



WA Sustainable Industry Group' Submission to the Consultation Paper for the State Sustainability Strategy

| Focus on the Future: opportunities for sustainability in Western Australia.

Perth, 23 April 2002

Contact

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Disclaimer

This submission is the result of discussions within the Western Australian Sustainable Industry Group (WA SIG) in relation to the State Government's sustainability initiatives. The contents of the submission represent the collective opinions of the participants in the WA SIG. However, specific statements in this document may not represent the opinions of all organisations participating in the WA SIG.

The WA SIG is a partner organisation of the World Business Council for Sustainable Development (WBCSD), but it is hereby explicitly stated that this submission does not articulate the position of the WBCSD or its Member Companies.

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Annex

Summary report of the WA SIG forum discussion on the Consultation Paper for the State Sustainability Strategy (22 February 2002)

Overview of Recommendations

Participants in the WA Sustainable Industry Group (WA SIG) applaud the State Government's commitment to a sustainable WA, and recommend the following for consideration in the further development and implementation of the State Sustainability Strategy:

Framework for State Sustainability Strategy

- 3.1 The State Government changes the terminology from 'sustainability' to 'sustainable development' to emphasise the transitional process
- 3.2 The State Government defines sustainable development with reference to genuine human needs, rather than achieving goals, to avoid sustainable development efforts being driven by socio-political value judgements and compromises rather than ecological, social and economic facts
- 3.3 The State Government commits to undertake a comprehensive assessment of the WA economy and its impacts on society, the environment and natural life supporting systems as a basis for the development and implementation of the state sustainable development strategy

Business' Involvement in Achieving Sustainable Development in WA

- 4.1 The State Government to establish and resource a WA Roundtable on Business and Sustainable Development to bolster business' involvement in achieving sustainable development in Western Australia

Opportunities for Early Action

- 5.1 The State Government commits to a broad based sustainable development dialogue with the WA private, public and civil sectors
- 5.2 The State Government to establish a system of periodic strategic environmental impact assessment for its policies and strategies in regard to the development of sectors of key relevance for sustaining the natural resource base of Western Australia
- 5.3 The State Government develops an appropriate set of economic, environmental, social and integrated performance criteria to track and assess WA's sustainable development performance

State Government Leadership

- 6.1 The State Government takes leadership in implementing its sustainability vision into all aspects of Government activity, from strategic planning, towards policy development and implementation and day-to-day operation of government agencies

WA SIG is dedicated to continuing a leadership role in promoting the business case and agenda for sustainable development in Western Australia. Participants look forward to further constructive engagement in the development and implementation of the State Sustainability Strategy.

1. Introduction

Participants in the Western Australian Sustainable Industry Group (WA SIG) share the belief that business, in concert with other stakeholders, can make a difference towards achieving sustainable development in WA, by developing and delivering products and services that bring quality of life and achieve ongoing improvements in the ratio of value per unit of net environmental impact ('eco-efficiency'). Participants in WA SIG therefore applaud the State Government for its commitment to sustainability as a cornerstone for State Government policy and practice. WA SIG was pleased by having been singled out as one of the examples of innovative partnerships for sustainability in WA in the State Government's Sustainability Consultation Paper (*"Focus on the Future: Opportunities for Sustainability in Western Australia"*).

WA SIG participants met on Friday 22 February 2002 with representatives of the Sustainability Unit of the Department of Premier and Cabinet to workshop through the consultation paper, and set the stage for the drafting of this contribution by the WA SIG Convenor in collaboration with the Steering Committee (see annex for a summary report of this workshop). Although this contribution has been based on collective thoughts of Participants in the WA SIG, it is hereby explicitly stated that none of the participants, is bound specifically to the contents of this submission.

2. Background

WA SIG is a multi-stakeholder network of over 225 business, public sector, engineering, environment and education professionals united by a commitment to a clean and competitive Western Australia, in particular through the greater application of Cleaner Production and Eco-Efficiency. Participants in the WA SIG are working in over 130 leading WA organisations, including: businesses, industry, professional and community organisations, state and local government departments and tertiary education. WA SIG works by providing a '*learning-by-sharing*' platform on the business case and agenda for sustainable development in general, and Cleaner Production and Eco-Efficiency in particular. Moreover, WA SIG seeks to engage a broad range of WA stakeholders in the promotion of Cleaner Production and Eco-Efficiency, in particular through the WA Cleaner Production Statement, which currently has 47 Signatory Organisations, and which has been formally aligned with the International Cleaner Production Declaration (administered through the United Nations Environment Programme).

