection.

Our commitments are very much a reflection of the interests of all of our staff. Proposals for support are championed at our monthly staff meeting and the whole staff can discuss and ultimately vote on the merits of the proposal. We are also keen to expand our program to include our many business partners as we think this will lead to improved relationships and be a benefit to our investors and the charities.

Interest groups seem to be having some success in campaigning against the environmental impact of the UK's airline industry, despite the fact that figures from 2000 showed airlines were responsible for only 1.6% of the world's carbon emissions. Airlines in Australia, as well as those companies that are heavy users of the industry, would do well to take note.

Airlines On The Radar

Spotlight trained on UK industry's environmental impact

Concerns about the environmental impacts of the airline industry have featured regularly in the UK media over the past 18 months.

Recently, the focus has been on opposition to the expansion of Heathrow Airport, a Virgin Atlantic's biofuel-powered flight, and greenwash (allegations of false environmental advertising).

But there have also been calls for tickets to declare environmental emissions, allegations of environmental irresponsibility leveled at budget airlines, and reports that British Airways is funding research into airline emissions other than CO2.

Airport expansions

In the middle of last year *The Independent* newspaper reported government planning inspectors had rejected Manchester airport's plans to expand, following similar successful opposition to development at Coventry airport.

The newspaper said "the tide of opposition, based on a mixture of local environmental concerns and concern over carbon emissions, is dissuading some airports from tabling expansion plans," including Luton and Birmingham.

And in March, the *Financial Times* reported a "groundswell of opposition to a third runway and sixth terminal at London's Heathrow."

It said environmental protestors had penetrated security at the airport.

Transport secretary Ruth Kelly said crudely halting expansion would not meet either of the government's criteria that action tackling climate change must be "balanced and practical to implement."

But she conceded that aviation was making an increasing contribution to global warming, with emissions rising 6-7% every year.

Reports earlier this month said British air passenger numbers had increased by 54 million over the past five years, and there were suggestions that airlines were in fact emitting 20% more carbon dioxide than estimates had previously suggested.

Biofuel

Concern about the industry's growth underpins much of the criticism it receives.

World Resources Institute figures for 2000 showed the airline industry was responsible for only 1.6% of the world's carbon emissions. Road transport, in contrast, was responsible for 10.5%.

A Virgin Atlantic flight from London to Amsterdam in February was a test run for biofuel, with 25% of the flight's fuel coming from a 20% biofuel/80% conventional fuel mix.

The biofuel flight received a sober response from Friends of the Earth, with Reuters reporting the environment

group's opinion that the carbon savings from crop-based fuels would be "small at best".

Friends of the Earth said even if every plane leaving the UK from February was run on biofuel, "any carbon savings would be wiped out in less than 10 years by the rapid growth of the aviation industry."

Trains

It is estimated that planes emit five to 10 times more CO2 per passenger than trains.

The Institute of Mechanical Engineers in the UK argues that a typical rail journey from London to Paris emits 22kg of CO2 per passenger, whereas a flight between the same two cities emits 244kg of CO2 per passenger.

The flight costs only about £85 (\$180), whereas the train trip costs about £154 (\$325).

The institute argues that tickets should show the carbon emissions associated with a journey, and that public investment in transport infrastructure should be proportionate to its sustainability (and they argue rail is "greener").

Budget airlines

Low-cost flights are also derided by environmental campaigners as encouraging people to make trips, and thereby contributing to greater emissions.

Greenpeace executive director John Sauven referred to it as a “binge-flying culture,” according to *The Independent* newspaper.

For years budget airlines in Europe have offered flights on sale for just a few dollars, but passengers have still had to pay taxes.

In May last year, Ryanair paid for the taxes, fees and charges on one million flights.

Friends of the Earth aviation campaigner, Richard Dyer, told *The Guardian* it was a “grossly irresponsible” offer.

“Passengers may be getting a free ride, but the planet certainly isn’t,” he said.

The growing trend for low-cost flights was considered partly responsible for the UK having the highest rate of air travel emissions per adult of 20 countries studied.

Reuters reported that not only was the UK the biggest emitter, its emissions were a third greater than Ireland’s, in second place.

The airlines

Most airlines now have an environmental policy, but Europe’s easyJet has been lobbying for air passenger duty – which doubled in the UK on February 1 last year – to be paid

according to aircraft emissions, rather than the number of passengers.

“Pollute the most, pay the most,” the airline says.

easyJet argues that while budget carriers bear the brunt of environmental criticism for having more flights and carrying more passengers, they are not the worst offenders.

It says that its own fleet, for example, “is among the youngest and most modern in the world for a major international airline.”

easyJet says the oldest and least fuel-efficient aircraft should be banned from the skies, and that there should be a financial incentive for passengers to choose more environmentally efficient airlines, and therefore for airlines to strive to be more environmentally efficient.

Many airlines in the UK now offer passengers the option of paying to offset the carbon emissions associated with their flights. *The Times* reported in January that British Airways was supporting University of Cambridge research into the environmental impacts aircraft made other than CO2 emissions, such as condensation trails and nitrogen dioxide.

The newspaper said the study’s findings could result in much higher environmental surcharges on tickets.

Australia

Sales offering flights for \$5 or even 5 cents are now common in Australia, and airlines such as Qantas and Virgin Blue provide the option of offsetting the emissions associated with buying seat on a flight.

The *Australian Financial Review* reported in February that Qantas Airways’ chief risk officer, Rob Kella, believed carbon offset charges may one day be fixed to airfares, instead of being a voluntary option.

It remains to be seen whether environmental lobbying and media coverage of the industry here will eventually reflect that in the UK.

But in what may be a sign of things to come, *Herald Sun* columnist Terry McCrann criticised Virgin Blue in March for committing to shutting off lights at a fundraising ball in support of Earth Hour on March 29, when those lights – along with ovens, cold rooms chairs and tables – were being trucked in (with all the associated carbon emissions) so the ball could be held in an aircraft hangar.

McCrann suggested “the carbon-belching airline” would be better to cancel the ball, and its associated emissions, than switch off the lights and use offsets to render the ball “carbon neutral.”

Points to Ponder

How much of your company’s air travel is essential, and how much could be cut back to reduce your company’s carbon emissions?

If someone is travelling interstate or overseas for a meeting, could that meeting be conducted via teleconference or videoconference instead?

If a number of executives fly interstate or overseas for meetings each year, you can probably easily justify investing in videoconferencing infrastructure and software.

And if two or more people are heading off to the same meeting or conference, could just one of them attend and report back to the others?

Find out about the likely environmental impact of the sorts of flights staff at your company take, and communicate that information to them. If they know how much their travel contributes to global warming, they might think twice about whether they really need to leave the office to conduct their business.

