



Sustainable Business Policy

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Spokesperson:

Introduction

In order for Aotearoa New Zealand to have an economy that is both economically viable and environmentally and socially sustainable, New Zealand businesses need to be supported to adopt sustainability as a core value.

The Green Party believes that placing business operations within the framework of sustainability will improve the competitiveness and profitability of businesses by promoting efficient resource use and allowing businesses to improve the effectiveness and efficiency of their processes. Such a framework will also encourage better capital investment decisions.

The Green Party supports a fair and just society where local producers, manufacturers, service providers and businesses are protected from unfair, foreign competition with products from countries with poor environmental and labour standards.

The Government makes many decisions in other policy areas that affect businesses. Also see our [Economic](#), [Industrial Relations](#), [Trade & Foreign Investment](#), and [Research, Science & Technology](#) policies.

Definitions

Sustainable Business – A business that minimises its adverse impacts on the environment and society, and seeks to create positive and long lasting benefits.

Externalisation of Costs – when businesses and manufacturers emit pollutants, or fail to factor in the costs to society of producing throwaway or over-packaged goods and services, or fail to use existing recyclable options and thus place the burden of such costs onto government services, local governments and individuals.

Vision

The Green Party envisions an Aotearoa New Zealand in which businesses are locally celebrated, nationally valued and internationally renowned for their economically successful, environmentally sustainable, and socially responsible practices. Confidence and creativity are high, and innovation is encouraged, recognised and rewarded. Staff and owners flourish in a co-operative productive environment. Those who make or provide the things that we use in our everyday lives are acknowledged and valued. The design of products and processes is driven by an understanding of and a commitment to the principles of sustainability.

Key Principles

In order to foster and support the development of economically successful, environmentally sustainable, socially responsible businesses, we need to:

1. Support and educate businesses to adopt sustainability as a core value.
2. Seek to promote a fair competitive environment for NZ businesses that removes outright competition with products and services from countries with poor human and worker rights records and with poor environmental practices (see [Trade policy](#)).
3. Encourage public and private investment in sustainable businesses and support increased sustainable business practice through appropriate mechanisms.
4. Support the on-going development of sustainable, diverse and innovative industries in New Zealand to help supply domestic demand for socially useful goods.
5. Ensure an appropriate legal framework exists to support sustainable practices.
6. Promote recognition and pride in New Zealand manufacturing and service companies.
7. Ensure that businesses are accountable for including local concerns and resource constraints into their decision-making.
8. Make it easier for businesses to invest in appropriate technology and research, explore options for better access to capital for new businesses and make compliance easier, especially for small and medium enterprises.
9. Meet obligations under Te Tiriti o Waitangi.

Policy Points

1. Supporting Sustainable Business Practice

A framework of sustainability enables business to improve the effectiveness and efficiency of its processes and can allow for better capital decision making while improving the competitiveness of the business. It also provides an ongoing structure for strategic planning by helping identify areas of internal improvement and allows the business to look at external factors such as resource constraints, input pricing and other factors that will affect business performance. The success of the Qualmark programme in the tourism sector demonstrates how effective a quality framework can be as it has improved service, pride in work, and acceptance of education as an improvement tool.

A. Supporting Sustainability

To support sustainability in business practice the Green Party will:

1. Redesign the business support programmes provided through the Ministry of Business, Innovation and Employment (MBIE) and NZ Trade & Enterprise mandating sustainability as a key goal and auditing existing assistance and training programmes for effectiveness and relevance.
2. Provide support to, and encourage consumer demand for, businesses which adopt sustainable certification programmes.
3. Support local and regional economic development agencies to educate and advocate for sustainable best practice in business.
4. Require government-owned enterprises to adopt sustainable procurement practices.
5. Commit long-term support to the significant expansion and development of networks and organisations that promote sustainability in business practices.
6. Ensure appropriate funding of NGOs working to assist operational and

behavioural change in the implementation of sustainability principles by businesses.

7. Encourage circular business relationships, where the outputs of one business are the inputs to another business, and engage in planning for the future siting of such businesses near/next to each other where appropriate and practical.
8. Support the adaptation of an internationally recognised Business Excellence Framework for New Zealand small businesses and provide long-term support to enable small businesses to participate.

B. Encouraging Sustainable Purchasing Practices

When decisions are being made to purchase products and services for a business there is an opportunity to choose options with lower future costs, financially, socially, and environmentally.