WA SIG is a Member of the Regional Network of the World Business Council for Sustainable Development (WBCSD). Western Power, the only WA headquartered member of the WBCSD, is principal sponsor of the activities of the WA SIG. The WA SIG is convened by Professor Van Berkel, Curtin's Chair in Cleaner Production, a position proudly sponsored by Wesfarmers CSBP. The WA SIG is facilitated by the Centre of Excellence in Cleaner Production, which is being supported through the Waste Management and Recycling Fund to promote the uptake of Cleaner Production in WA in particular among small to medium sized enterprises.

3. Reflection on the framework

Participants in the WA SIG are particularly focused on the business case and agenda for sustainability, and are looking for practical proposals from the State Government on how the transition towards more sustainable production and consumption can be facilitated in WA and beyond.

Participants in the WA SIG are concerned about the ways sustainability has been defined. As per the Sustainability Consultation Paper sustainability is “ *the simultaneous achievement of environmental, economic and social goals*”. Particular concerns towards this interpretation are:

- *The definition lacks clarity and commitment.* By focusing on goals, which are by definition a compromise between different value judgements, the definition distracts from the factual urgency to halt environmental degradation and enhance prosperity for all.
- *The definition is impractical.* As goals have become part of the definition of sustainability, it becomes meaningless to consider sustainability goals.
- *The sustainability principles are incomplete.* Sustainability also calls for the efficient and effective use of natural resources (in particular energy, water and materials), and a commitment to meet genuine human needs for all.

In sum, the framework presented does not reflect the urgency to act and depart from the business as usual scenario, to address the economic, environmental and social issues faced by the Western Australian society. Moreover, it does not align with prevailing international interpretations.

WA SIG therefore recommends that

- 3.1 The State Government changes the terminology from ‘sustainability’ to ‘sustainable development’ to emphasise the transitional process**
- 3.2 The State Government defines sustainable development with reference to genuine human needs, rather than achieving goals, to avoid sustainable development efforts being driven by socio-political value judgements and compromises rather than ecological, social and economic facts**
- 3.3 The State Government commits to undertake a comprehensive assessment of the WA economy and its impacts on society, the environment and natural life supporting systems as a basis for the development and implementation of the state sustainable development strategy**

An alternative sustainable development framework is provided in box 1.

Box 1: An alternative description for sustainable development

In line with the recommendations from the Brundtland report, sustainable development is primarily about meeting the needs of the present generation without compromising the ability of future generations to meet their needs. In the Western Australian context, this is understood to be a process of *integrating*, rather than balancing or trading off, progress towards:

- Economic prosperity for all Western Australians
- Environmental protection and conservation of the Western Australian natural capital basis
- Social equity and a sense of participation for all Western Australians

Albeit primarily concerned with Western Australia, the WA sustainable development policy strives to contribute to genuine progress in all three areas at the national and even international scale (in particular for the Asia Pacific and the Indian Ocean Regions)

4. The role of business in contributing to a sustainable WA

The World Business Council for Sustainable Development has identified 10 approaches to encourage and enable business implementing sustainable development practices. These are summarised in box 2.