Corporate responsibility and branding and communications programs are mutually beneficial at ING DIRECT, where customers are getting behind the company's environmental initiative.

ING Direct and WWF Australia

Corporate partnerships and corporate brands

ING DIRECT's partnership with WWF-Australia ties in neatly with its corporate brand.

The bank's products include various savings accounts, and the partnership with WWF-Australia is about saving or protecting the snubfin dolphin.

Artwork advertising the partnership features a dolphin swimming through the bank's corporate logo, an orange lifesaving ring.

ING DIRECT'S head of branding and communications, Christian Bohlke, said using the dolphin in corporate communications was a good way to get customers on board and sustain continuous funding for the dolphin project.

He said the partnership came about when ING was looking for an incentive to encourage customers to switch from paper to online statements.

"We were looking at a campaign to reduce the number of people that ask for paper statements and to switch them to online, not only because it's better for them, but it's better for us,"

Mr Bohlke said.

"We save money and we save trees by not having to print and pay postage," he said.

He said ING DIRECT decided that if it was going to save trees and save money, that money could be given back to the environment.

When the company researched the causes its customers were passionate about, Australian wildlife was the most popular.

Mr Bohlke said ING DIRECT contacted WWF-Australia and found the snubfin dolphin was on a list of key endangered species, but that the environmental group had not been able to secure funding to research the species.

"What they needed to be able to start was an initial donation of \$50,000 to be able to buy a research boat to get the researcher out on the water," Mr Bohlke said.

"I said, 'That's fine, that's a great cause, I feel passionate about it, the company feels passionate about it.

If we can use Snubby, as he's called now, in our communications to our customers and get them involved, I'll make the first donation but I can raise more money on an ongoing basis'," he said.

ING DIRECT made the initial \$50,000 donation, and then made a \$2 donation for every customer who switched from paper to online statements. So far that customer support has raised an additional \$50,000.

A further \$10,000 has been raised through customer donations.

"We get heaps of positive responses from customers sending us emails (who) really like what we're doing, that we've chosen this charity, and people also sending in cheques to us," Mr Bohlke said.

"It's quite unique to have a mammal discovered so recently, and that it's really endemic to Australia," he said.

Discovered in 2005 and found nowhere but in the waters off northern Australia, the snubfin dolphin is thought to be the first new dolphin species found in more than 20 years.



Voluntary reporting indicates strength in corporate responsibility strategies, but there is room for improvement on performance and impact.

CR Index

Candid and transparent reporting

THE 2007 Corporate Responsibility Index represents a "growing maturity" in CR reporting, the St James Ethics Centre believes.

Releasing the results last week, the centre's executive director Dr Simon Longstaff said a significant number of companies were willing to report their performance, even though it meant highlighting areas in need of improvement.

Of the Australian entrants, EnergyAustralia top-scored with 95.51%, followed by law firm Minter Ellison. Victorian financial services company mecu was the highest-scoring new entrant.

Forty companies participated this year, 16 of them new entries. Four of the 40 companies took a leave-of-absence this year, continuing to rely on their 2006 results, but changes to the index mean they are not directly comparable to the 2007 results.

A company's overall score out of a possible 100% is determined by its performance in different sections: Corporate Strategy (10%); Integration (22%); Management Practice (26%);

Performance and Impact Areas (36%); and assurance and disclosure (6%). Components within those sections are also weighted.

Companies scored lowest in the Performance and Impact section, with the Environmental Performance and Impact average at 69%. The three environmental impact areas are climate change, waste and resource management and either biodiversity or a self-selected area.

Companies scored better in the Social Performance and Impact section, at 76%. This section covers health and safety, employee development, diversity and community investment.

The companies' collective area of strength was in Corporate Strategy – 89% – which encompasses values, principles, policies and risk management.

Ten companies elected to enter the process privately, not disclosing their results. Of those, three eventually decided to make their results public.

Dr Longstaff said those companies that reported publicly deserved double praise, for their voluntary participation and their transparency.

He said the corporate sector was beginning to lose its fear of candid and transparent reporting.

This year's overall average score of 78.3% is down 5% on the 83.3% for 2006. The drop in performance may reflect the inclusion of the privately-entered companies, and/or changes that made this year's index more demanding.

The index was developed by the UK's Business in the Community and is operated in Australia by the St James Ethics Centre.

Voluntarily participating companies respond to questions about strategy, integration, management practice, performance/impact and assurance in relation to their community, environment, marketplace and workplace initiatives.

The Federal Government has commissioned the St James Ethics Centre to carry out a three-year project to increase the number of companies adopting responsible business practices and to improve the available tools for promoting those practices.

For further information go to www.corporate-responsibility.com.au

CORPORATE RESPONSIBILITY INDEX

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2007 Corporate Responsibility Index Results

Published 20 May 2008

Company	Scope ^a	Overall Score	Corporate Strategy	Integration	Management Practice	Performance & Impact		Assurance & Disclosure
						Environment	Social	
Australian & New Zealand submissions:								
Amcor	Australia	✓	✓	✓	✓	✓	✓	★
AMP Limited	100%	★	★	★	★	✓	★	✓
ANZ	100%	★	★	★	★	★	★	★
Australian Broadcasting Corporation	100%	✓	★	✓	✓	✓	✓	✓
Caltex Australia Limited	100%	★	★	★	★	✓	✓	✓
Colliers International	Australia	✓	✓	✓	✓	✓	✓	✓
Country Energy	100%	★	★	★	★	✓	★	★
Diageo Australia Limited	Australia	★	★	★	★	★	★	✓
EnergyAustralia	100%	★	★	★	★	★	★	★
Ergon Energy	100%	★	★	★	★	✓	✓	★
Foster's Group Limited	Australia	★	★	★	★	★	★	★
Henry Davis York Lawyers	100%	✓	★	✓	✓	✓	✓	✓
IBM Australia Limited	Australia	★	★	★	★	★	★	★
Kimberly-Clark Australia	Australia	★	★	★	★	★	★	★
mecu Limited	100%	★	★	★	★	★	✓	★
Minter Ellison Lawyers	Australia	★	★	★	★	★	★	★
Telstra Corporation Ltd	Australia	★	★	★	★	★	★	★
Private Index average (seven companies)	Aust/NZ	✓	✓	✓	✓	✓	✓	✓
Global submissions:								
Anglo American*	100%	★	★	★	★	★	★	★
BHP Billiton*	100%	★	★	★	★	★	★	★
British Telecom*	100%	★	★	★	★	★	★	★
Cadbury Schweppes*	100%	★	★	★	★	★	★	★
Ford Motor Company*	100%	★	★	★	★	★	★	★
HBOS plc*	100%	★	★	★	★	★	★	★
Rio Tinto*	100%	★	★	★	★	★	★	★
Serco Group*	100%	★	★	★	★	★	★	★
Unilever*	100%	★	★	★	★	★	★	★
Xstrata plc*	100%	★	★	★	★	★	★	★
Leave of absence – 2006 submissions:								
Boral Limited [†]	100%	★	★	★	★	★	★	★
Newmont Australia Limited [†]	Australia	★	★	★	★	✓	★	★
Savings & Loans Credit Union (SA) Ltd [†]	100%	★	★	★	★	★	★	✓
Toyota Australia [†]	Australia	★	★	★	★	★	★	★
CRI Leaders Network:	ANZ, BHP Billiton, Toyota Australia and Westpac Banking Corporation							

★ Gold 90%+ ★ Silver 80 - 89.76% ★ Bronze 75 - 79.76% ✓ Participated 74.76% and less

* Index surveys for global companies with operations in Australia/New Zealand submitted in the UK and validated by Business in the Community.

