

# Business Community Intelligence

Smarter Business  
Better Communities

The Australian Best Practice  
Newsletter for CSR and  
Business & Community Partnerships

- ▶ Ideas
- ▶ Insights
- ▶ Information
- ▶ What works and what doesn't

A newsletter  
for businesses  
that invest in  
communities



[ourcommunity.com.au](http://ourcommunity.com.au)

**Deloitte.**

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# [Take Ten]

## Top 10 Discussion Starters



**Rhonda Galbally AO**  
CEO, Our Community

Here are Rhonda Galbally's Top 10 Discussion Starters – the major CSR themes drawn from this issue of Business Community Intelligence.

1. **ADVERTISING** your CSR offers consumers a way to act on their social and environmental concerns (translating into reputational and commercial value for the company), and consumer interest in turn reinforces the company's mandate to pursue socially responsible initiatives. But get your house in order before you even consider it. Your credibility will be on the line if you don't have the evidence to back up your claims, or if you spend more on advertising your good works than on the good works themselves.
2. A **WELL-CHOSEN** partnership with a community organisation will provide benefits for a company's reputation, and for the community as well. A partnership can involve more than just contribution of money – businesses should also look for opportunities to contribute their knowledge, skills, connections and moral support.
3. **COMMUNITY** and environmental challenges should be seen as opportunities not just to improve society, but also to drive innovation. Every business that isn't already doing so should be thinking about how it can reduce its own carbon emissions and water use, as well as how it might make money out of reducing someone else's.
4. **YOUR** responsibility to the community does not start and end at your gates. Companies should take steps to mitigate harm, no matter how inadvertent, caused by their products. This might involve working to prevent irresponsible use of your product (mobile phones used for bullying, paint used for sniffing), or it might involve looking carefully down the supply chain at the practices of your suppliers.
5. **IN** A climate of growing labour shortages, you need to hold onto your workers. Listen to what they want and be responsive to their needs. Treating people fairly is not necessarily about treating people the same way. Businesses need to support their employees by recognising their different experiences, capabilities, and needs.
6. **EMPLOYERS** need to reject myths about older workers being rigid and hard to work with. They're not. In fact, evidence shows that they're more loyal and just as productive as younger workers. Employers wanting to retain older workers need to get creative with their work structures, putting in place opportunities for job sharing or flexible working hours. Allow them to ease their way to retirement by gradually reducing their workload, if that's what they would like.
7. **TAKE** a long-term approach to human resources management. Offering a one-year career break to your employees may cause you to lose a resource in the short-term, but you're more likely to retain your employees (and their institutional knowledge) for the long-term. Maintain relationships with people who leave your company to open up future employment opportunities.
8. **BUSINESSES** are in a unique position, having strong links to the community without being too constrained by politics. They are therefore in the perfect position to pilot new and possibly risky programs and ideas that others are reluctant to touch. This might involve taking a short-term hit to the bottom line in the hope that the results of your initiative, if it proves its worth, can be shared with and taken up by others.

## [Take 10]

### Top 10 Discussion Starters

9. FINDING ways to measure the inputs, outcomes and impacts of your CSR can help you to "sell" your programs and activities, both internally and to the outside world. It can also help you to make sure your CSR initiatives are commercially beneficial.
10. ADOPTING a principles-based approach to CSR will ensure you run every aspect of your business in a responsible manner, not just the bits that are easiest to do or that attract the most attention. Start by defining the principles your company believes constitute responsible behaviour in your industry, location and business, and work out from there, ensuring your principles infiltrate every part of your operations and flow on to your shareholders, employees, customers and the broader community.

## [News]

### Australian companies among world leaders in CSR reporting

FOUR Australian companies have featured among the top 50 in an international survey of corporate social responsibility reporting.

BHP Billiton came in at number 12 in the Global Reporters 2006 Survey of Corporate Social Responsibility Reporting, Tomorrow's Value.

The mining company has moved up four places since being ranked at 16 in 2004.

Rio Tinto and Westpac were ranked equal 17th, with Rio Tinto dropping back from eighth in 2004.

Financial cooperative mecu was placed at 30.

The sample companies for Tomorrow's Value were sourced from existing benchmarks of sustainability reporting, such as the AccountAbility rating and the Dow Jones Sustainability Index.

Thirty-two Australian companies were included in the survey.

Each company was rated on 29 criteria, including how well it explained its activities and their associated economic, environmental and social impacts; the governance of sustainability performance; and the integration of sustainability into business strategies.

#### FURTHER INFORMATION:

[www.sustainability.com](http://www.sustainability.com)

# [Scene Setter]

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## It Pays to Advertise:

### Making your good works known for good results

Advertising is hardly a foreign concept for Australian business, but when it comes to advertising your CSR – well, that's another thing entirely.

Many companies are unsure how to go about celebrating their good works without alienating the very people they are trying to impress. It's a fine line and one you'd do well to keep on the right side of, as CHRISTY DOWLING reports.

SOME of the biggest problems in the world today were financed by banks – or so Westpac said in a recent television advertisement.

The words of the ad, which screened late last year on national commercial television, are accompanied by images of a penguin coated in oil, and land rendered barren by logging.

The ad went on to say that Westpac was the only Australian bank to sign the Equator Principles in 2003, "agreeing not to fund projects that endanger communities or the environment".

It's a pretty simple message: If you bank with Westpac, you're supporting a company that has high environmental and ethical standards; or conversely, if you don't bank with Westpac you might be supporting a bank that isn't quite so squeaky clean.

And it worked – the ad reportedly outperformed even those ads the bank previously considered to have done well.

Westpac is just one example of several companies that have recently been advertising their corporate social responsibility (CSR) initiatives.

This trend comes at a time when there is growing public interest in CSR – particularly where the environment is concerned.

While "good works" style ads are not necessarily created to exploit that interest, they are probably more effective because of it. The companies doing the advertising offer consumers a way to act on their social and environmental concerns, and consumer

interest in turn reinforces the companies' mandate to pursue socially responsible initiatives.

Westpac's group general manager of stakeholder communications Dr Noel Purcell did not provide exact figures, but estimated the Equator Principles advertisement performed 300% better than other ads that Westpac deemed to have been effective.

"It's getting a lot of industry recognition, and it's certainly researching extremely well," Dr Purcell said.

"We are certainly getting ... customers coming in and congratulating the bank on the stance on this stuff and saying they want to bank with us," he said.

"To see it working as strongly now after a couple of months, just having such an impact internally and externally, is very pleasing."

The Equator Principles ad is part of Westpac's broader "Every Generation Should Live Better than the Last" campaign.



Westpac's Equator Principles Advertisement

*[Scene Setter]  
It Pays to Advertise*

Dr Purcell said the campaign was not timed to leverage off the tipping point in the debate about climate change. He did acknowledge, however, that heightened public debate probably sparked interest in the campaign.

"It's not something you just arrive on suddenly and say, wow, everybody's talking about this, we'll whack an ad out there," Dr Purcell said.

"Because people will go and they'll go back and they'll check and they'll look at the credibility of all this," he said.

"You better believe it, there's interest groups all over the place, so if there's no credibility to what you're doing, you're going to get shot down pretty quickly."

Dr Purcell said anyone questioning the credibility of a CSR-related ad campaign would look into whether companies had the evidence to back up their claims.

"If you're going to do this, you better make sure that your house is reasonably clean," Dr Purcell said.

"Westpac has enormous credibility in the climate change debate.

"We've been working in detail, in fact putting our heads above the surface on this stuff and been willing to be criticised by a lot of people for our views over a number of years in this area."

#### PREPARING FOR SCRUTINY

Brand strategist Sandy Belford said the Westpac campaign seemed to have a sound basis.

"They've been doing that (working on environmental issues) for years and years before they started to shout about it; they had all the evidence," Mr Belford said.

"It doesn't appear to be a cynical marketing move," he said.

"Not least of all because you can go onto the web and you can get more evidence.

"They've done their homework. They've thought very, very carefully about how they've communicated the message, and people do not appear to be reacting critically to it."

Mr Belford said such advertising could be damaging if a company's claims were found to lack substance.

The company of which he is a director, Principals, works on building "authentic identities for brands", and outlines seven "drivers" of brand authenticity: familiarity; heritage; personal utility; originality; momentum; sincerity; and declared beliefs.

Mr Belford said the most difficult of those drivers to deliver was "declared beliefs", where a company demonstrates that it cares about more than just money.

"Once you have declared your beliefs, your every action that you take will be held up against them," he said.

"These companies are quite rightly ... being asked to declare what their beliefs are and what they stand for; but that in itself sets up another chain reaction," he said.

As an example, he cited the Woolworths/Safeway National Drought Action Day – January 23 – when the company donated all its \$4.7million profits to the Country Women's Association to help families suffering as a result of the drought, and to supporting sustainable agriculture.

On the morning of the Drought Action Day, ABC Radio National journalist Paul Barry questioned Woolworths CEO Michael Luscombe about whether the company had in fact been "screwing" farmers by negotiating low prices, but not passing the savings on to consumers.

Mr Belford said declared beliefs were a difficult brand platform to deliver because they were the most personal and the most public.

"It's all very well saying, 'we're doing this for this reason', but any other damn thing

## *[Scene Setter] It Pays to Advertise*

you do that doesn't live up to it will come straight into the headlights," Mr Belford said.

"I think companies are really just beginning to learn this, and recognise that when it comes to speaking out about these sorts of things, especially about public things, not just about products, but policies, then you have to be squeaky clean," he said.

"You've got to be honest or you've got to be much more direct and prepared to deal with some of the nitty gritty things when they come up."

A 2005 WWF-UK report, "Let them eat cake – Satisfying the new consumer appetite for responsible brands", advises companies that "if you are open, honest and heartfelt, then a bit of sniping here and there from your critics will just be grist to your mill."

The cliché 'all publicity is good publicity' rings true.

Visy – also currently under the spotlight of an Australian Competition and Consumer Commission investigation – last month acknowledged that it may be in the top 10 of the country's most prolific water users, a tough thing to own up to in such water-conscious times.

*“You better believe it, there's interest groups all over the place, so if there's no credibility to what you're doing, you're going to get shot down pretty quickly.”*

Spokesman Tony Gray told the ABC that Visy's paper recycling mills used a lot of water. But he also took the opportunity to point out that the company had been publishing its water consumption figures since 1999, and had introduced a number of measures to reduce that consumption. He encouraged other companies to do the same.

As this example shows, even increased

scrutiny can be turned into a CSR opportunity.

McDonald's has converted scrutiny to opportunity in another way, adding healthier items to its range and using advertising to defend its menu and practices.

One television ad in the high-profile "Make up your Own Mind" campaign introduces viewers to McDonald's beef suppliers to illustrate that the company does use Australian beef, and did not create a company called 100% Australian Beef (as was rumoured) as a front for importing its meat.

While McDonald's declined BCI's request for an interview, Sandy Belford said the company acted because it had been under tremendous public pressure.

"If they didn't have to, they wouldn't do it," Mr Belford said.

"There is a correlation between advertising, the amount that people spend on it, and the way they are perceived," he said. "It works. People wouldn't do it otherwise."

The proof, as they say, is in the pudding: The Australian Financial Review last year reported a 25% increase in McDonald's sales over the past four years.

### CAPITALISING ON PUBLIC CONCERN

Director of the UK's Clownfish Marketing, Diana Verde Nieto, said companies were beginning to realise that an open and honest approach bought them a licence not to be perfect.

She said there had been a lag between companies instituting CSR practices and starting to advertise them.

"Most companies are scared of what they see as sticking their heads above the parapet for fear of attracting attention and criticism of CSR-related areas," Ms Verde Nieto said.

But she said the move to advertising of CSR was gathering pace, because

## [Scene Setter] It Pays to Advertise

companies were beginning to detect a shift in societal values.

“Public concern has grown considerably, following natural disasters such as Katrina and the Asian tsunami, as well as unnatural behaviour of species – trees blossoming in Autumn, bears in the Moscow Zoo failing to enter hibernation, etc.,” Ms Verde Nieto said.

“*They've been doing that (working on environmental issues) for years and years before they started to shout about it; they had all the evidence.*”

“Investors, who already viewed strong CSR as an indicator of overall management quality, are now beginning to recognise that sustainability can drive commercial value in its own right,” she said.

“On a personal level, chief executives realise that their contribution to sustainability (or lack of it) will form an important part of their legacy. All of this adds up to a genuine paradigm shift in the standard business model in favour of CSR.”

Ms Verde Nieto said although most mainstream consumers were still not prepared to pay more or put themselves out to purchase sustainable brands, they did value sustainability as part of a brand package.

“A sustainable image adds strength to the brand and can provide a valuable point of differentiation in competitive markets,” Ms Verde Nieto said.

The WWF-UK report similarly concluded: “By incorporating social and environmental benefits into the brand package, brands can free consumers from their own feelings of guilt, ignorance and powerlessness in the face of enormous problems such as water shortages, loss of biodiversity, global warming, global dimming and social breakdown.

“In turn, consumers can be the vehicle by which businesses can benefit from sustainable values and practices; responsible brands are more attractive to consumers, and are able to build more comfortable relationships with regulators, local communities, investors and the media.”

Sensis saw the value of using a sustainability initiative to differentiate itself in the online search engine market.

The company advertised its “Search for cleaner air” initiative on The Age, Sydney Morning Herald, Yahoo, Weatherzone and BigPond websites, as well as via a viral email.

For a limited (but unspecified) time, Sensis is paying for 100 grams of carbon dioxide to be removed from the air every time someone uses its search engine.

Sensis is donating money to Greening Australia to plant trees.



Sensis' “Search for Cleaner Air” Advertisement

*[Scene Setter]  
It Pays to Advertise*

At the time of writing, the initiative had raised enough funds to remove the equivalent of the carbon dioxide created in a month by 1217 cars.

Sensis directory marketing manager Nick Winbanks said being recognised as socially responsible was a nice side-benefit to the campaign.

"The goal for us was to increase the number of searches that people make through our search engine," Mr Winbanks said.

"We were looking for additional value, I guess, that we could offer to consumers," he said.

*“It's all very well saying, 'we're doing this for this reason', but any other damn thing you do that doesn't live up to it will come straight into the headlights.”*

"Everybody uses more than one search engine generally, so we really wanted to encourage people to add **sensis.com.au** to the different search engines they use by offering them something back, which was a contribution to addressing climate change."

Mr Winbanks said part of the impetus for the initiative was noticing an increase in searches for words like drought, climate change and global warming.

"I think definitely the public awareness of environmental issues seems to have reached a critical mass or a tipping point, where it becomes much more difficult for organisations to ignore it," Mr Winbanks said.

"I guess the corollary of that is that it becomes more beneficial to companies to embrace and to align either their product delivery or their marketing efforts with a cause," he said.

