

**Miles and Dowler, *A Guide to Business Law 21st edition***

**Study Aid – Chapter summaries**

**Chapter summary – ch 20 – sustainability**

**A. What is sustainability?**

“...Development seeking to meet the needs of the present Generation without compromising the ability of future Generations to meet their own needs...”

**B. The “Triple Bottom Line” method**

Reports on the concept of sustainability see it as having three legs, or ‘pillars’ which have been dubbed “the triple bottom line” approach. These pillars are “people”, “planet” and “profit” and these interact to use sustainable development and distribution to affect society in general, the environment and business growth and profitability.

**C. Sustainability: The Australian National Action Plan**

What does government say about sustainable practices? Sustainable practices have become an important government priority, supported by the Department of the Environment. Other government bodies such as the National Environment Protection Council and the Clean Energy Regulator have an important role to play in administering and providing incentives for Australia’s National Action Plan.

**D. Risk to Business Goodwill**

BP and James Hardie learned the impact of environmental disasters on their business goodwill. BP’s shares and patronage dropped dramatically after their delayed response to the major oil spill in the Gulf of Mexico. James Hardie saw legal action against its directors for failure practices which involved taking the company offshore and failure to provide adequate compensation for parties affected by exposure to asbestos related products. (For a detailed discussion of both cases see [20.60] and [20.70].)

**E. The Ecological Footprint**

How much impact do we have on our environment? The Ecological Footprint is a resource accounting tool which measure environmental impact. It is a data driven metric calculator which tells users how close they are to achieving sustainable lives. See: [http://www.footprintnetwork.org/en/index.php/GFN/page/at\\_a\\_glance/](http://www.footprintnetwork.org/en/index.php/GFN/page/at_a_glance/)

The Footprint Calculator Quiz:



This is an ingenious way of measuring your own personal impact on the environment: <http://www.footprintnetwork.org/en/index.php/GFN/page/calculators/>.

Input from users provides a graphical image of responses and calculates an individual “footprint” from data input into the calculator.

## **F. Legislation in Australia**

The Australian Department of the Environment administers a wide range of environmental legislation See [www.environment.gov.au](http://www.environment.gov.au).

The Clean Energy Regulator also has an important role to play in greenhouse gas (GHG) reduction programs. The Clean Energy Regulator is an independent FMA agency that administers the Renewable Energy Target, including the Large-scale Renewable Energy Target and the Small-scale Renewable Energy Scheme.

## **G. What is the “carbon tax”?**

From 1 July 2014, Australia’s “Clean Energy” legislation is no longer effective. Government agencies such as the Climate Change Authority and the Clean Energy Finance Corporation will be abolished by legislation.

## **H. The Kyoto Protocol**

The Kyoto Protocol is a protocol to the United Nations Framework Convention on Climate Change (UNFCCC). The aim of the protocol is to join signatory nations in the fight against global warming. Australia ratified Kyoto in December 2007 soon after Kevin Rudd being sworn in as Prime Minister.

Kyoto currently has 191 signatories and requires member countries to implement GHG reduction programmes either by local action or use of three additional methods of GHG reduction. These include carbon trading and joint programmes between developed nations.

Member nations are required to meet emission reduction targets and are required to keep detailed records.