



Slide 1



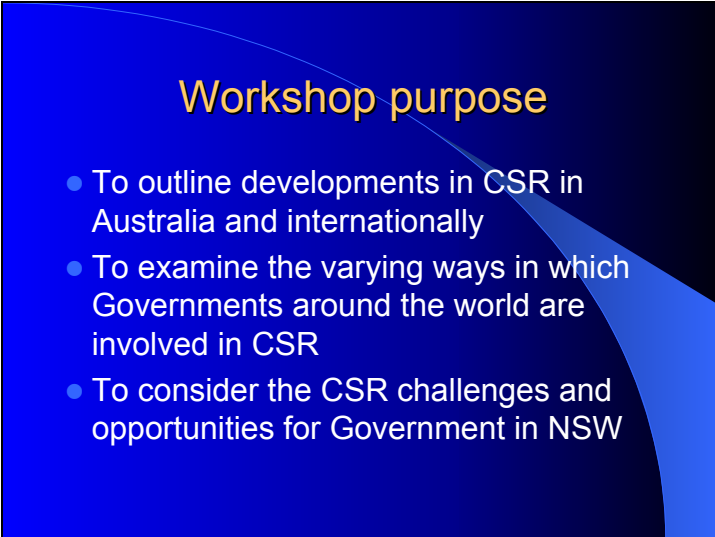
**CSR :**  
**the challenges and  
opportunities for Government**

NSW Premiers Department  
19 October 2001

Facilitated by Positive Outcomes



Slide 2



**Workshop purpose**

- To outline developments in CSR in Australia and internationally
- To examine the varying ways in which Governments around the world are involved in CSR
- To consider the CSR challenges and opportunities for Government in NSW

Slide 3



## What is CSR?

“Corporate social responsibility is essentially a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment”

*EU Green Paper: Promoting a European framework for Corporate Social Responsibility*

Slide 4




## How is CSR known?

Definitions vary – related concepts are:

- Corporate Citizenship
- Sustainability

Slide 5

A presentation slide with a blue background and a dark blue curved shape on the right side. The title 'Corporate citizenship' is in yellow. A bullet point is in white. The citation is in white.

## Corporate citizenship

- Defined as understanding and managing a company's wider influences on society for the benefit of the company and society as a whole.

*Perspectives on Corporate Citizenship*  
Andriof and McIntosh 2001

Slide 6

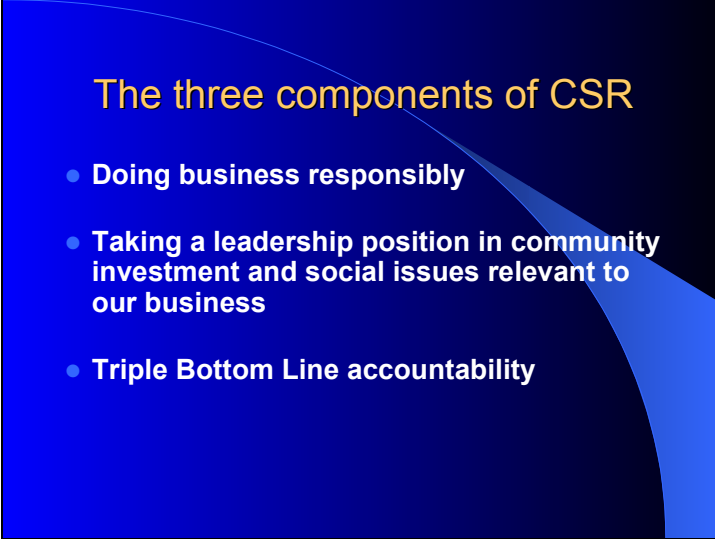
A presentation slide with a blue background and a dark blue curved shape on the right side. The title 'Sustainability' is in yellow. The main text is in white. The citation is in white.

## Sustainability

'Sustainable development is about ensuring a better quality of life for everyone, now and for generations to come. Thus it combines ecological, social and economic concerns, and offers business opportunities for companies that can improve the lives of the world's people.'

