DEDICATED TO A CLEAN AND COMPETITIVE WESTERN AUSTRALIA



**WASIG Response to**
# *Focus on the Future*:
# The Western Australian
# State Sustainability Strategy
### (Consultation Draft)

28 February 2003

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### *Disclaimer*

*This submission is the result of discussions in the Western Australian Sustainable Industry Group (WA SIG) in relation to the State Government's State Sustainability Strategy. The contents of the submission represent collective ideas and opinions of 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 Member of the Regional Network of the World Business Council for Sustainable Development (WBCSD). It is hereby however explicitly stated that this submission does not articulate the position of the WBCSD or its Member Companies.*

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# Executive Summary

The Western Australian Sustainable Industry Group (WA SIG) is a multi-stakeholder platform that fosters consideration and implementation of – international – best practice in business and sustainable development. To secure access to emerging best practices, the WA SIG has achieved collaboration with the World Business Council for Sustainable Development (as a Member of the Regional Network) and the Division of Industry, Technology and Economics of the United Nations Environment Program (as a Signatory to the International Declaration on Cleaner Production). As per its mandate, the WA SIG reviewed '*Focus on the Future: the WA State Sustainability Strategy*' (further referred to as the raft State Sustainability Strategy) against the background of best practice known to its participants.

The WA SIG commends the State Government for the width and depth of the Draft State Sustainability Strategy. The Draft Strategy presents a truly challenging agenda for Western Australia, and the Government deserves recognition for putting this Draft State Sustainability Strategy together.

The principal weakness of the Draft State Sustainability Strategy is its lack of strategic focus. It expands extensively on potential actions at the micro-level, albeit most often without verifiable performance criteria and targets. It does however not set up an adaptive management system for implementation and mid course correction. The WA SIG is therefore most concerned about the further operationalisation and management of the implementation of this Draft State Sustainability Strategy. This includes establishment of verifiable targets for the 249 proposed 'priority areas for action', setting up the necessary institutional arrangements, allocating adequate funding and other resources, evaluating progress and making mid course corrections to the implementation.

Many in the WA SIG have concerns that this Draft State Sustainability Strategy does not properly recognise the critical contributions businesses make to translate sustainability concepts and ideas into affordable products and services that bring quality of life, with minimum environmental impact and maximum benefit for the community. This concern is particularly sparked by the way key work of the World Business Council for Sustainable Development (WBCSD) on '*Sustainability through the Market*' has been summarised and redacted in this Draft State Sustainability Strategy. As a result the potential role of businesses and the market for delivering more sustainable outcomes is categorically downplayed from the original ideas presented by the WBCSD.

The WA SIG recommends changes in the Draft State Sustainability Strategy, under the following five overarching headings:

1. *Be Strategic About Sustainability*: sustainability is our common journey with an unknown destiny. We should work to improve the learning and navigation capabilities of our collective sustainability management system, without trying to plan in detail what actions are most appropriate to deal with challenges further down the track.

2. *Get the Framework Right*: a transparent and accessible framework can provoke contributions from various stakeholders, but too much rigor acts as a deterrent and is not yet warranted by our current understanding of the sustainability challenges, locally and globally, in, and across, the environmental, social and economic domains.

3. *Take Actions that Make a Difference*: start with those actions that have paramount Triple Bottom Line benefits, are additional to initiatives already planned by various other stakeholders, and offer the greatest potential for catalysing community commitment to sustainability and for learning to deal with sustainability.

4. *Make Factor 4 a Reality*: a clear commitment to a simple stretch target catches the imagination and can become a conduit for developing and implementing creative sustainability solutions that bring quality of life, enhance social cohesion and equity of opportunity, while maintaining eco-system integrity.

5. *Turn Strategy into Action:* transform the strategy into a doable set of high impact priority actions, and allocate the necessary resources to turn those into reality.

Each of these five is expanded upon in this submission. The primary focus in this submission is on those parts that deal with businesses contributing to the delivery of sustainable solutions, in WA and beyond. In the context of such sustainability solutions it is felt that this Draft State Sustainability Strategy has avoided the 'hard issues' by not explicitly addressing the need to move towards more sustainable patterns of consumption and production.

