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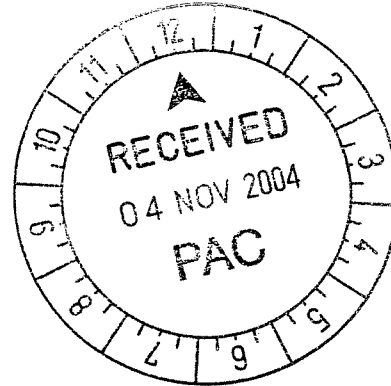
Ref: 32001.01
29 October 2004

Clerk-Assistant (Public Accounts Committee)
Legislative Assembly
Parliament House
Macquarie Street
SYDNEY NSW 2001

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Dear Sir/Madam,

Re: Response to Legislative Assembly Public Accounts Committee Inquiry into Sustainability Reporting in the NSW Public Sector

Please find attached WSROC's submission in response to the above Inquiry.

This submission has been prepared under authority delegated by the WSROC Board to the organisation's Executive Director and Assistant Director. WSROC would also be happy to make an oral presentation to the Committee regarding this submission, should this be appropriate.

If you have any queries or requests for further information please contact the undersigned on telephone 9671 5027 or the Assistant Director, Mrs Sharon Fingland on 9671 5271.

Yours sincerely

Alex Gooding
Executive Director

Attachment:

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Response to the Legislative Assembly
Public Accounts Committee

