



TOTAL ENVIRONMENT

2003 / ISSUE 2

E D I T O R I A L

Revolution in our attitude to the natural world

When a social change movement, like the environment movement, tackles a basic restructuring of the economy and a revolution in our attitude to the natural world, it is not surprising that the signs of progress ebb and flow. The versatile and flexible world of capitalism and democracy is capable of a myriad of adjustments, quite often bewildering to those who crave for a clear set of changes.

The election of a third term Carr Government, proud of its environmental record; and the dominance of the Howard Federal Government, with its dubious policies; contribute to even greater confusion. While Canberra won't sign the Kyoto treaty, it has taken a very strong stand on land clearing in Queensland, even to the extent of supporting a moratorium on clearing permits.

The Carr Government begins its new term facing a round of significant decisions and with the opportunity for brave action early in its electoral term. But will it act?

In this edition of Total Environment we report on the proposed Redbank 2 Coal Power Plant – producing greenhouse polluting electricity, when our State's energy plan says we should move to gas and renewables. Will the Carr Government reject it?

Readers will know about the ground breaking Wentworth Report on land clearing, presented to Premier Carr before the election and the subsequent commitments made by the Premier to 'end broadscale land clearing'. An Implementation Group comprised of farmers, environmentalists (including TEC) and senior officials is completing the arduous negotiation on major reform of the bureaucracy and land clearing laws. The Carr Government has a singular opportunity in 2003 to make nature conservation history.

The sustainability of Sydney, in particular public transport, is also under review. At present new infrastructure is being built twice as slow as planned, while TEC is calling for it to be constructed twice as fast. The key is money – lots of it. We will be supporting

a range of revenue raising instruments – developer levies, new charges – and continuing to push for federal funds – one of the biggest gaps in national budgetary policy.

Talking of budgets, the NSW State Budget carried mixed news. The Sustainable Energy Development Authority lost significant funds and Treasury stole \$40m from the Waste Fund, which was to be converted into a broader Sustainability Trust as per an election promise. Coincidentally the projected budget surplus was \$43m – so after the Government had applied the usual cost cutting and increased taxes and charges, it still fell short of a surplus – and then raided the Waste Fund. At the same time, there was a strong signal that serious restructuring of the failed department of Land and Water Conservation is afoot – a macro allocation of half a billion dollars was made, but how it will be spent is awaiting the land clearing report.

Finally, the endangered Brigalow forests west of the Divide are languishing in a decision void. The Government shied away from making a decision before the election and now environmentalists are trying to restart the process. In the meantime ill-managed logging continues in high conservation areas.

There's plenty for TEC and other environment groups to do in this crucial first part of the electoral cycle.

Jeff Angel, Director

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The paradigm shift on waste begins

At last, the change in how we think about materials and waste is occurring in response to decades of failed voluntary schemes in NSW and Australia. TEC is at the forefront of the campaign to make producers responsible for the materials wasted through irresponsible product design.

Around 7 million tonnes of waste is generated in the Sydney Metropolitan Area each year and rising. Of this, about 2.5 million tonnes of waste is recovered. Which leaves around 4.5 million tonnes of materials going to landfill each year. That's about 1800 kilos per person, per year. Despite the high participation rate in kerbside recycling schemes, it's clear that the current system is inadequate.

Extended Producer Responsibility (EPR) schemes are one way to tackle this problem. EPR schemes transfer the responsibility for what happens to post-consumer products away from ratepayers and councils to producers and consumers. Making this distinction is not just about getting those who deplete resources and create waste to pay for it, it's about identifying which player in the product chain is most instrumental in determining the environmental outcomes of products.

Clearly, EPR names the producer as the critical player in the wasteful use of resources. The producer initiates the product, markets it, determines what materials will be used to make it, has influence over how long that product will last and its packaging. In doing so, producers determine how toxic or benign the materials in that product are, whether they are recyclable, how easily they can be disassembled, and how often the consumer will exchange that product for a new one.

These are, on the whole, decisions over which consumers have little or no say. Consumers have almost no ability to affect the environmental impact of the products they buy because, for one thing, they are not

given information on their environmental impacts. On top of this, consumers are bombarded with constant advertising that creates needs and keeps fashion cycles moving.

EPR can include physical take-back regulations, up-front levies to fund collection systems, material or product taxes or product service systems. To ensure positive environmental outcomes, EPR can be accompanied by mandatory recycling, bans on the use of hazardous materials and mandatory recycled content quotas.

Extended Producer Responsibility is now on the table in New South Wales. It became a possibility as part of the Waste Avoidance and Resource Recovery Act of 2001. The Environment Protection Authority is currently consulting on the 16 identified 'wastes of concern'. If voluntary industry schemes continue to fail, the EPA can advise the Minister for Environment to impose mandatory schemes. Products under the spotlight currently include, computers, televisions, NiCad batteries, tyres, packaging, mobile phones, white-goods, paints, oils, treated timber, PVC and vehicles.

What can individuals do to support this campaign? If you have a product that you think may be a problem, contact the EPA and the producer/importer and ask them what systems are in place for the responsible management of that product.

NEW TEC report on EPR – go to our website www.tec.org.au – click on 'Extended Producer Responsibility'.

CENTENARY MEDAL AWARDS

Congratulations to: Jeff Angel, TEC Director; Fran Kelly, TEC's Natural Areas Campaigner; Alex Colley, long time worker for the Colong Foundation (who has shared our office space since 1972) and Keith Muir, Colong's Director.

