

# METTLE

ISSUE TWELVE



**METTLE, a collection of stories and interviews with influential New Zealand business leaders, curated by MinterEllisonRuddWatts.**



Welcome to our latest issue of METtle, the publication that gives us a golden opportunity to sit down with some of our country's pre-eminent leaders, ask questions and gain incisive commentary on the issues that matter to NZ Inc.

MinterEllisonRuddWatts always seeks to explore, understand and navigate the issues that are at the heart of New Zealand's present and future. On these pages I am therefore intrigued to hear from top-tier thinkers in some of our country's largest industries, including construction, dairy and banking, as well as the regulatory sector, as they explore the challenges, concerns and opportunities in front of us all as we tread the right path forwards toward a prosperous future.

We have also been honoured with a rare opportunity to hear from a new political party as it takes its first steps towards presenting its vision to change the way we all think about sustainability.

METTle, like our firm, is all about gathering powerful insights, drawing in useful viewpoints, and exploring effective ways forward. I hope you will enjoy the thoughts, views and discussion on these pages.

SARAH SINCLAIR, CHAIR, MinterEllisonRuddWatts



Welcome to the twelfth edition of MEttle in which we delve into one of the biggest issues for business, governance and the people we serve and represent – sustainability.

In years to come, 2019 will be noted as a year when this word became important in the minds of many as the specter of climate change raises its head. We've all seen or heard about family or friends marching for immediate action to be taken. Evidence abounds from droughts and devastating fires, to floods and a teenager from Sweden talking sense and making us listen.

So, into the fray we have entered to provide some insight on sustainability from leaders in some of our most important industries, as well as a new political party. From their commentary, you will further understand this topic's complexity, dynamism and energy.

There is no single sustainability solution to fit all, every business and organisation is different, and this presents new challenges. What does sustainability mean for your organisation? Whatever the answer, it needs to rise-up your agenda.

In this issue we also explore leading purpose-led organisations, building trust and developing business curiosity, as well as career planning, gender equality and achieving a balanced life.

As always, our aim is to encourage your thinking about challenges and to ask questions, as well as inspiring conversations and debate. We hope we've achieved this as you head away for a well-earned break.

Best wishes for the holiday season.

CATHY QUINN ONZM, MinterEllisonRuddWatts



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# MAN IN THE HOT SEAT

**DR DAVID PRENTICE:  
CHAIR OF THE INTERIM CLIMATE CHANGE COMMITTEE**

Few people have had to understand more points of view and arguments from politicians, businesses, farmers, and civil society over the last 18 months on how to reduce greenhouse gas emissions than the Chair of the Interim Climate Change Committee.



Formed in April 2018 as a precursor to the Climate Change Commission, the Committee has already provided independent evidence and analysis to the Government on renewable electricity generation and agriculture.

The Committee's interim Chair, Dr David Prentice, spoke to MEttle on the two questions the Committee was asked by the Government to answer. And the questions were big ones: how to reduce emissions from both electricity generation and agriculture.

#### THE ELECTRICITY QUESTION

"The exact question the Government asked was how New Zealand can transition to 100% renewable electricity generation in a normal hydrological year by 2035," says David Prentice.

"But though the transition to 100% is a laudable goal, when the Committee met for the first time in April 2018, we felt that to limit ourselves to merely answering that question explicitly would not do the work justice. This is because if you look at the overall picture of emissions in New Zealand, only around 5% come from the electricity sector. Breaking down the remainder of the emissions, approximately 48% come from agriculture, about 20% come from transport, approximately 8% come from process heat, and another 19% come from other sources.

"We also knew that New Zealand was already at around 80 to 85% renewable electricity and was set to get to around 92 to 93% by 2035. So, we broadened the scope of the question. We looked at what needs to be done to substantially increase the renewable generation capacity that is available, so we can fast-track the electrification of our transport fleet and process heat."

"You can get to 100% renewable electricity, but the problem we have in New Zealand is when there is a dry winter period. Because we have 85% renewable electricity primarily from the hydro dams in the South Island, it is not uncommon for the lake levels to get low during the three months over the winter period - and that's when New Zealand currently relies on gas or coal.

**"You can get to 100% renewable electricity, but the problem we have in New Zealand is when there is a dry winter period."**

**Dr David Prentice, Interim Climate Change Committee**

#### EMISSIONS IN NZ

**5%**

**ELECTRICITY**

**48%**

**AGRICULTURE**

**20%**

**TRANSPORT**

**8%**

**PROCESS  
HEAT**

**19%**

**OTHER**

"We know that wind and solar farms will eventually replace coal and gas, and so we will make it to the high nineties. However, the difficulty of getting those final few percentage points to deal with a dry winter period is a challenge.

One way to do it successfully is by significantly over-building wind and solar, but this means there will be excess capacity on wind and solar farms that isn't being used for most of the year. Unfortunately, this causes the cost of electricity to spike, and the marginal cost of carbon goes well above \$1,000. Plus, you don't have the same security of supply. So, it can be done, but it's exceedingly expensive, and it comes at a risk of security of supply, and it's not where the low-hanging fruit is."

**"It's about where you get the biggest bang for your buck in terms of reducing greenhouse gas emissions."**

**Dr David Prentice, Interim Climate Change Committee**

The Committee looked closely at other ways to hit the broader goal, Prentice says, because at the end of the day this isn't just about renewable electricity.

"It's about where you can get the biggest bang for your buck in terms of reducing greenhouse gas emissions. We believe we can do that in the transport sector, by getting more electric vehicles on the road, and more combustion engines off the road. And we will only get more electric vehicles on the road if there is sufficient electricity to charge them.

"Currently, there are a number of consented wind sites and if construction goes ahead, then wind generation capacity will almost triple," says David. "The challenge then is how we get electricity from wind farms into an electrical network to where we actually need it, and how do we develop an effective network of charging points around the country? There's a massive piece of work that still needs to be considered on transmission, distribution and charging points and the consenting process that underpins it. And this is something the new Climate Commission will need to factor in."

#### AGRICULTURE: A CONTROVERSIAL TOPIC

Moving onto the challenging topic of reducing agricultural emissions – and David admits that there remains a lot of controversy around emissions from agriculture – he says that the question given to the Committee for this sector was effectively around how we can bring agriculture into the Emissions Trading Scheme (ETS). This is because agriculture is the only sector with significant amounts of greenhouse gas emissions (namely, of methane and nitrous oxide) not currently covered by the ETS.