Private index: private benchmarking is offered to companies for an initial year prior to transitioning to the full public index.

[†] 2006 submission remains in accordance with company's current commitment to corporate responsibility management. Due to changes to the 2007 Index these scores are not directly comparable with 2007 scores.

Community module submissions:	Scope ^a	Overall Score	Corporate Strategy	Integration	Management Practice	Performance & Impact	Assurance & Disclosure
Accenture (Aus)	Australia	✓	★	✓	✓	✓	✓
MBF Australia Limited	100%	✓	★	✓	✓	✓	✓

★ 90%+ ★ 80 - 89.76% ★ 75 - 79.76% ✓ 74.76% and less

The modular option provides an entry level for participation in the Index focusing on a single impact area, either Environment, Community or Workplace.

^a Scope: 100%: 100% operations Australia: Australian operations only Aust/NZ = Australian or New Zealand operations only

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www.corporate-responsibility.com.au

Businesses involved in a multi-partner initiative are reaping benefits from providing support to some key members of Australian society: school students and their teachers.

Partnering with Schools

Increasing student and employee engagement

Corporate mentors working with school students through Australian Business and Community Network programs often feel they have learnt more from the experience than the students.

But the impact on students is significant.

Eighty-five per cent of year nine students participating in mentoring programs report that it has changed their aspirations, many of them aiming to finish school where previously they had intended to leave at the end of year 10.

Twenty-eight businesses are members of the network, including Insurance Australia Group, the Commonwealth Bank, Wesfarmers and Goldman Sachs JBWere. Sixty-three schools in four states benefit from employees' time.

ABCN operates several programs: mentoring partnerships between senior teachers and business executives; a reading program for primary school students; company volunteers mentoring year nine students; and a program providing students with access to art performances, exhibitions and workshops.

Mentors working with year nine students meet with them nine times over three terms.

ABCN program director Justine Felton said the purpose was to give students the confidence, ability and tools to make informed choices about their future.

"I think the most important, critical part of the program ... is the relationship between the student and their mentor," Ms Felton said.

"The schools are absolutely blown away by the impact that it has on students at that age.

"They have significant adults in their life that don't have to care about their

futures or care about them full stop, but actually do show a genuine interest in their wellbeing."

She said mentors sharing stories about their own life journeys had a powerful impact on students.

"A lot of the kids, they think, this won't happen for me or this isn't achievable for me," Ms Felton says.

"They think that other kids go to uni or other kids go and get the jobs they want in the city.

"Often the kids we're working with, none of their family will have made it to year 12, let alone any further education."

She said the students had sometimes not been exposed to different opportunities and different pathways.

"When they hear somebody really successful standing up, very charismatic, wearing a suit, very confident, and coming from the same background as them, it's incredibly powerful."

A Brotherhood of St Laurence report released earlier this year highlighted just how important this sort of support was for keeping disadvantaged students involved in education.

Life Chances at Sixteen found that young people from low-income families were less likely to plan to go to university (54%) than students from high-income families (87%).

The study also found that students from low-income families were less engaged, meaning they were less likely to look forward to school, less likely to get along with teachers and less likely to complete their homework on time.

Young people participating in the study said help in planning their futures was one thing that would improve school for them.

The report also said schools needed to be better resourced to provide

teachers with support, improve pathways to vocational training and to identify and support students who were likely to be early school leavers.

While ABCN is careful not to replicate the role of government, and does not provide schools with any funding, it is contributing to addressing these needs.

Ms Felton said students participating in the primary school reading program often came from families that could not afford to have books at home, or came from non-English-speaking backgrounds, or had parents who worked such long hours that any available time was spent feeding children and putting them to bed, not reading to them.

And she said the companies and the employees involved in the programs experienced considerable benefits.

"Qualitative evidence is that it's made a huge impact," Ms Felton said.

"They've become more engaged in the workplace, and it's been infectious, their enthusiasm for the program has also been really infectious amongst their team.

"It's also helped break down silos within our member companies, in terms of interdepartmental connectedness through having things in common."

She said the network was open to new members, but that it did not support an approach where companies "adopt" individual schools.

"It means that it's more sustainable and that if you have a change of leadership, or for any reason one company not being able to fulfill its commitment, you've also got the whole network of other companies to support that to ensure that none of the schools are let down and none of the students are let down."



Dr Janna Thompson is the Deputy Director of the Australian Research Council Special Centre for Applied Philosophy and Public Ethics at the University of Melbourne. She is also Associate Professor of Philosophy at La Trobe University.

The Ethicist's View

Maternity leave

Why should businesses pay staff who are soon-to-be mothers to go on maternity leave? Ethicist Dr JANNA THOMPSON offers her view.

‘Why should I have to pay for someone else’s children?’ asked a letter writer in *The Age* a few weeks ago. The prospect of legislation that requires employers to contribute to the provision of maternity leave for their employees is likely to cause owners and managers of business to ask the same question.

There is a strong ethical case for supporting paid maternity leave. Part of that case has to do with equity. All studies show that women pay a comparatively high price for having families. Compared with men who have children and women who do not, mothers make much greater financial sacrifices and they are much more likely to fail to realise their career ambitions or to end up with jobs that fail to make full use of their abilities. Paid maternity leave is not the solution to all of the problems that mothers face in the workforce and at home, but it is a step in the right direction.

Another ethical consideration focuses on the welfare of children. In present circumstances, many mothers whose income is vital for family wellbeing have no choice but to return

to work as soon as possible after giving birth. This is not necessarily what they want to do, and it is not always good for the child or the rest of the family. Parents need time to bond with their young children and fulfil their special needs. Leave for both parents would be ideal, but a paid, guaranteed leave for new mothers is a step in the right direction.