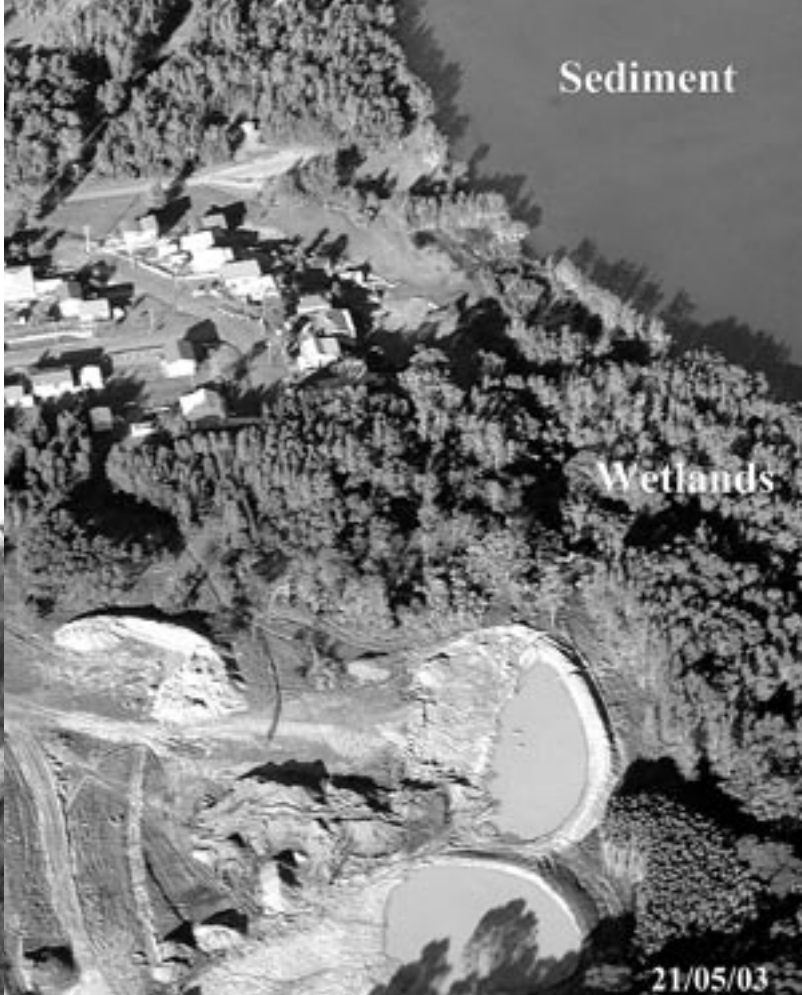
TOXIC PRODUCT LIST

Product	Quantities Disposed	Hazardous Materials	Wasted Resources	Producer Responsibility	International Best Practice
Computers	3 million computers enter the NSW market per year. Most find their way to landfill after a period of storage. Up to 5000 tonnes go to NSW landfills per year.	Mercury, arsenic, cadmium, pvc, lead, brominated flame retardants, solvents, acids and other toxic materials. Each monitor contains around 2 kg of lead.	Approximately 28 rare and non-renewable materials including gold, platinum, silver, palladium, antimony.	Collection schemes are limited to the corporate sector. No industry-wide Extended Producer Responsibility scheme exists. Hazardous materials are still used in production despite the availability of less toxic substitutes.	EU laws require take-back of all electric and electronic products by producers and importers. The use of hazardous substances in electric and electronic products has been banned. California and Massachusetts have banned the landfilling of cathode ray tubes. More than 20 US States now have electronic waste legislation.
TVs	About 99% of Australian households own televisions. About 55% of those households own more than one TV. Up to 15,000 tonnes of TVs are disposed to NSW landfills per year.	Lead, cadmium, brominated flame retardants and other toxic materials.	Plastics, glass, lead and other materials.	No Extended Producer Responsibility scheme is in place to collect televisions in NSW. Some manufacturers are switching to less toxic substitutes but this is not industry-wide.	See above for EU laws. Japan recently passed the Appliance Recycling Law which requires the take-back of certain electronic products.
NiCad Batteries (found in a range of electrical products)	Standby batteries in many appliances and used in portable appliances such as power tools and camcorders. Around 500 tonnes disposed to NSW landfills per year.	Cadmium.	Nickel, steel, graphite, cadmium.	No coordinated system exists for the collection of NiCads.	See above for EU laws. The EU is currently considering a total ban on NiCads.
Mobile Phones	12 million Australians own mobile phones and exchange them on average every 18 to 24 months. 90% of these are immediately discarded or stored for eventual dumping.	Arsenic, cadmium, lead and other heavy metals.	Nickel, cadmium, plastics, gold, copper.	The Mobile Phone Industry Recycling Program and Planet Ark operate a voluntary scheme which currently recovers around 10% of mobile phones.	See above for EU laws. USA legislation requires battery recycling and labelling. Bans on the disposal of mobile phones to landfill have been implemented in USA, Germany, Switzerland, Japan, Korea and Taiwan.
Tyres	Around 16 million discarded tyres are generated every year, 90% of which end up in landfills.	Chemicals can leach into groundwater from shredded and discarded tyres.	Tyres can be re-used in civil engineering and can be recycled into rubber and oil products.	The 1998 Tyre Industry Waste Reduction Plan was not supported by industry and failed. No producer responsibility scheme currently exists.	Tyres are banned from landfill in USA and Europe. Recycling rates for scrap tyres in Taiwan increased from 51% to 105.64% after producer take-back regulations were introduced.
Vehicles	500,000 vehicles are discarded in Australia every year and about 70% of each vehicle is recycled. This leaves 70,000 tonnes of residual toxic waste which is dumped into unlined, municipal landfills annually.	Residual product from vehicle shredding ('shredder flock') includes lead, mercury, solvents, oils, brominated flame retardants and PVC.	Steel, glass, plastics, foams.	There is no industry scheme for Extended Producer Responsibility on end-of-life vehicles. There are no regulations that ensure recycling or reduce the hazardous materials in 'shredder flock'. While less-toxic substitutions for manufacturing exist, they are not widely used.	European manufacturers must recycle 95% of the vehicles they manufacture. Residual waste is classified as 'hazardous' and dealt with appropriately. The use of hazardous substances in manufacture was recently banned in Europe.

