

17. THE NATURAL STEP'S 6TH CONFERENCE ON SUSTAINABILITY - 9, 10 AND 11 MAY 2002 - SAN FRANCISCO

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The Conference was held at Fort Mason, a former Military Depot which is on the San Francisco waterfront and which overlooks Alcatraz Island and the Golden Gate Bridge.

Limited Resources have shaped the Strategy

The Natural Step (TNS) organisation which promotes sustainability is dependent on a very small core of dedicated people and funding of sustainability initiatives is primarily by way of foundation grants and donations.

In the United States TNS is focussing its attention on assisting and advising a number of key corporates like Nike, the Ford Motor Company, Starbucks, Hewlett Packard, McDonalds and the Home Depot. The strategy behind this approach is that these very large multi-national companies will become the sustainability role models for others to follow. There has been a similar approach in the UK, with Air BP, Ernst and Young, Dow Chemicals, Co-operative Bank and Yorkshire Water being part of TNS Change on a large scale. TNS organisation also has a presence in other countries including South Africa, Sweden, Israel, Japan, New Zealand and Australia.

Need for a Vision

Whenever representatives of organisations which have adopted TNS spoke, they all emphasized the importance of having a vision and goals and then developing an organisational wide alignment around the vision and goals. Dr Lyn Roberts from TNS New Zealand presented a paper on developments within New Zealand and used some overheads of Christchurch City Council's vision and strategic objectives as examples of best practice. This generated much interest and some very positive comments about what we are doing. Christchurch was described as a hotbed of sustainability issues. We felt Christchurch was doing the right things and should be a model for other public authorities.

Need for buy in by the Corporate Sector

The focus for the TNS is on achieving sustainability in a number of key corporates which will become the role models for other companies. The thinking behind this approach is the impact these companies have on the global economy. By way of example, Nike has a total revenue figure of \$9 billion (US\$), employs 700,000 and is present in 55 countries.

These multi-nationals will also become role models for the public sector. The rationale behind this statement is that it is easier to get a knowledge transfer from the private sector to the public sector rather than from the public sector to the private sector.

Business Case Studies

Presentations were given by senior executives from:

Nike
Hewlett-Packard
The Home Depot (a large scale USA DIY chain store)
Interface (manufacturer of floor coverings)
Ford Motor Co

Ray Anderson (Interface and TNS Board) described sustainability as a "better way to bigger profits" and "doing well by doing good"; that "denial was far more easier but also more deadly".

Speakers described sustainability as an important marketing tool that was resulting in greater market share (from the less efficient). That there was developing an industrial paradigm shift where the early movers in sustainability would succeed. Speakers acknowledged that both customers and employees were becoming more aware and interested in sustainability issues, and it was good for business.

Involvement in TNS from some corporates evolved from bad publicity around labour and environmental practices (eg Nike) as well as increased costs in raw materials and waste. Each of the speakers emphasised the financial benefits of TNS.

It was important that TNS be driven from the top (top down leadership) as well as bottom up, with employees “playing the game”. Some of the corporates profiled had a committee including directors as well as senior executives responsible for creating, and actioning sustainability principles, strategy and initiatives.

Sustainability was seen as a “journey” and one speaker said “not one company on this earth is sustainable, that is zero environmental footprints”, but clearly several corporates involved in TNS had a vision to move towards that goal. Achieving such goals required the education and involvement of employees, business partners (included retailers) and customers.

The corporates profiled often produced annual sustainability reports. Social initiatives, recycling/waste minimisation programmes, energy conservation, reduced use of fossil fuels and other sustainability initiatives were a feature of such reports.

The Whistler Experience

Whistler is a small resort in British Columbia, two hours north of Vancouver, which is totally dependent on tourism. Population of 10,000 and hosts 2 million visitors a year. Its goal is to be the premier mountain resort community providing luxury amenities and natural pristine features.

The Mayor and the CEO of the Whistler Council initiated TNS in Whistler, using credible TNS experts, including Ray Anderson and Karl Hendrik Robert. In 1997 they went through a visionary process, engaging with the community. A comprehensive sustainability plan was developed. Local TNS facilitators were trained and toolkits were prepared for households, schools and small businesses.

Priorities:

- Moving towards environmental sustainability.
- Build a stronger resort community.
- Enhancing the Whistler experience.
- Financial sustainability.
- Contribute to the success of our region.

Whistler's Achievements

- 19% energy reduction.
- Reduction in use of pesticides/pesticide free parks.
- Commuter van pools/increased public transport (from five to 24 buses).
- Geothermal heat exchange.
- Increased tree planting/carbon offsets plus forest preservation.
- Use of recycled materials, especially paper.
- Employee housing/restricted beds.