Like Westpac, Sensis has a track record on environmental issues that is likely to stand

up to scrutiny: it runs a directory recycling program; has signed sustainability and packaging covenants; and encourages staff to reduce their environmental impact in the office.

The advertising seems to have paid off. Mr Winbanks said there had been a significant growth in the number of searches since the campaign was launched.

### BRAND INTEGRATION

Diana Verde Nieto emphasised that advertising CSR programs was not the Holy Grail.

"Better that companies build sustainability into their DNA so that it shapes everything from product design and production to branding and communications," she said.

"Sometimes this will involve advertising CSR messages, but often not."

Alcoa spokeswoman Libby Archell said that while the company sometimes advertised its corporate social responsibility, advertising was only one part of a multi-faceted communications strategy.

"Those programs that benefit local communities where our operations are centred are regularly promoted through local media avenues, while those larger scale programs that have broad community impact are publicised in the metropolitan and national media," Ms Archell said.

Late last year, Alcoa published an ad in *The Age* and *The Australian* newspapers, celebrating its Australian Business Arts Foundation and Prime Minister's Community Business Partnership awards.

Ms Sullivan said the community organisations Alcoa partnered with and the company's own employee volunteers deserved recognition for their often thankless work.

"Alcoa's partnerships align to our core company values and cover a broad spectrum of fields, including environment

## [Scene Setter] It Pays to Advertise

and conservation; wellbeing and safety; the arts; leadership and sustainability," she said.

"Our CSR programs do not exist outside our business framework.

"Sustainability at Alcoa is integrated into our operations and is a commitment not only to social responsibility but also to environmental excellence and financial success."

Visy is another company that believes its CSR is embedded in its business.

Its trucks are emblazoned with slogans like, "We make it, we take it, we recycle it." The company also runs advertisements showing packages crushing up and then springing back to life on Qantas flights during prime business travel time between Sydney and Melbourne.

"We're promoting both the packaging business and the recycling business," said Visy Recycling general manager of marketing and public affairs Lee Smith.

"I don't think we specifically advertise based on CSR, but it would be hard to say it's not part of our brand. It's a key foundation of our business."

He said Visy hoped people seeing the in-flight ad would choose Visy products over those with weaker environmental credentials.



Visy's Sustainable Packaging Advertisement

"The business we're in is a sustainable business, and it's driven by the need to be sustainable," Mr Smith said.

He said the packaging business had existed since 1948, but the recycling division started around 30 years later.

"People were cutting down trees and making paper out of virgin product because I guess there was a feeling that the trees would never end," Mr Smith said.

"But it was seen by the owner of Visy that being sustainable in the long-term was the only way that a company was likely to survive," he said.

"And I suppose now sustainability is such a foundation of our existence that it would be hard to say it's not part of our brand."

That integration is what Clownfish Marketing's Diana Verde Nieto sees as the future of advertising CSR.

"The distinction between CSR communications and other marketing activities will fade away, as will large CSR teams operating in silos," Ms Verde Nieto said.

"The principles of CSR will become embedded throughout the core business functions, and in the genetic make-up of brands," she said.

### NOT ADVERTISING

Some companies make an active decision not to advertise corporate social responsibility initiatives.

BCI approached Bunnings with a request for an interview about the hardware giant's community-involvement programs. Bunnings elected not to participate.

A spokeswoman said Bunnings preferred to let its actions speak for themselves.

Principals' Sandy Belford believes such a position could be beneficial.

He said there was a theory that people's cynicism rose if they thought the amount

“People were cutting down trees and making paper out of virgin product because I guess there was a feeling that the trees would never end,”

## [Scene Setter] It Pays to Advertise

spent on communication about a deed was greater than what was actually spent on the deed itself.

"It might well be smart thinking to do that (not publicise initiatives)," Mr Belford said.

"To say, 'well, let's get on with it, and when we really have got something much more remarkable to say, then let's say it,'" he said.

But Diana Verde Nieto said if there was valuable CSR activity of which stakeholders (including customers) were unaware, then companies were failing to convert good work into commercial value.

"Actions do speak louder than words, but only to those who are affected," Ms Verde Nieto said.

"How, for example, is a consumer supposed to know about a brand's responsible sourcing strategy other than through communications?"

"If corporate communications have a role to play in enhancing brand reputation and driving sales, and there is good CSR work going on, why hide it under a bushel?"

If advertising CSR enhances brand equity and increases company revenue, the company is likely to have more funds to invest in socially responsible initiatives.

### ANYONE CAN DO IT

Westpac's Noel Purcell said there was no doubt that people in the community wanted to see a restoration of strong values and principles underpinning behaviour:

"There's been, if you like, a perception that the moral and ethical element of behaviour in business and in political life has been lacking," Dr Purcell said.

"We firmly believe that it's good for business, and if we can find relevant ways ... to demonstrate to people it's not just mere words or stakeholder impact reports, that it does play out in what we do and what they can expect by dealing with us, then it will be very powerful.

"But it's not unique territory, and anybody else can do it."

### FURTHER INFORMATION:

[www.everygeneration.com.au](http://www.everygeneration.com.au)

[www.principals.com.au](http://www.principals.com.au)

[www.clownfishmarketing.co.uk](http://www.clownfishmarketing.co.uk)

[www.makeupyourownmind.com.au](http://www.makeupyourownmind.com.au) ■

### Why advertise your corporate social responsibility initiatives?

- Differentiate your company from competitors
- Strengthen the values consumers associate with your brand
- Acknowledge the hard work done by your community partners and your employees
- Convert your good work into commercial value

### MAKE SURE:

- There is substance behind your advertising
- You make more detailed information available if you can
- You're prepared to come under some scrutiny and face tough questions about your operations

## CSR changes rejected: No changes recommended for Corporations Act

Moves to amend the Corporations Act to make new provisions for corporate social responsibility appear unlikely following the release of a second government report opposing regulatory changes.

CHANGES to the Corporations Act are not required to ensure directors take into account the interests of stakeholders other than shareholders, the Federal Government's Corporations and Markets Advisory Committee (CAMAC) has found.

The CAMAC report, *The Social Responsibility of Corporations*, concluded that such changes could in fact "blur rather than clarify the purpose that directors are expected to serve," thereby making them less accountable.

"The established formulation of directors' duties allows directors sufficient flexibility to take relevant interests and broader community considerations into account," the report said.

It said the committee saw "merit" in the treatment of social and environmental matters as "material business risk" in the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations.

"Awareness of relevant environmental and social considerations is part of any strategy to promote the continuing wellbeing of the company and to maximise shareholder value over the longer term," the report said.

It said directors could choose to go further and promote societal values or goals or seek solutions to issues facing the community.

"But this is not to suggest that companies bear some form of obligation to tackle wider problems facing society."

The report acknowledged that the current reporting regime was "imperfect", but said that in particular instances where there was concern about the environmental and social impacts of business behaviour,

legislation specific to the "mischief in question" would be the most appropriate response.

The committee also concluded that the Corporations Act already provided a sufficient framework for the disclosure of non-financial information. It did, however, consider that reporting obligations should be extended beyond listed companies to all listed entities.

The report said any extension of accountability to stakeholders other than shareholders "would undermine effective corporate governance".

The findings of the report back those of a separate parliamentary committee inquiry into corporate responsibility, which reported in mid-2006 that the Corporations Act already permitted directors to "have regard for the interests of stakeholders other than shareholders" and recommended that no amendment be made.

Parliamentary Secretary to the Treasurer, Chris Pearce, who instigated the CAMAC investigation in March 2005, described the committee's final report as a "considered and helpful contribution to this important debate in Australia".

Mr Pearce said the Government would consider CAMAC's findings and recommendations along with the previous Parliamentary Joint Committee report before taking a decision on whether to amend the current regulatory framework.

"The Government will also review whether it can undertake additional activities or new initiatives to encourage improved corporate social responsibility," he said.

**FURTHER INFORMATION:**  
[www.camac.gov.au](http://www.camac.gov.au) ■

### [Quotable Quotes]

*"It's an easy decision for business ... This isn't a cause fraught with tension, like something like indigenous affairs. It also affects many women who might make up their target customers."*

**Anthony Lupi, social marketing consultant, on corporate Australia's enthusiastic support for breast cancer charities**

*(Sydney Morning Herald, October 13, 2006)*

# [Best Practice in CSR]

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## Work/Life Balance:

### Employers find offering assistance benefits business

Work affects life and life affects work – and companies that realise that simple truth are reaping the benefits. CHRISTY DOWLING reports.

IN DECEMBER, St George Bank announced a suite of new measures to help staff achieve a sensible work/life balance.

The list included 13 weeks paid parental leave; an optional six weeks additional annual leave; the opportunity to work four years and take the fifth off for a career break; the option of working part-time after returning from parental leave until the child starts school; and flexible hours for staff over 55 to ease the transition to retirement.

St George Bank human resources executive Brett Wright said it was more than obvious that work affected home life and home affected work.

"If someone's got issues at home, what happens is, they've got issues at work, and it affects their performance there," Mr Wright said.

"And if they've got issues at work, then it goes home and it causes some grief in the home life.

"I think if you get people who are happy in both of those environments, happy people come to work, they do a better job, they present a better face for the company, they're better with customers."

To ease the burden on working parents, St George has increased paid parental leave from eight to 13 weeks after the birth of a child. The leave is available to men and women, so long as they are the baby's primary caregiver.

Staff members in full-time roles have in the past been allowed to go part-time after returning from parental leave until their child's second birthday. That part-time provision has now been extended to the child's sixth birthday.

Mr Wright said staff could return to their original full-time position up to the child's

second birthday, but between the second and sixth birthday St George guaranteed a comparable full-time position.

"If the world changes and the job changes and they want to come back, we just say, look, here's another position, similar grade, and they've got the right to accept that if they want," he said.

"If someone's been there four or five years and they know the place ... all that investment we've made in them, it's crazy to lose them in a tightening labour market," he said.

*"Happy people come to work, they do a better job, they present a better face for the company, they're better with customers."*

Mr Wright said there was similar logic behind giving staff the option of working for four years, and taking the fifth year off as a career break.

"We do lose a resource for a while and in a lot of cases we have to backfill that resource while the person's off," he said.

"These days it's getting harder and harder to get good people, and by doing something like that you buy some really good loyalty, and when they come back, they're up to speed."

"These days I think people want more and more flexibility, and if you don't provide that you'll just lose them full stop."

Another measure that impacts all staff, but particularly parents, is the option of buying an extra six weeks leave a year.

Mr Wright said the leave could be used for things such as an overseas trip or for study.

"The reason we picked six weeks was, most states have up to 10 weeks school holidays,

## [CSR in Action]

**Company:** Dell

**Non-Profit Partners:**  
The Conservation Fund;  
Carbonfund.org Foundation

**Activity:** Customers are invited to donate \$2 for a laptop or \$6 for a desktop computer purchase, to neutralise estimated electricity carbon emissions for three years. Dell passes on money raised in the Plant a Tree For Me campaign to the Conservation Fund and Carbonfund.org Foundation for trees to be planted in managed forests.

## [Best Practice in CSR] Work/Life Balance

so you get your four weeks annual leave, and a lot of people struggle with childcare in school holidays," he said.

Older workers are also benefiting from the new St George initiatives.

Mr Wright said some people had trouble adjusting when they suddenly retired from working full-time.

"What we're trying to do is provide people with the opportunity to phase into retirement, so it's not such a shock to the system and at the same time, it provides an opportunity for us to retain skills into the future," he said.

"They might work two or three days a week for a year or so, or two years ... and so they're able to start doing some of the retirement things that they want to do, but at the same time when they do eventually stop work, it won't be from five days a week to zero."

Initiatives like those being taken at St George are significant.

Two Australian surveys last year found work was encroaching on employees' private lives.

Researchers commissioned by Citrix Online surveyed 468 workers and found:

- 69% of full-time workers had to be accessible during holidays or on their days off
- 74% of full-time workers had gone into work during holidays or on their days off
- 82% of those with children had to go to work during holidays or on their days off.

A survey by careerone.com.au found:

- 79% of workers took work calls outside hours
- 72% checked work emails on weekends or holidays
- 66% worked more than 40 hours a week
- 84% had work-related health issues.

Mr Wright said that with today's technology, even when employers did not demand 24-hour contact, some staff could not help themselves.

"The thing people have got to learn to do, they've got to switch off, because if they don't they're not fresh and I think sometimes ... they get stale and they won't be as good at their job in normal hours," Mr Wright said.

IBM also places a strong emphasis on work/life balance. The company has seven work and life flexibility principles, and a series of work and life flexibility programs.

The programs including a provision – like that at St George – for employees to purchase between one and four weeks extra leave; a job-sharing policy with a job-sharing register for employees to note their interest; and a part-time work policy.

IBM diversity manager Kylie Nicolson said that when managers advertised a job vacancy on the company's internal system, they must tick a box to say whether or not part-time or job-share arrangements would suit the position. If the answer is no, they must state why.

"Our employees need to be increasingly flexible for whatever reason," Ms Nicolson said.

"It's not just for parents. It can be for elder care. It can be just where you are in your stage of life that you need flexibility and we need to respect that."

Ms Nicolson said employees in turn were required to be flexible about their working arrangements.

She said because IBM often worked with international clients in different time zones, employees sometimes had to be available for telephone calls out of hours.

"What it enables you to do is to let people meet the needs of the business as they see fit, but also it allows them to be flexible to meet their personal needs," she said. ■

### IBM WORK AND LIFE FLEXIBILITY PRINCIPLES

1. Employees must take responsibility for their own work/life balance needs
2. Work/life balance should have a positive impact on all involved
3. Quality of output is more important than amount of activity
4. Teams are flexible when balancing working and personal needs
5. Employees are treated as individuals
6. Ongoing performance and contribution are a prerequisite
7. Achieving work/life balance is hard work and ongoing

## Charlie Lenegan: Managing Director, Rio Tinto – Australia

# RIO TINTO



**Charlie Lenegan**  
Managing Director,  
Rio Tinto Australia

Charlie Lenegan has a BSc (Hons) in Economics from the University of London and is a chartered accountant. He has worked with Rio Tinto since 1981 and was appointed in 2004 as Managing Director, Rio Tinto – Australia. He is responsible for Rio Tinto's corporate activities in Australia and Indonesia, as well as the Group's marine business, Kelian Equatorial Mining and Bougainville Copper. Mr Lenegan is a board member of the Business Council of Australia, Vice-Chairman of the Minerals Council of Australia and President of the Australian Mines and Metals Association.

CSR is fundamental for any company looking for long-term success, Rio Tinto – Australia managing director CHARLIE LENEGAN tells Dr Annie Duncan.

### BCI: CSR – spin or good business?

**Charlie Lenegan:** Any major company which is pursuing long-term success, particularly in the global area, has to integrate corporate social responsibility into the way it makes decisions and goes about its business.