Sources: NSW EPA, Meinhardt Report, Silicon Valley Toxics Coalition, Environment Australia.



Pristine bay polluted by coastal havoc



Fran Kelly NATURAL AREAS CAMPAIGNER

The impact of inappropriate development was clearly illustrated in May when a retention basin for a 300 lot development in the St Georges Basin collapsed sending clay, sediment and polluted water into Erowal Bay (on the Basin's northern shore) via surrounding state significant SEPP 14 wetlands.

The disastrous event at Old Erowal Bay shocked everyone but surprised no one. Residents and environment groups in the Jervis Bay region had for years expressed concern over the extent and location of development approved by Shoalhaven Council in some of the most unstable and fragile ecosystems. With seagrasses and the wetland environment smothered, it was worth asking why Shoalhaven Council had approved such an inappropriate development in the first place, and why, once approved, no monitoring occurred to ensure appropriate controls were put in place at the site to safeguard the environment, as promised by the developer.

The collapse of the retention basin happened following heavy rain – not an unusual event but one that was blamed nevertheless for the problem as if it was an unnatural event. Land clearing and construction had been underway for about a year and all natural vegetation and topsoil was stripped from most of the sloping site adjacent to the wetland. The holding ponds on the southern side were not even completed and insufficient sediment controls were in place when construction of the large retirement village began.

To date it seems that a large area of the bay is affected by sediment covering seagrasses and important fish breeding and feeding habitat. The wetlands were also smothered and residents had to deal with the water and sediment on their back yards as well. If the natural environment is to recover from this event, a

large amount of remedial work will have to be undertaken. The developer, of course, should pay. TEC has called for a stop work order and independent audit of the consent process.

It is hoped the event will be a warning to Shoalhaven Council to think again about its development-at-any-cost stance – and perhaps a warning to all coastal councils who continue to approve almost anything no matter where it is located.

And there's more

In the Jervis Bay region the extent of development proposals and approvals continues unabated. On the opposite side to the retirement village site is a 1200 lot paper subdivision at Vincentia called the Heritage Estates. Its development, should it be approved, would be no less disastrous for the Bay and surrounding habitat. And in St Georges Basin overall, the sprawl of countless subdivisions continues around the Basin and up into the forested catchment, replacing native vegetation with hard concrete so adding to the movement and build up of water.

The story is repeated elsewhere on the coast (not with quite the same dramatically illustrated impact (yet)) as coastal land prices spiral and speculators and developers rush in to make as much profit as possible before the land is gobbled up by someone else.

The scenario will continue until firm and unambiguous controls are finally put in place from the State level to prevent developments like the 300 lot Erowal Bay retirement village.

STOP PRESS: TEC has just issued its coastal development review – see our website - www.tec.org.au click on 'Save the Coast'.



Federal Government dumps clean fuels promise

Leigh Martin URBAN CAMPAIGNER

As part of negotiations to ensure the passage of the GST through the Parliament, the Federal Government undertook to introduce measures promoting the uptake of 50 ppm sulphur Ultra Low Sulphur Diesel (ULSD) fuel from 1 January 2003. Current diesel fuel sold in Australia contains 500ppm sulphur.

Reducing sulphur in diesel fuel offers substantial benefits in terms of reducing exhaust emissions. Harmful fine particle and sulphur dioxide (SO₂) emissions are directly proportional to the sulphur content of fuel. Moving from 500 ppm to 50 ppm sulphur diesel would reduce emissions of these pollutants by approximately 90%.

In a disturbing development, the Government's recent Energy Grants (Credits) Scheme Bill 2003 and the Energy Grants (Credits) Scheme (Consequential Amendments) Bill have effectively abandoned this commitment. The Bills fail to include provisions for the introduction of a Diesel Sulphur Excise Differential (DSED) to ensure that ULSD is considerably cheaper than conventional high sulphur diesel.

It has been noted that diesel vehicles make a disproportionate and growing contribution to fine particle emissions. Figures

produced by the National Environment Protection Council (NEPC) reveal that in 1995 diesel vehicles comprised 8.3% of the national vehicle fleet. This is expected to grow to at least 12% by 2015. Distance traveled by diesel vehicles is expected to increase 134% nationally and at least 146% in metropolitan areas so that in 2015 diesels will constitute 22% of total vehicle kilometres travelled (VKT).

Of equal significance is the fact that lower sulphur diesel fuels are required to ensure the effectiveness of cleaner Euro 3 and 4 standard engines. Failure to ensure the rapid uptake ULSD will provide a serious disincentive for manufacturers to introduce cleaner vehicles into the Australian market.

TEC made urgent representations to the Senate Inquiry into the legislation. Hopefully the Senate will be able to force the Government to honour its promise.

REDBANK 2 will NSW go for coal?

The Carr Government will soon make a decision on the Redbank 2 Coal Power Plant – and put its greenhouse credentials on the line.

Redbank 2 will produce 1,175,000 tonnes of CO₂ per year. This is equivalent to the emissions of 250,000 cars. It is dirtier than the older NSW power stations and 55 times worse than a renewable energy power station of the same size.