Box 2: Business Case for Sustainable Development ⁽¹⁾

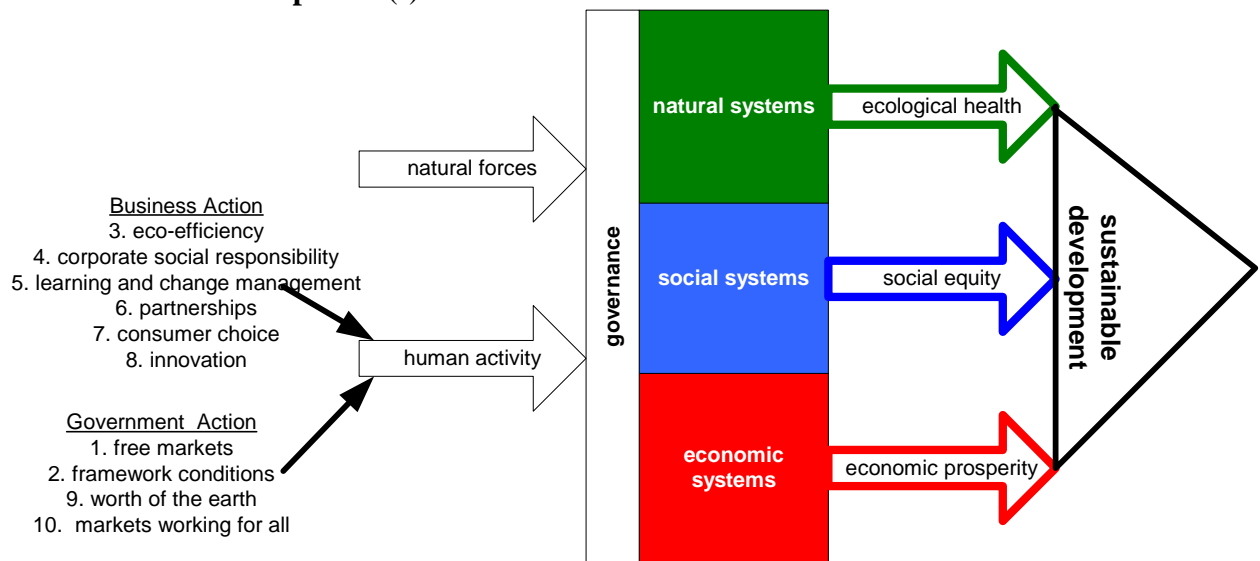
The World Business Council for Sustainable Development identified pre-requisites for maximising the business case for sustainable development. The pre-requisites are formulated and elaborated on:

1. *The market:* Sustainable Development is best achieved through open, competitive, rightly framed internal markets that honor legitimate comparative advantages. Such markets encourage efficiency and innovation, both necessities for sustainable human progress.
2. *The framework:* The WBCSD calls for a steady, predictable, negotiated move towards full-cost pricing of goods and services; greater use of market instruments and less of command-and-control regulations; more tax on things to be discouraged, like waste and pollution and less on things to be encouraged, like jobs (in fiscally neutral setting); and more reflection of environmental resource use in Standard National Accounts.
3. *The full use of eco-efficiency concept:* the delivery of competitively priced goods and services that satisfy human needs and bring quality life, while progressively reducing ecological impacts and resource intensity throughout the life cycle, to a level at least in line with the Earth's estimated carrying capacity.
4. *The use of a coherent CSR strategy:* based on integrity, sound values, and a long-term approach, offers clear business benefits to companies and a positive contribution to the well-being of society.
5. *Increase learning to change:* movement toward corporate concern for the "triple bottom line" – financial, social, and environmental performance – requires radical change throughout the corporation. It is not "either or". The new paradigm is: "and also".
6. *From dialogue to partnerships:* business has much experience with stakeholder dialogue, but still too little with the next step: practical partnerships composed of players in different sectors.
7. *Informing and providing consumer choice:* informed, responsible, and knowledgeable consumer choice can help achieve sustainability through the market via a triple-win: by improving quality of life for consumers, by reducing environmental and social impacts, and by increasing the market share of sustainability minded companies.
8. *Innovation:* can enable our global economy to depend more on the progress of technology than on the exploitation of nature. Innovation can enable companies to create wealth in ways that reflect the changing concerns and values of our world. In essence, the key test to determine if innovations will meet success in the market must be: "does it really improve overall quality of life?"
9. *Reflecting the worth of the earth:* high levels of waste and emissions are signs of poor technology, low efficiency, and bad management of resources. Governments that do not establish efficient environmental management regimes – and the more modern, eco-efficient, and competitive technology encouraged by such regimes – are assuring lack of national competitiveness.
10. *Making markets work for all:* smart companies, applying sound business thinking, are already beginning to see the benefits of pursuing poverty reduction. The potential for market expansion, discernible to merchants who see the advantages of dealing with the world's four billion poor, indicates that the best is yet to come.