The WA SIG looks forward to the opportunity to avail its understanding of, and experience in, best practice on business and sustainability to the further development and implementation of the State Sustainability Strategy, in order to maintain a *'clean and competitive Western Australia'* now and for the future.

# 1.    Introduction

The WA Sustainable Industry Group (WA SIG) is a multi-stakeholder platform of business, public sector, environment, engineering and education professionals united by a commitment to a clean and competitive Western Australia. The Group works to progress the business case and agenda for sustainable development, through best practice learning and sharing and policy dialogue. The WA SIG is a Member of the Regional Network of the World Business Council for Sustainable Development (WBCSD) – the global alliance of international, proactive businesses dedicated to making a difference by providing leadership in implementing sustainable development in business. The WA SIG is also a Signatory to the International Declaration on Cleaner Production – an initiative managed through the Division of Technology, Industry and Economics of the United Nations Environment Programme. Locally, the WA SIG has taken an active role in the establishment and operation of the WA Collaboration in recognition for the critical contribution of the non-government sector to setting the agenda for sustainability. The WA SIG has committed to the consultation processes facilitated through the WA Collaboration, and respects the resulting community agenda for sustainability as a true reflection of the visions and aspirations of Western Australians without necessarily endorsing all elements of this community agenda. Information on the WA SIG, its charter and activities, is available from the Internet on: http://wasig.curtin.edu.au/

The mandate of the WA SIG is to foster consideration of international best practice in the planning, implementation and evaluation of sustainable development initiatives, in government, business and by other stakeholders. The intent of this submission is therefore to confront the structure and content of the Draft State Sustainability Strategy, with elements of international best practice. WA SIG thereby wishes to contribute to firming up the Draft Strategy leading to a participatory system of continuous improvement for managing progress towards sustainability through the coordinated efforts of WA businesses, State and Local governments, communities, and other stakeholders.

The WA SIG provided input to the formulation of this Draft State Sustainability Strategy, in particular through its submission to the "Consultation Paper". The key inputs made at that stage are summarised in Table 1.  The WA SIG is pleased to see some of its suggestions incorporated (in particular on the aspects of Framework for State Sustainability Strategy and Opportunities for Early Action). The WA SIG would however like to reiterate its concern on the use of '*sustainability*' and '*sustainable development*'. In accordance with best practice in many international forums ([1]), WA SIG regards '*sustainable development*' as the process leading towards '*sustainability*', through integrated and coordinated improvements in social, economic and environmental performance. '*Sustainability'* is the only vaguely conceptualised, inspirational final outcome of the process. Despite WA SIG's concerns, for the purpose of transparency with the Draft State Sustainability Strategy, '*sustainability*' will in this submission further be regarded as the '*sustainable development process*' (or journey) rather than the '*destination*'.

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[1] e.g. United Nations, World Business Council for Sustainable Development, Organisation for Economic Cooperation and Development, European Union, Multilateral Environmental Agreements, etc.

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**Table 1: Overview of WASIG Submission to Consultation Paper for State Sustainability Strategy (April 2002)**

| Aspect | Summary of Recommendations |
|---|---|
| 1. Framework for State Sustainability Strategy | ► The State Government changes the terminology from '*sustainability*' to '*sustainable development*' to emphasise the transitional process<br><br>► 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<br><br>► 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 |
| 2. Business' Involvement in Achieving Sustainable Development in WA | ► 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 |
| 3. Opportunities for Early Action | ► The State Government commits to a broad based sustainable development dialogue with the WA private, public and civil sectors<br><br>► 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<br><br>► The State Government develops an appropriate set of economic, environmental, social and integrated performance criteria to track and assess WA's sustainable development performance |
| 4. State Government Leadership | ► 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 |

## 2. Being Strategic about Sustainability

The WA SIG recognises that achieving sustainability requires structural changes and new ways of working in all areas of economic, social and political life, to achieve better economic, social and environmental outcomes. A strategic orientation can help organise this.