Our long-term success is based on the responsible development and operations of our businesses. We recognise that CSR is fundamental to the business – but, in saying this, we would note that the focus must be on securing sustainable solutions which deliver long-term benefits to the community and environment.

Currently there is much discussion of the need for regulating corporate social responsibility, and there are also examples of initiatives which are, perhaps, focused on securing public recognition for community support initiatives rather than on sustainable CSR solutions. While Rio Tinto recognises that these elements are part of the overall CSR landscape, our focus is very much on the strategies and programs necessary for long-term success.

### BCI: What are the main areas that Rio Tinto concentrates on in CSR?

**Charlie Lenegan:** As with any major activity, we need to ensure that our CSR efforts are planned and managed so that they are effective. This means achieving an appropriate balance between the short term and the long term as well as managing the challenges and opportunities of the community, environmental and economic elements.

Rio Tinto is a global company and whilst common values, philosophies and standards apply across the group there are obviously specific challenges and opportunities in different regions. For example, business operations across the remote regions

of northern Australia – such as Argyle, Ranger, Weipa and the Pilbara – have a strong focus on indigenous communities. In contrast, Rio Tinto Aluminium has played a key role in the Great Barrier Reef Foundation which is developing an understanding of the impacts of climate change on the Barrier Reef. Another example relates to our Coal and Allied operations in the Hunter Valley, where we have provided support for the Newcastle Knights who play an important role in the community.

Generally speaking our areas of key CSR focus include safety, local communities and environmental management.

### BCI: How do you choose which community activities to engage in?

**Charlie Lenegan:** We seek to develop long-term partnerships with communities which neighbour our operations, and it is obviously these communities who receive the most attention.

In determining which programs to support we also focus on the business case and the need to develop sustainable solutions. The business case looks for linkages between our business objectives and the objectives of the proposed program and also considers how the proposed initiative can deliver both short-term and long-term benefits to the community.

### BCI: What are the key challenges for Rio Tinto in being a good corporate citizen?

**Charlie Lenegan:** I think a key challenge is to ensure that we commit to initiatives that will be effective and that will have sustainable benefits for communities. Our focus is on achieving long-term outcomes through partnerships that see community capacity building as part of the process.

While our impacts on remote local

*[CEO on CSR]**Charlie Lenegan: Managing Director, Rio Tinto Australia*

communities inevitably lead to some level of dependency, we seek to support community initiatives which assist in the development of a healthy and sustainable community. Examples of these initiatives include opportunities for local contractors, employment of people from local communities, participation in programs to improve training and education, and initiatives to further develop the cohesiveness of communities.

“*There are also examples of initiatives which are, perhaps, focused on securing public recognition for community support initiatives rather than on sustainable CSR solutions.*”

Another challenge relates to the broader public perception of CSR – many do not understand the extent of the contribution of businesses to communities and there is also a view that CSR must be a mandated. We need to work on developing a broader community understanding of the contribution of business to supporting and enabling healthy communities.

**BCI: What advice can you give to other resources companies wanting to decrease their footprint on the earth?**

**Charlie Lenegan:** Responsible and effective environmental management is a key business requirement for the resources industry. It is not an option.

Rio Tinto businesses consider the whole-of-life impacts and associated environmental management from the exploration stage of any project. Our feasibility studies include consideration of closure and post closure conditions, even though these may be decades into the future.

It is also important to understand that environmental management is much more

than “achieving compliance”. Work on better understanding bio-diversity, long-term water management, rehabilitation and revegetation strategies, as well as an awareness of emerging science and technology, are key elements which can provide opportunities to reduce adverse environmental impacts and leverage positive impacts.

A comprehensive approach is needed to manage environmental impacts effectively – Rio Tinto has established standards and guidelines and the Enduring Value Framework developed by the Minerals Council of Australia also provides a comprehensive framework for the industry.

**BCI: How does a company like Rio Tinto become an employer of choice for Generation Y employees?**

**Charlie Lenegan:** Gen Y and others are looking for flexibility, challenge and opportunity. They are also looking for companies committed to responsible social and environmental practices. Rio Tinto is well placed to meet these requirements. The global nature of our activities, the personal development opportunities, the challenges associated with individual operations and our global functions provide attractive options for motivated individuals. Our sites also try to provide some flexibility in employment options in order to be competitive in both the commute and local employment markets. We are also committed to professional development, a factor which is valued by job seekers.

**BCI: You have sites worldwide – what are the issues for staff in countries which may have a different set of workplace values and practices?**

**Charlie Lenegan:** Interestingly, the key element in many of the countries where we operate is our values-based approach to business. Our commitment to core values and responsible operations is

**[Quotable Quotes]**

*“This is the greatest victory in corporate Australia’s history. Never before has a company ever had a template to work from where they can go ahead and grow the company and yet have enough money to pay their liabilities. Nowhere in the world has a template like this ever been set up and agreed to by shareholders. So this is a template that can go worldwide. Companies that have done the wrong thing have now the opportunity to do the right things.”*

**Bernie Banton, Former James Hardie worker and asbestos victim**

**(AM, ABC Radio, February 8, 2007)**

[CEO on CSR]

Charlie Lenegan: Managing Director, Rio Tinto Australia

outlined in "The Way We Work", a document which is shared with employees, customers, suppliers and contractors worldwide. This document outlines our values in relation to employee and community relationships, safety, environmental management, governance and business conduct as well as other aspects of our business. Our relationships with communities recognise the importance of cultural heritage and our employees receive competitive remuneration in the markets in which they operate.

**BCI: Anything else you would like to add?**

**Charlie Lenegan:** There is no doubt that CSR is fundamental to long-term success in our business. For Rio Tinto, CSR is all about the application of skills and resources to achieve sustainable solutions in environmental, social and economic terms. This requires fundamental analysis, followed by a disciplined approach to the development, implementation and review of initiatives aimed at delivering long-term benefits. ■

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## Take Your Company's Corporate Volunteering to the Next Level

### Board Matching Service

[www.ourcommunity.com.au/board-match](http://www.ourcommunity.com.au/board-match)

One of the most meaningful and innovative ways your business can engage with your community is by encouraging your staff to join a community group's Board or Committee of Management. **The Board Matching Service** is a free service facilitating connections between organisations that need new board members, and individuals and companies that want to help out. In addition, the Boards, Committees & Governance Centre at [www.ourcommunity.com.au/boards](http://www.ourcommunity.com.au/boards) contains free resources to assist your staff in joining and sustaining community organisations. **There is a diversity of community organisations listed on the Board Matching Service. Get your staff On Board today.**



The Board Matching Service is an initiative of Our Community – supported by:

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## Recycling Near You: Sensis and Planet Ark join forces for the environment

**Sensis and Planet Ark have capitalised on shared goals and complementary resources to create a useful tool that will help Australians increase their recycling.**

ABOUT two years ago Sensis started exploring how it could use its Yellow Pages commercial recycling services database to help the recycling industry.

At the same time, environmental organisation Planet Ark was looking to further develop its own database and website, which listed kerb-side council recycling services.

The two organisations came together and the result of the ensuing partnership is the re-launch of [www.recyclingnearyou.com.au](http://www.recyclingnearyou.com.au), a site that contains information about kerb-side collections, as well as where to dispose of white goods, hazardous materials, construction and demolition waste, mobile phones, oil, x-ray films and more. Sensis has committed \$300,000 to the project – \$100,000 each year for three years.

Before approaching Sensis, Planet Ark had secured that same financial commitment from the Federal Government, but needed a corporation to match it before the project could proceed.

Sensis had previously signed sustainability covenants with the Environment Protection Authority Victoria, Sustainability Victoria and the New South Wales Department of Environment and Conservation.

The company's corporate social responsibility group manager Fiona Baxter said the partnership with Planet Ark fitted with Sensis' profile as a business which provided access to information, and also with its concern that its print products be recycled.

"We want people to recycle our products, but we also want them to recycle everything else that they can recycle," Ms Baxter said.

"Obviously with Trading Post, the whole of idea of recycle, re-use or pass on rather than throw out is a major part of that business as well."

Ms Baxter said the partnership primarily

benefited Sensis's reputation, but the Recycling Near You site also benefited companies advertising recycling services in the Yellow Pages.

"There are about six categories that come through, obviously we're driving traffic to our customers who advertise in those categories," Ms Baxter said.

"It's a good sell-point for us into those businesses, I guess, but that's probably not a major revenue consideration."

Planet Ark founder Jon Dee said Sensis had contributed more than just dollars to the partnership. "What Sensis brought in on top of that was their expertise, their help, their encouragement," Mr Dee said.

"They've advised us on the technical side of things," he said. "Having that kind of encouragement and support from a corporate is invaluable."

Mr Dee said the new website would not have been possible without Sensis' support. "It takes real dollars to launch something, especially something this definitive," Mr Dee said.

"It's the biggest audit ever of recycling services in Australia," he said.

"It's had a big team working on it in terms of web experts, usability experts, recycling experts, the Planet Ark team; it's been a really big undertaking and quite expensive to do."

The Federal Government's \$300,000 contribution is funding a hotline – 1300 733 712 – for people to access the database information by phone.

Councils have access to the Recycling Near You database and can log on to update the information about their recycling services.

Site administrators will also contact the services listed on the database and update information annually. ■

### FURTHER INFORMATION:

[www.recyclingnearyou.com.au](http://www.recyclingnearyou.com.au)

## Future Gazing: Sustainability expert foreshadows CSR trends for 2007



**Paul Hohnen**  
Global Reporting Initiative  
(GRI)

Paul Hohnen is the director of strategic development for the Global Reporting Initiative (GRI), which works to develop, improve and build capacity around the use of its Sustainability Reporting Framework. He runs his own business, Sustainable Strategies, to advise companies on sustainability. Mr Hohnen is a director of Greenpeace International and worked as an Australian diplomat between 1975 and 1989.

'She'll be right' has no place in the world of CSR and sustainability, international expert PAUL HOHNEN tells BCI as he outlines the top trends for 2007.

**BCI:** You are in Australia to attend an Australian Centre for Corporate Social Responsibility conference and provide an update on the Global Reporting Initiative (GRI) and its Sustainability Reporting Framework. Can you give BCI a summary of how that initiative is travelling?

**Paul Hohnen:** 2006 was an exciting year for GRI. It's hard to describe the sense of history you have sitting in a room of 1000 people – including a prince, a former US vice president, the head of a UN body, and various ministers and CEOs – discussing 'sustainability reporting' – a concept and initiative that didn't exist a decade ago! The launch of the GRI's new Sustainability Reporting Guidelines – which were agreed by business, labour and NGO groups around the world – sends a hugely positive message about the capacity and good will to negotiate, but also on the shared concern to address sustainable development in an urgent and organised manner. All those who said in 2002 – when the last GRI standard was released – that reporting was 'too complex', 'too expensive' or 'not relevant' will want to look very hard at why so many organisations are now using the GRI.

**BCI:** You're also representing the GRI in the International Organisation for Standardisation negotiations in Sydney. What are you hoping to see in the CSR standard?

**Paul Hohnen:** GRI and other well-established and widely used international CSR instruments like the Global Compact are mainly looking to ensure that the ISO standard builds on the learning they have acquired and produces a tool that the market will see as practical, attractive and credible. Among other things, this means that it will need to be very clear on how well it reflects existing international human rights and environmental norms, and how

well it complements existing initiatives. The CSR market is certainly not short of toolkits, guidelines and codes. What is needed now is a period of consolidation, where the leading approaches are able to show their worth, and initiatives like ISO can help fill any gaps, and better link them. It shouldn't muddy the water.

**BCI:** Can you provide an overview of how ISO negotiations will proceed this year?

**Paul Hohnen:** ISO will probably hold two negotiating meetings this year, including the Sydney meeting. Like any negotiations, it's impossible to predict how the content will evolve. I take the view that ISO has already changed the face of CSR, whatever it produces. It has already brought together actors from around the world that haven't previously exchanged views on the subject, and increased the level of awareness about the issues. This can't help but affect attitudes and practice. Whatever standard that emerges will be widely read, and could impact business practice worldwide within a short time, whether it is controversial or not. I have been most interested in seeing how closely the Chinese and some of the other emerging economies – like Brazil – have been following the process.

“  
*I think every business that isn't already doing so should be thinking about how it can reduce its own emissions, and how it might make a dollar out of reducing someone else's.*”

**BCI:** What do you believe the leading corporate social responsibility issues will be in 2007?

**Paul Hohnen:** Climate, climate and climate. If the climate change issue gets as bad as

*[International Expert]*  
*Future Gazing*

some think it could, most other issues will look pretty secondary in the coming years. That's not to say that important work on building local communities, respecting and advancing decent labour standards and other human rights through the supply chain, reducing waste, better educating consumers, and other measures shouldn't be done. They can be, and should be, in parallel with responsible energy policies.

**BCI: What practical CSR initiatives should businesses be undertaking this year?**

**Paul Hohnen:** Given the importance of climate change, I think every business that isn't already doing so should be thinking about how it can reduce its own emissions, and how it might make a dollar out of reducing someone else's. We're rapidly approaching a time when any business or sector that is increasing its emissions, without a very good explanation, will look pretty irresponsible. That, and related issues around more efficient uses of water. To do this, businesses will have to join with civil society groups on putting pressure on the Federal Government to create the right policy environment, where emissions can be reduced, while maintaining jobs and growth.

**BCI: What (if anything) would you like to see the Australian government doing regarding corporate social responsibility in 2007?**

**Paul Hohnen:** The single biggest thing the government could do would be to recognise that CSR is important: as a source of business innovation, trust-building and competitive edge. This does not mean legislation. However it does mean using its 'soft power' to raise awareness about how CSR can give competitive edge, to support research, to profile Australian success stories and to follow through on the recommendations of the PJC (Parliamentary Joint Committee) and CAMAC (Corporations and Markets Advisory Committee) enquiries. It can do this both at home and abroad, using its

development assistance budget to help promote sustainable and responsible business. To do this, it may need to revisit how CSR issues are coordinated at the national and state levels and to set some attractive but achievable targets for itself.

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*I think it's dangerous to characterise countries and business sectors as 'ahead' or 'behind'. Invariably you find pioneers and plodders everywhere.*”

**BCI: There is a belief in some quarters that Australian businesses are lagging behind in the CSR stakes. Where do you see Australia in comparison to the rest of the world?**

**Paul Hohnen:** I think it's dangerous to characterise countries and business sectors as 'ahead' or 'behind'. Invariably you find pioneers and plodders everywhere. Australia has its share of corporations that have been recognised on the world stage, including in the banking and mining sectors. While these would acknowledge that they're still not perfect, they'd be the first to admit that it was public criticism that started them on their CSR journey. The quality of the debate in Australia is world class – as witnessed by the JPC and CAMAC enquiries. These are excellent places to build from, and develop the momentum. What concerns me sometimes is the sort of complacent 'she'll be right' tone that assumes markets will solve all our problems. They haven't and won't. Australia could have been a world leader in dry-land farming, water treatment, renewable energy and many other technologies, but lost its leadership through lack of vision and confidence. We need to think beyond the big farm and the big mine.