INQUIRY INTO SUSTAINABILITY REPORTING IN THE NSW PUBLIC SECTOR

October, 2004

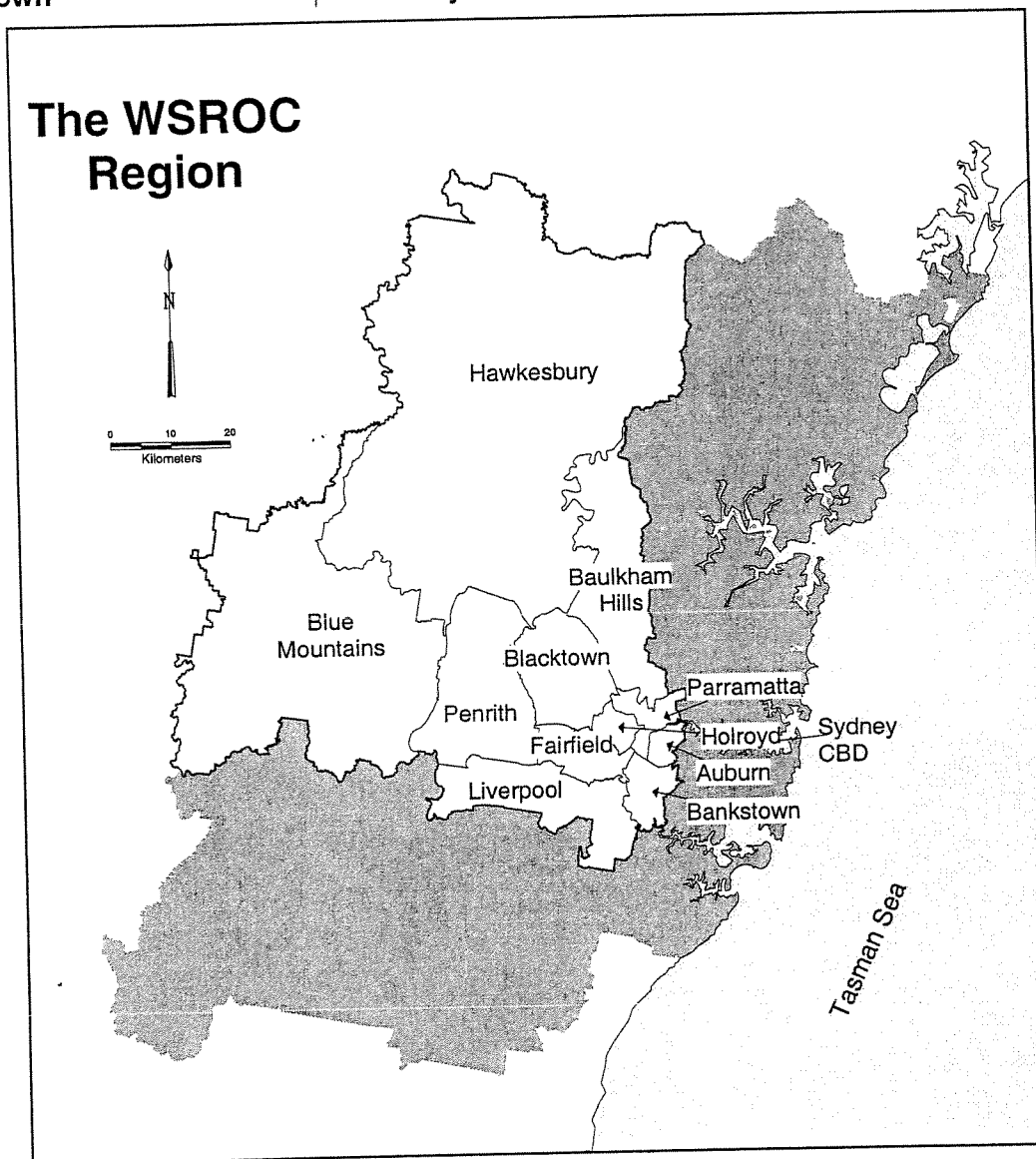Prepared by the

Western Sydney Regional Organisation of Councils Ltd

WSR☉C

Auburn **Bankstown** **Baulkham Hills** **Blacktown**	**Blue Mountains** **Fairfield** **Hawkesbury** **Holroyd**	**Liverpool** **Parramatta** **Penrith**

The WSROC Region

N

0   10   20
Kilometers

Hawkesbury

Baulkham Hills

Blue Mountains

Blacktown

Penrith

Parramatta

Fairfield

Holroyd

Sydney CBD

Auburn

Liverpool

Bankstown

Tasman Sea

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Response to the Legislative Assembly Public Accounts Committee Inquiry Into Sustainability Reporting in the NSW Public Sector

FOREWORD

WSROC generally supports the initiative by the Assembly to investigate sustainability reporting mechanisms and requirements in the New South Wales public sector.

Local government is charged with the responsibilities of sustainable management of social, environmental and economic resources at the local scale. We are concerned about sustainability because the human impact upon the environment is leading to an increasingly unsustainable pressure on the global environment. Through reducing the quality of air, water, soil, food and available space, pressures are being increased throughout the Greater Metropolitan Region (GMR). The Western Sydney Regional Organisation of Councils (WSROC) recognises that local sustainability is equally a matter for social, economic and natural resource management. How to manage for local sustainability requires us to use our best ideas, skills and examples of best practice.

The first part of the submission queries the Terms of Reference for the Inquiry and also provides recommendations to improve the terms of reference and adequately address issues from a local government perspective.

The second part of the submission discusses how local government is ensuring that sustainability is a concept that underlies all of its actions.

WSROC is of the view that the basic principles of sustainability discussed should be incorporated whenever strategic plans (such as a Metropolitan Strategy) or major legislative change (e.g. proposed reforms to Standard Provisions for LEPs in NSW) are formulated.

PART 1: WSROC COMMENTS ON THE COMMITTEE'S OVERVIEW OF THE ISSUE

2a - Review the current requirements for sustainability reporting, whether compliance with these requirements is mandatory and how compliance is monitored;

WSROC is aware that State Forests of NSW, as a Government Trading Enterprise, and two State owned Corporations – Sydney Water and Landcom – have been moving towards fully integrated sustainability reporting, covering their environmental, social and economic performance in their Annual Reports. However, WSROC is not aware of any requirements for sustainability reporting in other NSW agencies. For example Annual Reports produced by the Department of Infrastructure, Planning and Natural Resources are prepared under the provisions of the *Annual Reports (Departments) Act 1985* and the *Public Finance and Audit Act 1983*. If there are no sustainability reporting requirements, or if they exist but they are deemed to be inadequate, the committee should not just review them but also define and develop the requirements for reporting by State agencies.

2b - Present information on the extent of sustainability reporting within and across NSW government agencies, with particular reference to the 'whole of government' approach to sustainability reporting initiated within the Premier's Department;

The Committee should examine the overlap with existing reporting mechanisms employed by both Federal and local government agencies and councils and ensure synergies are developed between reporting approaches and sustainability targets at all three levels of government.

