



**Submission to the House of Representatives
Standing Committee on Environment and Heritage**

Inquiry into a Sustainability Charter

**Submission prepared by The Centre for Public Agency Sustainability
Reporting™**

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The Centre for
**PUBLIC AGENCY
SUSTAINABILITY REPORTING™**

About the Centre

The Centre is a collaboration of: the Global Reporting Initiative, ICLEI: Local Governments for Sustainability, the City of Melbourne and the State of Victoria. The Centre was launched in March 2005 and its mission is to improve the sustainability performance of public agencies through the practice of reporting. The Centre is not-for-profit, and seeks to build capacity in public agencies to undertake sustainability reporting and to facilitate the development of best practice. The Centre's launch was simultaneous to the launch of the Global Reporting Initiative's (GRI) Sector Supplement for Public Agencies (PASS), a sector specific guidance used in conjunction with GRI's Sustainability Reporting Guidelines.

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1. Introduction

The Centre for Public Agency Sustainability Reporting™ (the Centre) wishes to thank the House of Representatives Standing Committee on Environment and Heritage for the opportunity to respond to the Inquiry into a Sustainability Charter.

1.1 Scope of this submission

The Centre's submission is directed to the:

- I. sustainability reporting elements of the Discussion Paper; and
- II. those elements which have significant impacts or represent significant opportunities for the application and practice of sustainability reporting.

2. Conceptual Elements of the Discussion Paper

2.1.1 Definition and scope of the term “sustainability”

Clarification of the term “sustainability” as it is used in this context is necessary. Sustainability refers to a complex relationship between environmental, social and economic factors. Some practitioners hold the view that such factors are inter-dependant. That is, the economy is a dependant subset of society which is in turn a dependant subset of the environment. This conceptual approach allows social and economic issues to be considered through an important environmental “lense”. Other practitioners however seek simultaneous progress on social, environmental and economic goals and sustainability as an area in which three dimensions overlap. Given this distinction, the Centre would advise that the further development of the Charter include some discussion and clarity of the term. Other submissions to the Inquiry may in fact recommend that the Charter become an Environmental Sustainability Charter. Further discussion is required, however, to consider the implications of such a title.

2.1.2 Definition and scope of the term “sustainability reporting”

The Global Reporting Initiative defines sustainability reporting as:

“...a process for publicly disclosing an organisation's economic, environmental, and social performance. GRI uses the term “sustainability reporting” synonymously with citizenship reporting, corporate responsibility reporting, triple bottom line (TBL) reporting and other terms that encompass the economic, environmental and social aspects of an organisation's performance. “

The Discussion Paper does not make a distinction between the scope of activities the private sector identifies as sustainability reporting and that of the public sector and



the community more broadly. Some of this confusion is explored in Appendix B and C.

2.2 Selected Recommendations of the *Sustainable Cities* Report

2.2.1 Recommendation 1: Development of an Australian Sustainability Charter

The Centre supports the concept of an “aspirational” Sustainability Charter which sets goals and targets for the community. It is our view that the process for the Charter’s development include a robust and globally relevant framework for the reporting of progress. As a collaboration with the Global Reporting Initiative (GRI), the Centre recommends that the government examine the use of the GRI Guidelines and its Sector Supplement for Public Agencies. The Guidelines feature disclosures and indicators used for the reporting of an organisation’s sustainability performance. The Supplement provides public agencies with indicators for reporting on the performance of policy. Both reporting practices are nested within the broader reporting practice of community reporting (eg. State of the Environment Reporting). The GRI is a globally accepted framework which allows for both international consistency and potential benchmarking as well as significant flexibility for reporting on locally relevant issues in sustainability. The Centre is progressing the conceptual development of the relationship between sustainability reporting on an organisational basis and the broader policy and community based reporting frameworks which are significant to the public sector. This work is proceeding at an international level with multiple agencies and partners. It is our view that the reporting principles embodied in the GRI framework may also be used to upgrade State of the Environment Reporting in Australia and elsewhere. The principles will assist the government in producing a report which is material to its progress and relevant to stakeholders. Such work will be progressed by the Centre in the coming months. For an introduction to this work, please refer to Appendix B (specifically page) which is a briefing paper directed to participants at a recent workshop for cities at the ICLEI World Congress 2006 in Cape Town and Appendix C which is a journal paper published in the recent issue of AccountAbility Forum¹ featuring public sector accountability.

2.2.2 Recommendation 2: All new relevant Government policy proposals be evaluated as to whether they would impact on urban sustainability and if so, be assessed against the Australian Sustainability Charter and the COAG agreed sustainability targets.”

