

Sustainability Matters

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Business achieving a tomorrow for tomorrow's children

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Are Environmental Taxes the Perfect Solution Which Nobody Wants?

"On 17th December, PCE Chief Economist Geoff Simmons presented a speech on behalf of the Commissioner at the Chartered Accountants Australia and New Zealand's Tax Conference in Auckland.


"Entitled 'Are environmental taxes the perfect solution which nobody wants?', the speech discussed considerations of the five possible environmental taxes suggested by the Government's Tax Working Group:

- Increasing solid waste charges
- Greenhouse gas emissions – auctioning units
- Congestion charging
- Water takes
- Water pollution.

"It also highlighted the conundrum at the heart of environmental taxes: if the aim of these taxes is truly to change behaviour, then these taxes will not be a useful source of revenue. A successful tax will eventually cannibalise the revenue stream it provides.

More: <https://pce.parliament.nz/our-work/news/address-at-the-chartered-accountants-australia-and-new-zealand-tax-conference/> 6 pages 153KB

Source: Editor, 1st February 2024

Editor: Almost under the radar, the speech seems to be very cogent; not only for CA's, but economists and others too. 

Investments: Messaging Makes a Difference

"Optimistic messages which emphasise the long-term benefits of shifting investments away from fossil fuels could increase the amount of wealth under sustainable management by the equivalent of US\$3.6 trillion, a new study suggests.


"The findings offer an alternative to the doom-laden messaging about climate change which dominates media narratives but so far has not succeeded in promoting substantial divestment from fossil fuels: currently, only 36% of assets under management globally are invested responsibly.

"[The climate] crisis is unlikely to abate while the world continues to collectively fund the extraction and burning of fossil fuels', researchers write in a paper published in the journal *Scientific Reports*. 'A radical change in investment choices is necessary'.

"The researchers introduced the hypothetical portfolio task in one of four ways:

"The results suggest a communication strategy to promote responsible investment which professional investors might respond to better than the current standard of dire warnings. 'Instead of focusing on the consequences of global warming, investment decision messages could incorporate the permanency of future benefits such as flourishing ecosystems, improved longevity and health, shared economic prosperity and greater global security', Kent said.

More: www.anthropocenemagazine.org/2024/02/investors-were-offered-4-climate-messages-only-one-made-them-bullish-on-green-investing/

Source: *Orion*, 9th February 2024. 

With Urgency – NZ Govt's Reforms

"The Government will repeal Labour's Three Waters scheme later this month, as it promises to pass its own legislation to reform water management by mid-2025.

"A bill will be passed by 23rd February to repeal the previous government's reforms, as part of the coalition's 100-day plan, PM Christopher Luxon confirmed this afternoon.

"Local Government Minister Simeon Brown said a technical advisory group would soon be appointed to provide expert advice on the implementation of the coalition government's water reform plans — originally promised before the election.

"This will restore continued local council ownership and control of water services, and responsibility for service delivery', he said.

Additional context from Climate Club;


"There is a major, devastating reform to our Resources Management Act (RMA) which is being quietly rushed through Parliament with just a two-week consultation period. The proposed 'Fast Track Consent law' will enable faster consenting of buildings [and more] without regard for freshwater and the environment, decisions which impact everyone and should be open to public scrutiny.

"Urgent action: Use this quick letter template to send an email to the PM!

"Extra for experts: Write your own letter to the editor of a local paper, or email your MP or the Minister for RMA reform (chris.bishop@parliament.govt.nz)

More:

- [Article by Marnie Prickett](#) (Research Fellow at the University of Otago)
- [Letter by Dr Mike Joy](#) (Senior Researcher at Victoria University)
www.1news.co.nz/2024/02/12/three-waters-repeal-to-go-ahead-replacement-due-by-mid-2025/
Apologies for using links rather than URL's in this instance – two are to Google Docs.

Source: TV1 News, 12th Feb and Climate Cub, 13th Feb. 

Carbon Crush

"After years of talk, carbon accounting is finally here. New Zealand made tracking of greenhouse gas emissions mandatory for larger companies on 1st January 2023 and Australia will follow suit on 1st July this year.

"Enterprises must report not just the emissions they create driving their own delivery vans and powering their factories, but all the emissions of the products and services they consume in the process of running the business. The requirement to track Scope 3 emissions – those generated through your supply chain – will force thousands of smaller businesses to track their own carbon emissions.....