Six of the prerequisites for business action for sustainable development are primarily business actions, whilst four are primarily government actions (as illustrated in figure 1). It is recognised that most of these Government actions are the responsibility of the Commonwealth Government, or even intergovernmental organisations. However, an active role of the WA Government in pursuing this whole-of-government agenda would reflect the State Government's commitment to sustainable development.

¹ WBCSD (2001), *The business Case for Sustainable Development: making a difference toward the Johannesburg Summit and beyond*, World Business Council for Sustainable Development, Geneva, Switzerland.

Figure 1: Business and government action to drive the business case and agenda for sustainable development ⁽²⁾



Business action towards sustainable development would benefit from engagement of the State Government with the business community to assess what policies and strategies currently exist in respect to each of those six business actions and four government actions, and how these can possibly be modified to catalyse greater uptake of sustainable development practices by WA businesses.

WA SIG therefore recommends that

4.1 **The State Government to establish and resource a WA Roundtable on Business and Sustainable Development to bolster business' involvement in achieving sustainable development in Western Australia.**

The Roundtable is to be tasked with developing and implementing proposals on how the business case and agenda for sustainable development in WA can be made and pursued. These proposals would feed into the State Sustainability Strategy, which necessarily has a broader perspective and mandate, to ensure economic prosperity, social equity and ecological health for all Western Australians. The activities of the Roundtable may include:

- Review of current WA initiatives from government, industry and other stakeholders in relation to the business case and agenda for sustainable development
- Comparative assessment of best practice examples and lessons learned in driving industry involvement in sustainable development, nationally and internationally
- Preparation and implementation of voluntary commitments and/or agreements regarding business action towards sustainable development

WA SIG has a keen interest in being involved with the operation of such WA Roundtable on Business and Sustainable Development. The Roundtable could be separately established, or WA SIG could be resourced and empowered to convene and facilitate the Roundtable.

² This figure is inspired by the ongoing work of the Innovation, Technology, Society and Sustainability Working Group of the World Business Council for Sustainable Development, to be published in July 2002.

5. Early actions for the State Sustainability Strategy

Participants in the WA SIG are pleased with the State Government's commitment to develop and implement the State Sustainability Strategy in concert with various stakeholders, including the WA SIG.

The WA SIG full-heartedly supports sustainable development as a top priority for the State Government. The global quest for more sustainable development is there to stay, and even further deepen and widen over time. The successful companies, communities and societies of the future, will be those that embrace sustainable development as a challenge and encouragement to rejuvenate and intensify the search for innovative ways to provide quality of life for all in an environmentally constrained world (in short term particularly carbon-constrained, but increasingly also constrained by availability of fresh air, water and fertile land).

Sustainable development should be promoted in ways that seek to use it as a lever to unlock opportunities for providing lasting prosperity to WA. Business has to play a key role in unlocking those opportunities, and creating jobs and wealth for WA, while maintaining its natural resource basis and ecological integrity. **The overarching strategic recommendation from WA SIG is therefore to establish the WA Roundtable on Business and Sustainable Development, to make the WA specific business case and agenda for sustainable development** (as sketched in the previous section). The benefits of such Roundtable will only start to flow over time, and will not necessarily lead to tangible and visible outcomes for individual businesses and consumers in Western Australia. WA SIG therefore wishes to recommend a number of early actions which could be taken immediately, and would support a concerted process of raising awareness and understanding of the sustainable development challenges in Western Australia.

WA SIG recommends considering the following **early actions** for inclusion in the State Sustainability Strategy:

5.1 The State Government commits to a broad based sustainable development dialogue with the WA private, public and civil sectors.

The dialogue should seek to engender sustainable development values and principles across the WA community, and seek to encourage stakeholders to commit to sustainable development values, and underpin such commitment with practical actions. The dialogue might be fed with for instance:

- A central **information hub** with information on sustainability challenges and opportunities for WA and practical suggestions for producers and consumers.
- A **visionary statement** on possible sustainable futures for WA, to be developed by an expert task force in concert with broad based stakeholder advisory panels.
- A **sustainable development team** that can provide hands-on assistance to organisations willing to consider and implement sustainable development initiatives [Subject to resources being available, WA SIG could contribute to such team in particular with regard to sustainable production and consumption].
- Continuation of a program to promote **best practice examples** from WA and elsewhere, by means of e.g. an electronic database of case studies, sustainability seminars and/or the establishment of sustainability awards

5.2 The State Government to establish a system of periodic strategic environmental impact assessment for its policies and strategies in regard to the development of sectors of key relevance for sustaining the natural resource base of Western Australia

The strategic environmental impact assessment should address the environmental impact of government portfolios (as opposed to specific projects in standard environmental impact assessments), and focus on medium to long-term effects from the portfolio on the local, regional and global environment.