2c - Consider whether sustainability reporting should be linked to other reporting mechanisms to Parliament;

This is a fundamental requirement of sustainability reporting. That is, the ultimate aim of developing sustainable reporting mechanisms in each State Government Agency should be to allow the Government, via Cabinet or the Premiers Department, to prepare a whole of government report indicating the Government's performance against certain criteria. Existing reporting mechanisms such as State budgets and annual State of the Environment (SOE) reports should all be informed by agency performance.

2d - Consider appropriate processes for auditing or verifying sustainability reports;

Local government is required to submit reports under the *Local Government Act* to the Department of Local Government. It is recommended that new legislation, or amendments to existing legislation, should be prepared requiring State agencies to report annually on planning and performance consistent with local government requirements (such as State of the Environment Reports, Social and Cultural Planning requirements and so forth).

2e - Consider how effectively sustainability reporting is linked to actions within and across agencies;

Sustainability reporting should be an overview of planning targets, whether achieved or not, and must be linked to agency annual planning or to strategies and plans prepared by agencies.

2f - Review the adequacy of current central agency tools to assist individual agencies in applying sustainability reporting;

It is important that the committee examines the implications of agency reporting for local government, i.e. will there be further data or reporting requirements imposed on local councils? Will the mechanisms allow for consistent sustainability reporting across all three levels of government?

WSROC'S COMMENTS ON THE CONDUCT AND OUTCOMES OF THE INQUIRY

3a - Consider sustainability reporting initiatives within the public sector in Australia and in international jurisdictions.

The Committee should ensure that examples of sustainability reporting at a local government level are included and used as examples of best practice. In doing so, the Committee would ensure continuity of indicators/targets and reporting styles across all government sectors at an internationally agreed standard. The resource implications of so doing should nevertheless be investigated.

3b - Study the processes agencies are using to achieve integration between the dimensions of social, economic and environmental sustainability and core principles of sustainability;

The committee should consider using the development of the Sydney Metropolitan Strategy and the proposed Standard Provisions in LEPs in NSW as case studies on the integration of sustainability reporting within the planning process. For example, how will the Strategy meet the integration between the sustainability dimensions, and how will the principles of sustainability be achieved and reported on?

3c - Examine the value of core sustainability indicators across all public sector agencies versus development of indicators which are agency-specific.

Both are necessary and should not be viewed independently or at odds. Core indicators across the public sector are the means by which the public can be confident that the agencies, representing the Government of the day, are performing to required standards. Agency-specific indicators should feed into those core indicators. Ideally these indicators will be in line with those already in use by local government.

3d - Discuss processes by which sustainability reporting practice is communicated and discussed within and across agencies and to Parliament.

The committee should also examine how State reporting practice is and will be communicated and discussed with local government and with the community.

Additional questions the committee should consider

- What are the consequences of State agency reporting requirements for local government, and how will the report further the links between State and local government reporting?

- What skills and powers are necessary to make sustainability reporting systems work at both State and local levels?

Additional comments

- The report should comprehensively outline current reporting mechanisms to Parliament and outline how agencies (and local government) can inform those mechanisms.

- The report should make recommendations on a series of actions or a list of milestones/targets for Parliament and State agencies to consider.

- WSROC is of the view that reporting should be linked to planning in every organisation. It is recommended that the forthcoming Metropolitan Strategy and other planning reforms would be the ideal means to demonstrate sustainable planning and reporting.

PART 2: MANAGING FOR LOCAL SUSTAINABILITY

The dynamic balance of human activities on the physical environment underpins life in any city in any country. Yet the sustainability of the natural environment and the liveability of cities have come to be considered as two separate issues. As a result personal and public decisions become removed from consideration of their effects on natural support systems. Also interactions with the environment are complex and not always healthy

In NSW the *State of the Environment* reporting by local councils is highlighting the fact that the liveability of the GMR is already endangered by:

- air contamination from industrial complexes and lifestyle choices (such as our addiction to the use of the motor car);

- water contamination from close-by diverse point source pollutants upstream and blown in on the wind;

- the city's ecosystem failure to continue to absorb its wastes; and

- the fact that development is impacting upon Sydney's ability to feed itself (i.e. the reduction in market garden use).

In order to provide for future generations to the best of our current ability, Councils are seeking greater understanding of the interrelationship between the quality of living in a community, the quality of the community's natural environment and the quality of the human and natural resources.

