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From: <Terence_Jeyaretnam@URSCorp.com>
To: "Jackie Ohlin" <Jackie.Ohlin@parliament.nsw.gov.au>
Date: 19/10/2004 1:45:25 pm
Subject: Re: Sustainability Reporting Inquiry

Hi Jackie,

Thanks for your e-mail. I have attached herewith my submission, and two recent related studies to which I contributed that will be of interest to the panel.

Please do not hesitate to contact me if you have any queries, or require any additional information.

Best regards,

Terence.

(See attached file: NSW Public Accounts Committee Inquiry.doc)(See attached file: 'Communicating Sustainability' Asia-Pacific 2003.pdf)(See attached file: towards_transparency_2004.pdf)

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"Jackie Ohlin" |
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nsw.gov.au> |
10/07/2004 02:58 PM |
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To: <terence_jeyaretnam@urscorp.com> |
cc: |
Subject: Sustainability Reporting Inquiry |

To: The Public Accounts Committee, Legislative Assembly
From: Terence Jeyaretnam (URS Australia)
RE: Inquiry into Sustainability Reporting in the NSW Public Sector

Introduction

Sustainability reporting within the NSW Public Sector is at cross-roads. Its perhaps the leader nationally, but does not exhibit any level of consistency across the various NSW departments. Accordingly, this inquiry is timely and therefore welcome.

Context

I have spent a large part of the past six years working with several of the NSW Public Sector agencies in sustainability reporting, and independent verification thereof. My work is outlined below, and is the basis of my submission.

- Assistance in developing a triple bottom line reporting strategy and development of triple bottom line indicators for Landcom (2001)
- Independent verification of Sydney Water's environmental and sustainability reports (Each year 1997 onwards)
- Independent verification of Sydney Catchment Authority's environmental reports (Each Year 2000 onwards)
- Independent verification of State Forests NSW sustainability reports (2001 and 2003)
- Independent verification of Landcom's triple bottom line report (2003 onwards)
- Independent verification of Waste Service NSW's sustainability report (2004)
- Benchmarking of environmental and sustainability reports of Landcom, Sydney Water, State Forests & Integral Energy against the United Nations Environment Program criteria (report attached).

In addition, I have contributed to the following relevant processes:

- Provided evidence to the public accounts and estimates committee in Victoria on environmental accounting and reporting
- Development of Public Environmental Reporting Guidelines for Australia on behalf of the Department of Environment and Heritage (1999)

Contribution to Submission

- **Progress to sustainability reporting:** The earliest public sector reports were environmental reports. The first such report was produced by Sydney Water Corporation in the mid 1990s. The approach to sustainability reporting has been two-fold. One, moving to sustainability reporting from environmental reporting (eg. Sydney Water and State Forests), and two, moving straight to sustainability reporting (eg. Landcom).
- **Consistency:** Whilst the standard of public sustainability reporting has continued to improve within NSW Public Sector, there is a clear lack of consistency within the reports. Some remain environmental reports (eg. Sydney Catchment Authority and RTA NSW), others report in silos of environment, social and economic, whilst some are well integrated into core business (and within Annual Reports such as Landcom and Sydney Water). That said, the Global Reporting Initiative (GRI) is emerging as the most commonly-accepted platform for sustainability reporting within the sector. This will be further strengthened by the recent release of the DRAFT Public sector reporting supplement by GRI.

- **Regulatory platform:** There is no over-arching regulatory requirement for sustainability reporting in the NSW Public Sector. However, specific legal instruments that apply to some of the agencies require some (varying) levels of public reporting (eg. Sydney Water, Landcom and Sydney Catchment Authority have specific legal requirements for reporting). Notwithstanding, regulatory requirements such as WRAPP and EEO, amongst others, that apply to the entire sector form the basis for some of the reported information.
- **Leadership:** The state and federal governments are looked upon by business to show leadership in broader social and environmental impact management and reporting. Indeed, some of these agencies are responsible for placing/encouraging such reporting requirements of business. Accordingly, it is important that the sector shows leadership by practicing transparency and disclosure. It is noteworthy that whilst some of the organisations mentioned above are producing voluntary sustainability reports, others have not yet even commenced the journey. This is alarming and shows inconsistency in policy within the public sector.
- **Independent Verification/Assurance:** Several of the reports produced by the NSW Public Sector are independently verified. Independent verification provides internal and external assurance that the data and content reported, and claims made, are validated by an independent party. Indeed this is the feedback we have received from stakeholders of these reports, through structured feedback processes. The commonly accepted standard for assurance provision is the AA1000 Assurance Standard, now used by State Forests, Sydney Water and Landcom amongst others.

Recommendations

- Promote the use of the GRI, and GRI's Public Sector supplement in public sector reporting in NSW.
- Promote the use of the AA1000 Assurance Standard as appropriate guidance for independent assurance of public sector reports.
- Encourage, through voluntary and mandatory requirements, sustainability reporting by all NSW public sector agencies so as leadership is shown, and the NSW Public Sector is in par or leading other national and international public sector agencies in good environmental and social performance and reporting.
- Encourage and support sustainability reporting awards such as the ACCA awards (Sydney Water was the joint winner in 2003).
- Encourage reports produced to be independently verified, through a stakeholder engaged assurance process such as that undertaken with Sydney Water and Landcom in 2004.
- Produce a succinct framework for NSW public sector sustainability reporting that takes on board regulatory requirements, voluntary principles and emerging issues, within a platform of increasing consistency in reporting. This framework may form the shape of a code to which departments could become signatories, encouraging voluntary peer-led participation.

Contact Details

I am happy to further assist the committee in analysing the issues and developing an appropriate framework for the future. I have attached a copy of some recent research on the subject by URS. My contact details are:

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