The main objective of the Redbank technology is to use a coal waste product, and this was the key reason why the first power station was approved and seen as environmentally beneficial. However Redbank 1, the sister plant of the new proposal operating since 2001, has demonstrated that the technology simply does not work.

Documents obtained under Freedom of Information in April 2003 reveal that the main objective of the plant does not appear

to be working. The plant burnt almost 98.7% "backup fuel" (normal coal) in its initial stages, and now fully operational it burns barely 50% of the coal waste product, needing emergency deliveries of normal coal to ensure the plant operates. It is a flawed technology and investment should be put into a green power generation technology that we know does work.

TEC and other environment groups are lobbying for Redbank to be refused by the Government, because of its pollution and as a clear signal there will be no more coal electricity in NSW.

Toxic trade continues to grow in NSW

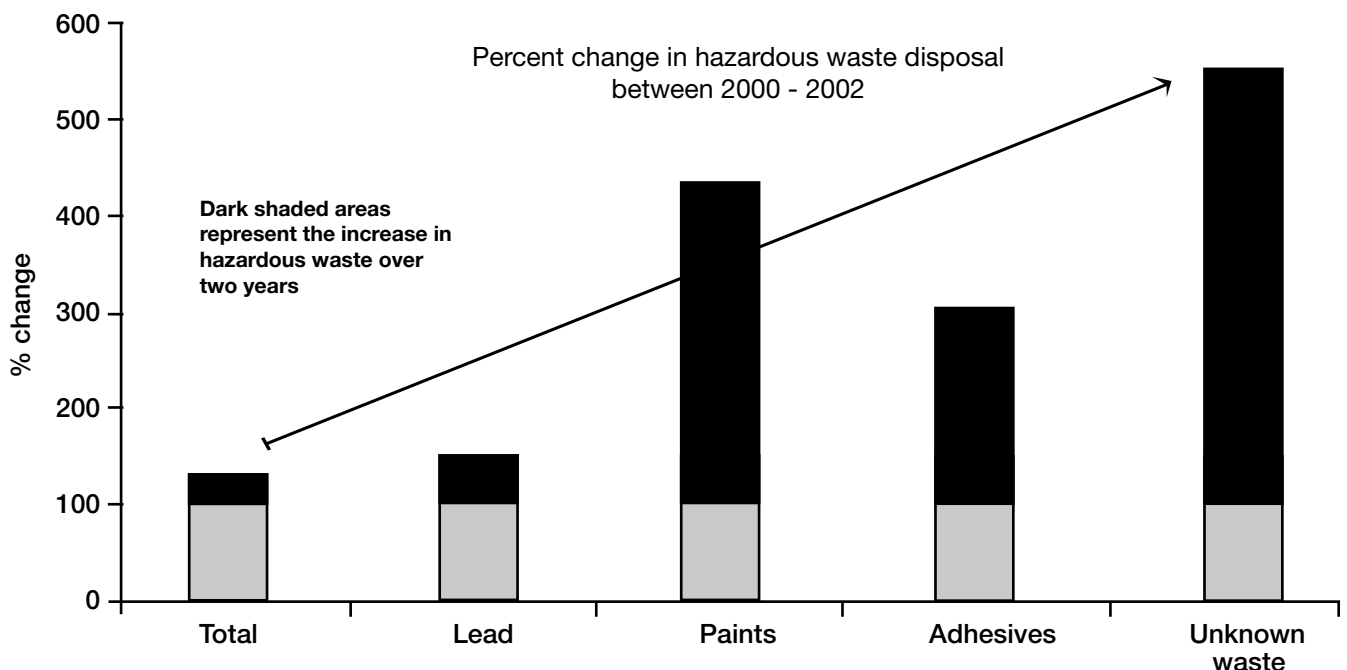
Ben Cole CHEMICALS CAMPAIGNER

The first publicly available review of the hazardous waste disposal industry in NSW reveals the startling and ever increasing volumes of hazardous and industrial waste that are being disposed in NSW each year. The findings stem from a Freedom of Information request to the NSW EPA made by Total Environment Centre in early 2002.

Official data shows hazardous waste disposal to be steadily increasing¹ with levels rising by 30% over the two-year reporting period. In 2001, over 380,000 tonnes of hazardous waste were disposed of throughout NSW. Hazardous and industrial waste is segregated from domestic waste due to its toxicity and inherent danger to public and environmental health. It includes heavy metals, plastic residues, paint and resin products, photographic material, waste from the creation of pharmaceuticals and there is even a category for miscellaneous, unclassified hazardous waste.

KEY FINDINGS

- Total hazardous and industrial waste disposal rose by 30% over 2000 to 2002.
- 380,000 tonnes of hazardous and industrial waste was disposed in NSW in 2001 – enough waste to fill over 330 Olympic sized swimming pools.
- Over 150 tonnes of highly toxic mercury was disposed in 2001.
- Over 68,000 tonnes of the known developmental retardant lead was disposed in 2001.
- The paint and pigment industry produced over 14,500 tonnes of waste in 2001.



Hazardous Waste History

Traditionally hazardous waste has been dumped into large, plastic lined landfills. No records were kept of the type or amount of waste that entered these landfills. The largest hazardous waste landfill opened in Castlereagh in 1968. The site covers 360 hectares and received over 1 million tonnes of liquid waste. Sustained community pressure by the Resident Action Group for the Environment (RAGE) led to the closure of this site in August 1988. Ongoing leachate testing continues to reveal high level of contaminants leaving the site.

Both internationally and within Australia the community has rejected the development of new hazardous waste landfills. The response from industry and regulators has been to develop new processing facilities, with a mixed pollution history. However little is being done to stem the generation of hazardous material.