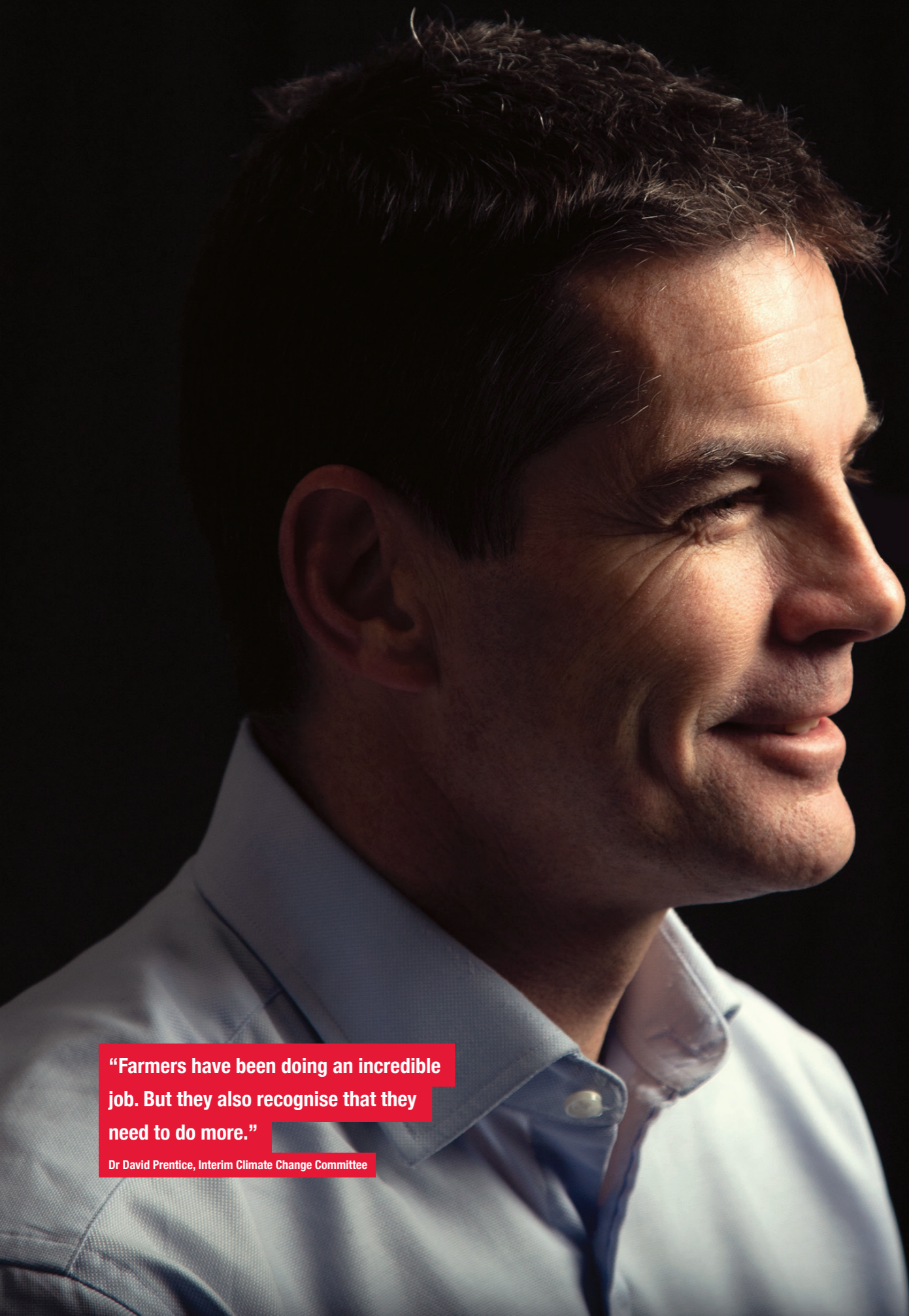
"There have been various attempts over the last 10 to 20 years to address agriculture emissions, and it remains a hugely controversial question, and a very different problem to transport. While we have technology solutions to decarbonise the transport sector, those types of solutions don't exist for agriculture. While there are ways that farmers can reduce emissions by changing on-farm practices, using these methods will only deliver reductions in the order of 5 to 10%. More can be achieved by diversifying land uses, for example transitioning to horticulture or forestry, but, there's no 'silver bullet' solution right now to enable decarbonised livestock farming. Nevertheless, the reductions currently possible are still valuable and should be pursued."

**"While we have technology solutions to decarbonise the transport sector, those types of solutions don't exist for agriculture."**

**Dr David Prentice, Interim Climate Change Committee**

However, David notes that the dialogue on the topic has changed from 10 years ago.

"Most farmers that we talked to recognise the fact that we have to do something. They also said, 'you know what? We've already been doing a huge amount over the last 20 years'. And that's true. It's important to acknowledge that farmers have already decreased their emissions intensity by approximately 1% per year over the past 20 years. They've been doing an incredible job. But they also recognise that they need to do more. But there are no one-stop-shop, large-scale solutions."



**“Farmers have been doing an incredible job. But they also recognise that they need to do more.”**

Dr David Prentice, Interim Climate Change Committee

In a nutshell, the big breakthrough came through the work the Committee did, and the engagement they developed through working with the sector, which meant they ended up recommending in their report that a price-based mechanism for livestock emissions should be brought in at farm level.

“It’s critically important that this happens at farm level,” David says, “so individual farmers have the ability to change and adapt, and it doesn’t just feel like a tax that has been imposed on them. This will be the most effective way to drive behavioural change and provide an incentive for farmers to reduce on-farm emissions by changing their practices.”

This change can only be brought in by 2025, he adds, because of the amount of work that needs to be done to get there. And importantly, there is broad agreement from the agriculture sector to work towards emissions pricing by 2025.

#### SO, WHAT INNOVATIONS HAPPEN NEXT?

“The big debate is over what needs to happen between now and then,” David says.

“You have to consider the efficiency gains over the last 20 years. Farmers are continually looking to drive efficiency on their farms. It has been part and parcel of farming for eons. Through these gains, they have managed to reduce greenhouse gas emissions intensity on the farm by 1% per year, and that is forecast to continue at that level for some years into the future, so emissions intensity will continue to improve.”

Given the opportunities that currently exist to reduce in-paddock emissions, and New Zealand farmers’ proven ability to innovate and improve as demonstrated by the work they have already done over the last 20 years, David says that the 10% emissions reduction by the 2030 target is achievable.

“That reduction is the equivalent of 1% per year, which is in line with current efficiency improvements and a stable national herd. There seems to be general acceptance from the agricultural community that this is achievable. And between now and 2030, we expect quite material innovations to come to the market, so that by 2030, there might be more low emissions feed options such as modified ryegrass, methane inhibitors and other things that will enable further reductions to happen.”

But wouldn’t these innovations require the Government to need to allow modified grasses to be used in New Zealand, for example, which they don’t now?

“This is definitely something that would need to be considered by the Government. Modified ryegrass has shown potential in modelling and it is currently in trials overseas. It would be worth looking at as we should think carefully about all options.”

#### TARGETS WILL CHANGE

On that basis, and that he believes that things will change along the way, David chooses to remain optimistic about achieving the targets in the Zero Carbon Act.

“I prefer to think that humans will find a way. Innovation and research will play a considerable part going forward. My view has always been that the most critical thing in the Zero Carbon Act isn’t necessarily the level of the target, which will be reviewed and could be changed if need be, depending on our understanding of the science, global action on climate change, and what new opportunities come with technology.

**“The most critical thing in the Zero Carbon Act isn’t necessarily the level of the target, which will be reviewed and could be changed if need be...”**

Dr David Prentice, Interim Climate Change Committee

“The most important thing now is to get bilateral support, so it doesn’t become another political football kicked down the road. It needs to allow businesses to have a degree of surety and transparency going forward, so that they can start to invest in making changes within their businesses. Without that, progress will continue to be a challenge.”

So, what can New Zealand businesses do to take the next step on this journey to reduce their emissions?