The WA SIG supports the internationally emerging consensus that strategy - in the sustainable development context – comprises a set of coordinated mechanisms and processes, that together, offer a participatory and adaptive system to develop visions, goals and objectives for sustainable development, and coordinate implementation and review. This notion is best reflected in OECD's definition of a '*sustainable development strategy*' as comprising:

> *"A coordinated set of participatory and continuously improving processes of analysis, debate, capacity strengthening, planning and investment, which integrates economic, social and environmental objectives of society, seeking trade offs where this is not possible"*
> *Quoted in: B. Dalal-Clayton and S. Bass (eds), Sustainable Development Strategies: a resource book, Earthscan Publications, London, UK, 2002 (pg 31)*

Box 1 expands further on the necessary strategic approach for a sustainable development strategy, based on the recent compilation and review of international best practice (coordinated through the Organisation for Economic Cooperation and Development and the United Nations Development Program).

### Box 1: A strategic approach to sustainable development strategy

*"Being strategic is about developing an underlying vision through a consensual, effective and iterative process; and going on to set objectives, identify the means of achieving them, and then monitor that achievement as a guide to the next round of this learning process.*

*Being strategic requires a comprehensive understanding of the concept of sustainable development and its implications, but not necessarily a comprehensive set of actions – at least at any one time. More important than trying unsuccessfully to do everything at once, it is to ensure that incremental steps in policy making and action are moving towards sustainability – rather than away from it, which is too frequently the case.*

*A strategic approach to sustainable development therefore implies new ways of thinking and working so as to:*
✓ *Move from developing and implementing a fixed plan, which gets increasingly out of date.. towards operating an adaptive system that can continuously improve;*
✓ *Move from a view that it is the State alone that is responsible for development … towards one that sees responsibility with society as a whole;*
✓ *Move from centralised and controlled decision making … towards sharing results and opportunities, transparent negotiation, cooperation and concerted action;*
✓ *Move from a focus on outputs (e.g. projects and laws) … towards a focus on outcomes (e.g. impacts) and the quality of participation and management processes;*
✓ *Move from sectoral planning … towards 'joined up' or integrated planning;*
✓ *Move from a focus on costly 'projects' (and a consequent dependence on external assistance) … towards domestically driven and financed development"*

*Source: B. Dalal-Clayton and S. Bass (eds), Sustainable Development Strategies: a resource book, Earthscan Publications, London, UK, 2002 (pg 29)*

Through the provision of sustainability principles and visions (pg 28 and 31), the Draft State Sustainability Strategy provides praiseworthy strategic direction. The Draft Strategy's ability to deliver on these sustainability visions is hampered by the absence of implementation mechanisms at the system's level of the strategy (in particular for monitoring and accountability; prioritisation, planning and decision making; financial resources mobilisation and allocation). Such implementation mechanisms are scarce throughout the Draft State Sustainability Strategy, and those included only related to individual actions not the management of the strategy in its entirety. The output (or activity) focus in the thematic discussions of each of the sustainability visions, with supporting goal and priority areas for action (chapters 3 to 8), further detracts from a strategic approach, leading to insular long-lists of relatively unconnected priority areas for action within each sustainability vision.

**The WA SIG recommends that the Draft State Sustainability Strategy be made more strategic and targets the establishment of an adaptive and participatory sustainable development management system that catalyses continuous improvement and progressively secures ownership, commitment and**

**enactment on mutually agreed visions, goals and targets, across State and local governments, the private sector and civil society.**

The primary challenge for a sustainable development strategy is to create an adaptive system to steer simultaneous improvement in economic, environmental and social outcomes, and deal with new sustainability challenges as and when these arise. The Draft State Sustainability Strategy is not designed to provide for such adaptive management system, but rather as a time bound collection of actions that can be taken to deal with what we currently understand as the 'sustainability' challenges.

A systems approach to managing the sustainability strategy is desirable (as visualised in Figure 1). The system should encourage and facilitate the building of consensus in the WA society about visions, goals and tangible objectives for sustainable development. It should also provide a coordinated set of information and institutional mechanisms to deliver the expected benefits for government, private and civil sectors, collectively as well as individually. International practice suggests that such systems approach to sustainable development strategy should at least include:
➢ Communication and awareness raising mechanisms
➢ Monitoring and accountability mechanisms
➢ Information systems (for tracking of trends, issues and needs and R&D)
➢ Strategic assessment (environmental, economic and social)
➢ Participation mechanisms
➢ Negotiation and conflict management
➢ Prioritisation, planning and decision making mechanisms
➢ Financial resources mobilisation and allocation; and
➢ Change management mechanisms (including pilot testing).