[Outlines opportunities for CA's to provide services.]

[Lists 12 software programmes which calculate surrogate \$ values for carbon. Do not record actual units of energy although there is software which can and do much more e.g. that of CarbonEES of Wellington.]

More: www.acuitymag.com/technology/carbon-accounting-software

Source: *Acuity*, February/March 2024, pages 53-57 incl. 

Tech Guide: Carbon Footprint Management

[This is a lengthy undated document published in an online only edition of *Acuity* Jan/Feb 2023. It and the 'Carbon Crush' article above are complementary.]

"Reducing our carbon footprint for the good of the planet is a big call, but the first step is knowing what carbon emissions your organisation creates. There's software which helps to maintain compliance through keeping track of emissions, collecting data and reporting sustainability.

"In nearly every country, the transition to renewable energy is in full swing. However, it's not just electricity generators and retailers which are changing their behaviour. Sustainability reporting is moving from progressive trend to mainstream adoption. Companies are increasingly asking the question: how large is our carbon footprint and what can we do about it?

"Dozens of carbon management software tools have sprung up around the world in response. Most of them are built on a baseline assumption: the easiest way to track your carbon footprint is to deduce it from your expenditure. Carbon management software calculates emissions by categorising bank transactions and assigning an average emissions profile by category.

"For example, if you buy a Dell laptop from Officeworks, it will show up as a \$2000 transaction and be coded in the general ledger as 'office equipment'. Carbon management software will determine that this is a laptop purchase based on the dollar amount, the supplier, the account code and potentially from information in the transaction description. (Laptops on average produce 338.6kg CO2 from production and while in use during a four-year lifespan.)

"The advantage of calculating emissions from transactions is that it is relatively quick and easy. A small business can use transaction analysis to get a good idea of its contribution to carbon emissions.

"And it is important the first step in measuring emissions is easy because two out of three small and medium businesses don't know where to start, says

More: www.acuitymag.com/decjan/techguide

Source: Beth Te Wiata Vale/Karen Mc Williams, CA ANZ, 2nd February 2024.

Climate-related Financial Impact Guide

"WBCSD's *CEO Guide to the Climate-related Corporate Performance and Accountability System (CPAS)* emphasises the importance of decision useful climate risk and opportunity information and insights from the 2023 Taskforce on Climate-related Financial Disclosure (TCFD) Status Report reveal over 70% of users prioritise a company's disclosure of climate-related impacts on its financial position and performance, second only to GHG emissions, highlighting the need for comprehensive reporting.

"Developed by the World Business Council for Sustainable Development (WBCSD), the *Climate-related Financial Impact Guide* serves as a step-by-step guide for companies to enhance their assessment and disclosure of climate-related financial impacts. Addressing the complexities of climate-related risks and opportunities, impact pathways, calculations, data and accounting assumptions, it empowers businesses to navigate challenges and seize opportunities.

More: www.wbcd.org/Overview/CFO-Network/Resources/Climate-related-financial-impact-guide 47 pages 1.56Mb

Source: Debbie Kandau, CA ANZ, Weekly Digest for Climate & Sustainability, 9th February 2024.

Editor: Although the focus is on large entities and investors there may be value for smaller entities.

Two Countries Ratify Global Ocean Treaty

"Palau has become the first country to officially ratify the Global Ocean Treaty, in a move which Greenpeace Aotearoa says sets down a challenge for New Zealand to follow suit and back meaningful ocean protection.

"A vital tool to reverse the ocean crisis, the Treaty is the most significant multilateral environmental deal since the 2015 Paris Climate Agreement. New Zealand was one of 84 countries to sign the Treaty after it was adopted by the UN in June last year. To pass into law, it must now be legally ratified by at least 60 countries.

"Palau's decision to ratify the Treaty should be a clear signal to New Zealand that to be the good Pacific neighbour it claims to be, it must ratify the Treaty and back the creation of urgently needed protected areas on the high seas. ...

"Last week, the Chilean Senate approved the ratification of the UN Ocean Treaty unanimously.

"Says Hooper: New Zealand was a champion of the Treaty and an early signer. Over 5.5 million people around the world signed a petition calling for the Treaty and 70,000 of them were from New Zealand. We call on the New Zealand Government to commit to backing ocean protection, ratify the Treaty and get on with the work of establishing marine protected areas on the high seas.'

