

Chapter 10 — Key Learnings and Takeaways

Sustainability in Australia and New Zealand

What This Chapter Is About

This chapter examines sustainability in Australia and New Zealand through the interaction of strong institutions, Anglo-derived governance systems, distinct business cultures, and material climate and labour risks. While both markets are often perceived as “low-risk” due to regulatory maturity, the chapter shows that sustainability outcomes depend on execution quality, stewardship discipline, and cultural context, not disclosure alone.

Core Takeaways

1. Strong institutions do not eliminate sustainability risk

Despite robust legal and regulatory frameworks, Australia and New Zealand face material climate, labour, and supply-chain risks that require active governance and oversight.

2. Business culture shapes sustainability execution

Australia's compliance- and KPI-driven approach contrasts with New Zealand's collaborative, community-embedded model, leading to different sustainability outcomes despite similar legal roots.

3. Governance crises have strengthened accountability

High-profile governance failures in Australia catalysed regulatory reform, improved enforcement, and heightened board accountability.

4. Indigenous engagement is material in New Zealand

Māori partnership and treaty obligations shape land use, resource management, and long-term sustainability strategy, making indigenous engagement central rather than symbolic.

5. Climate risk profiles differ meaningfully

Australia's exposure to bushfires and extreme heat contrasts with New Zealand's flood and seismic risks, affecting asset resilience and capital allocation.

6. Stewardship drives sustainability outcomes

Active stewardship by asset owners and investor coalitions has been a critical driver of governance reform and ESG integration in both markets.

7. Modern slavery is a board-level issue

Strengthening modern slavery and supply-chain due diligence obligations elevate social risk management from compliance to strategic oversight.

8. Sustainability opportunities remain compelling

Renewables, critical minerals, sustainable agriculture, and infrastructure investment offer ESG-linked growth opportunities when governance and execution risks are well managed.