

**Speech to 4<sup>th</sup> annual conference of the Australian Centre for Corporate Social Responsibility: *'Meeting the Standard—The Post-GFC World of Responsible Business Practice'*.**

**Friday, 19 February 2010.**

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- Good morning and thank you for having me.
- I would like to begin by recognising the traditional owners of the land on which we meet today, the Wurundjeri people and pay respect to those elders past and present.
- I would also like to thank the Australian Centre for Corporate Social Responsibility for the opportunity to speak at this year's conference. And what a year it has been.
- Around this time last year the Victorian community was just beginning to come to terms with the devastation and loss of the Black Saturday bushfires.

- At the same time, of course, we were also counting the cost of the Global Financial Crisis. Not just the cost in monetary terms—which was considerable—but also the cost in human terms: All the businesses forced to close down. All the workers who lost their livelihoods. And all the families struggling to cope with diminished income and prospects.
- A year on and things are looking a little brighter. Just like in Marysville and Kinglake, the catastrophe in the financial world is over and the “green-shoots” are developing into saplings of stability and growth.
- While most acknowledge that we are by no means out of the woods, confidence has returned to such an extent that some are beginning to speak of a “post-GFC world”. While I think the certainty implied in such a phrase is, perhaps, a little premature, there is no doubt that business, government and our community are looking to the future with greater hope than they did last year.

- But while we look forward I think it is vital that we also look back, at what caused the GFC.
- John F. Kennedy once said that those who foolishly seek power riding on the tiger's back often end up inside. And we saw that in the past 18 months: some of the world's largest corporations consumed by the very economy they rode to riches. They sought a quick buck, they took excessive risks and they paid the price.
- Government also shoulders some of the blame: lax regulation meant that companies and shareholders operated in a competitive environment where greed and foul-play were not adequately checked.
- This is not to say that all companies or, indeed, all components of government were to blame. Indeed, Australia's success so far in weathering the storm is due in no small part to the responsible and secure business environment that business and government have fashioned in partnership over recent decades.

- But I think the destruction of the GFC can and should be a catalyst for positive change. If we harness the lessons of the Great Recession, if we are more conscious of the human impact of economic instability, we can make a more *socially responsible economy*.
- With this in mind, I think the Draft International Standard—or ISO 26000 as it is known—offers an excellent framework through which to tackle the challenge of building a more socially responsible culture.
- While the ISO 26000 draft provisions cover important principles such as accountability, transparency and the rule of law, I would like to focus on what I feel is perhaps the most fundamental principle. That is, respect for human rights.
- We all know in general what these rights are: the right to life and liberty, to freedom of expression and association, to equality before the law and so on.

- But we should not let their familiarity diminish their importance. They are the building blocks of a fair, open and democratic society.
- I am proud to be a member of a government that has moved so decisively and unashamedly to implement the *Victorian Charter of Human Rights and Responsibilities*.
- The Charter is the Brumby Government's framework for corporate social responsibility. Together with the Equal Opportunity Act and the Racial and Religious Tolerance Act, it forms the standard by which our laws, our institutions and our behaviour are judged.
- And it wasn't easy implementing the Charter. Though it sometimes seems hard to imagine these days, there were those at the time who denigrated our push to explicitly protect and promote human rights through a codified Charter.

- Detractors said a Charter would be ineffective. That while it sounded good in theory, it would do little in practice to protect people's rights.
- Yet at the same time, *those same detractors* said the Charter would be perversely effective. That it would be a 'get out of jail free' card for criminals, who would hide from Justice behind a cloak of rights.
- In reality, of course, the Charter has been neither of these things: neither a toothless-tiger nor a 'lawyer's picnic'. It has been, *and continues to be*, the foundation on which the freedom and dignity of our community is built.
- Now, I am mindful that the focus of this session is to provoke and engage debate around how we “meet the standard”. How do we take the general principles outlined in ISO 26000, and translate them into real, practical, on-the-ground change within our organisations.

- I would argue that the most effective mechanism through which to do this is *cultural change*. As the Deputy Premier touched on in his opening remarks, legislative and regulatory reform is important, but it is not enough. Ticking boxes or producing glossy CSR material will not, *in itself*, deliver change.
- To develop sustainable social responsibility, corporations large and small, public and private, must create a socially responsible culture within their own organisation.
- I think this has been the greatest benefit of our human rights Charter: its role in developing a human rights culture within Victoria.
- It has done this by clearly articulating the rights and responsibilities of every Victorian, raising their profile and prominence within public discourse.

- It has done this by establishing clear parameters for public institutions, forcing them to factor human rights considerations into the way they are structured and the way they operate.
- And it has done this by ensuring policy making is compatible with human rights *at first instance*, rather than relying on the ad hoc development of law before the courts. Every new law now requires a ‘Statement of Compatibility’ to ensure that it meets its Charter obligations.
- On the ground this new culture is changing people’s lives for the better. Take a young person with an acquired brain injury who is now allowed to remain in his or her chosen accommodation; or take the pregnant single mother with two children being able to remain in public housing after being on the verge of homelessness; or take the primary school using Charter considerations as a guideline for its redevelopment.

- These are examples of us not just *setting* the standard, but *meeting* the standard. And this is the real challenge for businesses, just as it is for government.
- My hope is that just as the Charter has been, and will be, a vehicle for meaningful *cultural* change, so too will the ISO Standard.
- Thank you again for the opportunity to speak today and I look forward to the discussion.