There is a further, closely related consideration. From society’s point of view, children are an asset. They are the citizens, employees, consumers and parents of the future. All of us have an interest in children being born, brought up and well educated. We want our society to be child friendly. In particular those who want their businesses to survive and flourish in the future have an interest in the production and upbringing of children. The expenses of raising children fall heavily on parents, particularly on mothers, and the rest of society benefits from their sacrifices. Parents can’t expect their society to subsidise the whole expense of having children. Making the decision to have children brings with it special obligations. But it is reasonable that a society should provide assistance to those who produce this important asset. Paid maternity leave is one way in which society can pay people back for rendering a service to society.

So there are good ethical and social reasons for supporting paid maternity

leave. But the questions remains, why should businesses have to pay for it?

One reason is simply that it pays off in the long run. Judging from experience in other countries, its effect is to boost morale in the workforce and make it more likely that valued staff will return to their jobs. This means that companies are less likely to incur the expense of recruiting and training new people. They are less likely to lose people whose experience is an asset to their business. Paid maternity leave may also encourage women to enter industries that have so far attracted few female staff, thus increasing the pool of labour available to employers. Family-friendly policies are generally good for business.

But there is a further reason. Basic to the relation of employers to their employees is a recognition of their needs and responsibilities as human beings, family members and citizens. Employees are not merely hired hands whose life outside of the workplace is irrelevant. It has long been accepted that employees have a right to paid sick leave and paid jury leave. Women have come to play a role in the workforce that is vital for the economy and for their families. It is time that businesses should recognise and cater for their needs as mothers.

With the private sector now involved in hundreds of international development projects, and numerous companies wealthier than some countries, human rights expert Brian Burdekin has reminded delegates at a Melbourne workshop of their obligations to the people affected by business operations.

Respecting Rights

When the private sector carries out public works

There is an urgent need in many countries for the private sector to take a more active, aggressive and involved role in ensuring people's basic rights are respected and protected, former federal human rights commissioner Professor Brian Burdekin says.

Professor Burdekin was speaking at a Momentum International Partnership human rights workshop held in Melbourne in March.

He said a very large number of development projects now involved the private sector, and international conventions on human rights required governments to ensure companies carrying out public works respected those human rights.

"So much more of what is going on in countries is now being driven or is being influenced by or is the work of the private sector, in some cases of very large corporations," Professor Burdekin said.

He cited Institute of Policy Studies research which found that 51 of the world's 100 biggest entities were corporations, while 49 were countries.

"Some of those corporations have more wealth than the poorest 20 countries put together," he said.

He said that over the past 10 years non-government organisations concerned about human rights had increasingly turned their attention to the private sector.

"We're seeing NGOs being more active in some of these countries because people are fed up with having their human rights violated, having their interests sold out by corrupt politicians who do deals the people have no control over," Professor Burdekin said.

And he said international law was

becoming enormously more important.

"What we're talking about is conventions that have now been ratified by over three quarters of the countries in the world.

"Many lawyers would argue that therefore they are now what we call customary international law."

He said that when international lawyers refer to the "bill of rights" they are referring collectively to the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights.

He said the two key words in article two of the covenant on civil and political rights were "respect" and "ensure".

"This is what is absolutely critical to be understood in the private sector.

"Governments have to respect human rights. That means governments themselves have undertaken a binding international obligation not themselves to violate human rights. But what about ensure?"

“We’re seeing NGOs being more active in some of these countries because people are fed up with having their human rights violated, having their interests sold out by corrupt politicians who do deals the people have no control over

"You can't just privatise and walk away. If you do privatise, you are obligated under international law to regulate or license or take other appropriate measures to ensure that the entity to which you give this national resource develops that in a way which is consistent with other rights in this treaty."

Civil and political rights include the right to life, the right to equality, the right not to be discriminated against, and the prohibition of torture.

Economic, social and cultural rights include the right to health, the right to education and the right to housing.

Professor Burdekin said that historically, when people referred to human rights they were talking about civil and political rights, the abuse by the state of the individual.

"If we really want to look at the intersection between business and human rights, those rights are significant, those rights are important, but what is even more important, in many cases are the economic and social rights, the right to a clean environment, the right to health care, the right to education, the right to an adequate standard of living, and so on," Professor Burdekin said.

He said all human rights were universally applicable, and that often those people who were most socially and economically deprived were also the ones whose civil and political rights were violated.

Momentum International Partnership runs workshops, roundtables and seminars on various aspects of corporate responsibility. To find out more, go to www.momentumpartnerships.com.

Integrating Human Rights

An eight stage guide

Human rights is a broad, complex area of corporate responsibility. If you don't know where to start, a 45-page guide – available online – might help you on your way.

An eight-stage guide put out by the Business Leaders Initiative on Human Rights provides a useful starting point for developing a human rights framework for your business.

It recognises that the issue of human rights “is one of the most challenging areas of corporate responsibility for companies to address.”

First published in 2006, *A Guide for Integrating Human Rights into Business Management* provides a general outline of the relevant issues, and then sets out seven further steps for a comprehensive human rights program: strategy, policy, processes and procedures, communications, training, measuring impact and auditing, and reporting.

“Getting Started”

First, you are encouraged to develop a business case for human rights. This might include improved stakeholder relations, improved recruitment and retention, improved risk assessment, enhanced reputation and brand, secure license to operate, shareholder confidence and sustainable relationships with governments, business partners, unions, sub-contractors and suppliers.

“Sometimes what might be first perceived as a risk to a business can be converted into an asset,” the guide says.

Support of senior executives is seen as integral, and a “rights aware” approach is encouraged.

“A ‘rights-aware approach’ means that a business is willing to accept that its stakeholders have universal rights and that any decisions made by the business should strive to respect these,” the report says.

Strategy

This section provides information about finding out what your company is already doing (non-discrimination and occupational health and safety policies, for example) and advice on identifying risks, opportunities and priorities for action.

Risk areas may include corruption, security of personnel and property, discrimination, privacy, rest, leisure and paid holidays and housing.

A human rights matrix included in the guide can help identify which areas of your business might impact on human rights.

The categories the matrix covers are: general obligations; right to equal opportunity and non-discriminatory treatment; right to security of persons; rights of workers; respect for national sovereignty and human rights; obligations with regard to consumer protection; obligations with regard to environmental protection; and general provisions of implementation.

Having a member of the board of directors or executive management take responsibility for human rights is recommended, as is tracking progress.

Policy

The guide says a good human rights policy complies with existing international norms; is relevant to the company and its sphere of influence; includes a commitment to respect, protect and promote human rights and to avoid complicity in human rights abuses; extends to all parts of the organisation; includes the company’s

expectations of its partners, joint ventures, customers and supply chain; and gives consideration to any relevant existing codes and guidelines.

Where individual policies are developed to address local situations, the guide says those policies “should not contradict the general corporate standards.”