*WBCSD – Sustainability through the market. 2001*

Slide 7



The three components of CSR

- Doing business responsibly
- Taking a leadership position in community investment and social issues relevant to our business
- Triple Bottom Line accountability

This slide features a dark blue background with a lighter blue curved graphic element on the right side. The title 'The three components of CSR' is written in yellow, and the list items are in white.

Slide 8



Doing business responsibly

- Business ethics and values
- Products and processes
- employee relations
- Supply chain management
- Environmental / safety practices
- Human rights obligations
- Being accountable and transparent

This slide features a dark blue background with a lighter blue curved graphic element on the right side. The title 'Doing business responsibly' is written in yellow, and the list items are in white.

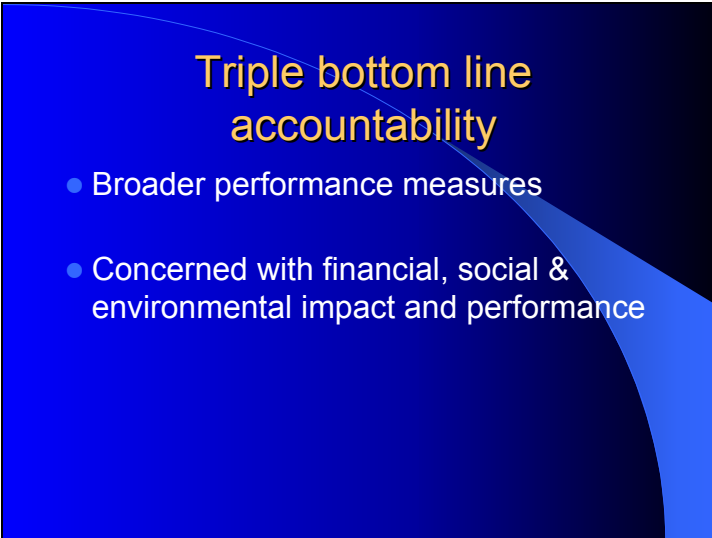
Slide 9

A blue rectangular slide with a dark blue gradient background. The title 'Taking a leadership position' is written in yellow text at the top. Below it is a bulleted list of five items in white text, each preceded by a small blue circle.

**Taking a leadership position**

- Community investment that has synergy with our business
- Driven by vision, and values – from the top
- Mutually beneficial partnerships
- Employee involvement
- Sustained commitment - more than cash

Slide 10

A blue rectangular slide with a dark blue gradient background. The title 'Triple bottom line accountability' is written in yellow text at the top. Below it is a bulleted list of two items in white text, each preceded by a small blue circle.

**Triple bottom line accountability**

- Broader performance measures
- Concerned with financial, social & environmental impact and performance

Slide 11



The slide features a dark blue background with a lighter blue curved graphic on the right side. The title 'The drivers for CSR' is centered at the top in a yellow font. Below the title is a bulleted list of four items in white text.

## The drivers for CSR

- **Internal pressures**
- Capacity to attract and retain staff - being an 'employer of choice'
- Staff morale / pride
- Managing diversity - getting best value from your staff

Slide 12



The slide features a dark blue background with a lighter blue curved graphic on the right side. The title 'CSR drivers - 2' is centered at the top in a yellow font. Below the title is a bulleted list of seven items in white text.

## CSR drivers - 2

- **Business pressures**
- 'licence to operate' – acceptance of the industry / by local communities
- Brand image / company reputation
- Enlightened self-interest
- Attracting socially responsible investment funds (SRI)
- Competitive advantage of good environmental practices
- Improved stakeholder relations

