

A Sustainable 21st Century Dairy Industry

Melbourne Exhibition & Convention Centre

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The Rise & Rise of Global Sustainability

Environmentalism ⇒ Global Sustainability

RIO ⇒ WSSD; State of the Planet & People

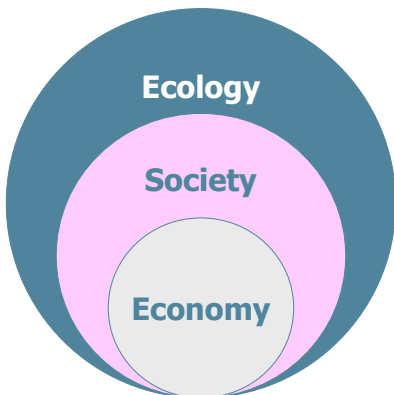
↑ Sustainability Market & Industry

The Brundtland Definition

Trust ⇒ Mistrust

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Sustainable Development

"...development (i.e. economic, environmental, social development) that meets the needs of the present without compromising the ability of future generations to meet their own needs..."

"...Sustainable development is not a fixed state of harmony, but rather a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs."

(World Commission On Environment And Development (1987) Our Common Future, Oxford University Press, Geneva, Switzerland)

Drivers Global & Local

- Globalisation – economic/political
- Population Growth/Demographic Change
- Deep Divides – Rich & Poor – Stability & War
- Industry/Market/Regulation
- Crisis – Corporate/Environmental/Geopolitical
- Technology – Information/Biological/Energy
- Activism – Awareness & Trust

"The Voice of the People Survey" Gallup International and Environics International 36,000 people across 47 countries on 6 continents
<http://www.weforum.org/trustsurvey>.

Global Leaders

- **Multilaterals**
 - UN, World Bank Group
 - OECD & EU
 - WBCSD
 - WSSD
 - Forest & Marine Stewardship Councils
- **Industries**
 - Mining & Minerals
 - Chemical
 - Automotive
 - Environmental (Water, Waste, Air) Industries
 - Alternative Energy Industry
 - Green Building Council
- **Advocates**
 - Elkington – TBL
 - Lovins & Hawken – Natural Capitalism
 - Gallopini – Sustainability Science
 - Vandana Shiva
 - Gro Brundtland
 - Peter Garrett
 - WWF
- **Corporations**
 - BP & Shell
 - AMCOR & VISY
 - Pacific Hydro
 - Ikea
 - Interface
 - Nike
 - Sainsburys
 - Chiquita Bananas
 - Suez
- **Countries/Cities**
 - Netherlands
 - Germany
 - Iceland
 - Curitiba: Brazil
- **Universities/Schools**
 - Wuppertal
 - Lund
 - MIT
 - RMIT
 - RMIT & ATN
 - Schools for Sustainability (Australia)

RECENT CORPORATE COLLAPSES

- Enron
- OneTel
- Ansett
- WorldCom
- Andersen
- NGOs
- UN
- Nation States
- Military

TRUST IS AN ISSUE

Global Sustainability: New Knowledge & Industry

- **New language:** Concepts, Measures, Approaches
 Natural Capitalism and Cradle to Cradle
 Sustainability Science: Harvard
 Complex Systems and Networks Theories: CSIRO
 Triple Bottom Line Plus One (GS@RMIT)
- **Alliance for Global Sustainability:**
 4 Universities, Multidisciplinary, Multicultural, Team Based
- **Sustainability Industry**
- **Scenarios**



Approaches to Global Sustainability

- Natural Capitalism



- Cradle to Cradle



- GS@RMIT



Global Sustainability Scenarios

World Business Council for Sustainable Development

Global Scenario Group – TELLUS Institute

Business Council of Australia

Pentagon

Scenarios



Boiled Frogs

Geopolitical Crises

Jazz Players

Conventional Worlds

Barbarization

Riding the Wave

Stormy Seas

Changing the Crew

Imagining the Unthinkable

China Goes Green



Triple Bottom Line + 1

- Environment
- Social & Cultural
- Economic
- Governance



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TBL+1: Environment

- Eco-efficiency
- Ecological Footprint
- Factor 4/Dematerialisation/radical resource productivity
- EMS/ISO 14001
- Industrial Ecology & Estates
- Local Agenda 21



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TBL+1: Social & Cultural

- Child Labour
- Industrial/Employee Relations
- Health and Safety
- Community Participation/Consultation
- Human Rights
- Cultural/Linguistic Diversity
- Indigenous Land Rights & Use
- Social Entrepreneurship
- Ethical Leadership