**BCI: Corporate social responsibility still has its detractors – what do you say to them?**

**[Quotable Quotes]**

*“The new political mood on climate change has put the world's biggest mining group, BHP Billiton, in an unaccustomed position. It's used to unions attacking its profits, now they're attacking its emissions.”*

**Mark Colvin, radio host (PM, ABC Radio, February 7, 2007)**

## [International Expert] Future Gazing

**Paul Hohnen:** If you think that business is doing enough to help with the world's problems, or that business can't help with issues like poverty alleviation, climate change, robust local communities, and improved health, then you won't be interested in CSR. But if you're among the growing ranks that see these and other challenges to humankind as opportunities, not just to improve the wider society and show that business can make a difference, but also to drive innovation, develop new business lines and help ensure that there is a healthy society in which to do business, then you'll take a second look at what CSR is all about. To my mind, CSR – or whatever you want to call it – is wholly about ensuring an organic connection between 21st century markets, ethics and society.

**Paul Hohnen was in Australia to represent the Global Reporting Initiative to the International Organisation for Standardisation Working Group on Social Responsibility between January 29 and February 2 and to address the Australian Centre for Corporate Social Responsibility Turning Point conference on February 5. He spoke to BCI before leaving Europe for the two events.**

### FURTHER INFORMATION:

Australian Centre for Corporate Social Responsibility

[www.accsr.com.au](http://www.accsr.com.au)

Global Reporting Initiative

[www.globalreporting.org](http://www.globalreporting.org)

Paul Hohnen's Sustainable Strategies

[www.hohnen.net](http://www.hohnen.net)

International Organisation for Standardisation

[www.iso.org](http://www.iso.org) ■

## [International News]

### Chambers Ireland CSR Awards

IBM and Pfizer were among the companies recognised in the 2006 Chambers Ireland President's Awards for Corporate Social Responsibility.

IBM won the Irish chamber of commerce's overall Outstanding Achievement in CSR award for "deploying initiatives in Ireland that aim to impact positively on all of its stakeholders."

A Chambers Ireland statement said judges were "particularly impressed with IBM's commitment to education and its efforts to create a more open and hospitable environment for its culturally diverse workforce."

IBM has worked with the Irish Department of Education to establish an online communications system for parents to discuss their children's learning with teachers.

Pfizer won the Best New and Innovative Project award for a public health awareness program that helps families tackle childhood obesity.

## Micro Enterprise

### NAB launches project to support small business ideas

**NAB is about to trial micro-enterprise loans in Australia, with a view to attracting support from other banks and philanthropists.**

NATIONAL Australia Bank will this month launch an \$18 million pilot micro-enterprise loan program at various locations around the country.

The program will provide loans of up to \$20,000 to help disadvantaged groups establish or develop micro-enterprises – small businesses such as lawn-mowing or shops.

In Australia, between 6000 and 12,000 potential new micro-enterprises each year cannot secure funding from mainstream lenders, a Boston Consulting Group (BCG) study found.

While these potential borrowers may not have the assets or the credit record for a mainstream loan, the bank believes some of them have good, profitable ideas.

NAB corporate social responsibility manager Glen Brennan said the bank could not meet all the demand, but was prepared to publish the results of the pilot and cooperate with other organisations to expand the program.

The Boston Consulting Group's initial research, conducted for NAB, found a micro-enterprise program with 1000 loans would cost the provider about 72 cents per dollar lent.

Mr Brennan said the pilot was a non-commercial initiative NAB would conduct as part of its corporate social responsibility program.

"The real challenge is not necessarily how much it will cost; it's how we can work together to make sure we can get it as close to sustainable as we possibly can," he said.

"If we get it that way, it encourages other banks or philanthropy to actually invest in it, knowing that most of their money is going to do what it's supposed to do, give people the opportunity, and not get sucked up in admin."

Mr Brennan said the pilot program would not target particular industries, but would target regions with groups of people – single mothers, new migrants, young people, Indigenous people – who tended to be financially marginalised.

Areas being considered for the pilot program include Dandenong and Gippsland in Victoria, the Mt Druitt and Hunter regions of New South Wales, and Acacia Ridge between Inala and Ipswich in Queensland.

The BCG study identified four "crucial elements" for the micro-enterprise loans programs to succeed:

1. A clear understanding of target customers and the avenues to reach them;
2. Tailored business literacy programs;
3. A flexible, purpose-built loan product;
4. A high engagement mentoring program that begins during business literacy training and continues beyond the micro-enterprise start-up.

Mr Brennan said the NAB pilot would address all four elements.

He said community groups would provide information about potential loan recipients beyond the bank's regular networks; business enterprise centres (like the Victorian Business Centres) would deliver business literacy programs; and retired bankers agreed to provide mentoring.

Micro-enterprise loans came to public attention last year when Muhammad Yunus won the Nobel Peace Prize for his micro-enterprise work with the Grameen Bank in Bangladesh.

Glen Brennan said the major difference between micro-enterprise loans in developing countries and in Australia was the regulatory frameworks small business owners had to negotiate here. ■

## The Goodness Industry: Australia's growth market



**Ron Burke**  
*Australian Alliance Insurance*

Ron Burke is Corporate Affairs Manager for Australian Alliance Insurance. He has worked in marketing and corporate affairs for major companies in Australia, the US, Europe and Asia. These include Exxon, Mobil, National Australia Bank, Brambles and AXA. In addition to his corporate work, Ron has been an adviser to federal and state governments on arts and sports programs, and the building of community-business partnerships.

In the 1990s the Australian business sector had to decide how best to respond to the growing local and international push for companies to be more socially responsible.

RON BURKE believes it may well have taken the wrong path by rejecting a principles-based approach to corporate social responsibility (CSR) and instead opting for something the sector knew better – the business case. The result, he argues, has too often been a flow of funds to what are corporate self-promotion exercises and the spawning of a “goodness industry” that runs the risk of treating responsible behaviour as a commodity.

IT WOULD seem hard to question the value of the current focus on CSR in Australia that has as its objective the promotion of responsible corporate behaviour.

CSR has highlighted the ability of companies to broaden their focus from shareholders to other stakeholders. It has developed links between business and not-for-profit organisations that go beyond passive donations and provide models for the building of social capital. It has also highlighted the need for a review of the current regulatory framework governing the operation of Australia's not-for-profit organisations.

Yet there are aspects of the current approach to CSR in Australia I believe ought to be questioned.

- While there is evidence of the value of CSR, the current focus is still too narrow. It is primarily directed to community investment for the purposes of corporate reputation enhancement and business risk reduction.
- Corporate involvement with community investment and partnerships should not distract attention from the requirement for companies to run every aspect of their business in a responsible manner.
- Undue emphasis on the ‘business case’ for CSR is turning responsible behaviour and community engagement into a commodity that can be traded.
- A market is emerging to manage this trade. The participants in this market

include not-for-profit organisations, major corporations, the investment community, government and a broad range of consultants and performance index managers. Collectively they comprise a rapidly growing ‘goodness industry’.

- Democratic political systems and thriving market economies can happily coexist. Both require a mix of profit and not-for-profit organisations that recognise the importance of reciprocity and mutual obligation. If the current approach to CSR in Australia continues unabated, the potential commercial benefit to be derived from civic engagement may well override any other motivation.
- Partnerships with business should not lead to the total adoption of corporate strategies, structures and operating models by not-for-profit organisations. What is required is the development of regulatory, taxation, governance and operating models that reflect the social goods priorities of the not-for-profit sector.

### DEVELOPING CSR IN AUSTRALIA

A decade ago, as Australia was adapting to the convergence of globalisation, rapid technology advances, deregulation and capital mobility, and business was searching for community consensus about the benefits of a globalised, deregulated, market economy, CSR could have proceeded along two broad paths. It could have provided an opportunity for Australia's major companies to consider the manner

[Viewpoint]  
*The Goodness Industry*

in which they managed relationships with all stakeholders, including the communities where they conducted business. That would have provided a platform for relationships with individual not-for-profit organisations or the formation of coalitions with government and not-for-profit organisations to address major social issues.

“*Business was ready to consider an expansion of its social role and contribution – but only if that expansion could still have as its primary objective improvement in business rather than community prospects.*”

The other path was for CSR to become part of corporate risk reduction and positioning programs. Increased engagement with community groups would provide a means of demonstrating socially responsible behaviour and attitudes. That was the option chosen. Business was ready to consider an expansion of its social role and contribution – but only if that expansion could still have as its primary objective improvement in business rather than community prospects.

The reservations that some major companies had about reconciling shareholder primacy with attention to the needs of others were eventually overcome when community engagement was aligned with a practice business knew well – the business case. This legitimised community engagement because it could be treated as any other business investment that served to further corporate and, consequently, shareholder interests. It was also entirely consistent with the requirements of a deregulated, market economy.

In much the same way that the recent report by former World Bank chief economist Nicholas Stern and associated proposals to create a carbon trading

market has overcome decades of inertia about climate change, the promotion during recent years of a business model framework for community engagement has increased interest in CSR and laid the foundations for the programs that operate today. It has also narrowed the focus of CSR.

A major study of 115 large companies in Australia was conducted in 2000 to assess their views on the business case for community involvement. The study was conducted within the context of what the authors at the Centre for Corporate Public Affairs claimed to be a new social environment for business. Over 75% of the companies in the study believed community involvement was “a social responsibility of business but one that is clearly aligned with the long-term commercial interests of their companies”. Another 15 to 20% believed their social responsibilities were “met exclusively by returning value to their shareholders”.

#### THE ‘GOODNESS INDUSTRY’

CSR has created an industry in Australia. The participants include not-for-profit organisations, major companies, index managers, consultants and investment fund managers. CSR is not their core business; nor are all not-for-profit organisations or companies involved. For many, CSR provides a market for trade in a range of products and services designed to assist companies to demonstrate benevolence, generosity and responsible behaviour – or, goodness.

The ‘goodness industry’ is not a pejorative term. The reputations, values or motives of the participants are not my primary concern. What is of interest is whether the approach to CSR in Australia today is as beneficial as it could be. Also, whether the use of a market model is always appropriate when considering or evaluating the benefits of community investment by the private sector.

#### [CSR in Action]

**Companies:** Village Cinemas; Reading Cinemas; Greater Union; Palace Cinemas; Hoyts; Val Morgan Cinema Advertising; Clemenger Harvie Edge.

**Non-Profit Partner:** Peter MacCallum Cancer Centre

**Activity:** Cinemas place money boxes at box office and food and beverage counters for patrons to donate money to Peter Mac. Val Morgan has donated \$10 million of free advertising time to screen in cinemas ads created by Clemenger Harvie Edge, encouraging people to support the initiative. Since November 2005, \$170,000 has been raised.

[Viewpoint]  
The Goodness Industry

Community investments in the form of passive donations to or active partnerships with not-for-profit organisations comprise most of what business calls CSR. Reports produced by companies outlining their approach to CSR and sustainability mostly cover what should be expected of any responsible organisation. Meeting the basic expectations of employees, customers and suppliers – and doing so in a way that takes into account environmental and resource conservation matters would hardly seem to warrant corporate praise and promotion.

The emphasis on the business case for community investment and engagement has created the impression and expectation that this will automatically improve relationships with other stakeholders. Community investment or engagement then becomes a surrogate for responsible behaviour.

The reputation of a company is an outcome of the overall manner in which it runs its business. It is not the result of one aspect of its operations or one component of an integrated positioning strategy. Consequently, increased community investment alone cannot improve or maintain a company's reputation or the trust it generates. That requires sustained, responsible behaviour and quality relationships with all key stakeholders.

Indices designed to measure corporate performance have been important in publicising CSR and creating interest in its prospects. Australian companies can choose international indices such as the Dow Jones Sustainability Index, the FTSE4Good, Global reporting Initiative, The Global Compact, The Greenhouse Challenge, The Equator Principles, The World Business Council for Sustainable Development and the United Nations Global Compact. In Australia they can select the RepuTex Social Responsibility Ratings or the Corporate Responsibility Index (CRI).

Indices are a key component of the goodness industry because they provide evidence of activity and an opportunity to differentiate the performance of one company from another. In effect, they enhance competition amongst participants in the market for goodness. According to their proponents they also have another important advantage. They obviate the need for total reliance on the use of legislation, regulation and surveillance to protect stakeholder interests.

The indices have so far had limited success in changing the mindset of companies from one that considers corporate responsibility to be the optional investment in community partnerships to one that has responsible behaviour integrated into every aspect of a company's operations.

“Increased community investment alone cannot improve or maintain a company's reputation or the trust it generates. That requires sustained, responsible behaviour and quality relationships with all key stakeholders.”

Consultants and specialist firms are another rapidly growing part of the goodness industry and are influential in shaping the way CSR is developed in Australia. Consultants have always had an important role to play in assisting companies with their strategies and structure. The issue is whether responsible corporate behaviour can – or should – be outsourced to a consultant.

Another key influence on CSR has been the interest of fund managers and investment analysts in the impact of environmental, social and corporate governance on company financial performance and risk profile. Sustainable Responsible Investment (SRI) is the placement of money in managed funds or

[Quotable Quotes]

*“The red lights are flashing ... While ACCI accepts the general science relating to climate change, policymakers and the wider community must be aware that other countries may not adopt similar abatement measures and that Australia's economic wellbeing could be adversely impacted if we go it alone.”*

**Peter Hendy, Australian Chamber of Commerce and Industry chief executive**  
(The Australian, February 8, 2007)

[Viewpoint]  
The Goodness Industry

share portfolios specially selected on the basis of environmental, social or ethical factors. SRI managed portfolios in Australia were estimated to be worth nearly \$8.0 billion in 2005 – a 70% increase on the previous corresponding period.

The investment community interest in CSR is not limited to the development of funds or portfolios. Analysts are now considering the way non-financial factors influence company performance and risk profiles. These can include environmental, social, corporate governance and management of human capital factors.

Fund managers and analysts have traditionally been preoccupied with shareholder measures such as return on capital employed. These are still a priority. However, the link between a company's ability to 'outperform' in relation to return measures and their management of financial and non-financial issues is increasingly of interest to the market.

“*CSR as it is currently applied in Australia is a misnomer ... It does not demonstrate responsibility as much as the allocation of resources to assist corporate positioning and reduce risks.*”

This then is what I would describe as a goodness industry – a market involving a significant number of not-for-profit organisations, major companies, the investment community, and a range of service providers focussed on funding, delivering and promoting corporate-community engagement. It is a rapidly growing trend and is influencing the current approach to CSR in Australia. It reflects the preference of the corporate sector to adopt traditional market methods irrespective of whether they are engaging in commerce, community relations or what it considers responsible behaviour.