¹ Leeson, R and Ivers, J (2006) *Sustainability Reporting by the Public Sector: Momentum Changes in the Practice, Uptake and Form of Reporting by Public Agencies*. AccountAbilityForum – Insight in Practice, Issue 8, Winter 2005/2006:12-21. ISSN 1742-7703



The Centre supports the idea of assessing government policy proposals against such targets and urban sustainability. A great deal of work will be required to develop an assessment framework which is both scientifically robust and politically acceptable. Much depends on the criteria used to define “relevant” Government policy in such a regime. The political ability of such a regime to include an examination of tax policy, for example, will be a significant challenge.

The Centre recommends that the implementation of this recommendation also include a requirement for public agencies to report on the performance of their own sustainable development policies. The current recommendation focuses on “impact evaluation”. While that is important, it implies that policies would be “screened” for their negative effects on sustainability. Allowing for some reporting of positive progress on other policies and programs would help foster a *sustainability performance culture* in policy development and the public sector generally. Indicators and disclosure guidance for such reporting is currently a core part of the GRI’s Sector Supplement for Public Agencies. Use of the supplement would help to ensure that this Australian initiative is consistent with a growing global trend in reporting.

2.3 Selected Elements of the Discussion Paper

2.3.1 Role of the Australian National Audit Office

The role of the Australian National Audit Office (ANAO) can be used to much greater impact in the area of sustainability performance and the progression of national sustainability goals. The Centre recommends that the Green Office Procurement program be enhanced through the development of policy goals and support programs within agencies. It would appear from the recent audit that the practice of green procurement is not being supported significantly enough in agencies and that decision-making tools and guidance needs to be further developed. The Centre also recommends that the program be overtly linked to relevant GRI indicators and disclosures to make it internationally relevant and that the list of GRI indicators and reporting principles be used to possibly expand the program and make it more meaningful to key stakeholders, particularly agency staff.

Another related function of the ANAO is the examination of federal agency performance against the reporting required under S516A of the Commonwealth’s *Environment Protection and Biodiversity Conservation Act (1999)*. The legislation mandates that Australian Government departments and agencies report on their sustainability performance as part of their Annual Reports. This includes coverage of agency activities against the principles of ecologically sustainable development (ESD).

It should also be noted that a small number of progressive federal agencies, such as the DEH and FaCSIA, have been producing stand-alone reports on their sustainability performance for a number of years. Such reports overtly use the GRI



framework. To date the ANAO has had limited involvement in the assurance and verification of such reports. Such assurance is considered mainstream in private sector reporting where most of the experience and expertise can be found. State government audit offices are now taking a great deal of interest in such assurance and verification processes as State agencies, government owned enterprises and local governments include more and more of such non-financial performance data (including GRI indicators). The ANAO can play a significant role by developing similar expertise for the public sector.

The development of a national Sustainability Charter with mandatory reporting requirements needs to be cognisant of such an existing requirement and make clear the relationship between them. The Centre views the current Inquiry as an opportunity to articulate and develop a simple yet meaningful sustainability reporting regime which embodies the *corporate-based* reporting of individual agencies on their own performance in sustainability with performance against key public policy on sustainable development and the broader progress on national sustainability targets represented by *community* or State of the Environment Reporting practice.

2.3.2 Ecological Footprint

The Centre is of the general view that ecological footprinting is a useful communication, awareness raising and education tool. It is not, on the other hand, a device for the long-term management of sustainability issues or a continuous improvement program. A single figure is perhaps useful for rapid communication however the management of complex sustainability issues requires the charting of multiple trends over time. The Inquiry should seek further advice on the ecological footprint's capacity to:

- embody broader social and economic trends which impact on sustainability goals
- add to the State of the Environment Reporting frameworks (rather than replacing it)

The Discussion Paper implies that the ecological footprint is to be applied to Australia's major cities. The Inquiry should seek specialist advice from local government regarding the applicability of the footprinting methodology, specifically the availability of reliable data at municipal level. The Centre understands that *ICLEI: Local Governments for Sustainability* has been briefed by ecological footprinting specialists at its recent World Congress and is developing a position regarding the likely relationship between local government and the footprinting tool, particularly in Australia².

² For further information, contact Wayne Wescott CEO ICLEI Oceania



3. Conclusion

The Centre supports the concept of an “aspirational” Sustainability Charter which sets goals and targets for the community. It is our view that the process for the Charter’s development include a robust and globally relevant framework for the reporting of progress. As a collaboration with the Global Reporting Initiative, the Centre recommends that the government examine the use of the GRI Guidelines and its Sector Supplement for Public Agencies.

The Centre views the current Inquiry as an opportunity to articulate and develop a simple yet meaningful sustainability reporting regime which embodies the *corporate-based* reporting of individual agencies on their own performance in sustainability with performance against key public policy on sustainable development and the broader progress on national sustainability targets represented by *community* or State of the Environment Reporting practice.

The Centre would welcome a broader discussion on the role of sustainability reporting in the public sector context and on the conceptual development of the relationship between sustainability reporting on an organisational basis and the broader policy and community based reporting frameworks which are significant to the public sector.

The Centre would also welcome the opportunity to discuss the submission in more detail with the Committee.