

Chapter 10 Teaching Guide

Sustainability in Australia and New Zealand

1. Chapter Overview

Chapter 10 examines sustainability in Australia and New Zealand through the interaction of Anglo-derived governance systems, pragmatic business cultures, climate resilience challenges, and evolving regulatory and stewardship frameworks. While the two countries share common legal foundations and strong institutions, their sustainability pathways diverge meaningfully due to differences in economic structure, indigenous engagement, regulatory design, and exposure to climate and labor risks.

The chapter highlights Australia's compliance-driven, results-oriented approach, shaped by resource dependence, climate exposure, and post-crisis governance reform, alongside New Zealand's community-embedded, Māori-informed sustainability model, where indigenous partnership and long-term stewardship play a central role. It shows how both markets function as global testbeds for sustainability policy, disclosure, and investor engagement—despite their relatively small market size.

Through regulatory analysis, case examples (3M Australia, Fonterra), and interviews with leading institutional investors (ACSI, NZ Super Fund), the chapter demonstrates why Australia and New Zealand punch above their weight in shaping sustainability norms across the Asia-Pacific region.

2. Key Learning Objectives

After completing this chapter, students should be able to:

1. Explain how business culture differs between Australia and New Zealand and why this matters for sustainability execution.
2. Understand the structure and roles of key regulators in both markets.
3. Analyse how climate risk manifests differently in Australia and New Zealand.
4. Assess the impact of governance crises on regulatory reform and investor confidence.
5. Evaluate the role of stewardship organisations and asset owners in driving ESG outcomes.
6. Understand emerging supply chain and modern slavery obligations across Australasia.
7. Identify sustainability-linked investment opportunities in energy, food systems, and infrastructure.
8. Apply lessons from Australia and New Zealand to other developed and emerging markets.

3. Summary of Key Points (Instructor Version)

- Australia and New Zealand share strong institutions but diverge in sustainability execution.
- Australian business culture is pragmatic, KPI-driven, and compliance-oriented.
- New Zealand integrates sustainability through collaboration and Māori governance principles.
- Regulatory frameworks are sophisticated but differ in complexity and structure.
- Climate risks are material in both countries, with distinct physical profiles.
- Labor shortages and social risks affect productivity and resilience.
- Modern slavery regulation is strengthening and setting APAC benchmarks.
- Governance crises have catalysed reform and improved accountability.
- Both markets offer sustainability-linked growth opportunities despite structural constraints.

4. Teaching Guidance: How to Use This Chapter

a. Recommended Teaching Approach

This chapter works best as a developed-market counterpoint to earlier Asian case studies (Japan, Korea, India, ASEAN). It allows instructors to contrast:

- Rules-based, institutionally strong systems
- Relationship-driven or politically volatile markets
- Compliance-led versus community-embedded sustainability models

It is particularly suitable for:

- MBA / EMBA courses on global sustainability strategy
- Executive education for boards and asset owners
- Stewardship and governance programs
- Policy and regulatory training

The chapter supports comparative analysis, regulatory mapping, and applied governance discussion.

b. Suggested Class Flow (90 minutes)

- i. Cultural framing (10 minutes)

Ask students:

“Why do Australia and New Zealand, with similar legal roots, pursue sustainability so differently?”

ii. Business culture and execution (20 minutes)

Discuss:

- KPI-driven pragmatism in Australia
- Collaboration and indigenous consultation in New Zealand
- Case comparison: 3M Australia vs Fonterra

iii. Regulatory architecture (20 minutes)

Compare:

- ASIC / APRA / RBA / ASX (Australia)
- FMA / RBNZ / MBIE / NZX (New Zealand)

Highlight stewardship bodies (ACSI, NZSA).

iv. Risk deep dive (25 minutes)

Group discussion on:

- Climate risk (bushfires vs floods/earthquakes)
- Labor shortages and modern slavery
- Supply chain due diligence

v. Opportunities and synthesis (15 minutes)

Explore:

- Critical minerals, hydrogen, renewables (Australia)
- Sustainable food, eco-tourism, Māori partnerships (New Zealand)

5. Common Student Misconceptions to Address

- Developed markets face lower sustainability risk
- Strong disclosure guarantees strong outcomes
- Indigenous engagement is symbolic rather than material
- Climate risk is already fully priced in
- Governance reform is static once implemented

Instructors should redirect discussion toward dynamic risk management and institutional evolution.

6. Instructor Tips for Effective Discussion

- Use Australia/New Zealand as “best practice with caveats.”
- Emphasise the role of crises in accelerating reform.
- Highlight how stewardship operates in high-quality markets.
- Treat modern slavery as a governance and board-level issue.
- Draw links between local reform and regional influence.

7. Suggested Supplementary Readings (Optional)

Australia

- ASIC. *Climate Disclosure and Enforcement Updates*
- ACSI. *Stewardship and ESG Research*
- Royal Commission Final Report (Banking & Financial Services)

New Zealand

- FMA. *Climate-related Disclosure Guidance*
- New Zealand Climate Adaptation Act
- NZ Super Fund. *Responsible Investment Reports*

Regional & Global

- PRI / ICGN guidance on stewardship
- OECD. *Corporate Governance and Sustainability*

8. How This Chapter Connects to the Rest of the Book

Chapter 10 reinforces the book's core argument that sustainability outcomes depend on institutional design, culture, and enforcement—not just ambition or disclosure. Australia and New Zealand demonstrate how strong governance systems can still face material climate, labor, and social risks, and how sustained investor engagement is required even in advanced markets. The chapter provides a bridge between Asian emerging-market complexity and global best practice, offering transferable lessons for investors, boards, and policymakers.