Slide 13



### CSR drivers - 3

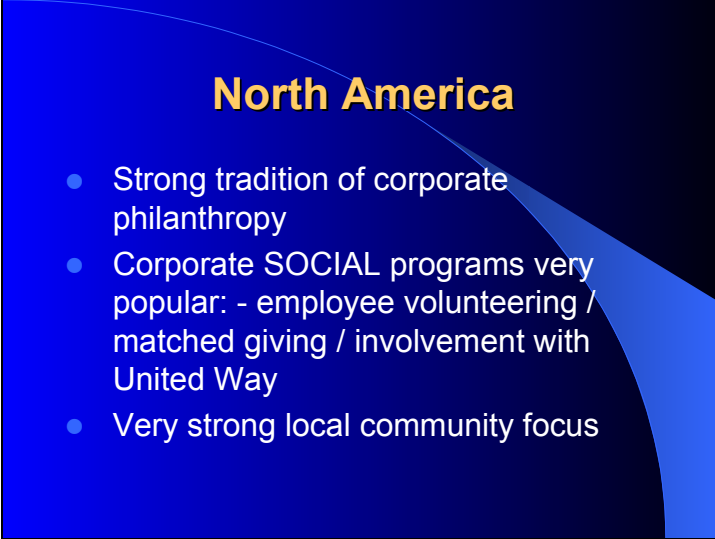
- **External pressures**
- Globalisation – increased demands for transparency ('living in a CNN world')
- Increased stakeholder expectations – consumers / customers / pressure groups
- 'dancing with Government' – seeking to avoid regulation
- Demands for accountability

Slide 14



### Global Overview North America

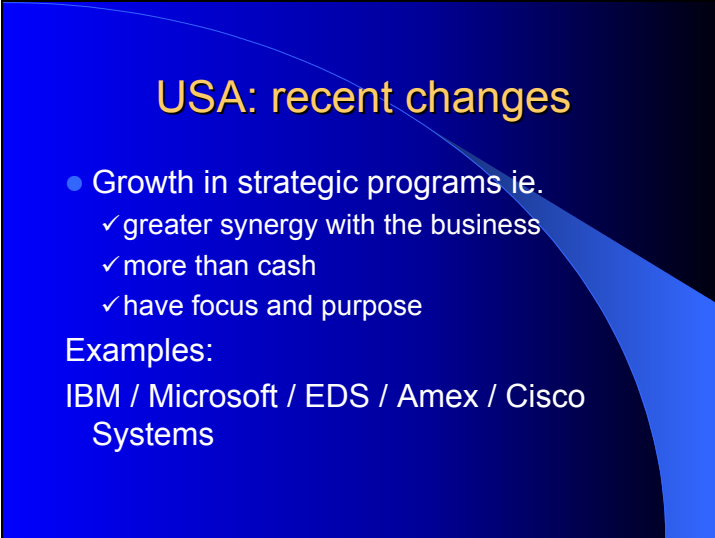
Slide 15

A blue slide with a dark blue background and a light blue curved shape on the right side. The title "North America" is in yellow. The list items are in white.

## North America

- Strong tradition of corporate philanthropy
- Corporate SOCIAL programs very popular: - employee volunteering / matched giving / involvement with United Way
- Very strong local community focus

Slide 16

A blue slide with a dark blue background and a light blue curved shape on the right side. The title "USA: recent changes" is in yellow. The list item and examples are in white.

## USA: recent changes

- Growth in strategic programs ie.
  - ✓ greater synergy with the business
  - ✓ more than cash
  - ✓ have focus and purpose

Examples:  
IBM / Microsoft / EDS / Amex / Cisco  
Systems

Slide 17

## USA: government role

- Foundations (rather than government) have a major role in capacity building of social sector
- Government is a quiet but **key** player:
  - ✓ tax incentives
  - ✓ regulation of CSR (eg CRA)
  - ✓ leveraging of corporate giving (eg matching United Way funds)
  - ✓ talking up / rewarding / giving public acknowledgements

Slide 18

## USA – Community Reinvestment Act (CRA)

- Regulates CSR in financial services sector
- Sets minimum requirements
- Monitors compliance
- Incentives through tax credits
- Impacts on mergers and acquisitions