While this industry is providing benefits, it is an extension of market economics into areas that were previously organised along social lines. The challenge will be to sustain corporate interest in community engagement without reducing the focus of not-for-profit organisations on their social or public goods priorities.

#### IMPROVING CSR IN AUSTRALIA

I believe there are measures we ought to consider to improve the effectiveness and value of CSR, assist the not-for-profit sector and build Australia's stocks of social capital. These are some of those measures:

- CSR should encompass relationships with company shareholders, employees, customers and the broader community. These relationships should be based on specific qualities or principles a company agrees constitutes responsible behaviour in its particular industry, location and business.
- Corporate engagement with the community should continue in a variety of forms including donations, staff volunteering, partnerships and the provision of corporate expertise to improve the capabilities and capacities of not-for-profit organisations. However, this assistance ought to acknowledge the fact that a business case approach – or a market model – may not suit all not-for-profit organisations or the needs of their members.
- We need to encourage leading not-for-profit organisations to improve the governance and efficiency of their sector. This would include the continued development of different operating models to cater for the considerable variety in not-for-profit roles, aims and capabilities. It would also involve government consideration of a consistent legal and taxation framework applicable to all not-for-profit organisations in Australia.

#### [CSR in Action]

**Companies:** Heinz and chefs from 16 Melbourne restaurants including Grossi Florentino, The European, Interlude and Oyster.

**Non-Profit Partner:** Starlight Children's Foundation Australia

**Activity:** Chefs from various Melbourne restaurants played a round robin soccer tournament on Sunday November 19 and cooked a five-course dinner at the Grand Hyatt Melbourne on Tuesday November 21, raising \$140,000 for the Starlight Children's Foundation.

[Viewpoint]  
The Goodness Industry

- Running in tandem with these changes, there ought to be a comprehensive research program and effort made to improve understanding of the concept of social capital in Australia, including the development of appropriate measurement methods.

CSR as it is currently applied in Australia is a misnomer. It is mostly the allocation of company funds to selected community organisations or projects. It does not demonstrate responsibility as much as the allocation of resources to assist corporate positioning and reduce risks.

While these resources are important and beneficial for many not-for-profit organisations, the greater need is to address the question: How can a modern company meet both its commercial and broader social responsibilities? There are major differences in the ways Australian companies and their people choose to run their businesses and relate to their stakeholders. So the response to this question obviously differs considerably.

A company is a community of individuals. It is a community that is governed by laws and regulations. It has leaders and staff who also have a significant influence on the moral and financial health of their business. Companies can set guidelines and standards. Their leaders can model responsible behaviour. Ultimately it is the genuine, continuous effort to balance business and employee interests with the interests of customers, shareholders and the community in general that determines the degree to which a company acts responsibly.

#### PRINCIPLES-BASED CSR

The emphasis should be on how to deliver consistently responsible behaviour throughout a company's operations. This requires a business to continually think about and agree the qualities it believes a responsible company in its particular

industry would regularly display. It then needs to develop the strategies, structures and processes that will enable those qualities to be displayed throughout all of its business operations.

There would need to be qualities displayed in a company's general conduct and its relations with its employees, customers, shareholders and the community.

“*This requires a business to continually think about and agree the qualities it believes a responsible company in its particular industry would regularly display.*”

For example, the general conduct qualities could include: operating within the requirements of all laws, regulations and industry codes; recognising that for many businesses, operating in accordance with the spirit of the law can be as important as meeting mandatory requirements; and being morally accountable for actions, as well as legally accountable.

The qualities displayed in relations with employees could include: having clear and widely communicated policies to provide a financially rewarding, personally stimulating and satisfying place to work; and providing a clear sense of direction for each business, regularly reporting on progress and outlining the way each employee contributes to the achievement of overall business success.

Those displayed in relations with the community could include: ensuring all operations are conducted in a manner that minimised environmental impacts; and assisting industry, government and community efforts to address issues of community concern and impact.

The qualities chosen would vary amongst companies and industry sectors. The common aspect would be the acceptance

### [CSR in Action]

**Company:** Readings Books and Music

**Non-Profit Partner:** HIPPY (Home Interaction Network for Parents of Pre-School Youngsters)

**Activity:** Readings donated \$5 from sales of the book *Harry Potter and the Half-Blood Prince* to HIPPY. The initiative raised \$10,000 for the early childhood development program, which is run by The Brotherhood of St Laurence.

*[Viewpoint]**The Goodness Industry*

that there are qualities or principles that need to be consistently displayed by any responsible company in its relationships with all of its stakeholders, and the subsequent organisation of that company in such a way that these qualities can be demonstrated.

This 'principles' or 'qualities' based approach is increasingly being adopted by major companies in Australia. The successful adoption of this approach requires considerable coordination and integration of a range of diverse activities. The larger the organisation, the more complex the integration and alignment task.

But given the momentum built by the recent interest in CSR, Australia is well placed to shift the emphasis from a narrowly defined form of community investment to a broader concept that promotes responsible management of all stakeholder relationships. There would be no reduction in the current quality or quantity of community investment and community-business partnerships.

There would be an improvement given that a responsible approach to community engagement would be less driven by business case or market requirements. Companies would see their community engagement as one of the qualities they had selected as being appropriate for a responsible company. The emphasis would shift from overt displays and promotion of goodness to consistently responsible behaviour.

A corporate sector focussed on responsible behaviour, with active community engagement part of that, would be better placed to work with Australia's not-for-profit organisations. It would also understand that the imposition of corporate business models to guide community investment and relationships is not always necessary. There are governance and operating models already available within the not-for-profit sector that provide the benefits of efficiency within a social enterprise framework. And there are already moves in train to significantly expand and improve these.

In his recently published book on law, religion and politics, Jesuit priest and lawyer Father Frank Brennan reminds us that: "All citizens are self-determining individuals who have the capacity and desire to seek the true and good for themselves and for their fellow citizens in community."

This is the attitude I believe we need to adopt when we consider how we can build on Australia's experience with CSR to provide benefits for our corporate and not-for-profit organisation sectors – and our society in general.

**This is an extract from a keynote address given by Australian Alliance Insurance corporate affairs manager Ron Burke to Adult Learning Australia's 46th Annual Conference. A full version of the paper and a complete list of references is available from [www.ala.asn.au](http://www.ala.asn.au). ■**

*[News]**Recycled Water in Melbourne*

THE Victorian Government has given water authorities the power to require housing developments to install "dual pipe" water systems. More than 40,000 new houses in Melbourne's outer-east will be required to connect to recycled water from the Eastern Irrigation Scheme over the next 25 years. The recycled water supply will be identified by purple taps, pipes and hoses and it will be used for flushing toilets, watering gardens and washing cars.

## Fighting Bullying: Mobile phone industry gives tips for dealing with bullying

The industry body representing Australian mobile telecommunications companies has provided a resource to address a negative side-effect of its products: bullying.

SCHOOLYARD bullying is by no means a new phenomenon, but new technologies such as email and text messaging mean children can no longer escape it when they go home.

The Australian Mobile Telecommunications Association (AMTA) last year launched a new website, [www.str8tlk.amta.org.au](http://www.str8tlk.amta.org.au), which contains resources for young people using mobile phones, including a section devoted to bullying.

AMTA chief executive officer Chris Althaus said he estimated about 80% of young people in years seven to 12 at school owned or had access to a mobile phone.

"We have enormous capacity as providers of mobile telephony services to add value and utility to people's lives," Mr Althaus said.

"You can get a phone to your child so your child can ring any time they're concerned about anything; similarly, you can find them, you can leave messages," he said.

Mr Althaus acknowledged the potential for bullying came with the use of a mobile phone, and said it was up to industry and parents and kids to manage it as a group.

Mr Althaus said it was in the telecommunication industry's interests that mobile phone products were used responsibly.

He said one downside was the "great deal of anonymity" mobile phones offered text-messaging bullies.

"You can send these messages without having to confront anybody," he said.

The bullying section of the website offers resources for young people and their parents.

Mr Althaus said the AMTA worked with the New South Wales Commission for Children and Young People to develop the site.

*"You can't just hand over this technology and just walk away."*

It encourages children to give their phone number only to friends; not to respond to bullying messages; not to provide personal details if they don't know a caller; to turn their phone off for a break from the bully; not to flaunt their phone; and to seek help from parents, school or the Kids Help Line.

Mr Althaus said industry was doing its best to manage what children could and could not access, but that parents also had a role to play.

"You can't just hand over this technology and just walk away," Mr Althaus said.

Parents are advised by the site to listen to a child who is being bullied; to assure them that the bullying is not their fault; to discuss how to avoid seeing the bully alone; and to raise the matter at school and with other parents.

The site also provides information about paying for mobile phones, managing the amount of money spent on a mobile phone, recycling, and even mobile phone etiquette. ■



Str8tlk Website

## Peeking Down the Supply Chain

**Do companies have a responsibility to ensure organisations in their supply chains are socially responsible? If so, how far down the supply chain does responsibility extend? Ethicist Dr JANNA THOMPSON offers her view.**



DOES a company (or an individual) have to take responsibility for what others do? It is tempting to say 'no'. A company, like a person, is responsible for itself. It has the power to determine its own practices. But it cannot exercise this power over others, and so why should it be held accountable for what they do?

If this way of thinking were right, then a company would be able to fulfil its ethical responsibilities simply by ensuring that its own operations do not violate ethical standards. It could avoid any responsibility for what its suppliers do. But this way of limiting responsibility is not possible, for reasons both ethical and practical. No company is an island. Companies, like individuals, can be implicated in the bad deeds of others, and sometimes they share responsibility for what others do.

There are two ways in which companies acquire responsibility for the behaviour of others. They gain special responsibilities through contracts and agreements with others; and they have a general responsibility to repudiate, and dissociate themselves from, the unethical conduct of others.

Businesses themselves provide an obvious example of how individuals can become responsible for what others do. When people form business partnerships, they are agreeing to take responsibility for each other's way of doing business. If one of them commits an unethical or illegal act then their company is implicated, and everyone who is responsible for the behaviour of the company shares the responsibility. Along with the advantages of forming a joint enterprise go liabilities.

The same applies to business deals with suppliers. By entering into a relationship with a supplier a business is taking on responsibility for what the supplier does to fulfil its part of the agreement. If the supplier acts unethically in fulfilling its

contract, its partners are implicated.

One of the implications is that responsibility is not extinguished by lengthening the supply chain. Though a business has a first-hand responsibility for the deals it makes with suppliers, it cannot divest itself of responsibility for the deals that the supplier makes in the course of fulfilling its contract. For example, a company cannot escape ethical responsibility by sub-contracting or outsourcing the more questionable aspects of its business – however long or complex the chain of companies that separates it from ethical or legal violations.

By entering into agreements and joint enterprises, individuals and companies acquire responsibility for what others do. But this responsibility is limited to the terms of the joint enterprise. People do not share responsibility for what their business partners do in their private lives. Does this mean that a company does not have to concern itself with the behaviour of a supplier when it has nothing to do with their business relationship?

Suppose you find out that one of your suppliers uses child labour in some of its enterprises. You complain, and it agrees not to use children in the work that it is doing for your company. Does this solve your ethical problem?

Child labour is a gross violation of standards that all of us are responsible for upholding. Everyone has a general duty to repudiate unethical behaviour and to refuse to cooperate with those who engage in it. It is beyond the capacity of a company to act as the world's ethical policeman. Nevertheless, a line has to be drawn, and companies should refuse to do business with those who are on the wrong side of the line. Where the line should be drawn can be a controversial issue, but in many cases a judgment is not all that difficult to make. ■

*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.*

## Setting the benchmark: Companies sign up to measure their contribution

**Australian companies are investing time and effort in measuring their CSR programs so they can better understand their impact and potentially improve the outcomes.**

TWENTY-FIVE companies have now joined the Australian branch of the London Benchmarking Group (LBG), and are using its model to measure their corporate community investment.

PricewaterhouseCoopers is the most recent addition to the list, which has grown from six members since the group's launch in August 2005.

The LBG provides members with a model for measuring the costs and benefits of their community investment.

In October last year, the group released its first benchmark report.

The report gives each member company individual data, and also a group average, which acts as the benchmark.

ANZ, a founding member of LBG Australia/New Zealand, is hosting an information breakfast on Tuesday February 20 for companies interested in finding out more about the group.

ANZ senior manager, community development, Michelle Commandeur, said using the model meant the bank was better able to measure and monitor its

community activities.

"For the first time we have been able to set a framework for reporting that has meaning for the outside world, with potential to demonstrate real, meaningful outcomes and impacts," Ms Commandeur said.

"We have a lot of strategic community activity that has been led by group corporate affairs, but there is also a large amount of work being done in a range of areas by each of the businesses, at their own discretion," she said.

The LBG model enables companies to measure their investment in the community by recording various "input" costs: cash, time, and in-kind contributions.

London Benchmarking Group Australia/New Zealand is facilitated by Positive Outcomes.

Positive Outcomes general manager in Melbourne Jerry Marston said the group started in the United Kingdom 12 years ago when a number of senior people in large companies started asking questions about their community involvement programs.

### London Benchmarking Group Australia/New Zealand members at end January 2007:

AAMI	AGL	ANZ
Australian Unity	Babcock and Brown	Bayer
Cadbury Schweppes	Cisco	Coles Myer
Commonwealth Bank	Elders	Energy Australia
Eye Corp	Foster's Group	Genesis
GlaxoSmithKline	HP Invent	IAG
Mitchell	NAB	Pacific Brands
PricewaterhouseCoopers	Transpower	Unilever
Woolworths		

## [CSR Tools] Setting the benchmark

"Firstly, 'exactly how much are we giving to the community?' Because it's often very hard to know," Mr Marston said.

"It's often hard to get a grasp on exactly what is going out there in terms of money, volunteer support, expertise in kind, product donations," he said.

"And the second, equally important and critical, question: is it making any difference?"

The LBG model is based on input, output and impact.

Companies record their input of dollars, time and goods, and then measure the results: what the dollars buy, what the time volunteered achieves, what difference the goods make.

Mr Marston said the "impact" section of the model was the most challenging, and one that Positive Outcomes was working to constantly improve.

"How is the world a better place? How has society been changed as a result of this? And also, what is the impact on business of this?" he said.

Michelle Commandeur said ANZ had significantly improved its data capture in its second year of reporting.

"We still have a little way to go to really embed the principles of the LBG model across our – large – business," Ms Commandeur said.

"We want to further demonstrate its benefits to internal stakeholders for

strategic planning and review purposes, and to systematise the data collection process while ensuring we still have opportunity for reflection and interpretation of the numbers, which is of so much value."

Jerry Marston said understanding the impacts of community investment programs strengthened the case for continuing them and enabled companies to improve the quality of those programs.