“The one thing I would say is: understand what your emissions are. It sounds so trite and so obvious, but it is incredible how many businesses aren’t doing it. If you don’t have an idea of what you are emitting as a business, and through your supply chain and customers, how can you put in place a strategy, targets and actions to prove that you are moving downwards? Get your house in order and get your emissions down.”

# SEEKING PARITY

**ROSS TAYLOR, CEO, FLETCHER BUILDING**

Ross Taylor joined Fletcher Building as CEO in November 2017. Previously CEO of UGL, an international engineering, services, construction and product manufacturing business. His proven experience in improving performance and shareholder returns and working with decision-makers at the highest levels in Australia and New Zealand gives him a detailed understanding of the carbon challenges that confront the construction sector.





**“New Zealand has got to stay efficient, but you also want in-country manufacturing of critical items.”**

Ross Taylor, Fletcher Building

On the topic of carbon, he says that Fletcher's emits approximately 1.8-2 million tonnes of carbon per year. And when you unbundle that, he says, 600,000-700,000 tonnes of that comes from cement manufacture in New Zealand, and another 600,000-700,000 comes through the power the company uses in Australia.

In his personal view, he thinks it's both appropriate and important that Fletcher's has committed to the Government's, and the world's, settings in aiming for well under the 2% target, which means reducing the company's emissions by 30% by 2030. However, the issue as he sees it is that New Zealand should take care not to isolate itself on that agenda and allow products that are not being produced in this way to come into New Zealand untaxed.

**“It needs parity or you'll penalise anything produced in the country, and then everyone will just move to buying it out of the country”**

Ross Taylor, Fletcher Building

“The Government can quite legitimately put taxes around carbon and other incentives to drive innovation, but it needs to ensure parity, or it will just penalise anything produced in the country—and then everyone will just move to buying it offshore.”

#### **CEMENTING THE PROBLEM**

Cement production is a great example, he says, as it is really in the crosshairs.

“Cement is about 8% of the world's carbon load – 70% of that carbon comes from the chemical reaction in manufacturing cement, and the rest comes from the energy required to make it. So, if I look at where Fletcher Building is in New Zealand, we have roughly 20% less embedded carbon in the cement we manufacture locally than what gets imported now.”

**“We use roughly 20% less embedded carbon in the cement we manufacture locally than what gets imported now”**

Ross Taylor, Fletcher Building



“There are two reasons for this 20% advantage. One is the source of power and the other is our own efficiencies. New Zealand has a large proportion of hydro power which provides a simple and natural advantage. On top of this we have implemented numerous improvements at our manufacturing plant progressively over the years, and we are just about to take that further by using two-thirds of New Zealand’s waste tyres as an alternative fuel. Once collected we will shred them and burn them in our main kiln, reducing the amount of coal that is used.

“Incidentally, when you burn tyres, it is a high-temperature incineration; so high that you don’t get any emissions or toxins off it. The kiln is so hot that it completely consumes everything. Obviously in this day and age there is no way that a council would ever let you have a stack of tyres with burning black smoke. Nor would we want to do this! So, this is quite different. It is very high temperature combustion and very clean. It delivers something very important for New Zealand: firstly, it displaces the carbon load in the power we consume, and secondly, it cleans up a major waste issue in terms of how to reuse the tyres.

“The other reason our cement carbon content is lower is that Fletchers doesn’t have to transport the cement to New Zealand by ship. Cement is heavy and needs to be shipped here over long distances. You have to get it into the country, whether that is manufactured cement or cement clinker, which then gets ground into cement.”

#### BEWARE UNINTENDED CONSEQUENCES

What gets problematic, he says, is if the Government starts taxing the company here in New Zealand with carbon taxes and not taxing imports in the same way. Effectively those costs will make Fletchers uncompetitive, which would force the company to import.

“So, what you’ll end up doing is moving the most decarbonised cement out of the market and moving the problem offshore – making the global problem worse. It’s a fake saving.

“Therefore, one of the challenges is how do you drive New Zealand to decarbonise, which is entirely appropriate to do, while doing so in a manner that is fair and doesn’t result in hollowing out your local manufacturing sector, with all the downstream impacts that entails, and the emissions problem is simply displaced globally.”

This has driven a considerable amount of communication between the company and the Government, he says.

“We have contributed in detail to the Government’s review in this area, and we have been quite specific around it. At the end of the day you need enough business and scale to keep manufacturing in New Zealand. Our cement plant in Portland, near Whangarei, provides a lot of jobs up there, and we make multi-year investments. A carbon tax without parity puts uncertainty into those operations, the large number of people we employ, and those investments, so we have made submissions and suggestions around how best to implement these targets.

“We are supportive of carbon taxes, but only if imports are taxed for their embedded carbon on the same basis we are in country. If this doesn’t happen, it will become increasingly difficult to stay competitive and support New Zealand based manufacturing.

“If you think of New Zealand from a sovereign risk perspective, you want efficient and competitive industries, you want to be able to feed yourself, and you want a manufacturing base that supports key industries. It’s important to keep a credible base level in country, so New Zealand has to be very thoughtful as it pushes down the carbon tax road and drives carbon reduction forward that it doesn’t hollow out what it has left. This is an emerging issue across many industries.”

#### THE GREAT KIWI TRIAL MARKETPLACE

Governments should not look at companies that have scale with suspicion, he says.

“You need a level of scale to compete with competitors that manufacture and produce products internationally in much larger markets where scale is easier to achieve. Keeping larger New Zealand based companies efficient and competitive is the key.”

The settings to achieve this are already in place in New Zealand – there are no tariffs and no antidumping provisions – which he says, “keeps things very competitive.”

**“If we get the settings right and don’t compromise local businesses’ ability to compete, there is a unique opportunity to innovate and lead the world.”**

Ross Taylor, Fletcher Building

“Given an environment which forces industry to be competitive already exists, you have got to be very careful how to apply carbon taxes or you will get unintended consequences that you will regret in the future. You may find you have hollowed out local industry and made the world’s carbon load worse by shutting down lower carbon in-country manufacturing.

“The flip-side is interesting and more important – if the Government gets the settings right and ensures parity with imports when the carbon tax is introduced, you will really focus New Zealand companies on innovating and coming up with exciting technologies that can potentially be world leading.

“Again, if I stay with cement and look at where decarbonisation of the cement chemical process is going, one of the most proven and positive-looking technologies is the introduction of pozzolans as a cement alternative. These are made from volcanic rocks, which New Zealand has a lot of. If we get the settings right here and we don’t compromise local businesses’ ability to compete, there is a pretty unique opportunity to innovate and invest in these technologies and drive the local industry to be world leading.”

This, he says, is because New Zealand is an attractive market to trial products and technologies for global players as it is both a developed and sophisticated country, but you’re not trying to crack a large and hugely complex market.

“In the cement space international technology players see Fletchers as very attractive to work with – we have scale in this market, we are vertically integrated through the full value chain, and we can make the cement, turn it into concrete and then place it in buildings and roads. This means we can both prove the technology, get it specified, get the standards aligned with it, and get people to use it. Again, it creates a huge opportunity for New Zealand to innovate if we get the framework right.”

#### A BIG CHALLENGE: RISK-AVERSION

Ross brings up the issue that the building industry is very risk averse and slow to change, which is why small companies are sometimes hesitant to bring in a new product or innovation from overseas.

