

IAG creates opportunities in these areas through:

- access to data and understanding of risk;
- a supply chain of over 11,000 suppliers; and
- products, customers and scale: integrating sustainability into products and the customer interface – over four million customers across Australia.

A detailed understanding of risk flowing from huge data resources and a willingness to share this knowledge of risk with customers and community led to an improved understanding and mitigation of risk.

The data has been collected over many decades, and includes Australia's most costly insured natural disasters such as the 1999 Sydney hail storm, the 1998 Newcastle earthquake and the 1974 Cyclone Tracy in Darwin. The Ash Wednesday bushfires in South Australia and Victoria and the Canberra bushfires in 2003 rank seventh and eighth in total cost to the community. Of the top 20 disasters, 10 have been caused by storms or hail, four by cyclone, three by bushfire, two by flood and one by earthquake. A similar analysis for New Zealand would in all probability show a preponderance of earthquakes.

Data from claims enables IAG to chart climate changes around the region and possible scenarios out as far as 2050. These will lead to recommendations regarding building materials, vehicle part materials and other product specifications aimed at increasing sustainability.

NSW highway signs are increasingly LED variable displays, which carry messages aimed at educating drivers about risks on the roads and how to avoid them.

In the workplace, scholarships and apprenticeship programs, industry consultant assistance and management programs and best practice recommendations are aimed at delivering benefits to repairers, insurers, customers and the community.

The second presentation profiled the University of Sydney's Integrated Sustainability Analysis software. In a masterly and clear explanation by Dr Manfred Lenzen, on behalf of a team of specialists from the School of Physics, he defined integrated sustainability analysis as:

"a scientifically rigorous, quantitative, consistent and comprehensive approach to Triple Bottom Line accounting. The ISA method builds on and adds depth to existing Triple Bottom Line (TBL) accounting methods that are based on audits of local activities. ISA can be used by companies, government and organisations of all sizes."

Users of the methodology behind ISA say it captures wider positive effects by reporting on indicators such as profits, employment, and family income. It also helps with risk management using important indicators like greenhouse gas emissions, land disturbance and water use, and calculates their effect in TBL terms throughout an organisation's full supply chain. It enables comparisons to be made between

business units within an organisation to encourage internal consistency. Proper benchmarking is possible because the method is consistent and repeatable using an organisation's expenditure and revenue accounts as the input.

This methodology was developed from findings by CPA Australia and the University of Sydney and based on comparable information on sustainability practices of Australian listed companies. It is science-based and rigorous, using regularly published, publicly available National Accounts data.

Better TBL reporting claims to reduce financial risk, regulatory risk and the risk of adverse consumer response to deliver better outcomes for accountability resulting in the enhancement of reputation and brand. TBL provides a framework for measuring and reporting corporate performance against economic, social and environmental benchmarks. TBL creates financial reporting transparency on the organisation's decisions that explicitly takes into consideration impacts on the environment and people. **J**

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