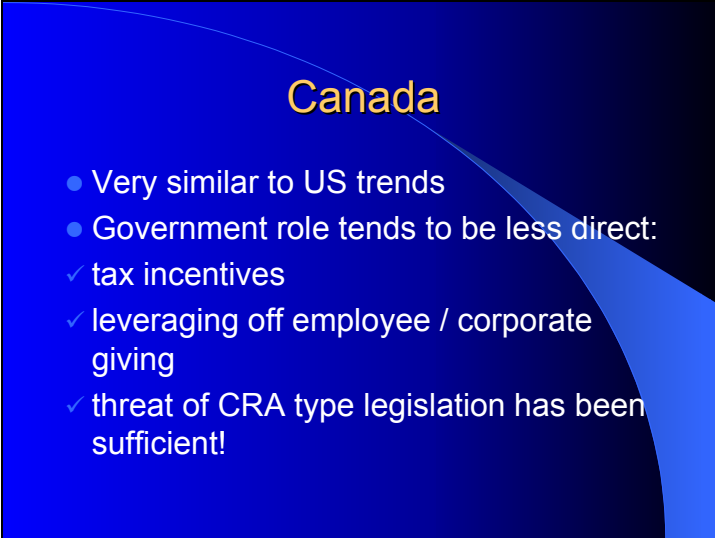
Slide 19



## USA: latest trends

- Stronger global focus (for multinationals)
- Increasing emphasis on sustainability and SRI (eg Dow Jones Sustainability Index)
- Growing awareness of core business advantages of CSR

Slide 20



## Canada

- Very similar to US trends
- Government role tends to be less direct:
  - ✓ tax incentives
  - ✓ leveraging off employee / corporate giving
  - ✓ threat of CRA type legislation has been sufficient!

Slide 21



Slide 22



Slide 23

A blue gradient slide with a dark blue background on the right side. The title "Europe" is in yellow. The content is a bulleted list in white text.

**Europe**

- Stronger focus on social partnerships
- Diverse policies and approaches but common goals:
  - ✓ to encourage companies' social involvement
  - ✓ to fight social exclusion and build more inclusive societies
  - ✓ to do it more efficiently.

Slide 24

A blue gradient slide with a dark blue background on the right side. The title "Europe:" is in yellow. The content is a bulleted list in white text.

**Europe:**

- Consistent theme:
- WORKFORCE PARTICIPATION

Slide 25



**Denmark :**

In 1994, launched 'Our Common Concern – the social responsibility of the corporate sector'  
Government provides ' seed funding' for projects. These set up and run at local authority level.

Tools to change attitudes:

- The Network Prize for Social Responsibility
- Social-ethical accounts
- The Social Index (a score for companies)

Slide 26



**United Kingdom**

Business in the Community: long established charity – government funding support.  
Support for networks such as Employees in the Community (through NCVO)  
March 2000 –appointed a Minister for CSR (in Dept Trade & Industry)

## UK - cont

4 key areas for government:

- Developing the business case
- Promoting good practice
- Promoting CSR internationally
- Inter-departmental action – improve coordinated action to promote CSR across government

## UK – Government role

This involves:

- Helping raise awareness of the business case and celebrating business achievements
- Supporting partnership and business participation in priority areas
- Advice and guidance from govt services
- Promoting effective framework for reporting and product labelling
- Improving impact of its own activities – consult with business, NGOs and others.

Slide 29



## Europe

Different countries have different cultural traditions, different styles of government (eg centralised vs decentralised) but focus is on **SOCIAL PARTNERSHIPS**

This means getting business and civil society engaged in issues that are significant to all – primarily social exclusion – through workforce participation

Slide 30



## Global Overview Australia

Slide 31



Australia

- Growing corporate interest since mid 1990s
- 1996 CSR given a significant stimulus with PM's Round Table
- Initial skepticism of corporates has faded
- Social sector still cautious and often unable to take advantage of the 'more than cash' approach

The slide features a dark blue background with a lighter blue curved shape on the right side. The title 'Australia' is centered at the top in a yellow font. Below it, a bulleted list of four points is presented in white text.

Slide 32



Australia – 2

- Resources sector have been leading the way, particularly around environment, sustainability and indigenous issues
- Outside resource sector, social programs much more common
- Australia has reached a 'tipping point' with regards to CSR

The slide features a dark blue background with a lighter blue curved shape on the right side. The title 'Australia – 2' is centered at the top in a yellow font. Below it, a bulleted list of three points is presented in white text.

