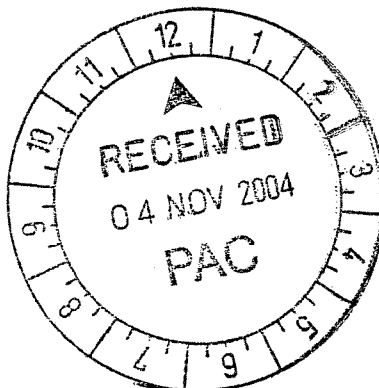


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THE AUDIT OFFICE
OF NEW SOUTH WALES

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2 November 2004

Dear Mr Brown

Sustainability Reporting

Please find attached the NSW Audit Office submission to the Committee's Inquiry into Sustainability Reporting.

Yours sincerely

R J Sendt
Auditor-General

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AUDIT OFFICE OF NEW SOUTH WALES
SUBMISSION TO THE PUBLIC ACCOUNTS COMMITTEE
INQUIRY INTO SUSTAINABILITY REPORTING

Introduction

The NSW Audit Office welcomes the opportunity to have input into the deliberations of the Public Accounts Committee on Sustainability Reporting.

As the Committee is aware, the Audit Office has long argued for improvements in the breadth and quality of public sector reporting in New South Wales.

We have based this on our view that government (as a whole) and the great majority of government agencies do not exist for profit-making purposes, but to provide (or ensure the provision of) services to the public. Reporting only - or predominantly - on financial results does not give a meaningful picture of how well government or its agencies are performing¹.

The Audit Office arguments have been stated both in terms of improved efficiency and effectiveness measures and in terms of the wider concept of sustainability reporting.

Current Situation: Mainly Environment Reporting

There is an established practice of State of the Environment reporting, and a growing development via Triple Bottom Line reporting towards Sustainability Reporting. There is strong and growing concern to see the impact of human activity on communities monitored, understood and responded to. State of the Environment reporting has been a good response to the concern, but there is now a demand to see the linkages between the social, environmental and economic components explored and described.

Many jurisdictions have a legislated State of the Environment report as their main vehicle for reporting within the broad area of sustainability. The majority follow the OECD "Pressure - State - Response" model² or modifications of it. However, not all of these reports are linked to institutional policy and decision-making processes.

In NSW, the Environment Protection Authority (now part of the Department of Environment and Conservation) has published five State of the Environment Reports, most recently in 2003.

¹ See, for example, the Introduction to Volume Five of the Auditor-General's 2002 Report to Parliament and the *Reporting and Accountability Issues* section of Volume Four of the 2003 Report.

² The Pressure - State - Response (PSR) model was originally developed for environmental statistical purposes in Canada at the end of the 1970s and adopted for SoE reporting by the OECD in the late 1980s. The PSR model describes the overall causal flow of human-environment interactions. These interactions are assessed by indicators established to reflect the pressure felt in the environment (pressure indicators), the state of the environment (state indicators), and the response to the pressure (response indicators).

These reports to date have remained solely focused on the environment, as indicated on the DEC website:

'NSW state of the environment (SoE) reporting aims to provide details on the current status of the main environmental issues in New South Wales in accordance with the requirements of section 10 of the Protection of the Environment Administration Act 1991.

SoE 2003 is the fifth SoE report prepared by the EPA, with previous reports published in 1993, 1995, 1997 and 2000. All the contributing NSW agencies have made a substantial effort to ensure a greater consistency in the environmental issues and the indicators reported from one SoE report to the next. This has improved the ability to discern trends in the available data and report on the progress of the policy initiatives and programs under way to protect and improve the state of the NSW environment.

SoE 2003 aims to provide credible, scientifically based environmental information to assist those involved in environmental policy- and decision-making and managing the State's natural resources. SoE 2003 is structured around six major themes: Toward Environmental Sustainability; Human Settlement; Atmosphere; Land; Water; and Biodiversity. Thirty-six environmental issues are reported within these themes through environmental data for 72 core environmental indicators.'