Processes and Procedures

The guide recommends five steps:

1. Consider the full scope of your business activities and functions
2. Establish procedures for identifying your human rights-related risks and opportunities
3. Establish control systems for managing human rights in your business
4. Learn from sector-wide business initiatives
5. Expect the unexpected – how to react when procedures are not enough

Communications

Communications are seen as an essential part of an approach to human rights.

“Balancing freedom of expression with the protection of personal or private information and the participation of stakeholders is essential,” the report says.

It says communication needs to be both internal and external. Employees need to be aware of risks and opportunities, and of policies, procedures and contacts related to non-compliance reporting and whistleblowing.

In relation to external communications, transparency and willingness to act constructively are seen as keys to success.

“If local communities want to communicate with the company through protest, the company should respect their right to freedom of expression and should not seek to repress demonstrations or ask governments to do so, even if the company does not agree with the message or the style of communication.”

Training

The guide recommends a three-stage approach to training:

1. Identify target groups in your business to receive human rights training

2. Review the different types of training materials available
3. Select, organise and evaluate the training program for target groups.

Measuring Impact and Auditing

Performance indicators should measure direct results of company operations and efficiency of management process, according to the guide.

It says indicators should be reviewed on a regular basis.

It also recommends that audits be conducted, ideally by external human rights experts, and made publicly available.

Reporting

The guide says good reporting focuses not only on suppliers and employees, but also issues related to customers and communities where the company operates.

For more details on each of these areas, the report can be accessed in full at <http://tinyurl.com/6os36l>.

Environmental Challenges for the Retail Industry

A March *Money Week* article created a bleak picture of retailers’ environmental credentials.

And while some of the problem lies with retailers themselves – an unwillingness to share ideas for fear of losing competitive advantage – in large part it lies with consumers.

The March 12 report, *Are retailers really prepared to go green?*, reels off several challenging statistics.

It says that while 70% of people say individuals must take more responsibility for climate change,

only 35% consider themselves to be motivated to be more environmentally-friendly.

“This means the remaining 65% are unlikely to behave in a greener way unless they are actually forced to do so,” the article says.

It cites other research that found that while 34% of people claim to be “eco-friendly shoppers”, only 6% actually are. And although 53% of consumers say they buy Fairtrade products, only 30% actually do.

“But despite the reluctance of millions of consumers to switch, there

is consumer pressure in some areas, with shoppers demanding tangible change from the retail industry. A key area of focus is the reduction of packaging,” the article says.

But it says “it is not surprising that an Ipsos MORI poll found a mere 5% of people believe retailers are doing as much as they can on social and environmental issues, and that a massive 79% reckon companies are pretending to be ethical just to sell more goods.”

Companies cannot be sued for damages for breaching the new Victorian Charter of Human Rights and Responsibilities, but the charter does change the way old rules are interpreted.

It's the Law

Bringing international human rights into domestic laws

Businesses operating in Victoria should ask their legal advisors about the implications of the Victorian Charter of Human Rights and Responsibilities on their operations, the state's former commissioner for equal opportunity says.

Moira Rayner told a Melbourne human rights workshop the charter could have quite a dramatic effect, bringing international principles of human rights into domestic laws.

"It will not lead to a flood of ridiculous cases and claims, but it is going to lead to a change in our culture," Ms Rayner said.

She said staff must be trained in human rights principles and human rights considerations must become a normal part of the decision-making process.

The charter came into full effect on January 1, and applies not only to the parliament and the judiciary but also to public authorities, which includes businesses where they are discharging a function of public nature.

Ms Rayner said a public authority could include any body which was contracted to carry out a function that was an element of core government, such as public transport or private prisons.

"Many businesses are going to find, because of the increasing amount of work they do with the government these days, that they fall within the definition of public authority, at least for some of their work," she said.

"The definition is any entity, whether otherwise a public or private entity, whose functions are or include functions of a public nature, only when it is exercising those functions on behalf of the state or another public authority. And it will include their subcontractors as well.

"It also includes those who are publicly funded to perform public functions."

The Victorian Charter of Human Rights and Responsibilities protects the rights covered by the International Convention on Civil and Political Rights, but not all of them.

Ms Rayner said the charter had the capacity to change the way old rules were interpreted and policies applied, and the capacity to require most employers, most businesses, to change their language.

"Quite frankly, I think that the language of equal opportunity and alleged merit-selection and various other old terms including diversity and equality and affirmative action

has become so stale it's virtually meaningless," Ms Rayner said.

"It is very much time, I believe, to start using language which looks at definitions based on dignity, equality, respect, fairness and autonomy, which are the underlying principles of this Victorian charter."

She said it was a soft piece of legislation in that it did not give a right to seek damages.

"If they breach the act, they are not going to get sued for damages for breach of the act," she said.

However, she said that where there is an existing right of review or for a remedy, then the existence of obligations under the charter would make the review or remedy more likely to have negative consequences for a company.

Ms Rayner said the charter required the judiciary to interpret all statutes so they were compatible with human rights, as far as it was possible to do so consistent with the purpose of the legislation in question.

She said the rights were not absolute, and it could be argued that it was reasonable to limit rights in certain circumstances.

"Sometimes these rights can be limited if they meet what is called the proportionality test. That is, it is a reasonable limit to the operation of the right that can be demonstrably justified in a democratic society.

"This is a pretty important exemption because it basically says that rights can be subject to other laws limiting them in a free and democratic society that is based on human dignity, equality and freedom."

“It is very much time, I believe, to start using language which looks at definitions based on dignity, equality, respect, fairness and autonomy, which are the underlying principles of this Victorian charter.”

The Winter 2008 edition of the Stanford Social Innovation Review says that while it is impossible to design a human rights impact assessment that would apply to all corporations and industries, there are five principles that should be followed.

Human Rights

Five principles to follow

1

Include all stakeholders

It is especially important to include stakeholders who “are not at the table where the deals are done.”

“These stakeholders include host communities, downwind neighbours, labourers, civil society groups, ethnic minorities and women. Many of these groups are poor and do not speak the languages of Wall Street and Washington,” the Review article says.

Good stakeholder engagement engenders local support and potentially valuable input.

2

Distribute impacts fairly

Even when discrimination is unintentional, it engenders hostility and reinforces “volatile ethnic and economic disparities,” the article says.

“When corporations ignore the socioeconomic and political dynamics within a locale, and instead deal only with government elites – many of whom are corrupt – they increase their chances of harming – or at least failing to help – their most vulnerable stakeholders.”

3

Get good data

Rigorous fieldwork supported by credible, independent sources is needed for reliable and current information.

“The people gathering these data must understand the corporation’s proposed project, human rights standards and local conditions. They should include such overlooked experts as anthropologists, linguists and local elders.”