If a building owner tries it and it doesn’t work, it can be very difficult to get the problem solved as the product is internationally sourced and a small local company really can’t stand behind it. It becomes safer to use products they know they can rely on, from manufacturers they trust and who have robust service in the event something does go wrong. By contrast, he says that large New Zealand companies like Fletcher Building are uniquely placed to innovate and stand behind what they are doing as they are both substantial and local.

“With Fletcher Building you’ve got a large local business with a material balance sheet innovating and sourcing world leading technologies, and yes, we need to make sure we get it right, but with us standing behind it with local service and support, the customer can have a lot more comfort in adopting the new technology.

“This is another reason to ensure enough scale companies remain domiciled in New Zealand across the various sectors.”

In conclusion, Ross says that it is easy – and yet a big risk – to get lost in the carbon debate on its own.

“We don’t have many scale industries left here, so we have to be careful as we drive carbon out of the economy that we don’t hollow out New Zealand industry. It isn’t a black and white choice – carbon reduction or local manufacturing. We can have both, we just have to be smart about how we get there.”



# DON'T GIVE UP ON DAIRY

**TIM MACKLE, CHIEF EXECUTIVE, DAIRYNZ**

The challenge for the dairy industry is on two levels, says Tim Mackle, Chief Executive of DairyNZ and vocal advocate for the industry.

“Firstly, how do we make a contribution and play our part in addressing this major challenge that we have globally; and on the second level, how do we deal with the effects of climate change, with farmers starting to see and feel it?”

**“You could be sitting in the UK drinking a glass of our milk and it would still be lower footprint than the local product.”**

Tim Mackle, DairyNZ



**“New Zealand needs to keep moving, because we can’t be leap-frogged by other producers. We have to develop our own systems.”**

Tim Mackle, DairyNZ

Tim Mackle says that in New Zealand we know that the dairy sector is a big part of total emissions.

“Dairy is about 22%, and agriculture in general is about 48-49% of total emissions, although it is important to point out that this is on a carbon dioxide volume equivalent basis, not necessarily on a warming basis.

“They are different. The warming impact of methane in the atmosphere is potent, but it is only there for 12 years. By the time you account for that and use certain models, we’re not going to be 22% of the warming impact in New Zealand. That’s the bottom line. That might sound pedantic, but it is really important, because we have to know what problem we are trying to solve.”

That said, Tim admits that the sector has got to move on and play its part, because New Zealand has made a commitment to no more than a 1.5 degree temperature rise by 2050, linking to Intergovernmental Panel on Climate Change (IPCC).

“We are saying ‘we’re up for it’, it is a big challenge, but at the same time you have to put it into context too. New Zealand is 0.17% of the world’s total emissions, and we are 22% of that.

“What I do lament a little bit with media is the context around why we are 48% of emissions. You know the story: we are high renewable energy and low industrial, with a tiny population, but when it comes to dairy, we are providing the recommended daily intake for around 100 million people globally every day of the year. We are feeding a lot of people and we are playing

a vital role. On top of that, Kiwis might not understand that we are really good at low-emissions dairy production. We are the lowest emitters in the world we believe, based on our pasture-based system and our efficient use of feed. We don’t use big tractors to turn the soil and we don’t use big machinery typically to feed animals.”

**“We are the lowest emitters in the world, based on our pasture-based system and our efficient use of feed.”**

Tim Mackle, DairyNZ

Tim points that in terms of total product lifecycle, you could be sitting in the UK drinking a glass of our milk and it would still be lower footprint than the local product.

“Shipping is miniscule in the grand scheme of things. Most of the greenhouse gas footprint is on the farm, so food miles are not as material as it used to be thought.”

#### **WE ARE REALLY GOOD, BUT THAT DOESN’T MEAN WE DON’T NEED TO MOVE**

The dairy sector gets that, says Tim. However, farmers still have to understand the starting position, the base, he says.

“We have to move on two accounts because our Government has made a commitment and it is important to Kiwis to play that role, and our customers and consumers expect it as well.

“While our emissions profile might be the lowest, with a lower profile than a product from for example the US or Europe out of a big barn system, we can’t rest on our laurels from a customer viewpoint. The discerning customers we aim for expect us to take it seriously and keep moving forward and improving. We can’t rest on our laurels: we have to keep improving.”

When it comes to some of the other production systems out there – the confined systems, the barns in the Netherlands with developing technology to reduce methane – they do offer potentially easier ways to get compounds into animals says Tim, but that is because “the animals are sitting inside all day, and you’re pushing feed up to them. These compounds don’t last very long, so they are consuming them all day.

“On our free-range system in New Zealand, dairy cows might be brought inside once or twice a day, and not at all in the winter. It is more problematic, and for sheep it’s absolutely problematic because they don’t come in at all. That’s why New Zealand needs to keep moving, because we can’t

be leap-frogged by the other producers, and we have to develop our own systems. This is why we have formed the Pastoral Greenhouse Gas Research Consortium with the Government and Beef and Lamb New Zealand, well over 10 years ago, because it is so important to develop our own technology. There is some promise there, but methane is a tough nut to crack.”

#### **NO SOLUTION OUT THERE?**

Tim says that there are efficiency gains we can get right now, but no radical dial-moving solution. This is why he says the interim target of 10% reduction by 2030 needs to be reviewed by the incoming Climate Change Commission, even though in principle he accepts it.

“I wouldn’t say we support it though, but we think it is theoretically doable because there are a number of farms that can still get more efficiency out of their feed utilisation.

“Right now, the only real levers for farmers to improve their greenhouse gas emissions output are more efficiently utilising the feed they are buying and using, growing more and not buying, and fertiliser input.”

#### **HOW DOES IT WORK FOR PEOPLE WHO ARE ALREADY REALLY EFFICIENT?**

This is the big challenge. Tim says that DairyNZ is working on that now, starting a programme to drive profitable and financially resilient systems and address the two big issues: water quality, which is mainly about nitrogen, and greenhouse gas (GHG). He says that these two topics will take a lot of research and systems thinking, working with partners and farmers.

“The reality is,” he says, “if the Government is looking for a 10% reduction in methane by 2030, some farmers may do it relatively easily because they are wasting methane right now, but for others it will be a real struggle.

**“Some farmers may hit the target relatively easily because they are wasting methane right now, but for others it will be a real struggle.”**

Tim Mackle, DairyNZ

“There is a lot of water to go under the bridge yet. We do need to work out how we do that. The Prime Minister has said to us on several occasions that she wants to make sure they reward early movers – people who have moved already. That is an apparent unfairness at the moment, and we have to address it. We have submitted that we think the Climate Change

Commission needs to review that number. It might come down.”

#### GM-MODIFIED GRASSES WITH TRIALS UNDERWAY

Among the big issues NZ Inc – and farmers – need to grapple with for our future is the one of genetically enhanced grasses. The question for Tim is ‘does our brand involve genetic modification (GM)?’

“My personal viewpoint is that there will be a point in the future when even the affluent moral compass may shift, and they might realise that producing food with superior technology and no scientific risk is good for the world. I also think – as does Bill Gates – that’s where it will go, but the question for New Zealand is when.

“At the end of the day it will be a big call to make, and it won’t be made by DairyNZ. Ultimately it will be made by the food companies and the Government together—they need to work through it together. On that note, dairy farmers are investing to partner with AgResearch and the Government to have those GM plants put out in fields and grown and grazed in Missouri. We are doing it because we need the options, and it’s not just greenhouse gases – a significant reduction in nitrogen will help as well. These things take time.”