Common environmental indicators have been developed in Australia³, covering seven themes: human settlement, biodiversity, the atmosphere, the land, inland waters, estuaries and the sea, and natural and cultural heritage.

Australia's recent CLERP 9⁴ reforms now require environmental reporting from corporations insofar as it impacts on their financial bottom line:

'The Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Bill 2003 (Cth) (CLERP 9) will ... increase the emphasis on environmental performance as a key reporting concern and a key corporate governance issue for all listed public companies, according to John Taberner, environmental law partner at Freehills. "Before the original Corporations Act came into force on 1 July 1998, Australian companies had not been subject to mandatory reporting requirements in terms of their environmental performance," said Mr Taberner. "The 1998 Act did provide for disclosure in a director's report of performance in relation to environmental regulation, but the proposed section 299A in CLERP 9 significantly increases the requirements for listed public companies to report on all matters that could impact a company's future financial prospects". Information will need to be included in corporate reports which will allow shareholders to make an informed assessment of the operations of a company, its financial position and business strategies, and its prospects for future financial years, and environmental performance will be an increasingly crucial component.'

³ Released by the Australian and New Zealand Environment and Conservation Council (ANZECC) in March 2000. NSW SoE 2003 says it aligns closely with these indicators.

⁴ CLERP 9, the Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004 is part of a series of reforms that started in 1997. "*The Corporate Law Economic Reform Program announced by the Treasurer in March 1997 involves a fundamental review of key areas of regulation which affect business and investment activity. The objective of the Program is to ensure that business regulation is consistent with promoting a strong and vibrant economy and provides a framework which assists business in adapting to change.*" (From the Treasury website). Further information about the recent CLERP changes is available from the ASIC website, www.asic.gov.au.

⁵ Source: Freehills press release, 4/3/04

NSW Treasury has advised that it is not yet considering implementing similar requirements for major NSW public sector entities⁶.

Triple Bottom Line (TBL) Reporting⁷

CPA Australia has been active in promoting Triple Bottom Line reporting in Australia, and in promoting a role for the accounting profession in auditing and/or monitoring these reports to ensure they are more than "greenwash". It has commissioned a research study with the University of Sydney (see their article, "Bottoming Out", attached, for a quick guide to TBL reporting in Australia).

They cite the efforts of the City of Melbourne. Highlights include:

- The City uses a simple definition: 'the simultaneous pursuit of economic prosperity, social equity and environmental quality'
- It is willing to look at the interrelationship of the three components: 'we have to go beyond TBL's three individual parts and look at how they interact holistically to achieve the vision of sustainable future and this is where we are at with it now. This is the current challenge.'
- It is leading sector development, including 'helping develop guidelines for TBL reporting in the public sector.'

What is Meant by "Sustainable Development"⁸

Triple bottom line (TBL) and sustainability reporting are terms that are linked, but are not necessarily interchangeable. To understand what sustainability reporting might include, it is useful to canvass the accepted definitions of sustainable development:

- 'Development that meets the needs of the present without compromising the ability of future generations to meet their own needs' (Source: World Commission on Environment and Development, *Our Common Future*)
- '... means basing developmental and environmental policies on a comparison of costs and benefits and on careful economic analysis that will strengthen environmental protection and lead to rising and sustainable levels of welfare' (Source: World Bank, World Development Report 1992: Development and the Environment)
- '... an approach that will permit continuing improvements in the quality of life with a lower intensity of resource use, thereby leaving behind for future generations an undiminished or even enhanced stock of natural resources and other assets' (Source: World Bank, World Development Report 1992: Development and the Environment).

⁶ Private communication, 27/9/2004

⁷ The Triple Bottom Line concept is that considering only an organisation's financial performance ("the bottom line") is inadequate, and that how it is impacting on society and the environment must also be assessed. Various means of measuring those impacts have been developed under the Triple Bottom Line banner.