Lessons learnt by Whistler:

- Create a common vision.
- Conscript the influential members of the community.
- Dedicate adequate resources.
- Use credible experts.
- Community engagement.
- Celebrate success.

The Santa Monica City Experience

The presenter, Dean Kubani, was the co-ordinator of Santa Monica's Sustainable City Programme and has overseen the ongoing development, implementation and evaluation of the programme since its adoption by the Santa Monica City Council in 1994. His work involves developing sustainable programmes and policies, introducing sustainable practices into municipal operations, overseeing residential and business sustainability initiatives, developing indicators, evaluating programmes and conducting public outreach programmes.

Santa Monica is located south of Los Angeles with a population of 84,000. The city economy is based on tourism, entertainment and high technology industries. The Council is responsible for police, fire, water, wastewater, solid waste and municipal bus system, with 1,800 employees and total annual expenditure of US\$365 million.

The sustainability goals which were set related to city operations as well as community:

- Resource conservation: Solid Waste, Water, Energy Purchasing.
- Transportation: Bus patronage, Ridesharing, Fleet Vehicles.
- Pollution Prevention and Public Health Protection: Hazardous Materials, Santa Monica Bay Quality.
- Community and Economic Development: Education, Affordable Housing, Open Space, Trees.

Successful Initiatives

- Green building design and construction guidelines. Applied to all municipal and commercial development projects. Green affordable housing units with 92% energy generated on site.
- Integrated Pest Management. Achieved better control of pests/reduced costs by 30%/eliminated use of sprayed chemical pesticides.
- Toxics use reduction. Eliminated use of over 30 types of hazardous cleaning products. Eliminated approximately 3,200 lbs of hazardous materials in products purchased annually.
- Street maintenance – New technologies using less materials and innovative footpath repairs using recycled materials and at reduced cost.
- Solid Waste diverted from landfills increased from 14% to 55% between 1990 to 2000.
- City Greenhouse gas emissions reduced 6% between 1990 and 2000.
- Fleet vehicles operating on alternative fuels – Increased from 10% to 70% (1993–2000).
- Bus ridership – Increased 17% (1990-2000).
- Public open space in city – Increased 10% (1990-2000). Garden that use less water promoted.
- Number of public trees – Increased by 8% (1995-2000).
- Organic gardens have been planted at every Public School in Santa Monica.
- Water conservation, reduced by 6% (1999-2000 cj target 20%).
- Stormwater treatment facility for reuse as irrigation in city parks and toilets.

The next stage in their sustainability programme will involve grant funding, disincentives, benchmarking, more emphasis on education, identifying the obstacles, free consultations for energy and waste audits.

San Francisco –General Observations

The extreme wealth and poverty within the city.

Homeless People – There are a large number of homeless people in the Civic Centre area and along Market Street. They can be seen with all their possessions in supermarket trolleys or lying alongside fountains and on street furniture.

Cleanliness – Despite the homelessness and poverty, the central city was remarkably clean. There was very little litter and little evidence of graffiti. The street cleaning is an ongoing operation which takes place during the day and night.

Multi-Cultural –San Francisco has a very wide range of ethnic groups. Latin Americans, Chinese, Filipinos, Japanese, Africans, West Indians, all represented and are very visible. This contributes to the dynamic and cosmopolitan nature of the city.

New Zealand Well Regarded – Whenever people found we were from New Zealand they always spoke well of New Zealand, either from first hand experience or from what they had heard from others. New Zealand was widely recognised.

“NZ is clean and green I believe it's got some fantastic scenery The mountains are just amazing I believe you can cycle all around NZ We are planning on going there We have heard all about the adventure tourism in NZ.”

Tourism – San Francisco is very dependent on Tourism. It is said that Tourism is San Francisco's most important economic activity. Nearly every city block seemed to have a hotel on it. When we went to City Hall we were told that the September 11 terrorist attacks had a significant impact on the San Francisco tourist industry. Tourist revenue was down and this has in turn reduced the revenue of the City Council. The San Francisco City Council relied on a 14% bed tax.

The San Francisco City Council comprised a charismatic African-American Mayor who seemed to have executive authority and a Board of 12 representatives (City Councillors), one of whom was elected as President to chair the meetings of the Board, not the Mayor. The Board approved the annual budget and the Mayor was responsible for its implementation.

Alister James also participated in the San Francisco Youth Drug Treatment and Education Court and met with the Administrative and Clinical Directors of their treatment/education programmes.

Chair's

Recommendation: That the information be received.