He adds that DairyNZ is exploring other non-GM avenues too.

“We have got some hybrid rye grasses we have just started growing in Canterbury, technology that the Australians developed. We have come in with investment at the back - end of it to keep it going. It is quite promising. Hybridisation is something the maize and corn industry has done for decades, and that is why they have got such great yields. It’s like crossing a Jersey and Friesian and the ‘hybrid vigour’ you get from that. They have finally cracked how to do it with rye - grass. We can potentially get elite rye - grass cultivars that are compatible for crossing, and then hybridise them to get another hopefully 10-20%. That’s biomass so it’s also more methane, but it is also less bought-in feed.

“There are some exciting technologies going on, but they take time to get through the seed production industry and to farmers. It takes time to implement—we can’t change it overnight.”

**“There are some exciting technologies, but they take time to get through the seed production industry and to farmers. It takes time to implement it, we can’t change it overnight.”**

Tim Mackle, DairyNZ

Tim adds that DairyNZ has been investing in research that relates to environmental sustainability, in nitrogen and latterly in greenhouse gasses, for almost 20 years.

“We have a body of evidence that will help us. I think it is important to know that we haven’t just started this in the last couple of years – we have been at this for quite a while, and that is dairy farmers’ money. We do take this seriously. Probably 15 years ago we had a RED trial – Resource-Efficient Dairy – with multiple farm systems, all about how you farm with less inputs, be more efficient, generate profit but have a much lower environmental impact.”

In the meantime, what he says to people is “don’t give up on dairy”.

**“The answer to unsustainable dairy is sustainable dairy, so let’s get on and keep solving it.”**

Tim Mackle, DairyNZ

“It might sound a bit melodramatic, but that’s how people are feeling at the moment. The answer to unsustainable dairy is sustainable dairy, so let’s get on and keep solving it.”

# A GLASS OF NEW THINKING ABOUT SUSTAINABILITY

## VERNON TAVA, LEADER OF THE SUSTAINABLE NEW ZEALAND PARTY

Just ten days after the launch of the Sustainable New Zealand Party (SNZP) METtle spoke to leader Vernon Tava about his fresh view on how sustainability and business can work together for a prosperous New Zealand.



For some he's come out of nowhere, while others have been listening to his brand of sustainability for many years.

After a Party launch, he's had his fair share of media attention, but his views still seem new, innovative and even exciting. But how is it possible to successfully blend sustainability with society and economy – isn't this like mixing oil and water – or is there a chance they can work well together?

Vernon is a lawyer by training and has done some hard yards in community law; now he works as a business broker. He's also been a university researcher, a local board member on Auckland Council and, for a time, a professional coffee roaster.

He says his background has prepared him for the rigours of communicating his vision in the lead up to next year's election.

He's Italian/Irish – “good Catholic stock” he says. His family moved to New Zealand when he was five years old and he grew up infused in the family manufacturing business.

“We were a city business family so I was acutely aware from a young age about the responsibility owners have to keep the lights on, look after staff and pay on time so they can look after their families. The need to provide at every level is a constant, and if that goes, everything falls over.”

It's a lesson that's re-emerged as a foundation for where he is now.

Life as a kid was typically Kiwi, being outdoors, nagging parents to go camping and joining the Scouts – “Even now if I have downtime, I will go as remote as possible.”

He studied in Auckland, travelled and landed up in Melbourne as a coffee roaster – “it's funny the things you end up doing,” he quipped.

“But it was here I first encountered practical sustainability. In the mid-2000s people really started asking questions – where do the beans come from, were they organic, were workers looked after? So, I started to delve deeper into the trade.”

He discovered a commodity that's one of the world's most heavily traded and the social and environmental impacts of the industry. It was a double-shot discovery and he returned to University to continue his studies.

“Despite an early dream to be a criminal lawyer I was drawn to environmental law. I finished a Master of Laws degree looking at the rights of nature, or more accurately the legal personhood of non-human nature. I won the prize for my year and stayed on as a researcher, doing some lecturing and tutoring at the University of Auckland. I became very focused on environmental thinking.”

However, he realised the changes that need to be made were not going to come from tutorials and writing academic papers that would only be read by other lawyers and academics.

“I couldn't enclose myself in legal academia and understood that the change we need to see, at the pace we need to see it, would only happen at the political level. So, I went searching and found the Greens – they're the environmental party, right? What I realised is that it's a socialist project through and through, and I simply didn't agree with that world view.”

It was this that led him to contemplate a fresh approach to sustainability.

“I want to encourage business leaders, those in governance and all Kiwis to think about reframing their ideas about how sustainability can work, within society and the economy, so we can prosper as well as regenerating our environment.”

**“I want to encourage business leaders, those in governance and all Kiwis to think about reframing their ideas about how sustainability can work.”**

Vernon Tava, Sustainable NZ

His core contention is: “Until now, if you wanted to vote for the environment as a top priority – and you are concerned about the state of the world and what you are leaving your kids, you've had to vote for a party that is strongly left-wing and a clearing house for left-of-Labour activist movements.

“We are told what's wrong, but not given a solution. What we challenge really strongly is the “limits to growth” hypothesis which fails to distinguish between different types of economic growth and falsely presumes that there is always a direct correlation between growth and resource consumption and pollution. In many sectors this is becoming less and less true over time and in some growth is almost completely environmentally benign.

“SNZP believes we can deal with the challenges we face by working within that proven combination of capitalism and liberal democracy to raise people's living standards in unison. We will need to re-prioritise and transition to a more circular economy but this can happen within the current system. Both ‘business as usual’ and ‘no growth’ views are misguided.”

Vernon has heard some “bagging” of his new party, which he accepts with an “of course” and then emphasises the need for



**“SNZP believes we can deal with the challenges we face by working within that proven combination of capitalism and liberal democracy to raise people's living standards in unison.”**

Vernon Tava, Sustainable NZ

a party focused on the environment, society and the economy – the three together.

Then he receives the big question – can you reach the 5% threshold when many others have failed?

“Our launch is actually answering a public call over the last few elections – which was particularly loud in 2017. Why can’t an environmental party govern with both sides of Parliament? We prioritise the environment because it’s essential to get these ideas across but we also have eyes on social and economic needs and have already announced key policies with much more to come.

“Take conservation for example where we have a \$1billion programme. When you ask Kiwis what they really care about in the environment, fresh water is always number one – and kudos to the Government for its freshwater strategy – this is an issue that’s been kicked down the road for a long time.

**“When you ask Kiwis what they really care about in the environment, fresh water is always number one.”**

Vernon Tava, Sustainable NZ

“There are others including: conservation, fisheries, protecting native plants and animals, habitat destruction, biodiversity loss, nitrogen cycles and nutrient overloads. These are not being dealt with to anywhere near the extent that people would like.”

Vernon also appreciates that being given an accommodation would be the best way to attain a seat, but he’s not banking on it.

“Absolutely, of course that would be true of any party. But people tend to forget there is a huge mobile vote in the centre of about 10-15% – that’s around 300,000 people who will chop and change from party to party each election. There is room for us in the centre and there’s a large catchment especially when you are talking about a topic with universal appeal – let’s care for our environment – and we believe this can be achieved in a way that doesn’t require a revolutionary overturning of our economy and society. That’s appealing.”