The Green Party will:

1. Investigate changes to the tax system so preferential tax treatment is given to green technologies, low emission vehicles and other sustainable practices.
2. Promote the use of local, sustainably sourced products and services.

C. Educating About Sustainability

Achieving nationwide knowledge of what sustainability and a sustainable society means requires funding, education and application.

The Green Party will:

1. Promote the inclusion of sustainable practices in all relevant courses purchased by the Tertiary Education Commission.
2. Continue and increase funding for professional and business advisory bodies for sustainability education.
3. Support tertiary educational institutions as well as professional engineering and architectural companies and societies to consider sustainability as a key driver of product and service design.

D. Addressing Externalisation of Costs

In order to improve sustainability, the externalisation of costs by businesses needs to be addressed. However moving straight to a regulatory/legislative approach can be costly and counterproductive, especially if there is direct competition with overseas businesses that are not operating on a sustainable basis. At the same time businesses that externalise their costs, at the expense of the good players, jeopardise the reputation of the whole sector. If the sector faces unfair competition from imports then measures must be taken to ensure a level playing field (see section 2).

Until measures to ensure a level playing field are in place, the Green Party supports:

1. Taking a sector-based approach where appropriate by:
 - a. Working with the relevant sectors to identify the issue (for example waste management).
 - b. Supporting the formation of an industry grouping to create an industry accord for a solution to this issue.
 - c. Trialling the accord amongst the participants, monitoring for effectiveness and refining as necessary.
 - d. Legislating to make compliance with accords compulsory if required.

E. Investigating Clustering

For some sectors, clustering businesses geographically, and near appropriate transport options (coastal, railway) has the potential to increase transport-energy

efficiency. Clustering can also facilitate innovation through cross-sector cooperation. However, clustering can also have adverse effects on communities. For example, increased load on local infrastructure and concentrated waste/pollution.

The Green Party will:

1. Fund urgent research into the environmental/social impacts of clustering.
2. Improve current funding and support delivered through MBIE by focusing on clustering that increases energy efficiency.
3. Support locating clusters near transport hubs (rail lines, ports etc).
4. Ensure local government plans avoid or mitigate the social and economic impacts of large-scale retail on existing small business.
5. Support mixed-use zones where business of an appropriate nature and scale, and residential living, can both be accommodated (see [Housing](#) policy).
6. Support local government facilitation of direct-to-consumer marketing initiatives for locally produced goods e.g. farmers markets, arts and craft shows etc. and investigate whether the two major supermarket groups can accommodate more locally produced agricultural and horticultural products.

2. Protecting Businesses from Unfair Competition

Under WTO rules, New Zealand businesses, particularly the manufacturing sector, face competition for state and domestic demand from imported goods and services. These imports often come from countries that have weak or non-existent employment standards and poor environmental, health and safety standards that allow them to manufacture goods or provide services at a much lower cost than New Zealand firms. Firms are increasingly outsourcing the manufacture of their products to countries that have lower labour costs and which are closer to foreign markets.

Currently, most regulation of imported goods occurs post market – that is action is only taken when a fault is found after the product is imported and sold. Often this means that consumers are not protected from poor quality or dangerous goods. To ensure better protection for New Zealand firms it is important we institute pre-market methods of regulation so that importers are required to show that their products meet minimum environmental, labour, and health and safety standards before being allowed to import.

Furthermore, Government spending accounts for approximately 40% of GDP so public sector spending decisions have significant revenue and investment implications for industry. The Government is prevented from automatically selecting New Zealand businesses by WTO rules. Instead, New Zealand businesses and manufacturers must compete with international suppliers for Government procurement contracts.

The likely impact of policies to combat climate change and the market response to increasing oil prices (peak oil) will be a significant increase in the cost of importing and exporting goods. Therefore, for the New Zealand economy to sustainably supply New Zealanders with the goods they need, both now and in the future, measures to protect domestic firms from unfair and unsustainable overseas competition need to be adopted.

The Green Party will:

1. Require mandatory country of origin labelling for all imported products.
2. Support and improve ways of communicating to the public on the value and importance of buying New Zealand made products.
3. Support mandatory product insurance for all imported manufactured goods.
4. Investigate other pre-market methods that will help address unfair competition.

5. Support and strengthen Government and local government implementation of sustainable procurement practices, including a requirement that they actively consider competitive local suppliers where they exist, within the framework of New Zealand's international trade obligations (see [Trade](#) policy).