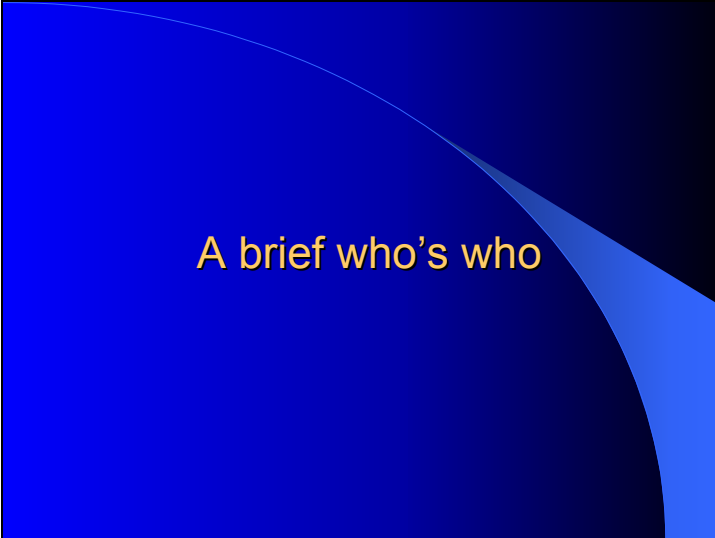
Slide 33



### Australia – 3

- CSR mainly taken up by larger corporates
- Action has been a mixture of:
  - ✓ Strategic programs, synergistic with the business (eg. Cisco, Westpac, AMP, BHP, Rio Tinto, Microsoft)
  - ✓ Programs that cover a wide range of activities, less connected to core business (eg. Telstra, Qantas, Coles)
- Interest is growing steadily.

Slide 34



### A brief who's who

Slide 35

## Some key corporates

- Cisco
- Rio Tinto
- BP
- BHP
- AMP
- Westpac
- Microsoft

Some to watch:

- ANZ
- BMS
- Telstra

Slide 36

## Some key players - NPOs

- The Smith Family
- Benevolent Society
- Brotherhood of St Lawrence
- Work Ventures
- Inspire Foundation
- Charities Aid Foundation (CAF)
- Volunteering Australia

Slide 37



Other key organisations

- BCA
- NSW State Chamber of Commerce
- Ethical Investment Association
- St James Ethics Centre
- Social Entrepreneurs network
- Pro Bono Australia
- Positive Outcomes
- Ecos corporation
- ERM Environmental Services
- Eco- Steps

The slide features a dark blue background with a lighter blue curved graphic element on the right side. The title 'Other key organisations' is written in a yellow font, and the list of organizations is in a white font.

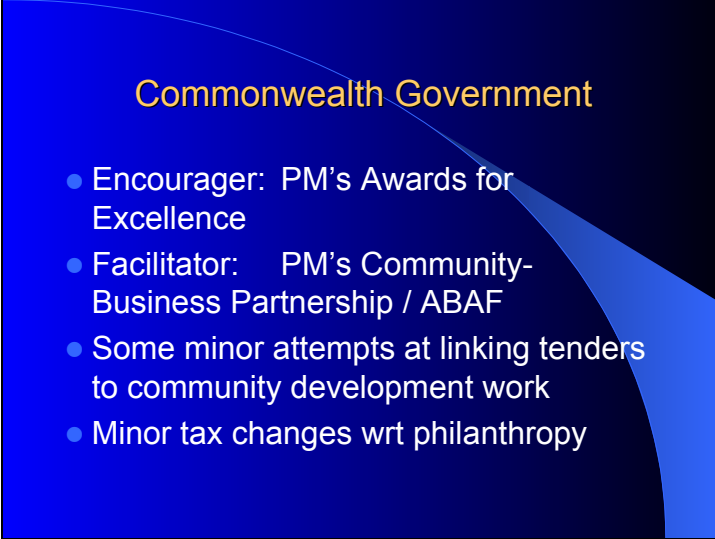
Slide 38



Government

The slide features a dark blue background with a lighter blue curved graphic element on the right side. The word 'Government' is written in a yellow font.