He’s aiming to catch the attention of sectors being backed into corners by the current sustainability debate. This includes the dairy sector that’s caught between a shed and a fencepost when it comes to emissions targets:

“Farmers are being asked to make changes that will put many of them out of business. There’s no choice – halve emissions. But you’re not allowed to apply science and adopt new technology.”

This brings up another point of contention with current political approach to the environment – it’s selective with the science:

“Farmers have done a huge amount, out of their own pocket. They’ve done the riparian planting, fenced, move from intensive farming and reduced nutrient impact. They produce some of the lowest environmental impact commodities in the world – we are very efficient farmers. But people don’t understand this and without being able to innovate freely, there’s nowhere to go.

“They are also not being listened to – they are asking how they can be better at sustainable farming and being told to stop denying there’s a problem and cut emissions when they are running up against the limits of what can be done.”

Vernon advocates for letting farmers decide the details within broader parameters.

“They know their land, let them be freer to decide. There are a lot of good farms doing what’s needed. No one size fits all and governments need to appreciate this.

“A good example of this limited understanding is grass and soil being massive sequestrators of carbon – but this is not adequately considered. As a result, we have a grandstand forestry panic policy to just plant as many pine trees as possible. This is an environmental Kiwibuild, an approach that hasn’t looked in detail at the impact and implications of this approach.”

Having veered on to the topic of carbon emissions, some people have observed that launching the SNZP post zero-carbon legislation was terrible timing, but Vernon couldn’t disagree more:

“The Greens have done some great work here – the architecture is excellent and recognises there are some things that are too technical and complicated for politicians. The same model has been working in the UK since 2008. We have very complex and challenging issues to deal with. A lot of it is engineering and it needs to be given to a genuine body of experts who can map out a long-term transition pathway for us – this is the only way to manage it.

“The concern, though, is that the current politics has a bob each way – we are going to make policy moves before they are properly considered and hem in industry. The unilateral offshore oil and gas ban is a great example. The minister setting methane targets based on arbitrary figures is another. In the meantime, there is limited support for innovation to achieve our goals.”

He also highlighted concerns that some extreme environmental policies could put whole industries in danger.

**“Our country needs domestically produced building products, especially in the middle of a boom.”**

Vernon Tava, Sustainable NZ

“Take concrete for example, if you are going to put a tax on concrete manufactured here and not tax imports lots of people will lose their jobs. Our country needs domestically produced building products, especially in the middle of a boom.

“What this boils down to is the need to work with business on these issues. We’ve seen a troubling callousness towards business, and this has justified being hard on big and small businesses to make unrealistic changes.”

The SNZP’s position is it’s possible to nurture the environment and business growth, at the same time.

“We need to build a binding and lasting coalition between the environment and business.

Sustainability also needs to be at the centre of all political discussion. It’s an increasing part of everyday discussion so politics needs to be there too.

“I’ve watched with alarm how environmental concerns, particularly climate change, are debated in Australia. Obviously, there are very serious problems across the Tasman, but it’s become a political football – we can’t have environmental issues handled like this.

“Politicians also need to appreciate that in many respects business and academia are miles ahead on this topic. So, the idea that economic growth can’t be sustainable is outdated. It’s wrong to think growth must come from degrading our

environment when about 85% of company value globally is made up of intellectual property.”

“If we shut off the avenues of exploration such as certain areas of science, including gene technology, then we are shooting ourselves in the foot. Scientific progress is incredible but if you set parameters you will limit the extent of innovation. People are very innovative but need to be given some leeway. If we deal with these things sensibly, set standards, the innovation that’s possible is remarkable.

“We (SNZP) understand that environmental protection and regeneration is possible within a modern, open growing economy and our future is in innovation, particularly clean-tech. The future doesn’t mean we need to turn our back on existing industries and shut them down, limit them, and move away – we need a shared vision.”

Looking to next year’s election Vernon Tava highlights the existing foundation of understanding for the ideas being presented by the SNZP.

**“Senior leaders in business and governance already understand that it’s entirely possible to save the environment and become wealthier as we do it.”**

Vernon Tava, Sustainable NZ

“Senior leaders in business and governance already understand that it’s entirely possible to save the environment and become wealthier as we do it. Economic growth and capitalism itself aren’t the enemy. Centrally planned economies tend to fail and when this happens the environmental, social and economic impact is severe.

“We don’t need to have any revolutionary over-turning of the system, particularly when the alternative is so poorly articulated.

“The answer is well regulated, free markets, with capitalism and liberal democracy working together to prioritise sustainability. It’s not perfect but it is by far the most successful system and is best placed to get us to a circular economy in which we all prosper.” <sup>10</sup>



# THE POWER OF PURPOSEFUL CURIOSITY

**VITTORIA SHORTT, CEO ASB BANK**

If you are the leader of one of New Zealand's most influential and prominent organisations, affecting the futures of more than a million customers, it pays to be relentlessly curious, always seeking purpose and understanding amid the blizzard of details.

Fortunately for ASB Bank, its CEO Vittoria Shortt has these qualities in abundance. Having initiated and led a bank-wide project to articulate the bank's purpose: "Accelerating the financial progress for all New Zealanders", she took MEttle through the steps of her career to date, driven by the curiosity that has powered her path to this latest responsibility as one of the few female CEOs of a major organisation in New Zealand.

A proud Kiwi, Vittoria Shortt grew up in Auckland and went to Waikato University. There, she took the first steps along an academic path that she then replicated in her career.

“My father suggested that I should go into accounting, because you can travel around the world and have a profession, and I thought that sounded quite exotic. So off I went to Waikato, where they had a Bachelor of Management Studies course that had a practical element to the degree, as I really loved the idea of working with business.”

After taking a few accounting papers, Shortt took some finance papers, which she really liked.

“I then went on to do what they called Strategic Management, so I went accounting, finance, strategy – and it became more and more fascinating to me.”

In her last year of university, Shortt received a letter from Deloitte inviting her to work for them.

“John Hagen was running the firm at that time,” she says.

“I worked for John and Peter Simmons, who were running the corporate finance practice. So, I went from audit into corporate finance, where they did everything from evidence for commercial litigation to due diligence to M&A to opinions for the Stock Exchange – all the good corporate finance work.”

Realising that she didn't want to be advising businesses as much as she wanted to be in them, she thought the best way to get into one was to try to get into an in-house corporate finance or M&A team. At the time there were only three businesses that fit the bill: Fonterra, Air New Zealand and Carter Holt. Shortt got into the Carter Holt M&A team, at a time when Chris Liddell was reshaping the business substantially.

Saying that she had “a really terrific few years” doing M&A, Shortt then had an epiphany.

**“I thought that unless you were running a business, you weren't really in it.”**

Vittoria Shortt, ASB Bank

“I thought that unless you were running a business, you weren't really in it,” she says. “I asked if I could move into a division, and I went into the timber division as the Commercial

Manager, doing all the finances and strategy as well. That was my evolution from accounting, to finance and then strategy.”

At this time Shortt met her Kiwi husband, Tony, and together they went to Sydney, precipitating a move into Commonwealth Bank. There Shortt says she did “pretty much every role that was going: product, HR, IT, sales, operations, M&A, strategy. You name it, I did it. Every time they asked me to do something, I said yes.”