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TBL+1: Economic

- Full Cost Accounting (UNEP)
- Tax Breaks for Land Covenants
- Supply Chain Economics
- Socially Responsible Investment (SRI)
- Product Stewardship (Closed Loop)
- Bioregionalism
- GDP > GPI
- Accountability & Transparency
- Risk Management
- Dow Jones Sustainability Index
- Emissions/Rights Trading
- Companies Born Global
- Equitable Distribution of Wealth
- Shareholder Activism
- Limits to Growth

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TBL+1: Governance



- Corporate Citizenship
- Trade Agreements
- National Sovereignty
- Voluntary Codes of Conduct (Mining)
- Responsible Care (Chemical)
- Integrity Pacts
- Community Right to Know
- Shareholder Democracy
- Extraterritoriality (Anti Bribery, Sex Tourism Laws)
- Covenants and Green Leases
- Stewardship Agreements (Forestry, Marine)
- Compliance (Local & National Legislation)
- International Conventions/Agreements
- Multilaterals eg WTO, UN, WB
- UNDP Good Governance Model

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Forest Industries Images of the Past



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Forest Industries Images of the Past

- Big Bad Blokes With Chainsaws Chopping Down Big Old Native Trees
- Bad Practices
- Few Protected Forests/Areas
- Uncaring, Aggressive, Old Fashioned
- Conflict Based
- Unloved

Grenades and Blockades

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Brave New World



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Brave New World

- ↑ Community Expectations re Sustainability & Standards
- Environmentalism ⇒ Sustainable Development
- ↑ Improved Forest Science Practices
- ↑ Threats to Natural Systems, Local & Global
- ↑ Protected Areas
- ↑ Demands
- ↓ Industry, Resource

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Challenges of Change - Operational

- Security of Resource/Sustainable Contracts
- Licence to Operate/Stakeholder Engagement
- Native Forests, Plantations, Old Growth, Red Gum & Water Catchments, Sustainable Yield, Harvesting Methods
- Enduring Businesses and Markets
- Whole of Supply Chain Involvement
- New Victorian Legislation

Beyond Grenades & Blockades

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Challenges of Change – Socio-economic

- Trade Deficit
- Third Party Certification
- Regional Communities
- Value Adding
- Design and Materials Substitution
- Employer of Choice
- A Sustainable Future Still Contested






Beyond Grenades & Blockades

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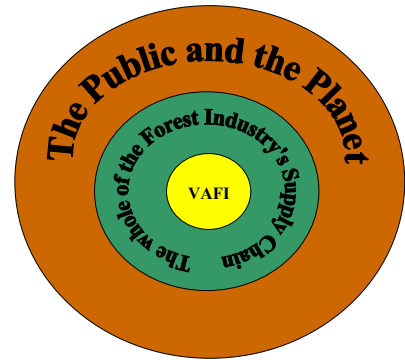
A Five Star Industry Vision 2025



-  Industry leadership and credibility around sustainability issues and change
-  Whole of Supply Chain Presence and Co-operation
-  Community Understanding & Support
-  Environmental Credentials & Management Services
-  The Business Case for Forest Industries

Native forests, plantations, agroforestry

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A Sustainable Dairy Industry Environmental

- Water, Soil, Land, Energy
- Waste, Toxins, Run-Off, Salinity, Acidity
- Green House Gas Emissions
- Labelling/Standards
- Packaging
- Transport
- Environment Management Systems

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A Sustainable Dairy Industry Social & Cultural

- Consumer Health & Nutrition
- Regional Economies & Jobs/Skills
- Public Image/Social Licence
- Occupational Health and Safety
- Employer of Choice

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A Sustainable Dairy Industry Economic

- Profitability
- Real Costs e.g. Water, Energy, Waste
- Trade Issues
- Research & Innovation
- New Global Markets/Products
- Best Practice, Global Benchmarking
- Resource Productivity

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A Sustainable Dairy Industry Governance

- Trust and Community Support
- Standards & Codes
- Corporate & Social Responsibility
- Institutional Change
- Stakeholder Engagement
- Risk Management
- Certification
- Sustainability Reports

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A Beautiful Thing

- Leadership & Collaboration
- Whole of Value Chain
- Sustainability Reporting and Codes
- Stakeholder Engagement
- Certification & Labelling
- Research & Innovation
- New Products & Markets
- Community Understanding & Licence to Operate

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