The integrity and independence of human rights impact assessments must be safeguarded.

4

Base decisions on data

The good data you collect must be used in decision making, internal codes of conduct, staff training, enforcement and accountability mechanisms, and policies addressing discrimination, labour, security, the environment and indigenous people.

“In short, human rights impact assessments must be an integral part of companies’ business plans.”

5

Share findings

“The findings from human rights impact assessments are useful not only for companies and impacted communities, but also for other stakeholders. They can help businesses, governments, and non-governmental organisations (NGOs) identify, address and even prevent human rights violations.”

Taken from *Getting Human Rights Right*, Stanford Social Innovation Review, Winter 2008:
<http://www.ssireview.org>

Protecting, Enhancing, Restoring

Conservation as core business

Foster's has invested millions of dollars and consulted a variety of experts to develop a program to protect and enhance the land on which it works.

Foster's Group has set its sustainability sights high with a policy of doing "zero harm to the environment."

To put the policy into practice, the beverage company created Foster's Footprint, a project to measure and improve the sustainability of the company's 12,000 hectares of vineyards in Australia and New Zealand.

The program commenced in 2003 and was introduced in vineyards last year. Having been in place for 12 months at the time of writing, the program was moving into its first reporting period.

Foster's general manager of sustainability for Australia and New Zealand wine production, Gioia Small, said millions of dollars had been spent developing the program and its tools, and rolling it out.

Ms Small said the company made the investment because its people considered themselves "stewards of the land".

"We have got a moral responsibility to either maintain or improve the land that we've got," Ms Small said.

"The other thing is that because we're a business that is quite

regionally embedded ... our managers and our winemakers actually work in those regions and live in those regions.

"So it's not this big, corporate thing for them. It's personal for them as well."

She said the program enabled staff who were members of the communities in which Foster's operated to feel proud of the work they did.

"From a company point of view, certainly I think companies want to be seen to be doing the right thing, and genuinely doing the right thing. I guess that's the benefit from the corporate point of view," Ms Small said.

She said there had been some quantifiable cost savings, and that there were probably others that Foster's was not yet aware of.

"One of the things people have often said is, it's all very well to have these sorts of tools, but what you probably end up doing is spending more money on the greener options.

"And in fact I was with some of the vineyard managers in the Yarra Valley the other week, and ... what they'd managed to do was revisit their spray program, come up with a softer spray program, and actually managed to shave \$30,000 off the cost of their bill."

Chemical management forms one section of a set of guidelines developed for the implementation of the Foster's Footprint program.



“Vineyards shall seek to effectively minimise and where possible avoid any ecological harm – on and off the farm – arising from the use of chemicals including herbicides, insecticides, fungicides, etc,” according to the guidelines.

“In the first instance, vineyards should opt for the least-risk precautionary approach to the use of chemicals and their environmental impacts.”

The guidelines, which were developed with the Australian Conservation Foundation, present a set of general principles, followed by specific directions on “biodiversity assessment and action planning,” “native wildlife and habitat management,” “chemicals,” and “pests, weeds and diseases.”

The general principles stipulate that biodiversity conservation should be regarded as part of core business, and that “where scientific information on the ecological risks arising from a particular management action (or inaction) is lacking or equivocal, vineyards shall respect the precautionary principle.”

Gioia Small said a suite of metrics was developed in collaboration with the CSIRO to enable managers at Foster’s sites to assess the quality and quantity of native vegetation on the land.

“They go out and measure the size

of the patch,” Ms Small said.

“They measure its width, because that’s an important part of it. They also measure its connectivity to the landscape, so how connected it is to the next significant piece of native vegetation.”

She said people working on sites were also asked to measure percentage regeneration.

“They don’t have to be biodiversity experts. They just have to be able to tell that one species looks different from another, and they basically look at how much species regeneration we’re getting.

“For example, you go into a native vegetation patch and you can see that you’ve got four species of mature tree, and then you have a look at what’s regenerating and you might only see three of those species regenerating. You’ve still got a 75% regeneration rate, in terms of species.”

She said regeneration provided an indication of how well an area was being managed.

Once an assessment has been made, Foster’s has a tool for prioritising actions, based on key principles of protecting first, enhancing next and then restoring.

Ms Small said the next step would be to take the same model, using different tools, guidelines and metrics, and apply it to the Foster’s Group’s wineries and packaging.

Foster’s Footprint Principles

1. Conserve the quantity and quality of water
2. Conserve the sustainable productive capacity of soils
3. Protect, enhance and where possible, restore biodiversity assets
4. Protect air quality by minimising release of contaminants
5. Adopt all reasonable measures to minimise noise
6. Minimise waste from the vineyard
7. Manage energy use to reduce greenhouse gas emissions
8. Comply with national, state and regional environmental legislation
9. Comply with regional viticultural codes of practice and best viticultural practices

NEWS

Call for greater oil and gas transparency

Anti-corruption group Transparency International says oil and gas companies must do more to increase transparency around the payments made to resource-rich countries.

The group evaluated 42 oil and gas companies based on the transparency of their reporting, and found that only a third were high performers.

Transparency International says 60% of the world’s poor live in resource-rich countries, and most constitutions grant citizens “ultimate ownership” of natural resources, but it says much data on what companies pay to exploit those resources “remains unpublished and beyond public scrutiny.”

“Oil and gas wealth, if properly managed, should support better

services and infrastructure,” Transparency International chair Huguette Labelle said.

“It is the duty of civil society to work with companies and governments to unlock this potential.”

Building Green

**City of Melbourne
shares its green secrets**



THE City of Melbourne, considered among Australia’s greenest councils, has put out a comprehensive guide to making your building more environmentally friendly.

More than 70 entries cover everything from removing asbestos and conducting energy, waste and water audits, through to controlling heating and cooling, landscaping, purchasing office equipment and recycling.

Each entry details benefits, risks, opportunities, costs and payback, and also provides references to additional resources.

The benefits it lists under “cleaning”, for example, include reducing the risk of skin irritation and maintaining indoor air quality, and reducing the environmental impact of dyes.

But the associated risks are that “green cleaning products may be more difficult to source” and that further standards need to be developed before product choices can easily be made.

The process involves selecting products that are biodegradable, non-toxic and “contain no phenolic compounds or petroleum solvents.”

“Green cleaning” products may cost “marginally more” than standard cleaning products, but they are becoming equivalent, the guide says.

And it provides three references to help you find the relevant cleaning products.

The guide is for building owners and managers in large or small buildings, to help reduce environmental footprints and energy bills.

Lord mayor John So said Melbourne was serious about becoming a sustainable, green city, and that a joint effort was needed to make that happen.

To access the guide, go to www.melbourne.vic.gov.au/greeningyourbuilding.