"If it can't be measured and it can't be tabled and it can't be understood, then it tends to get lost," Mr Marston said.

"The great thing about LBG is its objectivity," he said.

"Sometimes people get a bit concerned that they're getting involved in a seriously complex exercise, but it really is a very, very simple model."

Positive Outcomes runs half or full-day workshops for companies starting with the model.

Member companies invest time early on to institute the program and reporting procedures, and there is an ongoing time commitment for reporting.

The briefing breakfast on February 20 is from 8am to 9.30am at ANZ, in the collaboration room, level 5, 100 Queen Street, Melbourne.

**To RSVP or for further information  
contact Positive Outcomes on  
(03) 9914 5000. ■**

## [News]

### Environment Protection and Heritage Council

AUSTRALIAN and New Zealand environment ministers meeting in November named water, transport initiatives and computer recycling among their priorities for the coming year.

The ministers agreed to consult with transport ministers and representatives of the automotive industry to work on improving the fuel efficiency of vehicles. They will also consider extending the Water Efficiency Labelling Scheme to setting minimum performance standards for washing machines, toilets, showers and urinals.

## Old News:

### Making mature-age employment work



**Peter Tanner**  
Tanner Menzies

Peter Tanner is the founder and managing director of executive recruitment consultancy Tanner Menzies. Peter is also a mature-age worker, with 20 years experience in executive recruitment throughout Australia, New Zealand and Hong Kong.

**They're more loyal, take fewer sickies and are just as productive as their younger counterparts. So who wouldn't want mature-age employees in their workforce? Executive recruitment consultant PETER TANNER examines how to put the hard-won experience of mature-age workers to good use in your workplace.**

IT'S hardly a newsflash that Australia is facing real skills shortages. Across all business sectors, companies continue to compete fiercely for the professionals they need to grow their business. A recent survey by specialist recruitment network Select Australasia confirms the state of play, with over 60% of respondents finding it hard to source talent for their organisation.

The fact that we have an ageing population is also well known. Within 20 years around 10 million of us will be over the age of 45. This is old news in more ways than one.

What is potentially lost on many of us is the rich irony that while we have a skills shortage, many of our mature-age workers are finding it hard to get a job.

**“ While the shrinking workforce presents challenges, an equally significant problem seems to be that we are working to an employment model that is fast becoming outdated.”**

And they really do want to work. A study by The Australia Institute in August 2006 found that most baby boomers expect to work after retirement. And this is not purely out of necessity – 17% want to work because of job satisfaction, and 38% just want to keep busy.

While the shrinking workforce presents challenges, an equally significant problem seems to be that we are working to an employment model that is fast becoming outdated. We need to find better ways to put our still-ready-and-willing mature-age people to work.

For employers the challenge is three-fold. First, they need to be open to employing mature-age workers and reject the myths that older workers are less flexible and won't fit in. Research shows that the opposite is true. Mature-age workers are also more loyal, with average tenures of five to six years, as opposed to between 18 months and four years for Generations X and Y. According to both the World Health Organisation and the Australian Bureau of Statistics, mature-age workers also take fewer sick days.

It is also untrue that mature-age workers are less productive. One of the most obvious qualities older employees possess in greater measure than their younger counterparts is experience. And the adage is right: there's no substitute for it. Mature-age workers achieve the same outcomes as younger workers by working smarter rather than harder.

Second, employers need to get serious about attracting and retaining mature-age workers. This means getting creative with work structures. Mature-age workers place a premium on work-life balance, so look at opportunities for job sharing or flexible working hours. When you have these options in place, make them known – this is important for retention. Often an employee will leave a full-time job because they can't see an alternative. External partners, including recruitment consultancies, can help employers to overcome some of the barriers in this area.

And thirdly, employers need to maintain relationships with the people who do leave their organisation. Mature-age people might leave a job for another opportunity or a change of environment, but may later be willing to consider a return to the

[Viewpoint]  
Old News

security and rewards of a familiar role. Not burning your bridges can open up other employment options, as former employees can be hired back on a short-term or project-specific basis. Again, one of the most important things an organisation can do is to make these options known. Alumni programs are a good way of putting this into practice by helping you reach someone who knows the business when you really need them.

“*Not burning your bridges can open up other employment options, as former employees can be hired back on a short-term or project-specific basis.*”

But it's not a one-way street. Mature-age people may need to consider retraining. While some may have moved into managerial positions in the course of their career, and may prefer to return to a more hands-on role, they may need to brush up on essential skills. A short technical training course may be all that's required for professionals. Of course, for proactive employers, offering these courses may be a very effective way to attract mature-age workers to their organisation by removing cost as a barrier to re-entering employment.

Mature-age workers should also look for new opportunities.

Applying existing skills and experience in a new way can be personally rewarding, and may take advantage of real demand. For example, a study by CPA Australia found that 59% of small business owners would be interested in hiring a qualified mature-age accountant on a short-term basis to provide them with general business advice.

Mature-age workers also need to go back to basics when it comes to looking for the right job. Perseverance is essential. Of course, this may change in time through sheer demand – as pressure on the labour market continues, rather than finding candidates for vacancies, in the future experienced candidates are likely to be presented with a suite of job options to choose from. But until this is a reality, persistence is the key.

Of course, the way we do things won't change overnight. But today's tight labour market conditions are not going to go away. Providing mature-age people with better employment options will not be a magic bullet for the economy, but individual organisations that make themselves attractive to this group stand to gain a competitive advantage. Mature-age workers have challenges of their own, but as employers wake up and start competing for their talents, the only barrier to making the most of our ageing workforce will be the limitations we impose on ourselves.

**Making Age an Advantage – Page 40 ■**

## [Quotable Quotes]

“I was once asked: ‘How do you strike a balance between shareholder interests and being a socially responsible corporation?’ The problem with this question is it assumes a corporation's goal of providing satisfactory, sustainable returns to shareholders somehow conflicts with being socially responsible.”

**Ahmed Fahour, NAB executive director & chief executive  
(The Age, January 23, 2007)**

## Advancing Women: Awards for innovative strategies

**Holding Redlich is one of several companies recognised for investing time and money supporting and advancing women through their careers. CHRISTY DOWLING reports.**

LAW firm Holding Redlich wanted to retain staff members who decided to have children, so it introduced a Parenting Partner Plan.

Each state office has a designated parenting partner, who meets with women who are expecting a child and want to maintain their career.

Child-care services, working from home and working part-time are among the options discussed.

Holding Redlich won last year's Equal Opportunity for Women in the Workplace Agency (EOWA) award for Outstanding Initiative/Result for the Advancement of Women.

Holding Redlich partner and Melbourne office parenting partner Andrea Tsalamandris said the parenting partner plan was one of two main initiatives. The other was the provision of a mothers' room.

"There are facilities for private expressing of milk and for it to be stored privately, without people needing to know what's going on," Ms Tsalamandris said.

"This would ideally be probably for part-time mums who four days a week feed their child during the day, but the days that they're in the office they need to express so they've still got a supply there," she said.

Another important aspect of the program was that women had an advocate within the partnership ranks to act on their behalf.

At Holding Redlich, women comprise 67% of the senior management team, 48% of senior associates and 26% of partners.

Ms Tsalamandris said with women making up the majority of law school graduates, the firm could not afford to lose senior female lawyers.

"Business-wise, it was an essential thing to do," she said.

### IBM AUSTRALIA

IBM Australia won the EOWA award for the Leading Organisation for the Advancement of Women (more than 500 employees).

IBM diversity manager Kylie Nicolson said her company did not want to lose women "just because they've taken some time off."

"If you have a look at the current demographics, the average age of having a first child is about 32, and so by the time one gets to 32, they've had a lot of experience and we really can't afford to lose that," Ms Nicolson said.

While there may be more female law graduates, Ms Nicolson said numbers of female IT graduates were decreasing.

IT companies have to work hard to attract women in the first place.

On average, women make up 16% of the IT industry workforce; IBM has double that figure at 33%.

Ms Nicolson said IBM offered 12 weeks parental leave at half pay for a baby's primary caregiver, and offered parental leave seminars before that person stopped work.

"They're about, how do they cope? And how do they think about what they're going to do when they come back? How do they keep in touch with the business while caring for a newborn?"

Managers are also provided with a checklist to remind them what they need to do to stay in touch with employees on parental leave.

### WESTPAC

Another award-winner, Westpac bank, also works with its managers to advance women within the company.

Managers attend a leadership course

[Viewpoint]  
Old News

focused on diversity, and learn how to make the most of the capabilities of each individual in their team.

Diversity manager Niki Kesoglou said the course corrected an underlying notion that treating people fairly meant treating everyone in the same way.

"It's not about treating everyone the same to be fair," Ms Kesoglou said.

"It's actually about leveraging the different experiences and the different capabilities people have," she said.

Ms Kesoglou won the EOWA award for Diversity Leader for the Advancement of Women.

She said another program, Westpac Women Achieving Their Potential, was targeted at women in middle management roles.

"I realised there was a bottleneck of women in middle management who weren't pulling through into senior roles," Ms Kesoglou said.

She said the program had produced a three-fold return on investment.

The bank found 23% of participants had been promoted and 19% had moved into different roles at the same level to expand their skills and broaden their management experience.

#### RSPCA VICTORIA

At RSPCA Victoria, there were no women

in executive management roles when chief executive Maria Mercurio arrived four years ago.

Now, women comprise 67% of the executive management team.

Ms Mercurio said she introduced a new "people management framework" to address built-in barriers and prejudices common to many older organisations.

"My goal was to make sure that everyone had the opportunity to succeed," Ms Mercurio said.

"And I think that is the basis of equal opportunity, that we start to address the barriers that prevent women in particular, but not just women ... from succeeding," she said.

In practice, that meant allowing "great flexibility" to women returning from maternity leave, and providing opportunities for training, particularly for young women.

Ms Mercurio said the changes at the RSPCA were not rocket science.

"We've done a lot of good things that add up to opening the field," Ms Mercurio said.

"Again, it's just looking for all of those barriers that are sometimes just embedded in the practices of an organisation," she said.

"Once you kind of un-earth them, then it's easy to shuffle them out of the way."

“If you have a look at the current demographics, the average age of having a first child is about 32, and so by the time one gets to 32, they've had a lot of experience and we really can't afford to lose that.”

#### EOWA AWARD WINNERS

- **Leading CEO for the Advancement of Women:** Maria Mercurio, CEO, RSPCA Victoria Inc
- **Diversity Leader for the Advancement of Women:** Niki Kesoglou, Head of Diversity, Westpac Banking Corporation
- **Leading Organisation for the Advancement of Women (<500 employees):** VicSuper Pty Ltd
- **Leading Organisation for the Advancement of Women (>500 employees):** IBM Australia Limited
- **Outstanding Initiative and/or Result for the Advancement of Women:** Holding Redlich
- **Outstanding EEO Practice for the Advancement of Mature-Aged Women:** ECH Inc
- **Outstanding EEO Practice for the Advancement of Women in a Non-Traditional Area/Role:** Cummins Engine Co Pty Ltd
- **Outstanding Initiative/Practice in Achieving Workplace Flexibility:** Acumen Alliance (ACT) Pty Ltd
- **Judges' Award for a Person or Organisation for their Contribution to the Advancement of Women:** Stuart Davis, CEO, HSBC Australia

## Pursuing Brilliant Ideas

### Business in 'unique position' to effect social and environmental change

**High-profile media buyer Harold Mitchell believes the business sector can use innovation to take the lead in a new era of social concern.**

THE Australian business sector must engage in a "free thinking pursuit of brilliant ideas" to support its "unavoidable social responsibilities", media executive Harold Mitchell has said.

In an address to The Maimonides Society late last year, Mr Mitchell said business had to recognise it was dependent on the quality of the society and the environment in which it operated.

"I believe that we are on the cusp of a new era that will see social, community, environmental and humanitarian concerns assert themselves and come into greater balance with the economic issues that have characterised the past decade or so," Mr Mitchell said.

He said stakeholder expectations would become more demanding as non-stop access to news informed people about the world's problems.

He cited climate change, fuel prices and obesity among the issues that would continue to influence employees, consumers, shareholders, politicians and community groups.

Mr Mitchell said business had an opportunity to be part of the solution to the problems.

"Businesses have a unique position," Mr Mitchell said.

"They are both linked inextricably to the public and community sector, but happily (are) not yet too constrained by political frameworks or the need for lengthy consultative processes. It means they can innovate, take risks, test new ideas and respond to emerging ideas which offer new and different ways of tackling old problems."

Mr Mitchell told The Maimonides Society event that the proper controllers of any enterprise "must be the continual regeneration of good and valuable ideas that create benefits for others."

The Maimonides Society is an occasional gathering of grantmakers and others in the philanthropic and non-profit world.

It is coordinated by the Asia-Pacific Centre for Philanthropy and Social Investment at Swinburne University, The Victorian Law Foundation and Philanthropy Australia.

#### FURTHER INFORMATION:

[www.swin.edu.au/business/philanthropy/](http://www.swin.edu.au/business/philanthropy/) ■

“*It means (business) can innovate, take risks, test new ideas and respond to emerging ideas which offer new and different ways of tackling old problems.*”

## [Quotable Quotes]

"If ... this actually led to changing of consumption patterns, then hooray! (But) if there's any sense that they're going to simply sell more junk food on the basis of improving their marketability and reputation and using it as a smokescreen, then I would be very concerned."

**Rob Moodie, VicHealth Chief Executive, on McDonald's getting the National Heart Foundation "tick" for nine of its meals (The Age, February 6, 2007)**

## Studying CSR: Research may benefit businesses

**An RMIT student is undertaking research to identify how companies measure the intangible benefits of corporate social responsibility projects.**

SHEREE Brooks once had a colleague who struggled to communicate with senior management about her corporate social responsibility projects.

Ms Brooks said the colleague was trying to articulate her goals, tie projects back to the company's brand values and strategies, and make the CSR initiatives commercial.

"It was like they were talking two different languages," Ms Brooks said.

"She was trying to learn their language and they couldn't understand what she was saying."

Ms Brooks said her colleague's experience was the inspiration for her own Master of Project Management research, which examines how the intangible benefits of CSR projects are articulated and measured in project appraisals.

"The business case and cost benefit analysis is your traditional measurement and assessment of a project, to weigh up the costs versus benefits and what you get back and it's all very tangible," Ms Brooks said.

"But social projects are very different, and the benefits they provide, so how do you articulate and measure that and then have it stand up against an IT project, for example?"

Ms Brooks said she hoped her research, which she expects to complete mid-year, would be a useful resource for CSR practitioners.

"I very much intend it to be a lessons-learned little tool kit, if possible: this is the way people are doing it," Ms Brooks said.