**Figure 1: The continuous improvement approach to managing sustainable development strategies**
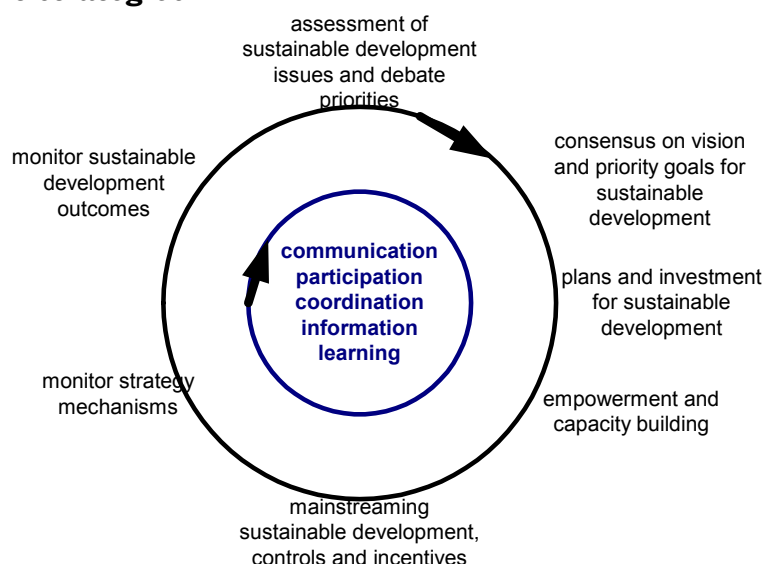


*Adapted from: B. Dalal-Clayton and S. Bass (eds), Sustainable Development Strategies: a resource book, Earthscan Publications, London, UK, 2002 (pg 75)*

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In addition to interpreting sustainable development strategy as an adaptive management system, the OECD stresses the need for policy coherence and integration. All areas of government policy need to act in concert to catalyse the delivery of sustainable development outcomes. It has provided a checklist for such ensuring such policy coherence and integration – it is recommended that this checklist be considered in finalising the State Sustainability Strategy. An overview is given in Table 2.

**Table 2: OECD Checklist for Improving Policy Coherence and Integration for Sustainable Development.**

| Criteria | Summary |
|---|---|
| 1. A common understanding of sustainable development | ► Government should ensure that the precise economic, social and environmental realities of sustainable development, and how they relate to each other, are properly understood |
| 2. Clear commitment and leadership | ► Clear commitment and leadership within government to sustainable development goals, and communication of this commitment are essential to support the development of a concrete strategy and subsequent action |
| 3. Specific institutional mechanisms to steer integration | ► The need to enforce sustainable development strategies through an overarching institution acting as 'Catalyst' is particularly important as is the need to ensure mechanisms for critical evaluation |
| 4. Effective stakeholder involvement | ► Businesses, trade units, NGOs, and citizens' associations should be encouraged to engage actively, and governments have the responsibility to ensure that these consultation and participation processes feed directly into decision making processes |
| 5. Efficient knowledge management | ► Improved scientific input to policy development for sustainability is necessary and requires investment in specific research fields |

*Adapted from: Improving Policy Coherence and Integration for Sustainable Development: a checklist, Organisation for Economic Cooperation and Development, Paris, France.*

## 3. Getting the Framework Right

The Draft State Sustainability Strategy excels in providing an integrated framework of seven foundation principles and four process principles that reflect the core values of sustainability, six visions for sustainability in Western Australia, and six goals for government and forty-two priority areas for action towards achieving those goals.