3. Supporting Innovation and Diversity: Research and Development

The barriers to using technology and investing in research & development are disproportionately high for small businesses. To encourage innovation in businesses and manufacturing the Green Party will:

1. Investigate tax breaks for spending on research and development that meet sustainability criteria in key target sectors including organics, information and communications technology, product and materials development, and sustainable energy.
2. Increase funding to Government research organisations (see [Research, Science and Technology](#) policy).
3. Support increased funding and better coordination for university enterprises. Require state-funded researchers to work with small businesses, either individually or on a sector basis, and to assist in improving the quality and levels of research and development.
4. Assist small businesses in finding appropriate partners to help in further development of new ideas and technologies or to solve problems with technology or lack thereof.
5. Investigate models to support small businesses exporting intellectual property and research and development expertise in sustainable energies, technologies and practices.
6. Support innovation by identification of new business opportunities in sustainability sectors/practices including promoting:
 - a. Strategies and advice for efficiency in, or replacement of, non-renewable resource use.
 - b. Efficient resource use through our [Energy](#), [Transport](#), [Environment](#), buy local etc. policies.
 - c. Retrofitting domestic and commercial buildings for energy efficiency.
 - d. Research and development of new energy systems, transport systems, housing materials, waste as raw materials (including sewage), community design, organic production, information systems and technology, infrastructure etc.
 - e. Research into and application of flexible employment and workplace opportunities.
 - f. Mentoring to assist inventors to find the best framework for them to utilise their inventions – DIY, license, sell etc.
 - g. Investigating a mechanism, possibly similar to the artist's model, for income support during the later stages of developing product or service models, software etc.

4. Creating a Legal Framework for Sustainable Practices

The current legal framework should more effectively recognize the multiple stakeholders in a business and the responsibilities of business to act in a manner that will support a sustainable society.

The Green Party will:

1. Develop a Code of Corporate Responsibility for all corporations (foreign and domestic) operating in Aotearoa New Zealand.
2. Amend legislation to increase protection for adversely affected parties in situations where a business entity is liquidated, closed or unable to finance on-going responsibility for workmanship or products liability , for example by using compulsory insurance or bonds.
3. Support a full review and update of patent legislation, including what can be patented.
4. Keep a watching brief on rapidly changing technology to ensure continued applicability of new copyright and trademarks relative to existing options.

5. Making it Easier to Find and Keep the Right Staff

Businesses need an adequate supply of appropriately trained and motivated workers. Workers need a living wage and decent working conditions. Successful businesses treat their staff as valuable contributors, fundamental to their success. Up-skilling management is a recognised need in New Zealand.

The Green Party will:

1. Ensure appropriate funding/training subsidies for staff training focused on low-income workers and small businesses.
2. Promote life-long training and apprenticeships among employers and (potential) employees.
3. Raise the current cap on numbers of apprentices, particularly those that are spread across several small business employers instead of just one.
4. Support programmes to encourage businesses to employ highly skilled post-graduates for research and development.
5. Support the participation of businesses in employer of choice programmes.
6. Implement better retraining and workplace accommodation programmes to ensure that valuable skills and knowledge are not lost when workers suffer permanent injuries, and put in place safety programmes for industries with high rates of accidents or deaths.
7. Support the current work of member organisations in communicating the value of good employment practices.
8. Work with and support local economic development agencies to further improve coordination of local employment strategies including seasonal labour, accommodation affordability and locally relevant training.
9. Work with key sectors which have high casual employment (especially horticulture, viticulture, tourism and hospitality) to establish best practice for employment and safety.
10. Make it a statutory requirement for employers to appoint Union Learning Representatives to the workplace when requested by employees and ensure adequate resourcing is available to support the programme.

6. Supporting New Zealand's Manufacturing Base

The impacts of climate change and peak oil mean that it will become increasingly important that we make and repair as much as we can onshore in our own country.

The Green Party will:

1. Support the initiatives of manufacturers to work collaboratively to improve and transform the manufacturing sector in New Zealand.

2. Ensure the interests of manufacturing are represented at Cabinet with a Minister whose portfolio includes responsibility for this sector.
3. Celebrate and support manufacturing success.
4. Encourage business-to-business local procurement practices.
5. Facilitate the development of best practice manufacturing through strong collaboration between manufacturers, CRIs, universities and specialist sustainable business organisations, encouraging local procurement and improving incentives to invest in sustainable technology, innovation and research and development.
6. Through school, tertiary, and public education improve New Zealanders' understanding of the key role manufacturing plays in our economy, and the attractiveness of manufacturing as a career option.