⁸ Source for these definitions: CPA Australia website (www.cpaaustralia.com.au), paper on Triple Bottom Line reporting and sustainability.

Sustainability Reporting Initiatives in Australia and Overseas

Some examples of international best practice, showing evolution from State of the Environment Reporting towards sustainability reporting are as follows:

- The UK has integrated State of the Environment reporting from regional to national level. In 1999 it began sustainability reporting with a national sustainability strategy, "A better quality of life: a strategy for sustainable development for the UK"⁹, incorporating national sustainability indicators.
- The Netherlands approach is considered a benchmark for State of the Environment reporting, particularly for the way it is linked into the policy and planning process. Legislation requires that a four-yearly Environmental Outlook is produced, followed within six months by a National Environmental Policy Plan.
- Canada has had a Commissioner for the Environment and Sustainable Development (CESD), located in the Office of the Auditor-General of Canada¹⁰ since 1995. Reporting directly to Parliament, part of the Commissioner's role is to strengthen performance and accountability of government in the area of sustainable development. An interesting innovation is Environmental Petitions, where individuals can raise concerns directly with Federal ministers, with the process being monitored by the CESD. The Commissioner's paper¹¹ observes that many departments make commitments that are generally not auditable, measurable, or "meaningful", and are weakly integrated into the departmental mainstreams.
- Oregon has developed benchmarks and indicators for a wide range of economic, social and environmental themes, and is further developing its reporting to see if it works to measure sustainability (see further comments on "Oregon Shines" below).

The main guide on sustainability reporting internationally is the UNEP¹²-affiliated Global Reporting Initiative (GRI)¹³, established in 1997, which produced guidelines on economic, environmental and social performance reporting in 2000, revised in 2002¹⁴.

⁹ Available from www.sustainable-development.gov.uk.

¹⁰ "Putting SD Into Practice: The Canadian Experience". Paper presented by Johanne Gélinas, Commissioner for the Environment and Sustainable Development, in Perth, Western Australia, 22 September 2004. Downloaded from www.sustainability.dpc.wa.gov.au

¹¹ Ibid, pp 8 and 12.

¹² United Nations Environment Program

¹³ The Global Reporting Initiative is an ambitious project to develop common international reporting on sustainability.

¹⁴ "Sustainability Reporting Guidelines: on Economic, Environmental and Social Performance", Global Reporting Initiative (GRI), Boston, USA, 2002 revision. "Through a unique multi-stakeholder process, the GRI is developing a globally applicable framework for reporting an organisation's sustainability performance. The framework presents reporting principles and specific content indicators to guide the preparation of organisation-level sustainability reports." (From www.globalreporting.org)

GRI initially focused on corporate reporting, but plans to adapt the guidelines for governmental and non-governmental organisations. Major success has already been achieved in having the GRI reporting framework adopted internationally, in particular by using a certification process to provide assurance that a document is "in accordance" with the GRI reporting standard.

Some Australian jurisdictions are extending their State of the Environment reports towards fuller reporting on sustainability by incorporating related community and economic indicators, with the ACT, Queensland, and Tasmania among those moving in this direction.

Western Australia is adopting holistic sustainability criteria. It released a State Sustainability Strategy last year¹⁵, and a Sustainability Code of Practice for Government Agencies arising from it is about to be endorsed by Cabinet¹⁶. This process will exist alongside current State of the Environment reporting there. As the first Australian government comprehensive sustainability framework, it merits close examination¹⁷.