THE LOCAL GOVERNMENT CONTEXT

Legislative Changes

The legislative framework within which local government works is constantly changing. For example amendments in recent years have included:

- *Local Government Amendment (Ecologically Sustainable Development) Act 1997.*

- *Local Government (General) Amendment (Community and Social Plans) Regulation 1998 Social Planning;*

- *Upcoming Cultural Planning Legislation* (Guidelines already prepared);

- Section 79c of the *EP&A Act (Social Impact Assessment)*;

- *Community Planning and Services Policy* (Adopted at the 1997 NSW Local Government Association Annual Conference);

- *Disability Discrimination Act 1992* (Commonwealth); and

- *Anti-Discrimination Act 1977* (NSW).

Local Government's Role in Sustainable Development

There is now recognition worldwide that local government has a significant role to play in achieving a long-term balance between the needs of people, the economy and the environment. In addition to monitoring social well-being and economic capacity, there is recognition of the need to be equally aware of the effects of actions undertaken on the state of the urban environment and hence the state of the well-being of cities. Many ideas have been developed about how this can be achieved, including the following:

- Agenda 21
- Local Agenda 21
- Corporate Plan
- Local Approvals Process (LARP)
- Ecologically Sustainable Development (ESD)
- Social Justice
- Sustainable Development
- Healthy Cities
- Integrated Local Area Planning (ILAP).

Nowadays local government is moving away from its traditional role of managers of 'roads, rates and rubbish' towards a greater leadership role in relation to its communities. Councils are not only required to think what will the future be like in a probable future, but what it should be like in a preferred future. In addition to attempting to lesson or remove problems they are also more mission directed towards a positive future. While still needing to focus upon treating the ills in society, they are also seeking to promote the maintenance of community health.

Councils therefore increasingly see their role as not simply managing a response to change and problems, but seeking to envision, create and shape change. They are not just concerned with 'doing the thing right', but with 'doing the right thing'. And, by changing the approach to their management plans, they are working to improve the way they do their business.

Sustainability for the State means establishing processes and actions that support cultural vitality, environmental responsibility, social equity and economic viability. By attempting to show the interconnectivity between these four principles we can demonstrate that:

- the quality of the natural environment is the bottom line for the quality of life;

- expectations of a certain quality of life determine the pressures placed on the available resources;

- experience of quality of life determines the options people seek in using their environment; and

- equity, security and sustainability are goals common to any community, its economy and its environment.

The **quality of life** in NSW is therefore the outcome of the management of our community, economic and environmental resources. One way of making sure that sustainability is a concept that underlies the actions of all three levels of government would be to make it a key component of all NSW public policy considerations.

Cities are complex systems that continuously change and develop. For example the transport infrastructure network provides opportunities to minimise car mobility and stimulate the use of public transport systems, walking and cycling. Achieving sustainable urban accessibility therefore requires the development of sustainability goals and indicators, target setting and monitoring, along with policies aimed at improving accessibility and not simply movement. Reconciliation of accessibility, economic development and environmental objectives should therefore be one of the primary objectives for Government's transport policy.

But thinking of cities as ecosystems also has a social dimension. Sustainable development is a much broader concept than environmental protection. It implies a concern for future generations and the maintenance of the long-term health and integrity of the environment. It embraces concerns for the quality of life, social and inter-generational equity and social, health and ethical dimensions of human welfare.

Sustainable cities also need to be considered in process terms and not just from an end point. Given the complexity of cities we need to seek simple solutions that solve more than one problem at a time, or several solutions that can be used in combination.

Environmental Planning

In order to understand the state of the quality of the environment an environmental monitoring process needs to be established that is capable of:

- measuring the pressures that people place on the environment and of the environment on people;

- understanding the social and economic systems and the management of environmental resources; and

- reflecting the day-to-day experiences of communities.

As in any place, there is a wide range of communities that have understanding and knowledge of the places in which they live, work and visit. Others can provide technical, strategic and political knowledge of an area. The liveability of a place therefore depends upon how successfully Governments manage to take into account both the individual needs of each of these groups and also the sum of their citizen's values and expectations. The choice of performance indicators for the State must reflect the NSW community's own priorities.