An extract from Greening Your Building:

Lighting

Lighting - Efficiency LI - 01

Various methods exist to improve the light received on the working plane per unit electricity consumed. These include; high efficiency light reflectors, replacing or removing cloudy diffusers, reducing general light levels but providing task lighting, reducing lighting in overlit areas; ensuring light fittings are clean and replacing old tubes with blackened ends.

BENEFITS

Lighting can be designed to reduce energy consumed while providing lighting levels adequate for the tasks being lit. GreenStar awards 4 points for best practice and 1 point for 3.0 W/m² per 100 lux

RISKS

Ensure that light levels are not compromised. Ensure that new arrangement does not cause visual discomfort due to glare or reflections.

OPPORTUNITIES

- Determine what the current lighting density is in relation to tasks being performed in that area.
- Light power densities for 95% of NLA – Best practice = 1.5 W/m² per 100 lux .
- Choose light colours to improve light reflection within space.
- More efficient lamps: T5 16mm tubes, T8 25mm tubes, compact fluorescent or LED downlights.
- High frequency ballasts.
- Fit new reflectors.
- Replace/remove old diffuser: new prismatic or egg-crate diffuser.
- Install lighting control units.

COSTS

T5 light fittings: \$20-25 per fitting (10% over T8)

High frequency ballasts: No extra cost.

Dimmable Ballasts: 30-40% over standard fittings

PAYBACK

Payback is within three years.

RESOURCES

www1.sedo.energy.wa.gov.au/uploads/comm_light_26.pdf

Green Star Technical Manual – Office Design v2: ENE 05 and ENE 06

Do you know how much money your company is spending on purchasing and using paper? Planet Ark thinks there are some serious savings you could be making by switching to e-documents.

Less Paper, More Money

National campaign for electronic documents

EVERY dollar invested in reducing the amount of paper your office uses could generate returns of up to \$30, according to Project Paper-less.

Planet Ark founder Jon Dee has presented the case for going paperless to businesses in Melbourne and Sydney.

He is hoping to get thousands of companies behind the cause that he believes will help save money at the same time as helping the environment.

Mr Dee told an April business breakfast in Melbourne it was estimated that every dollar invested in reducing paper consumption could generate returns of up to \$30.

"Saving paper will definitely save you money," he said.

"If we maximise the use of electronic documents and digitise existing paper documentation, you get some really significant benefits."

Mr Dee said printing and copying on both sides of paper was an obvious step, but that there were a lot of people who still did not even do that.

"What is good now is people are telling me that if they give a report to someone and they've only (printed) it

single-sided, they're getting picked up by companies now on environmental grounds," he said.

He said businesses should also measure their paper use, distribute memos and documents via email, eliminate unnecessary forms and convert forms to an electronic format where possible.

Mr Dee said electronic forms and electronic filing made it quicker to find and process information.

"You get an improved bottom line because of the efficiencies in the workplace that you introduce," he said.

Mr Dee said the primary cost of paper use was the purchase price, but secondary costs could be 30 times that.

Excluding labour, he said secondary costs included printing, copying, postage, packing, storage, processing bottlenecks and increased delays.

He said one company saved \$250,000 per year on postage by reducing paper use.

Employment costs could also be reduced because fewer people were needed to process forms, finances and other procedures. If the number of employees was reduced, savings could be made in office space and infrastructure costs.

Mr Dee said two areas of businesses operations where paper savings could be made were in human resources and finances. Pay slips could be emailed as password-protected documents accessible only by the employees for whom they were intended, and accounts departments could send and receive accounts via email, and conduct online transactions.

Mr Dee uses a tablet PC with handwriting recognition software to eliminate the use of paper in note-taking. He also photographs business cards with his phone, sends the image to his email account, saves it to his computer and can then search for a person by name or company.

He said Project Paper-less was a corporate alliance of people committed to making a difference and saving money.

"From a corporate social responsibility standpoint, we've all got to look at ways in which we can create a more sustainable future for Australia's kids," Mr Dee said.

"Really, paper reduction is one of the really simple and easy ways to actually make more money, become more productive, but you're going to leave the world a better place."

Project Paper-less supporters include electronic document storage company Redmap; data storage and security company iomega; Toshiba; and Indigo Pacific, "the form experts."

Indigo Pacific representative Kevin Tattrie said PDFs could be password-protected for confidentiality, could be embargoed and not able to be opened until a specified time,

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Really, paper reduction is one of the really simple and easy ways to actually make more money, become more productive, but you're going to leave the world a better place.

and that the writer of the document could control what changes a recipient could and could not make.

He said one document could be enabled 10 different ways for 10 different people.

"I can take a PDF document as a form and attach my word documents inside, attach my excel spreadsheets inside that document, and send it along as a single container," he said.

"I can highlight the fields that are mandatory for my uses; I can enter data. I can prompt and validate and give control and choices."

Jon Dee said he did not expect the world would ever be completely paperless, but that the time had come to be paper-less, to use less paper.

He said when paper did need to be purchased, it should contain recycled content or pulp from forests certified by the Forest Stewardship Council.

Used paper should be recycled.

"The average Australian employee uses 10,000 sheets of office paper every single year, and Australians are using about 1.4 million tonnes of printing and fine paper every year.

"Some industry sources say if you work on the basis of 24 trees to the tonne ... maybe think 10% of paper's recycled, you're looking at about 35 million trees worth of paper. Even if it's less than that, you're still talking tens of millions of trees every single year."

For further information go to www.projectpaperless.com.au

Facts and Figures from Project Paper-less

- The average Australian employee uses 10,000 sheets of office paper every single year
- Australians are using 1.4 million tonnes of printing and fine paper every year
- If you work on the basis of 24 trees per tonne, and assume 10% of the paper we use is recycled, that's about 35 million trees worth of paper used by Australians each year
- Recycling one tonne of paper would save 17 trees, 31,000 litres of water and 4,100 kilowatt hours of electricity

INTERNATIONAL NEWS

Companies training staff in ethics

UK COMPANIES are putting greater efforts into embedding codes of ethics within their business.

An Institute of Business Ethics survey found 71% of companies provided staff with training on the company's code of ethics, compared with 47% in 2004.

And 95% of companies with codes of ethics offered employees a confidential avenue for raising ethical issues, compared with 89% in 2004.

Seventy per cent of companies include the need to conform with the code of ethics in employee contracts, up from 62% in 2004.

The majority of large UK companies

have had a code of ethics for more than five years, and a quarter of them have had a code of ethics for more than 10 years.

Companies nominated environmental, safety and security matters as the most significant ethical issues they faced.

A Melbourne real estate agent attracts customers by throwing its support behind the community groups in its suburb.