The Lidcombe Liquid Waste Plant (LLWP) was constructed to take over the waste disposal operations of Castlereagh Landfill. The LLWP is an example of how the lack of foresight into the growth of hazardous and industrial waste generation have resulted in a plant functioning well beyond its capacity – resulting in an overstressed facility. The plant effectively concentrates 100,000 tonnes of incoming liquid waste per annum to 20,000 tonnes per annum of problematic process residue – resulting in a concentration factor of 5, clearly not waste minimisation but rather waste concentration².

Indeed, Australia has an international obligation to become engaged in reducing its production of hazardous waste. As a signatory to the Basel Convention, Australia is failing to attain one of the key aims of the convention - that to reduce the total production of hazardous wastes within its own domestic market.

Cleaner Production Processes – the way forward

Cleaner production is the key goal in hazardous waste management - if it is not created it does not have to be dealt with. Cleaner production processes conserve raw materials and energy, engender an industrial culture of increased efficiency and productivity and reduce costs of waste treatment and disposal.

Total Environment Centre believes NSW could become a leader in cleaner production and adopt international best practices. One of the most successful cleaner production strategies has been undertaken in the US state of Massachusetts. Over one decade they successfully reduced toxic chemical use by 19% whilst recording strong economic growth.

Massachusetts' success has been attributed to its strong research agency; prioritised and restricted use of hazardous chemicals; and incentives through grants. NSW EPA is only active in one of these three areas - through the Cleaner Production grants and their success has been extremely limited.

TEC calls on the NSW EPA to establish a clear set of initiatives that identifies and targets the removal of highly toxic chemicals and mandate overall reductions in hazardous and industrial waste generation.



FOOTNOTES

1 Figures are based on the hazardous, industrial and Group A and B waste transport forms that are produced when waste is moved to a destruction facility. These include – waste from surface treatment of metals and plastics, lead, waste oil, contaminated soils, tarry residues, heavy metals, waste chemicals from R&D, teaching, organic solvents, inks, dyes, paint, etc.

2 Oakwood M 2000 Lidcombe Liquid Treatment Plant. Green Games Watch Publication

RECEPTION VOLUNTEERS NEEDED URGENTLY

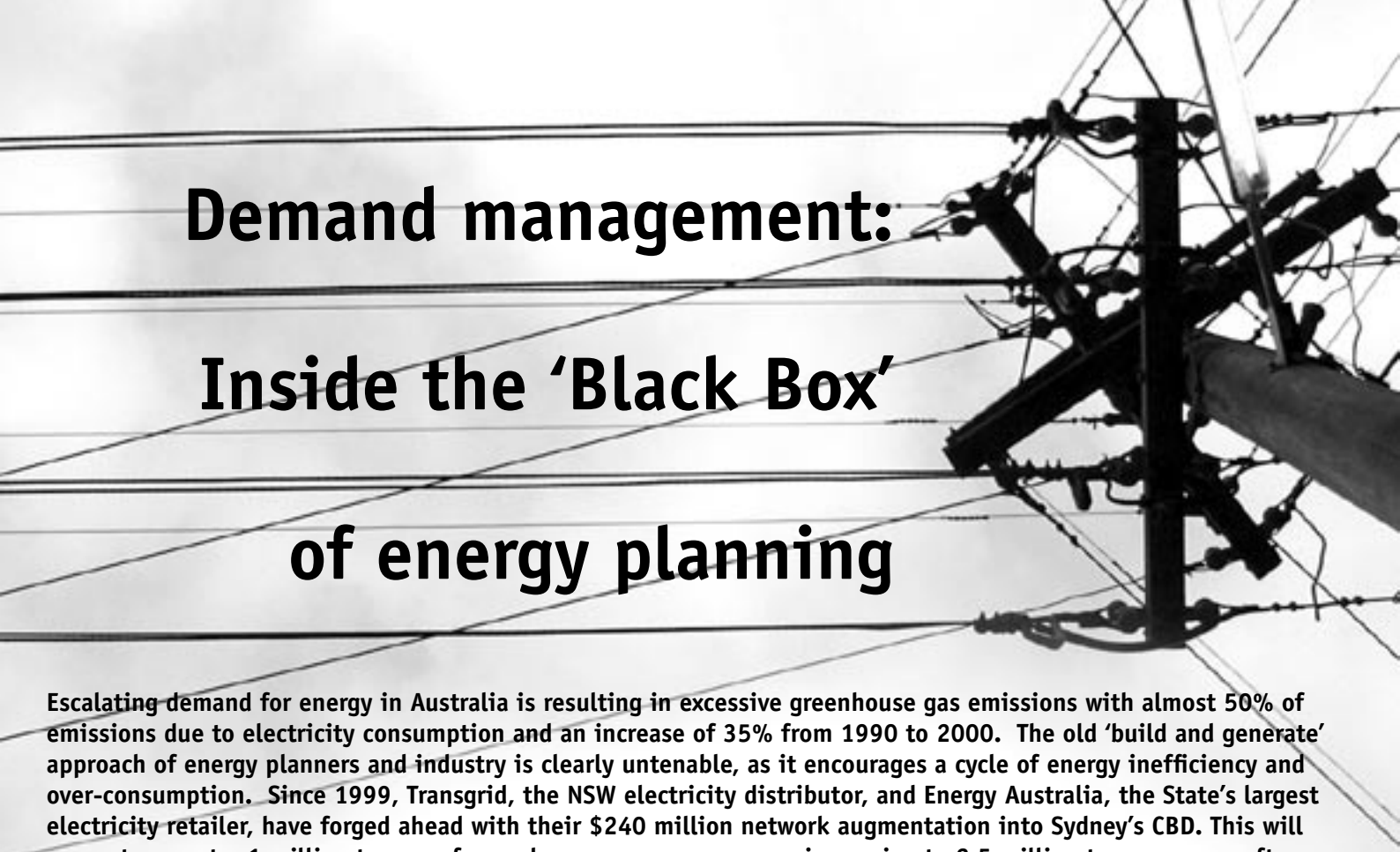
If you have time to spare on Tuesdays or Fridays, TEC needs your help to answer the phone and with administrative support.