Processes to Achieve Integration

The Victorian Auditor-General's Occasional Paper¹⁸ argues that sustainability cannot be precisely defined, but lists six principles of sustainability, and discusses how each could be applied. They are:

1. Sustainability comprises at least three pillars: environmental, social and economic
2. The three pillars are interrelated
3. Sustainability strives for equity within generations
4. Sustainability strives for equity between generations
5. Sustainability uses the precautionary principle
6. Sustainability conserves biological diversity

The paper is critical of reporting, including the Triple Bottom Line, which looks at the three pillars of sustainability piecemeal. It argues that the "vision of wholeness" underlying sustainability will be lost, complex interrelations will be oversimplified, and that this approach contradicts the second principle.¹⁹

¹⁵ "Hope for the Future, the Western Australian State Sustainability Strategy", Government of Western Australia, September 2003

¹⁶ Western Australian Public Sector - draft Sustainability Code of Practice for Government Agencies, January 2004, also downloaded from www.sustainability.dpc.wa.gov.au; and Hands, K. and Brayshaw, G., The Sustainability Code of Practice: What it means to the WA Public Sector", in InterSector, 17 September 2004, downloaded from www.intersector.wa.gov.au.

¹⁷ It is worth noting that a driving force in WA has been Professor Peter Newman, who is concurrently one of the NSW Sustainability Commissioners.

¹⁸ Auditor-General Victoria, op. cit., pp 5-14

¹⁹ Ibid, p17

The Paper is less clear on the application of the principles to measuring and reporting. It acknowledges that "*approaches that capture the relationship between the pillars are still evolving*" and that "*approaches to measuring and reporting on intergenerational equity are even more rudimentary*"²⁰.

On the subject of measuring and reporting, the "Oregon Shines" project²¹ has an interesting set of social indicators, and reports on them with clarity and directness. For example, on Social Support - Is Oregon making progress? The answer on Poverty is "Oregon has made no progress in overcoming poverty (especially for children and the disabled), homelessness, and hunger. Oregon's hunger rate is nearly twice that of the national average."²²

It is worth noting that this independence has been achieved in Oregon by creating a powerful and independent Progress Board²³ reporting directly to the legislature with a twenty-year mandate.

The Victorian paper promised work on: revising performance audit methodology to take the sustainability principles into account; and testing the new approach in their performance audit of the Victorian sustainable forest management policy. The report just issued²⁴ foreshadows audit criteria to assist relevant departments to develop a comprehensive performance management framework, based on four pillars (the extra one is Governance).

Will Sustainability Reporting in NSW be Robust?

Our natural concern as an Audit Office is to ensure that any sustainability reporting framework adopted in NSW is robust, measurable, and subject to independent public scrutiny. To achieve these ends, we suggest:

1. That any framework adopted in NSW incorporates targets to make it possible to measure progress on sustainability.
2. That reporting on sustainability in NSW should be modelled on international reporting best practice, specifically informed by the reporting standards of the Global Reporting Initiative.
3. That independent auditing of sustainability reports should be included in any framework adopted, to provide assurance as to their accuracy.

²⁰ Ibid, p26

²¹ "Is Oregon making Progress? The 2003 Benchmark Performance Report", Oregon Progress Board, March 2003. Downloaded from the website egov.oregon.gov/DAS/OPB

²² Ibid, p. 26

²³ "The Oregon Progress Board is an independent state planning and oversight agency. Created by the Legislature in 1989, the Board is responsible for monitoring the state's 20-year strategic vision, Oregon Shines. The 12-member panel, chaired by the governor, is made up of citizen leaders and reflects the state's social, ethnic and political diversity." Also downloaded from the website egov.oregon.gov/DAS/OPB.

²⁴ "Measuring the success of the Our Forests, Our Future policy", Auditor General Victoria, October 2004 (without appendices)



Bottoming out

These days investors and other stakeholders want to know about more than just the financial health of an organisation. But getting everybody to disclose on issues like the environment isn't always easy and then there is the spin. Michelle Rice looks at the slow growth of triple bottom line reporting.

Corporate collapses are not new. But with more people investing in shares and the media spotlight firmly on the corporations they are finding it harder to hide their effects on the environment and community. To satisfy stakeholders and keep the media hawks at bay, corporations are fast finding a place for the triple bottom line, or sustainability report. Once the preserve of radicals, TBL is now being swiftly embraced by academics, researchers, companies and governments across Australia.