Priority portfolios for such strategic environmental impact assessment include:

- State Development Portfolio (mineral and petroleum resources, energy, industry and technology)
- Agriculture and fisheries (including aquaculture)
- Environment Portfolio (environment, water, catchment protection, conservation and land management)
- Transport and infrastructure (including planning, regional development, infrastructure)
- Urban development (including planning, housing, roads)

Choices made in these portfolios have the potential to constrain the natural resource base of the State, and thereby lock in the State's future opportunities to achieve sustainable development.

The outcomes of these periodic strategic environmental impact assessments should be used to enhance the sustainable development performance in these portfolios through for instance:

- R&D assistance to assist with the identification and development of sustainable technology options for these sectors (i.e. technologies that would enable a factor improvement of the value generated per unit of net environmental impact)
- Rigorous sustainable development screening as part of the approvals process for major projects, to ensure sustainable development best practice has been considered at all stages of project development and is being integrated in the final project design and construction.

5.3 The State Government develops an appropriate set of economic, environmental, social and integrated performance criteria to track and assess WA's sustainable development performance

6. From commitment to leadership and action

The State Government through its State Sustainability Strategy should seek to support private sector initiative towards business sustainability. A principal requirement for bolstering private sector interest and commitment is State Government leadership in all aspects of Government activity – from strategic planning, towards policy development and implementation and the day-to-day operation of government agencies.

WA SIG therefore recommends that

6.1 The State Government takes leadership in implementing its sustainability vision into all aspects of Government activity, from strategic planning, towards policy development and implementation and day-to-day operation of government agencies.

- At the *strategic* level, leadership would be reflected in the development of a vision for a sustainable WA, and scoping the types of business activities that would support the transition towards such sustainable vision. It also needs to include catalytic support for strategic R&D, in particular R&D that is inspired and driven by sustainability goals and stretch targets. Moreover, it would reflect on the State Government's policy with regard to attracting and locating investment in sectors and regions compatible with the overall sustainability vision.
- At the *policy formulation and implementation* level, leadership would in particular in the environmental field, be reflected in the commitment to a performance based approach in policy development and regulation, and to medium term environmental objectives. These will enable industry to respond to market signals and find innovative solutions that deliver best practice environmental outcomes, at affordable costs to businesses and the community.
- At the *operational level*, the State Government could seek to encourage and reward businesses that have taken steps towards environmental best practice and sustainability. Government agencies should at least seek to minimise their own ecological footprint, by adopting eco-efficient office operations, critically reviewing transport and travel, and inclusion of environment and sustainability criteria in government purchasing and contracting.

Such leadership and direction from the State Government serves two purposes. Firstly it rewards businesses that have taken leadership, as these will become the preferred suppliers to government, and encourage them to innovate beyond their current environment and sustainability best practices. Secondly, it makes crystal clear to those businesses that have not yet started their sustainable development journey, that environment and sustainability are no longer a whim of our times, but will stay and determine which businesses will continue to be successful in the future.

7. WA SIG's way forward

WA SIG is dedicated to continuing a leadership role in promoting the business case and agenda for sustainable development in Western Australia. Participants look forward to further constructive engagement in the development and implementation of the State Sustainability Strategy.

WA SIG believes that Cleaner Production and Eco-Efficiency are most practical starting points for businesses to contribute to sustainable development (see box 3). WA SIG will therefore also continue to promote the **WA Cleaner Production Statement** as a mechanism for working with stakeholders in the public, private and civil sectors to promote the widespread application of Cleaner Production and Eco-Efficiency for a clean and competitive WA.

Box 3: Cleaner Production and Eco-Efficiency