Slide 39



Commonwealth Government

- Encourager: PM's Awards for Excellence
- Facilitator: PM's Community-Business Partnership / ABAF
- Some minor attempts at linking tenders to community development work
- Minor tax changes wrt philanthropy

Slide 40



NSW State Govt

- Premier as mentor / encourager / facilitator
- State Forests – TBL reporting
- DAA – developing corporate partnerships
- Some Pay Roll Deductions
- Other one off initiatives

Slide 41

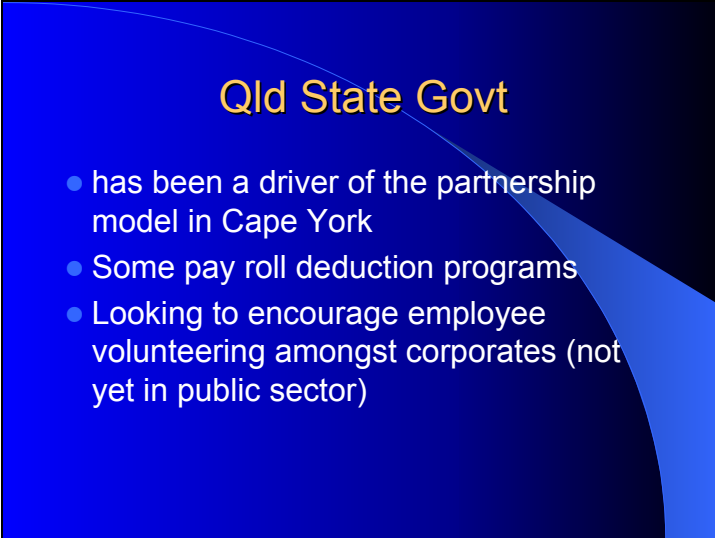


**Vic State Govt**

- tenders for legal services linked to pro-bono work
- recent capacity building project (to assist social sector use partnerships)

The slide features a dark blue background with a lighter blue curved graphic element on the right side. The title 'Vic State Govt' is centered at the top in a yellow font. Below it, two bullet points are listed in white text.

Slide 42



**Qld State Govt**

- has been a driver of the partnership model in Cape York
- Some pay roll deduction programs
- Looking to encourage employee volunteering amongst corporates (not yet in public sector)

The slide features a dark blue background with a lighter blue curved graphic element on the right side. The title 'Qld State Govt' is centered at the top in a yellow font. Below it, three bullet points are listed in white text.

Slide 43



**The opportunities**

- Leading by example
- Capacity building in the social sector
- Leveraging off corporate generosity
- 'talking up' CSR and acknowledging business achievements
- Incentives – eg payroll tax, supply chain management, procurement
- Seeking partnership opportunities around State Govt policy priorities

Slide 44



**Corporate responsibility is not a fringe activity. A truly successful company is sensitive to the concerns of all those on whom it depends, investors, employees, customers, partners and communities.**

**What happens to society matters to us because it happens to us”**

George Bull joint chairman of Diageo

Slide 45



We know we are successful when the communities in which we operate value our citizenship

Paul Anderson, CEO BHP Billiton

Slide 46



In these times, companies cannot remain aloof and prosperous while surrounding communities decline and decay.

Jack Welch, Chairman GE

Slide 47



**Guided Discussion**

What specifically are the opportunities for:

- ✓The NSW Government
- ✓The NSW Public Sector
- ✓Your Department / Agency

Where to from Here?

This slide features a dark blue background with a lighter blue curved graphic on the right side. The title 'Guided Discussion' is in yellow. The text is in white.

Slide 48



**Potential Roles**

- Mentor
- Facilitator
- Partner
- Networker
- Regulator
- Leader – piloting / demonstrating new approaches
- Procurer / requirements for tender
- Encouraging / motivating / influencing
- Research / analysis / disseminating info
- Acting as a socially responsible organisation

This slide features a dark blue background with a lighter blue curved graphic on the right side. The title 'Potential Roles' is in yellow. The list items are in white.