A few of these role changes were because she had children, she explains.

“In those days, they didn't keep your role open for you when you had children, so I left, had children, and came back. Each time I came back, the question was ‘what do we do with Vittoria?’ so I went into whatever role was going, which at the time I saw as opportunity to do something different.”

#### AT THIS TIME AN UNEXPECTEDLY PIVOTAL MOMENT AROSE

“They asked me to work with the HR team”, she says.

“I had gone from corporate finance and those sorts of areas – where I really knew what my skills were and how I added value – to an area that couldn't have been further from what I felt I knew.

“However, I had also come to the view that if I wanted to lead businesses, no area would be a bad area to go into. So, with that in mind, I took the HR role. Retrospectively, it was a great decision because two roles later I had 5,000 people working with me all over Australia, and I really needed that grounding in people fundamentals. It was really helpful.”

This experience also helped Vittoria to realise that not being a subject matter expert offered a degree of latitude, which allowed her natural curiosity to come to the fore.

“I always had a view of what I could bring to a role and what I needed to learn. I learned that when you go into a role and you're not a subject matter expert, it gives you a real degree of freedom. I am naturally very curious; I ask a million questions. I just want to know how things work, how they hang together and how they tick.

“By not being a subject matter expert, you can ask all the stupid questions; you can prod and poke into lots of different areas. It gave me the ability to look into a business, or whatever I was accountable for, and understand it in a fundamental way.”

**“By not being a subject matter expert, you can ask stupid questions, you can prod and poke into lots of different areas, and understand the business in a fundamental way.”**

Vittoria Shortt, ASB Bank





After this point, bigger roles came to the fore, enabling Vittoria to bring all her experience together. These roles included running the retail bank for Bankwest, joining the Executive Team at Commonwealth Bank Australia, and then her latest role at ASB Bank – where her curiosity has been a real asset in learning about the business and its customer base.

“Natural curiosity is good to help you understand your customers and how they operate, and what they are thinking about. I like going onto a farm, or into a business, as I am really curious to see how it runs,” she says. “One of our clients runs a very successful dry-cleaning operation. I had never known how it works, and now I do – and I would like one of those machines at home!”

#### DEVELOPING AND LEADING A PURPOSE-LED ORGANISATION

Now CEO of ASB Bank for over eighteen months, Vittoria says that one of the first things she did when starting in February 2018 was to really understand how the bank ticked, and what drove its purpose.

“I was a student of history of this business when I arrived,” she says. “I knew parts of it because I knew Ralph, Ross and Barbara. I knew people involved in the bank, so I had parts of an understanding. But I needed more.

“I went back and had a look at its genesis, which was always about the community. ASB has been going for 172 years, and it was all about the working class of New Zealand, supporting working people and helping them learn how to save.

“ASB’s origins were always community-based, always about financial wellbeing. One of the first things they did when they set up ASB was to translate the constitution into Te Reo Māori, because they wanted to encourage people to save. At the end of their first year, they had £100, 14 Pākeha and seven Māori. That was the start of ASB.”

**“At the end of its first year, ASB had £100, 14 Pākeha and seven Māori. That was the start of ASB.”**

Vittoria Shortt, ASB Bank

One of the things that Vittoria set about early on was to ensure that this fundamental community centric purpose was at the foreground of the modern bank’s outlook, thinking and decision-making.

“ASB always had an implicit purpose,” she says. “My job was just to articulate what was implicit and make it explicit: to showcase our deep roots in the community and doing the right thing by our customers.”

#### ACTIONING PURPOSE AT A TIME OF INQUIRY

Although Vittoria says that articulating the bank’s purpose was “easy in a way”, she acknowledges that it is a much bigger challenge to take a purpose and make it really meaningful and actionable.

“Our purpose is about accelerating financial progress for all New Zealanders. The task is to bring it to life so it is more than a phrase for each customer. We use a simple concept Every Day, Rainy Day, One Day.”

“Every Day is about how you function every day, meeting your commitments, having sufficient control over your finances,” she says. “Rainy Day is about when something happens, have you got something to fall back on? And One Day is important goals like home ownership, or for big corporate customers maybe it is an acquisition target or offshore growth. The same concept applies, irrespectively.”

The bank then uses the power of data to understand how to further help its customers – which is particularly relevant in light of the Royal Commission inquiry earlier this year.

“We looked at our customers to see how many have difficulty making payments, for example, and to see what we can do to help, and how many of our customers have resilient settings. If I take the dairy industry right now for example, they are going through big industry changes, so we think about what are those resilient settings and how do we have the conversation to help our customers?”

Each part of the purpose-led framework has data and a methodology behind it, she says, which helps the bank to be very clear about its role and to prove what it is doing to help customers make financial progress.

“Some of the lessons I have taken out of what has been happening with the Royal Commission were two sentences from an APRA [Australian Prudential Regulation Authority] report about culture. One of them is that financial success dulled the senses, and the second one is that important voices became harder to hear. Those two sentences go to the heart of the challenge, making sure you understand the impact of your decision on customers and the community and really listening to others opinions.”

Stressing that strong, profitable banks are very important for the New Zealand economy – “we have to go offshore to raise a lot of money, and we want to raise it at really attractive rates so we can bring it back to New Zealand and continue to support people doing what they need to do,” Vittoria – acknowledges that this is only part of the picture.

“This is why purpose really comes into sharp focus: yes, profitability is important, but how do we know we are looking after every customer every day?”

**“You can’t take comfort from an aggregate number. You’ve got to look and understand what is happening with all of your customers.”**

Vittoria Shortt, ASB Bank

“We can’t rely on averages,” she adds. “A lot of people talk about net promoter scores, and that’s great, but what’s happening with customers who aren’t happy? You can’t take comfort from an aggregate number. You’ve got to understand what is happening with all of your customers, and make sure that your processes support all the experiences your customers are having.”

Taking responsibilities seriously, and acting carefully amid change Vittoria is also keen to make the point that New Zealand’s culture makes for a different conversation within the banks, and ASB Bank in particular, about the needs of customers.

“New Zealanders are very relationship-oriented, which I think is a lot about the size of the country.

“When I look into our own business, I see our people all around the country asking themselves ‘is this the right thing to do for this customer?’ the ‘could we, should we?’ test.”

Ultimately, she says that we need organisations with skill to be able to provide quality advice and guidance to people who need that guidance.

“The point is how to do it properly and safely – for our people, for our customers. That’s the bit we need to get right, working hand-in-hand with regulators. There is a lot of change in regulation, potentially too much. We are at risk of trying to get a lot of change done in such a short space of time, so we have to make sure we get it right.

“We just have to be careful we don’t put too much change into the system at a time when there is a lot of change happening globally, and within the New Zealand economy. We have to be very careful that we don’t have unintended consequences from too much change.”

Vittoria concludes by saying that she and ASB Bank are doing everything they can to play the role in New Zealand that they should play, at an individual customer level and also for New Zealand’s benefit.

“Everything - from how do we help with financial crime, how do we help address some of the changes in different industries in New Zealand, environmental factors, social factors - we’re looking into these aspects so we can take the right steps forward to help our customers. We take our responsibility very seriously.”