"I have a CSR practitioner – aside from my supervisor – who I work with to ensure that the questions I'm asking and therefore the information I get back will lead me to uncover the answers I'm looking for, and to

make it quite relevant to the people who will use it," she said.

Initially, representatives from several Melbourne-based companies will be asked to complete a questionnaire.

Ms Brooks said the questionnaire would ask basic information about a company, and would only take 10 or 15 minutes to complete.

"Do they have vision statements, publicised strategies or brand values that refer to CSR? Do they publish CSR activities in their annual reports? Do they have a dedicated CSR person or team, or are they part-time? What's the business unit that has responsibility for it?"

She said the survey would also assess how funds are allocated to CSR projects, and whether social impact assessments were carried out.

From the survey results, Ms Brooks will select three companies with appraisal processes that measure the social benefits of CSR projects.

She will spend time with representatives from those companies, learning how and why they go about their appraisal process.

Ms Brooks said she would then identify any correlations between the three approaches.

"My aim with all of this at the end of the day is to have it quite useful and immediately relevant to CSR practitioners," Ms Brooks said.

### FURTHER INFORMATION:

Sheree Brooks 0417 032 069 or [shereebrooks@optusnet.com.au](mailto:shereebrooks@optusnet.com.au) ■

### [CSR in Action]

**Companies:** Various Melbourne restaurants including Pure South, Bottega, Circa and MoMo.

**Non-Profit Partner:** Anglicare Victoria

**Activity:** At a pot luck dinner at the Grand Hyatt Melbourne on November 27 last year, guests only discovered which restaurant's meals they would be dining on after they arrived at their table. The event raised \$140,000 for Anglicare.

## Making Age an Advantage: Recruitment firm opens older workers' unit

An Australian recruitment firm has opened a business unit which will focus expressly on older job candidates.

OLDER applicants are often overlooked when companies are hiring, but now that Australia is facing a labour shortage, Hays recruitment believes it is those workers who can alleviate the pressure.

Hays has opened a new business unit, Age Advantage, to offer companies skilled workers and to help people over 40 find employment.

Age Advantage senior regional director Catherine Foley said international chief executive officer Denis Waxman was passionate about the business focusing on mature candidates.

"He'd seen it as a good opportunity both within the market and to identify people that were happy to contribute and wanted to be gainfully employed, but did have some issues in sourcing roles," Ms Foley said.

"Our target market is the people who more or less fall between the cracks. They don't fall into that social security environment, where there are certain opportunities and certain training and development."

Ms Foley said older people did not fit into the traditional "preferred candidate profile", but that that was not often discussed openly because it was clearly discrimination.

She said older people had great skills and capabilities, and employing them could be particularly useful in matching employee profiles to client profiles. She said most people with questions about superannuation, for example, were in their 40s, and someone aged over 40 would be best suited to answering their questions.

Age Advantage is currently located in Sydney, but is working with roles around the country, and may expand elsewhere in future. ■

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## [CSR in Pictures]

ALCOA took the opportunity presented by its "Worldwide Month of Service" to publicise the success of some of its other CSR initiatives, and the plaudits the company has received for its community work. This advertisement appeared in a range of Australian newspapers during October:



Alcoa focuses on building community partnerships that strengthen the regions where we operate.

We are proud of the positive impact of our partnership program in Victoria and pleased to have been recently recognised with two prestigious awards.

The partnership between Geelong Performing Arts Centre and our Point Henry smelter, focused on bringing the creative arts to the people of Geelong, was applauded with an Australian Business Arts Foundation award.

While our national partnership with K.I.D.S. Foundation, founded on our common value of safety, recently received a Prime Minister's Award in Community Business Partnerships.

During the month of October, Alcoa's 6000 Australian employees will be lending a hand in their neighbourhoods as part of our global month of community service.

Alcoa has been a part of the Victorian community for more than 40 years and is proud to partner stronger communities.



alcoa.com.au

# [Meet the CSR Manager]

**Louise Davis**

**Executive, corporate community relations, IBM Asia Pacific**

*1. What's the best thing about working with IBM?*

IBM is THE most fabulous company to work for: giving back to community; diversity; work/life balance are all imbedded in IBM's DNA. I particularly like the opportunity to grow in a job and take on more responsibilities; and there is so much room for promotion in such a globally integrated company.

*2. What are the key corporate social responsibility challenges for IBM internationally and in Australia?*

I guess you could say that because we have a high profile in community relations/community support, we are often the first to be approached; which means we get many requests for support, but of course we can't help every organisation or person who contacts us. Our challenge, which is a fabulous challenge, is to support the community in THE most innovative way possible, through our technology, our expertise and our wonderful employees.

*3. What are your personal goals as executive, corporate community relations?*

To continue to develop our CSR team across the Asia Pacific region.

We have terrific people in each country (15) and we implement all of our programs with tremendous energy and innovation. My goal is to build our team's strengths and to demonstrate how significantly CSR contributes to the IBM brand.

*4. What are you most proud of in your time as executive, corporate community relations?*

Many things, but managing IBM's response to the 2004 tsunami, through working with governments and NGOs in the affected countries, using IBM expertise and technology to help many thousands of people, was certainly something which makes me very proud. I also enjoy working with community and government partners on projects like our partnership with Victoria University and federal and state departments of education on Indigenous culture/literacy in outback Australia

*5. Where to next?*

More of the same; building the team; supporting disadvantaged communities in Australia and in the region; and doing it with more and more innovation.



**Louise Davis**  
IBM Asia

Louise Davis has managed IBM Asia Pacific's corporate community relations for the past 10 years. She joined IBM in 1986, first in direct events/marketing, and then as the manager of the company's Australian corporate community relations. Prior to that, she ran her own wholesale production nursery and was Australian general manager for Christian Dior, where she worked for 20 years.

IBM's corporate social responsibility program is made up of a number of different initiatives.

The On Demand Community program provides volunteer employees and retirees from the company with online access to technology solutions, strategies and tutorials to use when they volunteer to assist a community group. When an employee has volunteered for a "consecutive period of time", they can earn cash or technology grants for their chosen community group.

IBM also supports children in remote Aboriginal communities in the Northern Territory, donates refurbished equipment to not-for-profits and donates Web Adaptation Technology to organisations that support seniors and people with disabilities, to help them access the internet more easily.

After the tsunami struck South-East Asia in 2004, IBM staff donated funds, and the company developed software to manage logistics at refugee sites and track displaced people. IBM donated computers for government and non-government organisation staff.

## Water Innovation: Stakeholders collaborate to save water

The Wungong Urban Water Project is combining collaborative planning and innovative environmental design to create a water-saving community for 40,000 people in Western Australia. The project sets an example for water- and energy-efficient development, and proves that engaging various stakeholders not only respects their interests, but can benefit projects as well.

PROJECT director Matt Taylor describes the Wungong Urban Water Project (WUWP) as putting a community in an environment, rather than on it.

Where plans for housing developments often start with site boundaries and then create an urban design around those boundaries, the group of people working on the WUWP started with the landscape plan.

While much of the country struggles with a water shortage, Wungong developers are contending with an area that retains too much storm water.

Project consultants have been coming up with ways to deal with the excess. They have also worked hard to ensure homes in the area will use about half as much treated water as the WA average.

The development of the Wungong Urban Water Master Plan involved a "core team" of 64 people from 38 organisations. That team included government representatives; CSIRO representatives; the WA state architect; urban design, landscape, water, and environment consultants; civil and water engineers; an aboriginal heritage consultant; landowners; and representatives from property groups.

While smaller landowners did not attend the meetings, they were still involved in the process.

"Every time there's been a new iteration of the master plan, we've gone and presented it to landowners, to the minor landowners," Mr Taylor said.

"We've provided them with a form they can fill out, a 'have your say' form, so they can write whatever they want and give it to us and we can take that on board," he said.

"Some things have changed as a result of that."

Mr Taylor said the collaborative planning process had resulted in the "co-evolution of knowledge", and in a plan that would be easily defensible in the face of criticism, because it has had so many different approaches applied to it.

"Three years on ... everybody in the consultants' group knows so much more about everybody else's discipline and that factors into their decisions," he said.

Mr Taylor said the process had challenged every constraint and explored every opportunity.

"You get real innovation, because you'll have somebody like a transport consultant saying, 'we can't do this' ... and it's a traditional constraint and he's looking at it through the traditional training set of eyes.

"Whereas, you might have somebody who's a hydrologist or an environmental engineer who says, 'Why can't you do that?' or, 'Why don't you do this, and you'll get around that problem?'"

Innovations being implemented in the Wungong Urban Water Project include positioning homes to maximise sunlight and minimise energy use; measures to control groundwater levels; and using ground water and tank water for irrigation, toilet flushing and laundries.

Mr Taylor said it was amazing that 60% of Perth's "scheme" water, which has been treated to drinking quality, still went onto its gardens.

"We want to try and break that and have groundwater and rainwater used for lot irrigation and public open space irrigation," he said.

[News]  
Water Innovation

"We're leaving the potable water and drinking water just for human contact, like in the kitchen and bathroom."

The goal is for residents to use 75% less scheme (treated) water than the state average, and 45% less water overall.

Mr Taylor said CSIRO research had found that more than just having a problem with too much groundwater, Wungong suffered from poor surface water drainage over largely clay soil.

He said developers would traditionally use fill (earth brought in from elsewhere) to raise the ground above the groundwater level.

One of the WUWP's sustainability objectives was to minimise fill, so the planning team had to come up with an alternative.

"It's unsustainable to take fill from somewhere and put it onto this land or any land, really, when you think about the fossil fuels that are burnt to actually do that in terms of transport, and that's a major constraint," Mr Taylor said.

"If you raise the ground level and you've got vegetation around that that ends up being submerged, you're pretty much killing trees by having fill come up around next to them; it raises the groundwater level and the vegetation suffers as a result."

Instead of bringing in fill, plans for the WUWP include "leaky pipes" (pipes with holes in them) beneath park avenues that run for 21 kms across the development.

"That means that the water that would sit above that pipe level drains into it and gets taken down to the Wungong River," Mr Taylor said.

Trees planted along the avenues will also absorb some of the water. Grass swales – areas of lower land – between the trees are designed to disperse storm water.

Mr Taylor said that when there were smaller rain events, water caught in the avenues would replenish the area's aquifer.

"In the bigger storm events, right up to the one-in-a-hundred year events, the avenues are designed to convey storm water away," Mr Taylor said.

"So the storm water will still naturally move to those points, but instead of sitting there and infiltrating, it will move along them," he said.

"It will fill up to a certain point and then it will start to fill a school oval or it will start to fill a community park or a wetland."

Another water-saving feature of the WUWP is that all houses in the development will be required to have their own rainwater tanks. That tank water will be used in laundries and for flushing toilets.

The development is also using "solar orientation", with about 80% of houses expected to be positioned in an east-west direction.

Anyone who wants to position a house differently, to make the most of river views, for example, will have to change the dimensions of the lot and modify the building to ensure they still meet energy targets. ■



Park Avenue - An artist's impression of Wungong's park avenues, which double as drainage, and public space.

# [Customer Involvement]

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## IKEA and Save the Children:

### Toys for some children buy an education for others

Home furnishing company IKEA came up with an idea for a community partnership closely tied to the company's customer base (families) and its desire to support the rights of children around the world.

SHOPPERS at Australian IKEA stores were greeted with large banners advertising a soft toy fundraiser for Save the Children in the lead-up to Christmas.

Toy monkeys hanging from the banners wore T-shirts bearing the Save the Children logo.

With help from customers who followed the banners from the entrance on to the soft toy departments and then to the check-outs, IKEA raised just short of \$60,000 for Save the Children, a 200% increase on funds raised by Australian IKEA stores the previous year.

One euro from every toy purchased was donated to the charity.

The international promotion is in its second year, but this was the first year that Save the Children received the Australian proceeds. In 2005, the proceeds went to Unicef.

With only three stores here compared with 37 in Germany, for example, IKEA's Australian operation is one of the smallest national contributors to the group's overall sales.

IKEA Australia communications manager Julie Barber said the Australian company made a concerted effort to promote the campaign last year.

"We're actually locally quite proud of it," Ms Barber said. "We've had some fantastic results locally," she said.

"And the best thing is, that means our customers have been getting behind it as well."

She said the campaign, A Smile is Worth So Much, was not just a public relations exercise.

"It comes back to really wanting to align with improving the situation of children globally, and these two (Unicef and Save the Children) are fantastic," Ms Barber said.

"There's no doubt that being aligned with charities like this has a benefit of being connected to being a responsible company, and it does come back to the vision of IKEA," she said.

"IKEA's always been aligned to supporting the rights of children. As a global home furnishing company, we really work towards families, which are essentially our customers, and we definitely want to make sure that we're working towards children."

“*IKEA also acknowledges having a responsibility for protecting the rights of children in its supply chain.*”

IKEA also acknowledges having a responsibility for protecting the rights of children in its supply chain.

With about 1500 suppliers in 55 countries, IKEA has encountered the use of child labour in its supply chain and has stated explicitly that it "does not accept child labour among its suppliers or their sub-contractors."

IKEA has a code of conduct for its suppliers and each supplier is audited before IKEA takes them on.

The company states that it will undertake further unannounced audits at least once every two years, and if the supplier is found not to be in compliance within two weeks of the audit, an action plan with a time-line is drawn up. The matter is reviewed again within that timeline.

## [Customer Involvement] IKEA and Save the Children

Save the Children Australia's national business development manager Andy Scobie said the organisation was comfortable with IKEA's child labour policy.

"One of the first things we worked with IKEA around was some of their policies and procedures regarding child labour, and how it operates that, and since then it's developed into a fully-fledged relationship," Mr Scobie said.

Mr Scobie said Save the Children had worked hard to uphold its side of the Christmas campaign partnership.

"We gave them a lot of support, a lot of innovative marketing materials," Mr Scobie said.

"We dressed up a lot of their soft toy bears in Save the Children t-shirts," he said.

"We gave them a lot of images and copy to help drive the promotion through all their internal and external communications."

Save the Children also has partnerships with the Lonely Planet Foundation, Westfield, Shell Australia, and PricewaterhouseCoopers.

Mr Scobie said Save the Children provided its partners with opportunities for staff engagement, including visits to Save the Children projects, visits from program recipients and quarterly updates on the programs they're supporting.

He said the funds raised by the soft toy campaign would help provide an education for underprivileged children.

"As part of our global education challenge, Save the Children is looking to educate nine million children who have missed out on getting an education either through armed conflict or disaster, and ours is going to China, to a minority education project in Yunnan province," Mr Scobie said.

"It's a real ground-breaking sort of program, and to be able to support it with this amount of money is just phenomenal!" ■

## [News]

### Disability employer of the year

NEW South Wales company Benbro Electronics has won the Prime Minister's Employer of the Year Award, a prize which recognises "excellence in the employment of people with a disability."

The electronics design and manufacture company has a policy that 25% of its employees be people with a disability.