Getting a grip on the trend in Australia was a motivation for CPA Australia's latest research into TBL reporting and current practices of sustainability. The first of five phases involved in the project has been carried out by the University of Sydney, commissioned for the job because of their extensive experience in the area.

During this initial research the university identified who TBL reports, what they report and how they present such information. To gather this information, a survey was carried out on top 500 listed companies, eight federal and 10 state government business enterprises, and 35 local governments.

Fortunately, it is a growing trend for organisations in Australia to show some transparency and accountability beyond the domains of financial performance.

CPA Australia CEO Greg Larsen explains: 'Decision-making along TBL lines is fast becoming an accepted approach to operationalising the intangible concept of sustainability.'

TBL-influenced frameworks extend decision-making and disclosure so that they take into consideration impacts on natural and human capital, as well as financial capital.

'It's appropriate for us to take a leadership role investigating, implementing and promoting reporting standards that are rigorous and measurable.'

This leadership role that Larsen is talking about is, at this stage, the commissioned research, looking at TBL across the public and private sectors, plus industry and commerce.

Who uses TBL?

Proportionately, state GBEs – such as Integral Energy and SA Water – have the biggest take-up rate of TBL reporting in Australia, with regulation and monitoring the likely reasons.

Of the eight federal GBEs surveyed, only Telstra employs a stand-alone reporting strategy.

When it came to the corporates, only 24 of the top 500 produced reports. However, the University of Sydney research showed a likely increase in the future with four first-time reporters identified.

Accounting lecturer Sandy Van Der Laan of the university, who led the first phase of the project, says size and political visibility are strong motivating factors for companies to report.

'Large companies and those in the materials, capital goods and energy sector accounted for nearly the entire survey sample,' she says. 'This is not surprising since they already produce this information to comply with regulatory requirements.'

When compared internationally, Australian organisations failed to make the top 50 list rated by AccountAbility – a London-based consultancy that ranks companies on their sustainability reporting.

Commissioned by the World Business Council for Sustainable Development (WBCSD), AccountAbility ranked BP number one in the world.

A similar index by UK firm SustainAbility put the UK's Cooperative Bank at the top of the TBL reporting ladder. Westpac was the only Australian company mentioned, and while their report was considered an example of good reporting, it failed to make the top 50.

Van Der Laan, who has specialised in research on TBL reporting for the past five years, says the survey showed that companies operating in more environmental and OHS-sensitive industries are more likely to report.

She adds that research also showed that although local governments provide social and environmental services, their reporting was sketchy.

Desire to legitimise

Public scrutiny is by far the biggest driver of TBL reporting. 'Everyone is investing in corporations these days so when something goes wrong the media are all over the story,' says Van Der Laan.

But as Royal Melbourne Institute of Technology's Professor Craig Deegan points out, it's not just about reporting. The lecturer at RMIT's school of accounting and law says it is also about making sure that the right information is disclosed to those who have a right to know.

According to Professor Deegan a lot of research suggests TBL reporting is motivated by desire to legitimise activities rather than accountability and transparency.

So are TBL reports really just 'green washing' the public?

In some cases the answers still seem to be 'yes'. Ironically, British American Tobacco issued a sustainability report in 2002 and 2003. Although they only applied 50 per cent of the indicators of the global reporting initiative, intriguingly they scooped the UK's Association of Chartered Certified Accountants award for best first-time report.

CPA Australia's own survey confirmed that in many cases information in the TBL reports is overwhelmingly positive, with negative information dressed up positively.

For example, the research quotes the report of mining outfit WMC Resources. Talk about wrapping things up in cotton wool: 'Our injury rate continues to be around one-third of the total Australian metalliferous mining industry average,' state the communicators from WMC.

Value to the community

Van Der Laan argues that TBL principles should be integrated into decision-making processes to truly be of value to the community.