Phone Anthony 9299 5599

LAST CHANCE FOR LIBRARY?

We appeal to any qualified librarians who may have spare time and energy to work in the TEC Library one day a week. It contains many important documents but if we cannot staff it, then we may have to archive it with the State Library.

Call Anthony 9299 5599



Demand management: Inside the 'Black Box' of energy planning

Escalating demand for energy in Australia is resulting in excessive greenhouse gas emissions with almost 50% of emissions due to electricity consumption and an increase of 35% from 1990 to 2000. The old 'build and generate' approach of energy planners and industry is clearly untenable, as it encourages a cycle of energy inefficiency and over-consumption. Since 1999, Transgrid, the NSW electricity distributor, and Energy Australia, the State's largest electricity retailer, have forged ahead with their \$240 million network augmentation into Sydney's CBD. This will generate an extra 1 million tonnes of greenhouse gases per annum, increasing to 2.5 million tonnes a year after 2005. This pattern shows no signs of abating. Hundreds of millions of dollars more are planned to be spent on further increasing capacity in the coming years.

Demand Management (DM) is an effective response to this problem. DM focuses on demand-side rather than supply-side solutions, and addresses the causes rather than the symptoms of excessive energy needs. This radically simple approach seeks to modify the level and timing of energy demand and delivery through a range of strategies. Within the DM toolkit are energy efficient appliances and buildings, distributed generation, standby generation, interruptible contracts, improved network efficiency and better pricing. DM has the potential to reduce greenhouse gas emissions in NSW by almost 27 million tonnes.

Despite its clear environmental and economic benefits, DM has become trapped in a gulf between policy and practice. It has also suffered from a lack of campaigning attention by environment groups even though it is potentially more effective and can have faster impacts than 'green energy'

technologies. This is because for over a decade it has been trapped in the 'black box' of energy planning, dominated by energy regulators and industry.

In response, Total Environment Centre (TEC) is launching its Demand Management campaign by questioning the 'build and generate' policies that are part of our energy planning culture. TEC's campaign will break open a critical policy area that has been marginalised and hidden from the public eye. In doing so it will provide the opportunity for other environmental advocates to enter a key part of the energy planning and greenhouse debate. TEC will be putting industry and government decision makers on notice by identifying underperformers; by making it clear that the community expects improved performance on DM; and by advocating for the environment on key policy decisions.

For more information on this campaign contact Jane Castle, Resource Conservation Campaigner.

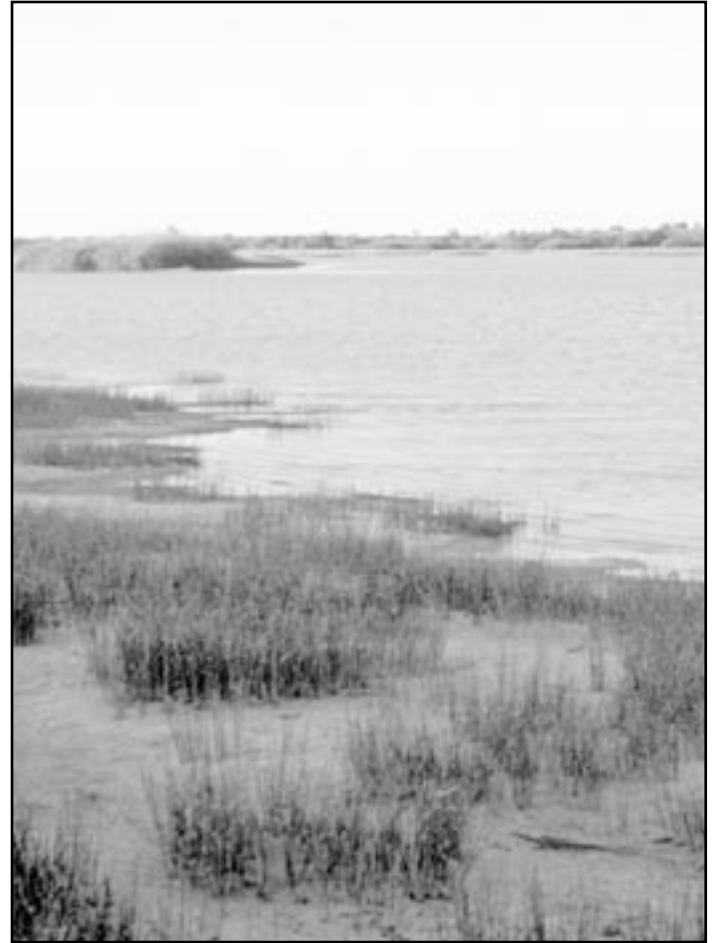
GOVERNMENT ENERGY PROJECTIONS WRONG

Readers of Total Environment will recall TEC blew the whistle on a secret NSW Government report that signalled the need for more coal fired power stations in coming years. Public outrage forced a rewrite and the next version emphasised the use of gas (40% less greenhouse intensive than coal) and energy conservation.