7. Supporting Small Businesses

Small businesses are a cornerstone of our economy with 440,000 New Zealand businesses (94%) having fewer than 10 employees. Despite their significance, small business interests are not generally well represented, compared to the needs of larger businesses. The Green Party recognises that providing a self-sustaining income with improved quality of life is a major motivator for many small business owners and that business growth/export focus should not be the only criteria for judging business success.

A. Making Compliance Easier

It costs small businesses more time and money, per employee, to comply with legislation than it costs large businesses. The Green party wants to make it easier for small businesses to meet their legal obligations.

The Green party will:

1. Continue promoting ways of simplifying and reducing compliance requirements for small businesses.
2. Support changes to the tax system to ensure that compliance becomes simpler over time.
3. Support the establishment of a website to provide a one-stop-shop of what businesses need to do to comply. The business.govt.nz website could be adapted for this purpose.
4. Work to ensure legislative change that affects small businesses comes into effect on only three days per year to create a more stable environment.
5. Support existing business information and support networks with a proven record of aiding business compliance.
6. Require government agencies that work with small businesses to follow best practice in customer query resolution, plain language communications and pro-actively work to support culturally diverse businesses.
7. Require Health and Safety to synchronise assessments and inspections with related agencies as much as possible, and to actively assist with businesses setting up their safety policies and have sector specific checklists on their website.
8. Ensure there is a centralised system for communications from government to business to notify changes.

B. Improving Access to Capital

For those small businesses that wish to grow, access to capital can be a major

inhibitor. The Green Party will:

1. Explore ways of increasing access to capital for small businesses, including providing tax deductions for investors.
2. Improve small business awareness of currently available angel investor opportunities.
3. Encourage people to invest in local business lending either directly or via local organisations set up for this purpose, thus increasing availability of funds for small businesses.
4. Support the expansion of local banking options (e.g. Building Societies, locally owned banks, 'network' organisations and micro-credit) and their provision of small business capital.
5. Institute a comprehensive capital gains tax (excluding the family home) to direct capital from speculation in housing into productive enterprise (see [Economic](#) policy).

C. Improving Training and Support

High quality, relevant training should be available to all small businesses. The Green party will:

1. Increase funding for training and mentoring programmes for people considering going into self-employment or small business as well as those already running their own business, with a particular focus on resourcing services provided by small business networks and community based organisations.
2. Increase funding for the Be Your Own Boss scheme so it is available to anyone starting a business for the first time and new migrants, rather than just those who have been unemployed for 6 months or more.
3. Have small business practice as an option across all degrees, diplomas and apprenticeships, especially where there is traditionally a high rate of self-employment (fine arts, medicine, trades, agriculture etc.).
4. Support sustainability training and information for small businesses through workshops, resources, and on-line assessment tools.

8. Community Ownership

The Green Party supports the development of cooperative, worker-owned and community-owned models of business ownership alongside the more traditional business models prevalent in New Zealand (see the Community Economic Development section of our [Community & Voluntary Sector](#) policy).

The Green Party will:

1. Improve access to grant funding and capital to organisations which support the development of cooperative, worker and community models of ownership, especially where these demonstrate commitment to broader principles of environmental and social sustainability.
2. Create a legally enabling environment and actively support ethical investment and community-owned financial institutions, group employment ventures, and consumer and worker cooperatives.

9. Support for Māori and Pasifika Businesses

Māori and Pasifika populations experience more socio-economic deprivation than other ethnic groups in New Zealand (as measured by joblessness, educational attainment and average income). The Māori population is also demographically younger than the general population. This means that over the medium term, Māori and Pasifika workers

will comprise an increasing proportion of New Zealand's work force.

The Green Party supports:

1. Initiatives to deliver in-work support.
2. Initiatives to support businesses in Māori and Pasifika communities.
3. Providing ongoing support for Māori and Pasifika service providers such as Te Wananga O Aotearoa to provide free or low cost small business training and to assist students to access start up capital for their ventures.
4. Encourage Māori and Pasifika business people to become business mentors in their communities, and support existing Māori and Pasifika business networks with a record or the potential for success in those communities.
5. Ensure that all government information on business compliance is available in Māori and key Pasifika languages.
6. Ensure the Ministry of Pacific Island Affairs has the personnel and skills to ensure their people get the advice they need on government business support programmes.
7. Support intra-community lending initiatives for Māori and Pasifika businesses.