# REGULATOR, REFEREE AND HEAD COACH

**ANNA RAWLINGS, CHAIR, COMMERCE COMMISSION**

It doesn't take long to work out that Anna Rawlings is the right person, in the right role, at the right time, as the recently appointed Chair of the Commerce Commission – a role that is about ensuring a level playing field for competitors so that consumers and businesses are confident, in a game where rules are known and players are monitored.



Anna Rawlings has spent much of her career working with New Zealand businesses including in electricity, gas, telecommunications, and dairy sectors.

Now as the Chair of one of the country's most important regulatory agencies, Anna has the role of regulator, referee and head coach when it comes to governing national competition and competitive behaviour to support greater productivity and economic growth.

MEttle spoke to Anna about her journey from practising law to being appointed as a Commissioner and now Chair, and other questions about career planning, gender equality and one very close to her heart, having a balanced life.

**MEttle:** The role you've taken would be considered by many as a high-point in a career. Can you tell us about your early working years?

**ANNA RAWLINGS:** I took a fairly typical path after studying law at the University of Auckland and went to work at a top tier law firm. But I then decided to go to Canada to study for a thesis based Master's degree at the University of Toronto. My focus was on law and economics and the interplay between the two in the protection of trade secrets.

After I completed my Master's I took a year out to travel like many do at that age. My study and travel was incredibly beneficial personally and professionally. I really enjoyed the thinking space provided by an extended break from paid work. I moved to Canada on my own and I travelled alone much of the year following so I learned a lot about independence and resilience. I also gained some great perspective about our own place in a global economy by spending time in a diverse range of communities—from large international cities to small off grid communities.

**MEttle:** Did your time abroad give you a new perspective?

**ANNA RAWLINGS:** I definitely returned with a new focus on practising law and using my Master's. I joined MinterEllisonRuddWatts' dispute resolution team, specialising in competition, regulation and consumer law and became a Partner in 2007.

Practising law during these years was hugely rewarding with great opportunities for developing a broad understanding of business practices across a range of industry sectors – this experience has put me in a good position with my current role.

I was primarily a litigation lawyer with work focused on a range of regulatory contexts. I think having some practical perspective from both sides of the table is immensely valuable as a regulator.

I also maintained a strong advisory practice, working with clients on consumer protection issues arising from advertising and marketing and, with other partners, advising on M&A work, in financial services and intellectual property.

**MEttle:** When you were practising did you ever think you may become a Commissioner and then Chair at the Commerce Commission? Did you structure your career to reach this point?

**ANNA RAWLINGS:** I am not much of a career planner so this hasn't been a mapped trajectory.

From a personal perspective, my number one priority has always been to make sure I am interested in my work. If it's enjoyable it makes it easier to make the best contribution. There will always be harder times but work shouldn't feel like a chore – perhaps a simple view, but it's been very important to me.

Law provided that enjoyment for me but at the same time, my University education had a strong social policy dimension.

I've also always had a strong interest in aspects of legal and regulatory policy and its contribution to the general well-being of all New Zealanders. So, it seemed obvious to me, when the role at the Commission presented itself in 2014, that it would provide a great opportunity to draw on all those aspects of my background and interests.

**MEttle:** What is your advice to those who are planning their own careers within law, or thinking about a move from law to governance?

**ANNA RAWLINGS:** You don't necessarily have to have it all planned and laid out.

If it's your style to organise, then that's fine, but you also need resilience so you can deal with not achieving your goals, when things don't go to plan. You need to have the flexibility to recognise different opportunities, even if you thought you were on a path to something else, otherwise you may miss something worthwhile.

My primary focus has always been on building and maintaining relationships of integrity, applying myself as best as I can to whatever is in front of me at the time, and letting my performance speak for itself. I have tried to remain open to all and any opportunities but I've also taken the time to make informed choices – it's proved to be a 'no regrets' approach.

**MEttle:** You worked part time at MinterEllisonRuddWatts and the Commerce Commission before being appointed as Chair, in a full-time position. What does that pathway say about work/life balance, particularly for women seeking senior legal or business roles?



**“Like a head coach and a referee we are here to make sure the playing field, or the market, works well so everyone can benefit.”**

Anna Rawlings, Commerce Commission

**ANNA RAWLINGS:** I have been lucky to work with some very supportive people throughout my career, but I am also no stranger to the difficulties that many women describe about progressing in the legal profession and into senior business roles generally.

Of course, I am proud to have been a partner in a commercial law firm for a lengthy period of time, and to have been a Commissioner and now the Chair of an organisation with a nationally significant role. If that provides a reference point for others to feel like their career aspirations are achievable, then that is a great side benefit.

Decisions about balancing career with family and lifestyle are very personal. We should acknowledge that achieving the right balance can be challenging and we should talk openly and seriously about this if we want more people to manage them more successfully.

I think the most important thing I have learned about balance is that nothing needs necessarily to be forever, and if your work can allow it, flexibility doesn't necessarily mean a certain number of hours per day or week. It can also mean working hard for a period of time and then having a lighter load for a while.

The Commission is an organisation with a strong representation of women at senior levels and presently our Chair, Deputy Chair, and CEO are all women. Initiatives relating to flexible working and diversity are front of mind for us at the moment and it's great to be a part of that. Creating an environment where everyone can be their best self at work every day has to be good not just for women, or for working mothers, but for everyone.

**METTLE:** How have the first six months been in the role of Chair?

**ANNA RAWLINGS:** My appointment is a real privilege. The Commission is an organisation in excellent shape. It's staffed by very capable people who share a real commitment. Combined with the diversity and depth of what we do every day, this makes it a stimulating and appealing place to work.

In many ways the transition from Commissioner to Chair has been straightforward but this year has been significant. The organisation is facing changing and increased demands in terms of the work we are asked to perform, the outcomes we pursue and the New Zealanders we support.

Almost all of the legislation we work with is currently under review or has had proposed change which has created an interesting and dynamic environment to work within.

**METTLE:** Can you provide a few examples of current projects and programmes?

**ANNA RAWLINGS:** This year we have conducted our first market study into retail fuel.

Our telecommunications team is finalising decisions on new up-front regulatory rules for fibre broadband services, which will affect the price and quality of services for homes and businesses across New Zealand. It has also been working on new statutory functions focused on retail service quality for consumers.


We are preparing to implement extensive proposed changes to consumer credit law.

We have a significant number of enforcement cases before the courts involving important questions of law under the Commerce Act, the Fair Trading Act and the Credit Contracts and Consumer Finance Act. Also, this year our regulation branch has been working on resetting five-year revenue limits and quality standards for many electricity networks, which will affect the cost and quality of electricity for New Zealand consumers from April 2020.

Other priority areas include focussing on compliance with consumer credit laws related to motor-vehicle finance, ensuring claims about the environmental impact of products are accurate and reliable, and identifying potential harm to consumers from online retail, and educating and taking enforcement action if appropriate.

To make sure we are equipped as an organisation to tackle this busy and expanding mandate we have been working on a project called Fit for the Future. It looks at how well we are positioned to deliver on our vision and objectives, and how we will meet future challenges. We are looking forward to converting the consultancy project into tangible initiatives in 2020.

A massively important part of our work is connecting with our stakeholders to develop our understanding and effectiveness. We are here to make sure the playing field, or the market, works well so everyone can benefit.

It's an exciting – and busy – time to be at the Commerce Commission. Every change presents opportunities for us to rethink what we do and how we do it, and to test whether there is anything that we could do better. 

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