More: www.greenpeace.org/aotearoa/press-release/palau-first-country-to-ratify-global-ocean-treaty/ plus www.euronews.com/green/2024/01/23/high-seas-treaty-palau-and-chile-first-countries-to-ratify-deal-to-protect-international-w

Source: Greenpeace, 31st January 2024.

The 3D-Printed Affordable Housing of the Future Will Be Recyclable

Very interesting concept – using wood residue and bio-resins.

More: <https://reasonstobecheerful.world/future-affordable-housing-3d-printed-recyclable/>

Source: reasons to be cheerful, 31st January 2024.

A Shared Future: Working with Communities To Adapt to a Changing Climate

"A new report from the Helen Clark Foundation and engineering consultants WSP is calling for significant change to the way communities are engaged in climate adaptation planning. With climate change reshaping our lives, culture, and public health in profound ways, this issue has never been more urgent.

"Communities must urgently develop adaptation strategies which consider the voices of those most affected, to avoid ongoing costly and traumatic recovery efforts from climate disasters.' says report author and WSP Fellow Kali Mercier.

"Titled *A Shared Future: Working with communities to adapt to a changing climate*, the report finds involving communities in adaptation efforts is just as crucial as finding the right engineering solutions. Adapting to a changing climate will be disruptive and intrusive for many. If meaningful community engagement is neglected, it's likely to create division, weaken the effectiveness of adaptation efforts, and make them less credible, says Kali.

"The report features a range of best-practice principles, tools, and case studies that central and local government authorities and practitioners involved in climate adaptation can use to better engage communities in the process.

Webinar: Noon – 1:00pm, 21st February <https://helenclark.foundation/event/a-shared-future/>

More: <https://helenclark.foundation/news/press-release-new-report-a-shared-future/> 102 pages, 14.8Mb

Source: SBC Weekly Pānui, 8th February 2024.

Editor: See the recommendations and conclusions. Yet another report which refers need for training.

As Use of A.I. Soars, So Does the Energy and Water It Requires

“Journalist David Berreby reports on how artificial intelligence is using massive amounts of energy for computation and billions of gallons of water to cool equipment at data centres — though it's not clear how much. In the absence of regulations, tech companies have been reporting only what they choose about the energy and water use of A.I. The lack of data ‘precludes development of actionable tactics’ to curb the environmental impact of A.I., a group of prominent researchers says. Now, legislators in the United States and the European Union are starting to demand accountability.

More: <https://e360.yale.edu/features/artificial-intelligence-climate-energy-emissions>

Source: *Yale Environment 360*, 8th February 2024.

Editor: How will this and blockchain be built into GHG calculations? 

Paris Votes to Triple SUV Parking Fees

“Parisians vote in a referendum on Sunday (4th February) in favour of subjecting large SUVs to a threefold increase in parking charges as the French capital presses on with long-term plans to become a fully bikeable city.

“Some 54.5% of Parisians’ votes were in favour of the measure, while 45.5% rejected it. Only 5.7% of voters turned out in the consultation decided by the municipality, according to official results.

“The referendum, less than a year after city residents voted to ban e-scooters, aims to triple parking fees for cars of 1.6 tonnes and more to 18 euros (US \$19) an hour in order to discourage ‘bulky, polluting’ cars, City Hall said.

“The new tariff would also apply to electric cars of 2 tonnes and more.

“Under Hidalgo, a Socialist, the streets of Paris have been transformed, with 84 km of cycle lanes created since 2020 and a 71% jump in bike usage between the end of the COVID-19 lockdowns and 2023, according to City Hall.

More: www.reuters.com/sustainability/bike-friendly-paris-votes-raising-parking-fees-suvs-2024-02-03

Source: *Future Crunch*, 8th February 2024. 

Two CA ANZ Webinars

Sustainability Seminar – 4 hours on 19th March;

- How accountants and financial professionals will be instrumental in delivering ESG, net zero and sustainable economy pledges
- Understanding risks in a sustainable context
- Understanding how sustainability works in your organisation – what does the big picture look like?
- Scenario analysis – how can you practically implement day to day sustainability into your organisation?