Currently, TBL reporting practices, particularly by corporates, are being criticised as no more than a device for reputation management. If these disclosures are truly to be of benefit, then issues of materiality, completeness and credibility need to be addressed.

'Of course, the credibility issue is being addressed to some extent by the increase in external verification (auditing) of TBL reports,' adds Van Der Laan.

But would international sportswear company Nike have bothered doing social audits without public criticism for their unethical labour practices in Asia?

Probably not, but there are signs of change on the horizon. On its website BHP Billiton makes little attempt to cover up the damage it has done at the Ok Tedi copper mine in Papua New Guinea. Instead, the largely spin-free site details the disastrous effects the mine has had on people and the surrounding environment.

Does this type of honesty and disclosure lead to a return on investment?

On the one hand reporting keeps non-government organisations, trade unions and other stakeholders off a company's back. It can even boost their reputation, which Westpac discovered when it received AAA rating from Macquarie Graduate School of Management's reputation index – Reputex.

And certainly if an organisation's competitors start reporting it is only a question of time before they follow suit. On this point look no further than the fact that ANZ and National Australia Bank are for the first time preparing TBL reports this year.

'Reporting makes an organisation appear accountable and transparent because it is revealing information about activities that are not observable,' says Van Der Laan.

'It is also a way of attracting mum and dad investors who don't just look at the dollars but consider social, environmental and ethical risks inherent in the business.'

Certainly, the investment dollars of these mums and dads is partly the reason that reputation risk management is becoming more pressing for organisations.

Future gazing

Widespread adoption of TBL reporting may still be way off but companies are realising the point of no turning back, in regard to TBL, has been reached. The business imperative: 'In order to stay where you are you must keep moving' now almost certainly applies.

'Inevitably you will be compared with those who do report,' notes CPA Australia's Larsen. 'The CPA Australia survey findings are just a fraction of what is to come, as external pressure from customers, shareholders and governments has increased to a point where it drives business to address issues.'

These external concerns should ensure TBL becomes more than just smoke and mirrors to legitimise corporate activities.

'Organisations need to tell shareholders in a way that is both understood and trusted, not dismissed as corporate puff,' says Larsen.

'If you are saying you are doing something and disclosing this to the public, eventually they are going to find out if you are lying.'

Shifting the spotlight

Once TBL becomes entrenched the next step is shifting the spotlight onto the quality and content of reports. The work to date of organisations such as the Global Reporting Initiative, the Institute for Social and Ethical Accountability, and the World Business Council for Sustainable Development has undoubtedly nursed the development of TBL reporting.

But there is now a growing call for the accounting profession to take the reins.

Larsen says: 'The lack of consistency in reporting and the variation in the standard of reporting emphasises the need for the information on sustainability to be meaningful and communicated effectively.'

'CPA Australia addressed the same needs when we proposed changes to the financial reporting framework, and here too we can be leaders in helping business do the right thing.'

'The concept of TBL is intended to be integrated into the philosophies, values and business planning of an organisation.'

'Half-hearted adoption would affect how businesses publicised their new standards, research findings or how they reported on their TBL actions. The media, academia and competitors would be quick to highlight any shortcomings.'

CPA Australia's leadership will encompass action for not-for-profits as well as listed companies and look to the future as well as the present.

The initial phase of the CPA Australia sponsored research will help increase understanding of TBL principles and methodology, and provide insights into the tools for the preparation of TBL reports. Eventually, the research will lead to guidance for practitioners and best practice principles.

TBL: you can bank on it

If some Australian companies are dipping a toe into the waters of triple bottom line, Westpac might be TBL's deep sea divers. Indeed, Westpac has plans to position itself as a world leader within the financial services sector 'to positively influence social, ethical and environmental performance'.

Its formal TBL reporting began in 2001, instigated by the notion that, within Westpac, the business has impacts not captured within financial reporting.