Cultural Planning

Culture is the inherent values held in communities and the means and results of social expression. Cultural planning therefore is concerned with the processes and mediums through which we develop, receive and transmit these tangible and intangible values and aspirations. It is not about planning culture but rather about valuing and encouraging the

imaginative cultural activities of communities. It is about exploring the values and aspirations of communities and applying them to resource allocation.

Within local government some Councils are looking to achieve this by:

- building social capital (community cultural development);

- developing the built environment (design, heritage, sense of place, liveability character and identity);

- managing arts resources and facilities (museums, libraries, writing, literature, publishing, theatres, cultural centres, performing, visual art and fashion);

- recreation/sport (playgrounds, parks improvement, sporting fields and pools);

- natural environment (creeks);

- tourism (our special places and festivals);

- media (local radio stations, multimedia);

- cultural industries (cinemas, theatres, cafes);

- relationships;

- celebrating cultural festivals and events; and

- shared memories, experiences and identity; and diverse cultural, religious historic backgrounds.

Social Planning

Councils are now starting to strengthen their strategic and policy development roles for their community services provision. They are now taking a more holistic approach to planning. Greater emphasis is now being placed on fairness in the distribution of resources, particularly for those in most need, to recognise and promote peoples' rights and improve the accountability of decision makers. There is a desire to ensure that people have fairer access to the economic resources and services essential to meeting their basic needs and improving their quality of life and to give people better opportunities for genuine participation and consultation about decisions affecting their lives.

Economic Planning

The provision of economically efficient urban systems, where the time and energy required to move people and goods is minimised, contributes to the development of a more productive region. In contrast an urban form that produces congestion pressures, delays, capacity constraints, higher energy costs and other inefficiencies can substantially erode the economic advantages of undertaking business activities. European and American examples have shown that the land use changes associated with the development of rapid transit systems can increase economic capacity, while at the same time lessening the environmental impact in the transport sector.

Governance Functions

Councils also have to plan for the way they govern, provides services and manage their affairs. They are working to put in place strategies and actions which are designed to pursue their visions with an emphasis on:

- sound long term planning and the maintenance of democratic principles, integrity, transparency and community participation;

- high quality services designed around the needs and expectations of their customers that represent best value for money;

- the principles of ecologically sustainable development; and

- the creation of working environments that foster innovation, equal opportunity, job satisfaction and performance.

GWS Regional Planning and Management Framework (RPMF)

Over the last three years thirteen local councils in Greater Western Sydney and the Western Sydney Regional Organisation of Councils (WSROC) have co-operated to prepare a framework as the basis for improved forward planning and the better management of growth to ensure a sustainable, healthy and liveable region.

The Planning and Management Framework comprises four elements:

1. Research into the issues affecting the region and local areas;

2. A vision statement setting out the strategic direction for regional spatial planning;

3. A regional strategy developing policy responses for ten strategic directions; and

4. A framework to establish a regional management and performance assessment approach.

The principles to guide decision-making at the regional level, reflecting the decentralisation of opportunity that is currently occurring in Sydney are:

- **Sustainability** - to make decisions which ensure that economic, environmental and social factors are mutually reinforcing and consider the needs of existing and future generations. Improved information sharing, co-operation and co-ordination of all three levels of government to achieve clearly defined regional outcomes.

- **Access** - to address regional infrastructure and service deficits through growth and redevelopment opportunities. Improvements in the accessibility of all residents to the employment, community, social and recreational facilities that do exist.

- **Diversity** - in recognition that diverse social, cultural, economic and environmental conditions maximise stability, growth and responsiveness to change.

- **Equity** – in recognition that social and individual justice in urban development decisions is a major goal. There is a need to create greater equity in the distribution of economic and social opportunities across Sydney and access for the region's residents and to reduce the back-log of under-provision in facilities, services and opportunities available to residents.

- **Well-being and health** - to enhance the capacity of the population to lead healthy lifestyles through improved urban design and access to amenities and facilities, while reducing community stress by creating safer physical and social environments.

One way of making sure that sustainability is a concept that underlies our actions has been to make it a key component of the *Greater Western Sydney Regional Planning and Management Framework (RPMF)*. An integral part of the Framework will be the establishment of processes to monitor and measure success in its implementation. This will involve the development of measures which reflect the goals, outcomes and actions of the RPMF. The framework initiatives should set a precedent for sustainability reporting in other areas of the planning process.