<https://store.charteredaccountantsanz.com/Sustainability-Seminar-2024>

Climate Disclosure Seminar – 5.5 hours on 20-21st March

The first day will provide a strong foundation on the concepts and issues around climate disclosures. Includes key terminology, understanding climate risks, scopes of emissions as well as scenario analysis.

The second day, will focus on how to prepare to implement climate disclosures. Experts will deliver sessions on transition planning, data management for climate reporting and what climate disclosures will look like.

<https://store.charteredaccountantsanz.com/Climate-Disclosures-Seminar-2024>

Source: CA ANZ, 7th February 2024. 

Shaping Tomorrow Together: Exploring the Deliberative Democracy Journey

“In democracies around the world, attitudes to giving feedback and the way people have their say constantly change and evolve. Councils, government organisations and agencies all face a similar ongoing challenge – to make sure that the voice of local communities is heard and – more than that – reflected back in the assets, services and activities that are delivered.

“Trust and confidence in democracy is so critical for communities to grow and function well.

“But is it time for democracy to evolve again?

“Deliberative democracy is not a new concept. The roots of this approach go back to Aristotle, an ancient Greek philosopher considered to be the father of politics.

“Deliberative democracy approaches are gaining momentum, with emphasis on inclusive, informed discussions, and citizens actively contributing to the decisions being made. So why is this ‘new deliberative wave’ sweeping the world and where does it fit alongside other decision-making processes?

“How can both Auckland, and New Zealand, learn from the experiences of others and implement these processes to foster stronger community connections? Surely the ‘sweet spot’ for councils is decision-making empowered by citizen engagement and public participation?

“This Auckland Conversations looks into the significance of informed, collective decision-making. Our speakers will explore democratic processes both past and present, and together we’ll discuss some of the barriers, challenges, and opportunities that come with this driving force for change.

When/Where: 5:30 – 7:30pm, Tues 26th March. Auckland

More:

<https://conversations.aucklandcouncil.govt.nz/events/shaping-tomorrow-together>

Source: *Auckland Conversations*, 12th February 2024. 

2024 New Zealand for Purpose Reporting Awards

“Formerly the Charity Reporting Awards, these awards are presented annually by Chartered Accountants Australia and New Zealand (CA ANZ) to recognise excellence in reporting and help the for purpose sector continue to improve the quality of its reporting.

“Charities have been required to apply the reporting standards issued by the External Reporting Board (XRB) to prepare their financial statements since 2016. These were introduced to provide greater transparency and consistency in reporting in the charities sector.


“This year, for the first time, we are inviting incorporated societies (which are not charities) to also enter the awards to recognise the new reporting requirements in the Incorporated Societies Act 2022. Under the new Act, many incorporated societies will have to start using the XRB reporting standards to prepare their financial statements.

“The Sustainability Award: Demonstrating how economic, social and environmental resources are managed to ensure a prosperous future for the entity and its stakeholders.

“The First Time Entry Award: The same judging criteria will apply as for each reporting category.

Entries Close: 28th February 2024.

More: www.charteredaccountantsanz.com/news-and-analysis/news/new-zealand-for-purpose-reporting-awards

Source: CA ANZ, 7th February 2024. 

This Cheap Street Fix Saves Lives. Why Don't More Cities Do It?

"Daylighting' intersections to improve visibility for drivers is an effective way to make crosswalks safer for pedestrians. Here's why it works so well.

"After a string of tragic traffic fatalities, a community board in Queens, New York, endorsed a call in June for city officials to make all intersections more visible to road users, particularly the most vulnerable.

"The non-binding resolution is noticeably rare for community boards. Historically, the citizen-led bodies – which play an advisory role but are often looked to as local gauges of support – have been slow to support safety-minded street redesigns, favouring car parking over measures like bike lanes or road diets. But recently, things have changed,....

"Some cities, too, expect implementation to be costly. At a recent presentation in Florida, Schmitt cited Hoboken, New Jersey, a city with rising star power in safe-streets circles for its consecutive years without a traffic death. The city saw a 30% drop in pedestrian injuries after daylighting; its overall success is largely attributed to the practice. 'I wanted to use it as an example of how it didn't have to be expensive', she said.

More: www.bloomberg.com/news/features/2023-11-28/the-case-for-daylighting-the-cheap-traffic-safety-fix-that-cities-need

Source: reasons to be cheerful, 24th January 2024.