However it still predicted a steep rise in new power station needs. A major driver was an increase in the 'reserve capacity' from 600MW to 1,000MW – this means that as demand increases we will need to build even more plants to keep up with the 'energy security' rule. Now a report commissioned by TEC has found that the national energy planner, NEMMCO, has rejected the new security rule and brought it back to the original figure. One of the key concerns for national energy planning is that we don't invest in excess power capacity and waste resources. Clearly the NSW plan was an overclaim by vested interests in the energy industry.

TEC is calling for NSW document to be pulped.

Saving the west



A great deal of effort over past decades has been devoted to protecting the old growth forests east of the Divide. Mammoth campaigns with mega public support; peaceful resistance campaigns in the forest; tonnes of EISs and public inquiries and finally tens of millions of dollars to restructure the native forest timber industry.

The Carr Government has been foremost amongst the states in recent years, in tackling the forest battle and won its 1995 election carrying a key forest protection mandate. But a concern about the forgotten forests and woodlands on public and private land, west of the Divide, was always in the background.

Now the environment movement and government processes are focused on saving the west. The Brigalow Belt South assessment has been underway for some years and while it has had a chequered history and is momentarily stalled – it's the next big forest decision. An area with less than 2.5% in reserves and with one of the worst clearing rates in the State, it is in desperate need of a conservation plan.

The next area on the agenda is the Riverina Bioregion and it is slated for decision by the end of 2004. Another over cleared landscape, it contains threatened Red Gum and grasslands. Needless to say, some in the local communities do not appreciate the intrusion of a 'conservation assessment,' and feel that traditional timber and firewood industries are threatened – but that's progress!

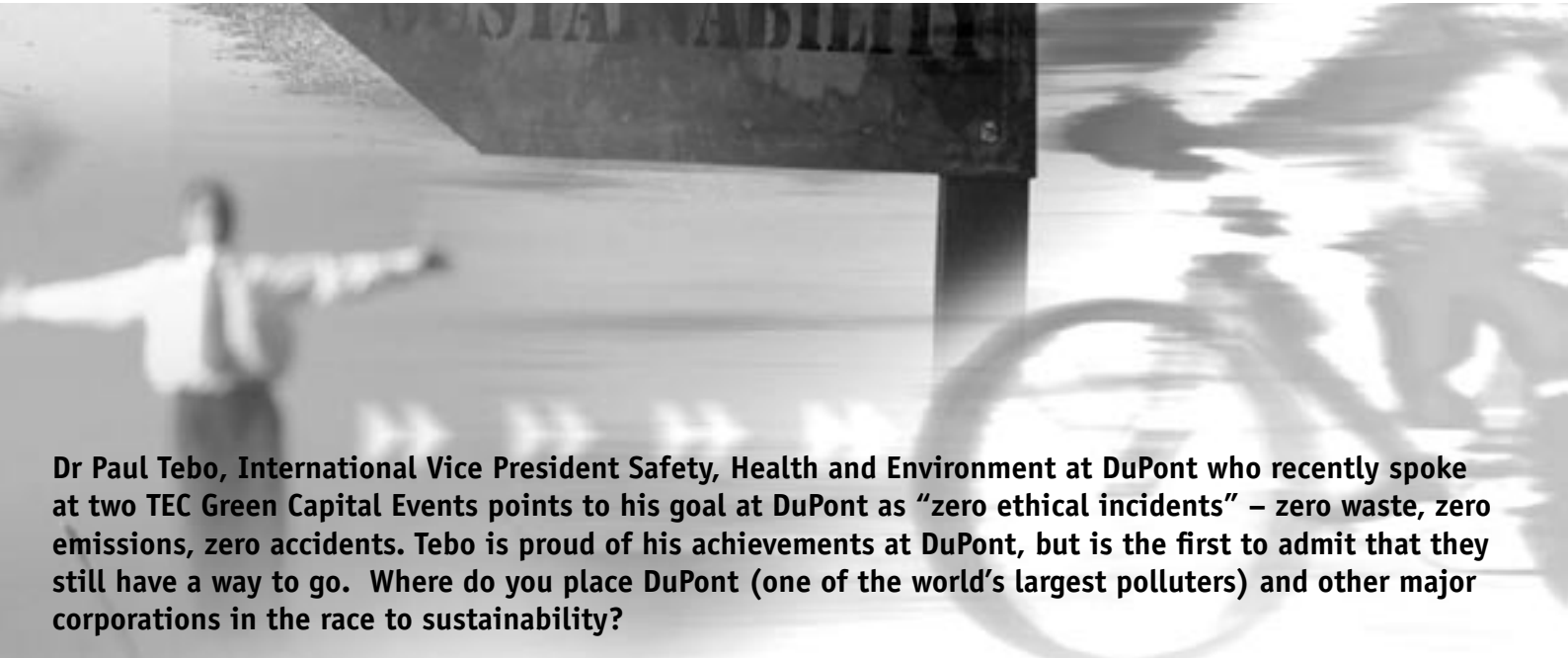
In fact, investigations by environment groups are revealing an appalling regime of mismanagement by State Forests and

virtually uncontrolled extractions from private land. The type of modern management principles cultivated during the east coast forest battles have hardly touched the western woodlands.

Of course an end to broadscale land clearing is also essential, as public land can only create a small spine of conservation in these predominately agricultural areas. TEC is working hard to end land clearing.

The NSW Government is also purchasing key properties for conversion to national park. Land is much cheaper than on the coast and a million dollars can buy tens of thousands of hectares of threatened ecological communities and wetlands. The most recent acquisition of the Paroo, the last unmodified inland river system, with a wilderness landscape, is a case in point. Fortunately the Government was also able to reach a deal with Queensland to ensure the headwaters in that State remain free of intensive irrigation works.