Of the two TBL issues beyond finance, Westpac's adherence to TBL can seem weighted to social aspects. Westpac's 2003 Social Impact Report was its second such release. The framework is based on the Global Reporting Initiative, the global standard for TBL reporting. The bank has set out a clear statement of its social accountability policies and practices and formed a platform for engagement. *Its Social Charter*, published in 2001, gathered together all of Westpac's policies across governance and ethics, human rights, environmental management, community involvement, employee policies and marketplace practices.

The strength of Westpac's commitment to TBL has been duly recognised. It has been rated the global banking sector leader in the Dow Jones Sustainability Index for two years running. It was also ranked number one (from Australia's top 100 companies) in the 2003 Reputex Social Responsibility Ratings.

'We have adopted a total responsibility management framework to integrate TBL into the day-to-day operations,' says Tim Williams, senior adviser for corporate responsibility and sustainability at Westpac. 'It incorporates stakeholder engagement, transparency and accountability, with corporate responsibility embedded throughout the business.' This, according to Williams is 'encapsulated by the 'Westpac DNA', which combines vision, mission, values and the management model'.

'Corporate responsibility is built into Westpac's value management, performance management and risk management processes,' he explains.

Williams also says: 'TBL reporting has been significant for external reputational assessments which look at both perceptions of the business, as well as underlying business practice, and with responsible business practice a driver of overall reputation.' And, no doubt, just as importantly: 'The adoption of sustainable business practice and TBL reporting has been very positive for shareholder value,' he says.

City of sustainability

City of Melbourne adopted triple bottom line reporting in 2000 under then CEO Michael Malouf. He had heard about the ideas of John Elkington, the acknowledged originator of the concept of TBL, and recognised it as a valuable tool for local government. 'Michael thought the City of Melbourne had a natural advantage to do TBL because all programs are about alleviating social and environmental issues in the community,' says Robyn Leeson, the city's manager of environmentally sustainable development.

With a focus on sustainability, TBL can, at first instance, seem an easy fit for the City of Melbourne. Policy to reduce water consumption and greenhouse gas emissions have been implemented. As a capital works tool – building a road, for example – issues beyond costs are now evaluated. Residents that might be affected are identified and the impact assessed. Emissions from new traffic flow are projected and evaluated. 'One of the great things about TBL is that the language is very easy to understand,' says Leeson. City of Melbourne defines sustainability as 'the simultaneous pursuit of economic prosperity, social equity and environmental quality'.

'Everyone now understands that society is an interaction of social, environment and economic activity,' explains Leeson. 'But we have to go beyond TBL's three individual parts and look at how they interact holistically to achieve the vision of sustainable future and this is where we are at with it now. This is the current challenge.'

Despite their progress, the team are still grappling with the three domains of TBL. To be effective, TBL decision-

making tools need to be adapted to keep up with changing needs. Despite inherent difficulties, not the least of which is the constant evolution of the reporting, the council's current CEO, David Pitchford, is building on Malouf's TBL foundations. Indeed, as leaders in local government the City of Melbourne's TBL policy is as much about education as reporting.

It is helping other municipalities and shires to respond to sustainable development. It hosts the International Council for Local Environmental Initiatives (ICLEI) and disseminates TBL tools. It is also preparing a conference to bring together national and international TBL practitioners and is helping develop guidelines for TBL reporting in the public sector.

Further reading

- 'Putting theory into practice', by Fiona Sexton, *Australian CPA*, July 2003
- *Sustainability: a guide to triple bottom line reporting*, Group of 100, 2003
- *Triple bottom line: a study of assurance statements worldwide: summary report*, CPA Australia, February 2004
- 'Triple bottom line reporting in Australia: a guide to reporting against environmental indicators', *Environment Australia*, June 2003
- 'Wild at work', by Rob Cannon, *Australian CPA*, July 2003

This article was written by Michelle Rice, a freelance writer.

This page is available online at:

http://www.cpaaustralia.com.au/cps/rde/xchg/cpa/hs.xsl/724_10411_ENA_HTML.htm

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