

From laggard to leader: Pioneering experiments Down Under

By Wayne Visser

How Australia is innovating on climate policy and social enterprise

Moving beyond denial to innovation

I first visited Australia at the invitation of Leeora Black, Director of the [Australian Centre for CSR \(ACCSR\)](#) to deliver a keynote address on 'Leadership for social responsibility' at their 2010 ACCSR conference, and to teach a course at La Trobe Business School, where I went on to take up a three-year Visiting Professor role. A year later, in 2011, I also spoke at the launch of the ACCSR *State of CSR* report, an annual survey of CSR professionals in Australia.

The ACCSR remains one of the most credible voices on the scene. In their most recent *2012/2013 State of CSR* report, they identified the corporate leaders in social responsibility in Australia and New Zealand – companies that are integrating CSR into their core business activities and strategies – to be ANZ, Patagonia, Interface, Rio Tinto, Marks & Spencer, Stockland, National Australia Bank, Unilever, Nike and Westpac.

Looking to the year ahead, survey respondents told ACCSR that 'building internal understanding and support for our CSR/sustainability approach' was the highest priority, followed by managing regulatory impacts and measuring impacts and outcomes of CSR initiatives. For New Zealand, their top priority was 'reducing or eliminating any negative environmental impacts of our business' and 'improving or beginning our organisation's sustainability reporting'.

All this points to the steady maturing of CSR in Australia and New Zealand, towards what a more strategic approach. Certainly, they seem to have made up considerable lost ground since I first visited. In 2010, I sensed a huge frustration among people working in sustainable business in Australia. After about ten years of severe drought, fatalities from runaway bushfires in Victoria in 2009, and unprecedented flood and storm damage from Tropical Cyclone Yasi in 2011, most Australians still seemed to be in a state of climate change denial.

The biggest reasons cited were an unsupportive (some even said backward) government and policy, and the negative lobby power of Australia's two biggest industries – extractives (mainly mining) and agriculture. At the time, the opposition party was scoring cheap political points by saying that everything to do with climate change was a tax, and hence to be avoided. They conveniently forgot to mention that, according to the Stern Review, climate change may cost around 1% of GDP now, but could cost as much as 20% of GDP later if action is stalled.

Since then, Australia has moved from laggard to leader by putting a price on carbon – the legacy of ousted prime minister Gillard. The initial fixed price of \$23 per tonne of carbon rose to \$24.15 for 2013-14 (which is four times the European rate and almost double California's price) and is set to rise again in a year, before the government introduces its own national emissions trading scheme (ETS), linked to the EU ETS. There is some debate about whether these commitments will survive the next elections, but early indications are that carbon pricing will stay, albeit at a lower market price.

An experiment in generosity

Besides the focus on climate change, one of the highlights of my 2010 trip was spending some time with [Shanaka Fernando](#), founder of the Melbourne-based restaurant chain, [Lentil As Anything](#), who was introduced to me by an academic colleague, Colin Higgins, now at Deakin University. Fernando is one of those rare pioneers who are prepared to live by their convictions, flaunt social convention and challenge the status quo. All of these are demonstrated through his social enterprise, a restaurant called Lentil As Anything.

I call it a social experiment, because the business goes beyond simply being a social enterprise. In common with other social businesses, Lentil As Anything embraces the entrepreneurial spirit while it 'seeks to have a significant, positive influence on the development of the community'. But there is something unique, more challenging, more sublime and more subversive—it gets to the heart of human nature and the essence of Western capitalism. I am talking about generosity and money.

Through Lentil As Anything, Fernando is trying to foster a culture of generosity. What would happen, he wondered, if there were no prices? What if people only paid what they could afford, or what they thought the food was worth, or what they were inspired to pay? Is there enough generosity left in Western society to run a viable business on the principle of giving and sharing, rather than profit maximisation? Would the 'free rider' problem kick in, with people taking advantage of the 'free' food?

According to Fernando, all kinds of interesting things happen when people are faced with 'the magic box' – the mini treasure chest that people can place their donations in as they leave. A few (very, very few) take advantage. Some, who genuinely can't afford to pay, offer to chop vegetables or do dishes. Others make their own assessment of what is a fair price to pay. Some are quietly generous, while others make a theatrical gesture of placing their donation in the magic box.

But it goes beyond the money. Other unexpected things happen too. As you look around, you notice that this is not a 'people like me' experience, where those from your own socioeconomic or ethnocultural strata surround you. Lentil has succeeded in mixing it up, cutting across traditional divides. And because of the philosophy of the place, you may find a wealthy businessman striking up a conversation with a subsistence artist.

When you create these kinds of creative connections, it is a potent recipe for innovation, for rediscovering what it means to be human. Fernando insists that Lentil is first and foremost about good food (interestingly, vegetarian food, because that is the most inclusive, making concerns about halal or kosher or meat-based preparation irrelevant). But it is clearly more than that. It is an invitation to restore our faith in the essential goodness of humanity and the wholesome nature of community.

As the world recovers from the age of greed that culminated in the global financial crisis, it is refreshing to be reminded of the rightful place of money in society. Money is always a means to an end; never the end in itself. Melbourne – and indeed the world – would be a poorer place if brave experiments such as Lentil As Anything were allowed to fail. Let us make sure that, in the battle of generosity versus money, generosity wins hands down.

After my 2010 visit, I concluded a blog on sustainable business in Australia entitled 'Too much sunshine?' with the cheeky words: 'Why worry about disaster scenarios for 2050 when the sun is shining, the skies are blue and there's a great sports game on? CSR what? Surf's up!' Today, happily, I take those words back. It seems that we can all learn a thing or two from some of the brave experiments in social responsibility happening in the land Down Under.

Article reference

Visser, W. (2013) From laggard to leader: Pioneering experiments Down Under, *Wayne Visser Blog Briefing*, 21 August 2013.

Source

Part 10 of 13 in Wayne Visser's Searching for Sustainable Business blog series for CSRwire

Part of the WAYNE VISSER BLOG BRIEFING Series

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