Editor: Learnings here for Auckland's traffic humps etc? 

IFRS Sustainability Symposium 2024

"The *IFRS Sustainability Symposium* is already the premier destination for not only investors, corporates and their advisors, but also dozens of regulators and policymakers from around the world. The 2024 edition is designed to be a meeting ground for learning from others' experience, gaining practical takeaways and gathering insight into the future landscape of sustainability-related financial disclosures.

When/Where: 22nd February 2024. New York. In person and online [An all day event, actual times not published.]


More: www.ifrs.org/news-and-events/events/2024/february/ifrs-sustainability-symposium

Source: IFRS, 25th January 2024. 

Judge Acquits Greta Thunberg

Acquitted of charge of refusing to follow a police order to leave a protest.


More: <https://apnews.com/article/greta-thunberg-acquitted-blocking-oil-conference-583472826d0181e2562045864e16c8af>

Source: atAdvocacy, 4th February 2024. 

Natural Hydrogen: A Potential Clean Energy Source Beneath Our Feet

"Contributing writer Fred Pearce reports on the rush to harvest clean-burning hydrogen from deep beneath the Earth's crust. While manufactured hydrogen is typically synthesized from water, recent research reveals there are vast stores of naturally occurring hydrogen underground, far more than previously thought. Well-funded startups around the globe are now drilling for hydrogen, despite questions about whether it can be produced cost-effectively on a large scale. Says one entrepreneur, 'Even if we could extract 1% of what I believe is down there, we could supply all our hydrogen needs for hundreds of years.'

More: <https://e360.yale.edu/features/natural-geologic-hydrogen-climate-change>

Source: *Yale Environment 360*, 26th January 2024. 

Canadian Beef Farmers on Track to Meet 2030 Greenhouse Gas Emissions Goal

"A report on the sustainability of the Canadian beef industry says there is more beef being produced from the same number of animals, but with lower emissions.

"The Canadian Roundtable for Sustainable Beef this week released its assessment of the industry from 2014 to 2021. It was completed with \$2.8 million of federal govt. funding.

"The report highlights a 15% reduction in greenhouse gas emissions which means the industry is on track to meet its goal – to cut emissions by a third before 2030.

"The report says faster cattle growth reduces the time needed to bring an individual animal to market – leading to a smaller carbon footprint.


"He said research so far shows the same piece of land can support 40% more grazing days when cattle are moved three times day, compared to once every four or eight days.

"As wildlife habitat is being lost across the country, the report also notes cattle farmers can play a role by restoring areas to a natural state.

"Manning said the discovery of vulnerable bird species, including the bobolink, by researchers last summer has influenced the location of cattle pastures on the farm.

"We've even changed their grazing just a little bit to allow [birds] that spot so they have a better habitat', he said.

More: <https://ca.news.yahoo.com/canadian-beef-farmers-theyre-track-10000455.html>

Source: FutureCrunch, 25th January 2024. 

Closing the Gap: Investor Insights into Decision-Useful Climate Data Assurance

"This report is based on in-depth interviews with investors, providing insights on the quality of climate data, where the most critical credibility gaps lie, and how high quality, independent assurance can help close those gaps.

"The message from more than 20 investors was unanimous: they need better climate-related information to make well-informed decisions. The investors we spoke with explained their investment decisions often rely on data which is based on inconsistent methodologies and lacks a systematic check on management biases.

"The good news is the model of assurance which is standard for financial reporting can be applied to climate data so markets can operate on quality decision-useful information.

- This report provides a path to incorporate assurance over climate data to protect and reinforce our capital markets as companies meet the challenges of the energy transition and a warming planet. It lays out concrete steps data preparers at companies and assurers can take to improve transparency.
- The report also discusses several types of disclosures investors said would benefit from independent, third-party assurance.
- Based on this input, our report lays out several opportunities to design protocols to apply assurance using existing principles and practices to improve the quality of key information used by investors.

More: www.ceres.org/resources/reports/closing-gap-investor-insights-decision-useful-climate-data-assurance 15 pages 1.35Mb. Sign in required.

Source: Ceres, 25th January 2024.

Editor: This seems to be a very good report and useful beyond the primary intended readership including actual and potential audit/assurance providers. It does not refer to any audit/assurance guidelines or standards, rather big picture issues. 