TEC has been active in helping set up regional conservation alliances, utilising the lessons learnt from the east coast campaigns. The battle for the west will preoccupy groups like TEC for some years to come.



Dr Paul Tebo, International Vice President Safety, Health and Environment at DuPont who recently spoke at two TEC Green Capital Events points to his goal at DuPont as “zero ethical incidents” – zero waste, zero emissions, zero accidents. Tebo is proud of his achievements at DuPont, but is the first to admit that they still have a way to go. Where do you place DuPont (one of the world’s largest polluters) and other major corporations in the race to sustainability?

TEC divides the sector into four corporate social responsibility (CSR) categories - The Leaders; Followers; Reluctant; and Redundant. It may surprise you (it did me) to discover that some of 'The Leaders' could come from industries that can do significant damage to our environment. While some are still in 'unsustainable' industries (and have been subject to ongoing criticism), some have well established reform agendas and have committed significant capital investment in areas where they can make a difference. Also, there are outstanding CSR managers who advocate for sustainability, support key initiatives, accept their obligations to be transparent in their operation and consult the community. The following are a few examples from our perspective.

Visy Industries; Westpac; Origin Energy; and Insurance Australia Group are a few that could be regarded as 'The Leaders'. Visy is obvious for its recycling work, Richard Pratt's leadership on salinity, regulatory compliance and commitment to reporting. Westpac won last year's "Good Reputation Guide", with its triple bottom line approach to corporate governance and is influential in the socially responsible investment area. CEO Leon Davis has transformed from mining mogul into a champion of indigenous rights. Origin Energy offers the leading green electricity product; is developing exciting new solar technologies; completed the year with no regulatory incidents; and is outspoken on issues including improving Commonwealth renewable energy laws and CSR. The last, Insurance Australia Group would be regarded as a new comer to the leadership ranks. IAG has some strong initiatives - it advocates for reforms to reduce greenhouse gas emissions, and Risk Manager Tony Coleman's paper on the economic impacts of climate change is a critical signpost in the business case for Kyoto. IAG backs up the rhetoric by linking key social issues to the cost of insurance while simultaneously using its influence as one of the largest purchasers of products in Australia to drive an economic shift towards a viable green product market.

Followers and the rest

'The Followers' could be broken into many sub groups but are basically those companies that do a solid job of managing their regulatory obligations with a bit of philanthropy and token

sustainability initiatives. Some of 'The Followers' are good performers but, we feel, fall short of leadership. For example Australia Post is generally well regarded in any CSR framework but fails to engage or advocate on the key issues; seems to be doing little to influence its supply chain; and isn't demonstrating a commitment to continuing CSR improvement. National Australia Bank and Telstra are solid performers who could move into 'The Leaders' ranks but need to be more progressive in their reforms and engaging with the community on key issues.

It's the next group, 'The Reluctant', that frustrates. These are companies that have real issues that need to be addressed but seem to be avoiding them and are locked into a 70's style business approach: invisible in the CSR debate. They show little maturity in engaging on community concerns. In our view Caltex is a classic example of 'The Reluctant'. While BP and Shell have spent hundreds of millions of dollars refitting their refineries for clean production and fuels, Caltex sits on its hands. Greenpeace picketed its service stations to oppose Caltex buying oil shale from the controversial Stuart Shale Oil Mine, and it consistently fails to engage in constructive dialogue. Similarly, we view Orica as failing to make the grade - its toxic legacy of plants in the middle of residential neighborhoods persists, and it seems to be focused on spin rather than any serious effort to consult the community.

It's an established fact that 20-30% of ASX listed companies disappear every 20 years, and in the last group - 'The Redundant', are the companies that could be some of those that go. These are the companies whose core activities are unacceptable to the majority of the community and seem to do little to develop effective sustainability alternatives. They include old growth harvester Gunns Limited; WMC (which has already been broken up), Australian Vinyls Corporation, and ERA.

What corporations and analysts need to recognize is that CSR has moved beyond being an issue of reputation - rather it is an important aspect of fiduciary responsibility - in the real world of business today, a failure to manage environmental and social risks will have a direct impact on the future bottom line.

HELP THE ENVIRONMENT TODAY FOR OUR FUTURE

VOLUNTEERS NEEDED

TEC and the environmental battle can be greatly assisted with your volunteer time and skills.

If you can help, please return this coupon to:
Volunteers Coordinator, Total Environment Centre,
Level 2, 362 Kent Street, Sydney 2000.

I would like to volunteer to help TEC with:

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I wish to donate:

- \$1000 \$500 \$100 Other \$.....

or Please deduct \$..... monthly from my credit card
until further notice

Card Number: _ _ _ _ / _ _ _ _ / _ _ _ _ / _ _ _ _

Card expires:

Name on card:

Signature:

Phone: (day) (evening)

Return this form and payment to:

The Administrator

Total Environment Centre Inc

Level 2, 362 Kent Street,

Sydney 2000 Australia

Consider a Bequest

Please remember TEC in your will. The Law Society of NSW recommends the following wording:
"I bequeath the sum of \$..... to TOTAL ENVIRONMENT CENTRE Inc. for its general purposes and
declare that the receipt of the Treasurer for the time being of Total Environment Centre Inc. shall be
complete discharge to my executors in respect of any sum paid to Total Environment Centre Inc. "

news letter

Return address:
TOTAL ENVIRONMENT CENTRE
Level 2, 362 Kent Street
Sydney NSW 2000
Ph: 02 9299 5599

POSTAGE
PAID
AUSTRALIA