Benbro Electronics also won the medium business category.

Perth Regional Roof Trusses won the small business category; Hunter New England Area Health Services and Elynwood jointly won the large business category.

National Employer of the Year (operating in two or more states and territories) was Vision Australia.

## At the Fore of Sustainability: Sydney authority wins award for water scheme

**An award-winning Sydney water harvesting initiative shows that a project doesn't have to be complex to be effective.**

THE Sydney Harbour Foreshore Authority is saving 4.5 million litres of water a year by harvesting water from the roof of the Sydney Entertainment Centre car park.

The water is used to irrigate parks and gardens in the surrounding area.

The initiative has netted the Foreshore Authority the Tourism & Transport Forum corporate leadership award for corporate social responsibility.

Sydney Harbour Foreshore Authority chief executive officer Dr Rob Lang said the award was significant because it recognised the time and effort put into the project.

"But I think it's more important to act as a demonstration to others that this is actually not hard to do, and there are any number of buildings in the CBD that have roof spaces where water can quite readily be captured," Dr Lang said.

He said one of the project's attractions was that it was a very simple system.

"It just uses ordinary gravity; there are no moving parts. It collects the water off the 8000-square-metre roof ... and it just by gravity feeds down into 600 kilolitre tanks on the ground at the bottom of the car park," he said.

"So it's collected there instead of just simply going into the normal rainwater/groundwater drainage system."

The project received a \$135,000 grant from Sydney Water, and cost \$850,000 overall. Dr Lang said one inspiration for the initiative was that the Foreshore Authority realised it was one of Sydney's biggest water users.

"We think it's part of our responsibility as a public authority to be a leader in sustainability," Dr Lang said.

"If you want a place to continue to exist for many generations to come, you've really got to take a pretty high-profile view about what is sustainable and what's not." ■

# [News]

## Australian companies among most sustainable

INSURANCE Australia Group, Investa Property Group and Westpac Banking Corporation made the grade in the Global 100 Most Sustainable Corporations in the World.

The Global 100 is a list of companies determined to have "the best developed ability, relative to their industry peers, to manage the environmental, social and governance (ESG) risks and opportunities they face."

The 100 companies are not ranked in any order, because different industries face different challenges.

### FURTHER INFORMATION:

<http://www.global100.org>

## Leading Campaign:

### Donating page space to a good cause

**A suburban newspaper group gives something back to the community at Christmas, publicising an annual appeal for groceries to stock the shelves of a Victorian homelessness service.**

FOR each of the past 15 years, Leader Community Newspapers has supported Wesley Mission Melbourne's Christmas grocery appeal.

Leader's distribution coordinator Michael Baker said the support had started on a small scale and developed over the years.

He said the appeal for non-perishable goods and toiletries ran for about six weeks, from November through to the end of December:

Leader runs stories about the appeal in its newspapers, including stories about people who have received help from Wesley Mission Melbourne. A donation coupon is printed beside each of those articles.

Leader also used its website to back the promotion, running stories and a list of all the stores willing to receive donations.

"We tend to do promotion for stories behind the appeal, just to support Wesley during the Christmas period," Mr Baker said.

"Being community-minded newspapers, it's pretty much just supporting the community," he said.

The campaign has other corporate support, with Safeway hosting food donation boxes in its supermarkets, National Australia Bank collecting cash donations, and many schools and businesses raising funds through initiatives such as casual clothes days.

Wesley Mission Melbourne's Peta Farquhar said it was hard to estimate the volume of food collected, but that the 2006 campaign attracted a strong response.

"We had just over 150 schools, businesses, community groups and parishes participate, which is the biggest year ever," Ms Farquhar said.

She said the hope was always that the food collected would stock Wesley Mission's Ringwood, Footscray and Melbourne city services for the next year.

"The reality is it normally hits about the middle of the year and the stocks are running pretty low again," she said. ■

## [News]

### Best reputations in the world

WOOLWORTHS made it into the top 50 of the Reputation Institute's RepTrak 200 companies "with the best reputations in the world." The retailer came in at number 39, and four other Australian companies also made the grade: Australia Post at number 57; Qantas Airways at 65; Coles Myer at 86; and St George Bank at 109.

Thirty-two Australian companies were included in the study, which surveyed consumers about perceptions of trust, esteem, admiration and good feeling. Italian company Barilla took out the top spot, followed Denmark's LEGO in second place.

## Setting the standard for social responsibility

AN INTERNATIONAL standard for social responsibility being developed by the International Organisation for Standardisation (ISO) will be consistent with the UN Global Compact principles, after the UN and the ISO signed a Memorandum of Understanding.

The standard – ISO 26000 – will be voluntary and will provide guidance on social responsibility when it is published in 2009.

The UN and the ISO have agreed to “collaborate extensively” on the development of the standard, to ensure it is in keeping with the 10 Global Compact principles.

### FURTHER INFORMATION:

[www.unglobalcompact.org](http://www.unglobalcompact.org)

[www.iso.org](http://www.iso.org)

### THE GLOBAL COMPACT PRINCIPLES

#### Human Rights

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and
- **Principle 2:** make sure that they are not complicit in human rights abuses.

#### Labour Standards

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- **Principle 4:** the elimination of all forms of forced and compulsory labour;
- **Principle 5:** the effective abolition of child labour; and
- **Principle 6:** the elimination of discrimination in respect of employment and occupation.

#### Environment

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- **Principle 8:** undertake initiatives to promote greater environmental responsibility; and
- **Principle 9:** encourage the development and diffusion of environmentally friendly technologies

#### Anti-Corruption

- **Principle 10:** Businesses should work against all forms of corruption, including extortion and bribery.

## Taking a Fresh Look at CSR Ideas, Projects and Partners

A common feature of many Australian CSR programs is the tendency to gravitate towards larger, higher-profile and more conventional organisations, projects and programs. Outside the Square is an occasional feature of BCI showcasing ideas, projects and partners CSR managers may not have considered before. Here are this edition's Top Five.

### 1. CROYDON COMMUNITY SCHOOL

**The Group:** Croydon Community School is a small government school in Croydon, Victoria, that provides an alternative secondary education to young people who, for various reasons, have experienced difficulty in their previous schooling, or who are returning to study in order to prepare for work and further study. The school has joined with the Beacon Foundation to present a 'No Dole' program, called 'way2go'. A major component is a public Charter Signing Ceremony where students over 15 years of age voluntarily make the pledge that by March 31 of the following year they will be involved in further education, training or employment.

**What They're Looking for:** Throughout the year students participate in activities to help them fulfill their pledge. Work placements, guest speakers and career counselling help them to understand the world of work and the skills they'll need to plan their career pathway. Mock Interviews and application writing help them to show they will be assets to employers.

The school needs the help of businesses to teach its young people about the real world of work. There are obvious benefits to students, but also benefits to employers, providing them with the opportunity to impact positively on the work-readiness of young people, shape the community's future workers, and create young employees with a much clearer understanding of the world of work.

**Find out More:** <http://www.croydoncs.vic.edu.au/>

**Contact:** Shannon Hart – [hart.shannon.l@edumail.vic.gov.au](mailto:hart.shannon.l@edumail.vic.gov.au)

### 2. AUSTRALIA 21 LIMITED

**The Group:** Australia 21 Limited is a non-profit company whose core business is research and development on issues of strategic importance to Australia in the 21st Century. It aims to promote the development of new frameworks of understanding about Australia's future; raise and distribute funds to support interdisciplinary and inter-institutional dialogue, and germinate new research; create networks between researchers, community and business leaders, and policy makers across all sectors of society to ensure that emerging insights are applied to societal problems; and to make the results of its research freely available to the public.

**What They're Looking for:** The organisation is looking for businesses to become Platinum, Gold or Silver Sponsors, depending on the level of sponsorship, or a Special Sponsor responsible for an activity e.g. publishing a book and its resultant costs, or an In-Kind Sponsor who provides material/services rather than dollar amounts. In return, the company will have the chance to participate in the dialogue between researchers and policy makers and other benefits.

**Find out More:** <http://www.australia21.org.au/>

**Contact:** Prof. Bob Douglas AO: [office@australia21.org.au](mailto:office@australia21.org.au)

### 3. OASIS YOUTH SUPPORT NETWORK

**The Group:** Oasis provides 21 innovative and uplifting services to help homeless, disadvantaged and disconnected young people get back on their feet and start turning their lives around.

## [Outside the Square] Taking a Fresh Look at CSR Ideas, Projects and Partners

Each night, the network accommodates and feeds more than 30 homeless young people – but it cannot begin this work until they are off the street. Many face multiple, complex barriers. Oasis gives hope and opportunities to access education, training, counselling, outreach, a radio station and outdoor adventure therapy. The group also plans to create a college for disadvantaged young people, with its own Director and seven fully accredited faculties.

**What They're Looking for:** Oasis Social Enterprise Initiatives provides jobs and training, in partnership with business, government and the community. Disadvantaged young participants learn work and life skills to help develop self-esteem, community engagement and employability. Many have suffered abuse and have no support systems. There are significant mental health and learning difficulties. Oasis faces major threats just to maintain existing programs – in the face of increasing demand and rising costs. The group receives no funding for many services. Accordingly, Oasis is keen to explore mutually rewarding partnership possibilities with corporate organisations. A partnership with Oasis is a tangible way for business leaders to be part of something real – to support young people and have a direct impact, literally saving and rebuilding shattered lives.

**Find out More:** [www.salvosoasis.org.au/](http://www.salvosoasis.org.au/)

**Contact:** Andrew White – [andrew.white@aue.salvationarmy.org](mailto:andrew.white@aue.salvationarmy.org)

#### 4. MEN'S ADVISORY NETWORK (MAN)

**The Group:** The Men's Advisory Network (MAN) is the peak body representing men's issues and organisations in Western Australia. A community-based membership organisation, MAN promotes whole-of-life wellbeing for males of all ages. It was established in 1997 and receives funding support from the WA Department of Health.

**What They're Looking for:** MAN is seeking a business partner to help the group maintain a web-based resource for men who want to improve their lives, their relationships and their health. The website will bring together information and links and provide a point for information exchange, discussion and advice. Companies, staff groups or individuals can adopt the whole website, or a section of the site – a task that can be done in odd hours, anywhere there is an internet connection. The partnership offers lots of options in terms of level of involvement, areas covered and type of contribution.

**Find out More:** [www.man.org.au](http://www.man.org.au)

**Contact:** Executive Officer Gary Bryant: [admin@man.org.au](mailto:admin@man.org.au); (08) 9218 8044

#### 5. VOLUNTEER WEST

**The Group:** Volunteer West is an information, resource and referral centre that helps connect residents of the western suburbs of Melbourne wishing to gain skills and give their expertise and time to community organisations that need them. The organisation has been operating under the auspices of Volunteering Australia for a couple of years, but is now a formally incorporated community organisation, with a newly elected Board of Management. It has also reviewed its staffing arrangements, has appointed a new centre manager, and has recently secured additional funding to expand its work.

**What They're Looking for:** Volunteer West is looking for new board members, particularly those with skills in not-for-profit governance, law or management. Vacancies exist for ordinary committee members and president.

**Find out More:** [www.ourcommunity.com.au/board-match](http://www.ourcommunity.com.au/board-match)

**Contact:** Jenny (03) 9695 8369 (bh) or via website above. ■

## US COMPANIES CALL FOR CLIMATE CHANGE ACTION

US ORGANISATIONS including Alcoa, BP America, Caterpillar, DuPont and General Electric have together called on the US Government to institute an emissions capping and trading program.

A group statement said the government should "quickly enact strong legislation" to reduce greenhouse gas emissions.

They have suggested reduction targets of: between 100-105% of today's levels within five years; between 90-100% of today's levels within 10 years; between 70-90% of today's levels within 15 years.

The group of 13 has pledged to work with the President and Congress to enact a climate change program consistent with their principles.

## BRITISH WORKERS STRUGGLING TO ACHIEVE WORK-LIFE BALANCE

MORE than 80% of full-time workers in Britain would like to spend more time with their families, a survey by the National Centre for Social Research has found.

The British Social Attitudes Survey found 84% of women working full-time and 82% of full-time working men wanted to spend more time with their families. That constitutes an increase of 10% since 1989.

Many full-time workers – 69% of men and 58% of women – also said the demands of their job interfered with family life.

Only 8% reported that they hardly ever found their work stressful.

## CONSERVATIVES REFORM THEIR SOCIAL AGENDA

BRITISH Shadow Chancellor George Osborne highlighted the Conservatives' social responsibility credentials in an address to a business lobby group conference late last year.

Mr Osborne told the CBI conference his party was helping to lead "the new business agenda."

"For too long my party abandoned issues like the environment, flexible working and social responsibility to our opponents on the Left," Mr Osborne said.

"It is not anti-business to champion flexible working," he said.

Mr Osborne also announced Conservative plans for a carbon levy that would replace the British climate change levy, and would focus on carbon emissions instead of energy use.

## BUSINESS LEADER AWARDED ORDER OF AUSTRALIA

FORMER Australia Post Chair Linda Nicholls was awarded an Officer of the Order of Australia on Australia Day.

She received the award "for service to Australian business, particularly in the areas of governance and corporate social responsibility, and as a mentor to women in the sector; to education; and to the community through major contributions to health and cultural organisations."

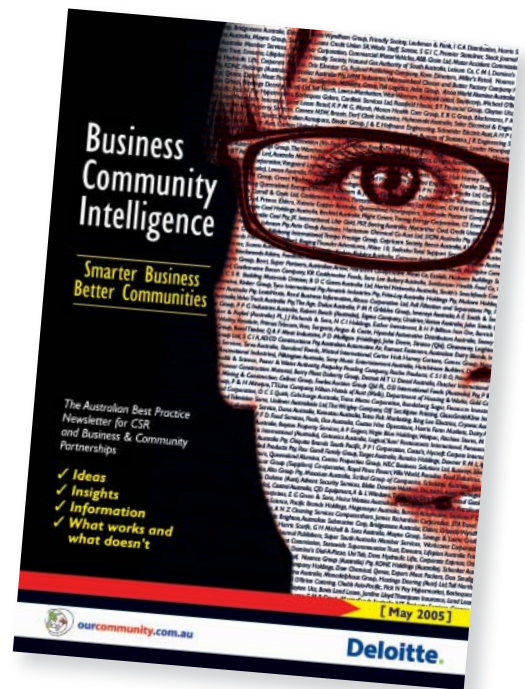
Ms Nicholls, one of Australia's few female company chairs, retired from the Australia Post board in September last year.

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## KEY FEATURES:

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- Scene-Setter – Casting a spotlight on hot issues in CSR
- Customer Involvement – Linking your customers with your CSR
- Outside the Square – Ideas, projects, partners to make you stand out from the crowd
- CSR Tools – Where to get help with measurement and delivery
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