Keeping it Local

How to generate business whilst supporting the community

REAL estate agents at Bennison Mackinnon believe their community support program is effective because it offers a “double win”.

The Melbourne company’s Commission Discount and Donation Program offers property owners associated with selected community groups a discount on their commission, with an equal amount donated to the community group.

Director Iain Carmichael says the company thinks the program works well for the Glen Iris Junior Football Club, for example, because the property owner benefits as well as the club.

“If you just did it for the club, you probably wouldn’t be that successful, but an equal amount is rebated off the commission for the owner of the

property who’s the parent of the child,” Mr Carmichael says.

“This is exactly the arrangement we use for a number of (community groups),” he says.

“It’s a simple way of doing it. You can tie the sponsorship to various sums of money that relate to the price of the house, so it just makes sense.”

For a property sold for up to \$750,000, Bennison Mackinnon offers the owner a discount of \$1000 on their commission and will donate \$1000 to a community club.

For a property sold for up to \$1.25 million it offers \$1500, and for a property worth in excess of \$1.25 million the company offers \$2500.

Mr Carmichael says there are 15 or 16 teams and hundreds of parents involved in the Glen Iris club.

“It’s a nice fit for us in that it’s a club

where a lot of the parents come from Stonnington and Boroondara, with a pretty strong overlap, too, with a couple of the local schools, so it’s all a pretty tightly interwoven group.”

Mr Carmichael says a number of Bennison McKinnon staff had sons who had played for the football club.

“We think that there’s real value in supporting the people that are in our zone. We don’t have many sponsorships that aren’t local.”

He says an important part of running such a local community support program is to ensure the company is promoting itself well.

“You’ve got to be on top of your game and make sure you attend the club rooms when there’s drinks on.

“I think if you don’t support it, it just withers on the vine.”

Supermarkets hire long-term unemployed

UK SUPERMARKET Tesco has long been helping the long-term unemployed get back to work, according to the Times Online.

The newspaper reported on January 29 that Tesco offered six-week “job-ready” training courses ahead of opening new stores.

“Participants were guaranteed a position within the company regardless of experience or qualifications, as long as they completed the program and showed a positive attitude to work.”

Tesco – along with the country’s other three large supermarket chains – has now joined a government local employment partnership scheme, providing a generic model of education and training where applicants are fast-tracked through the application process.

No Big Deal

Tory proposal promises a light touch

The UK Opposition has released a report advocating that a future government work with and coordinate companies on corporate responsibility-related matters, and that NGOs take issue with companies that refuse to engage.

THE UK Conservative Party has proposed corporate responsibility collaborations with businesses if it wins government, governed by a principle of “engage or explain” if invited companies choose not to participate.

A report from the party’s working group on responsible business, *A Light but Effective Touch*, says business engagement in the prospective “responsibility deals” would not be compulsory, but that choosing not to participate when invited would “reflect poorly” on the company in question.

Each responsibility deal would be overseen by the relevant Secretary of State and a management team, which would identify the relevant corporate, civil and government organisations. They would be invited to a series of meetings to develop an approach for dealing with the relevant issue and negotiate the distribution of tasks.

“The aim of each group would be to develop a responsibility deal, defining, in the case of companies and other actors, what reasonable expectations the rest of society had of them and what reasonable actions can be expected ... bearing in mind the constraints under which each group operates,” the report says.

It says the advantage of responsibility deals, because they involve collective action, would be to reduce the commercial risk for participating companies.

The working group has proposed the move to address issues such as obesity, problem drinking, climate change and reducing and recycling waste.

“Responsibility deals would provide a forum in which different types of organisations could discuss how to create a market environment that financially rewards companies that produce non-financial benefits to others,” the report says.

It says the aim of the deals would not be to punish anti-social behaviour, but to reward positive behaviour.

However, it says investors and NGOs would be encouraged to create pressure on “laggard businesses”, including those that choose not to

participate, as well as publicly praising the good work being done by companies.

The deals would be subject to an annual review conducted by independent experts and participants would be randomly audited.

A Light but Effective Touch recommends that a future conservative government reinforce and properly resource existing regulations, “rather than introduce rafts of new legislation.”

It says a government propensity to “move the goalposts” makes it difficult for companies to plan and invest in important issues, and recommends the government “put greater long-term predictability at the heart of market-based policies to enable responsible business.”

“We propose a new role for government in promoting responsible business: acting as the convening body to identify common interests; negotiating co-operative and mutually beneficial strategies; and developing and, in some case, overseeing the institutions needed for those strategies to succeed.”

It says government’s role should be more creative than just legislating.

“All but the most dogmatic stances on responsible business now recognise that the primary motivating force behind a company’s actions is, and can only be, enlightened self-interest. Just as a company would be unlikely to invest in research and development unless there was an expected return, neither should we hope that companies would invest in sustainability without an expected return.”

To see the full report go to <http://tinyurl.com/2w9ngt>.

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What's On?

Green procurement training with Good Environmental Choice Australia:

Sydney: July 1-2 and September 9-10

Melbourne: August 14-15 and November 6-7

Canberra: July 15-16 and October 21-22

Brisbane: June 19-20, August 25-26 and December 1-2

Adelaide: July 28-29 and October 7-8

Perth: September 22-23

Hobart: June 4-5 and November 11-12

www.geca.org.au

Australian Centre for Corporate Social Responsibility:

Building Organisational Capacity for a Sustainable Strategy

Melbourne: July 31-August 1

Sydney: August 7-8

Half-day programs (Melbourne)

Introducing CSR: August 13

Communicating CSR: October 14

Reporting CSR: October 14

Measuring CSR: October 21

One-day program – Experience CSR

Melbourne: September 9

Sydney: November 27

www.accsr.com.au

MOSS (Models of Success and Sustainability)

Managing Complex Relations and Leading the Way in Corporate Responsibility

Perth: July 21-22 and October 13-14

Melbourne: July 24-25 and October 16-17

Sydney: July 28-29 and October 20-21

Brisbane: July 30-August 1 and October 23-24

2008 CSR Summit (Sydney): December 2-3

www.moss.org.au

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SHANNON'S WAY

Social Marketing Communications

www.shannonsway.com.au

Shannon's Way was founded by Bill Shannon in 1992 and established to meet the growing need for social marketing communications.

The social marketing we practice aims for change. It is not enough to get people to think about acting, or even deciding to act. Only when people actually change behaviour voluntarily are we successful. At Shannon's Way, ACTION is our bottom line – we combine change with commercial reality. This philosophy produces a very different approach to orthodox communications thinking.

Shannon's Way employs 25 staff covering strategic planning, account management, creative development, graphic design, print production and supervision and electronic media production. Through our equity relationship with Empirics Marketing we also have a strong direct marketing and online media resource.