The WA Sustainable Industry Group is concerned about the practical value of the proposed framework. Most importantly the draft strategy (in the sense of the total package of proposed government initiatives) can meet the requirements of the State Government's own sustainability definition, whereas this is not the case for the vast majority of proposed government initiatives in their own right. The WA SIG considers it imperative that the scope of each of the proposed actions fits the Government's own sustainability definition. This can be achieved by opening up the sustainability definition, or narrowing down the list of proposed government initiatives to only those that meet the current sustainability definition. The WA SIG considers the first approach the most appropriate to obtain greater buy-in in the

strategy. Additionally, the second approach is necessary to manage progress to a time bound selection of tangible sustainability targets.

Sustainability is defined as:

> *"Meeting the needs of current and future generations through simultaneous environmental, social and economic improvement"*
> *Draft State Sustainability Strategy, page 16*

The WA SIG accepts simultaneous environmental, social and economic improvement as the praiseworthy '*inspirational*' goal. However by mandating simultaneous improvement in economic, social and environmental outcomes, the sustainability definition is very strict and strategic, and to many even exclusive. Most of the proposed government initiatives do in their own right only achieve improvement in either social or environmental conditions (with a minority of primarily economic initiatives), and do thus strictly speaking not achieve the adopted sustainability definition (although it is acknowledged that the simultaneous implementation of all proposed government initiatives would achieve the desired simultaneous improvement in all three sustainability performance areas). Moreover, the WA SIG perceives that the requirement for simultaneous improvement in all three-goal areas unnecessarily discredits the many valuable contributions made through practices that primarily seek simultaneous improvement in two of the goal areas (such as Cleaner Production, Eco-Efficiency and Corporate Social Responsibility).

**The WA SIG recommends that the sustainability definition be made more accessible by recognising the importance of contributions by businesses, civil society and government agencies that only explicitly deal with one or two goal areas in sustainability, provided these do not undermine progress towards any of the other goal areas.**

The extrapolation of the sustainability definition into foundation and process principles suggests a level of academic rigor which many in the WA SIG believe not being justified in light of our current understanding of the sustainability challenges and opportunities. Most importantly, there is concern about how some of the exposed values can be made to work, or what indicators would be suitable to illustrate that the principle is working in practice. Table 3 illustrates this difficulty in the interpretation of selected foundation and process principles. The table also highlights the complexity of terms – and subsequent inaccessibility of the language. This is a major barrier for engaging businesses and the community and establishing the necessary partnerships for progressing sustainability in Western Australia.

**The WA SIG recommends that the foundation and process principles for sustainability in Western Australia be simplified, be presented as *'work in progress'* and be illustrated with practical examples of how each principle will benefit individuals and communities in Western Australia.**

## Table 3: Example sustainability principles put to the test

| Principle | Description | Practicability Concerns |
|---|---|---|
| Biodiversity and Ecological Integrity | Sustainability recognises that all life has intrinsic value, is interconnected and that biodiversity and ecological integrity are part of the irreplaceable life support systems upon which the earth depends | ➢ The key concern is maintaining the ability of the environment to provide life supporting functions for ecosystems, which includes not only biological but also geochemical, meteorological, hydrological and other processes (locally, regionally and globally) |
| Net Benefit from Development | Sustainability means that all development, and particularly development involving extraction of non-renewable resources, should strive to provide net environmental, social and economic benefit for future generations | ➢ Net benefit in all thee areas, will only be achievable through 'off set projects', not through the resource development in it own right.<br>▪ Benefits from development of non-renewable resources flow to the current generation. The future generation will only benefit if part of the resource development proceeds is invested in human capital and community development.<br>▪ Environmental benefit at the project level is not possible. Net benefit is only imaginable using project off sets (additional sequestration of e.g. greenhouse gas emissions outside the project area) or on a life cycle basis (incorporating the substitution benefits from not using other resources and the indirect environmental benefits of development in terms of reducing population pressure) |
| Hope, Vision, Symbolic and Iterative Change | Sustainability recognises that applying these principles as part of a broad strategic vision for the earth can generate hope in the future, and thus it will involve symbolic change that is part of many successive steps over generations | ➢ Arguably sustainability is more about a strategic vision for 'mankind' rather than the earth – hope will come once people start seeing what benefits sustainability will bring in their daily lives, not just from strategic insight. |

*(Draft State Sustainability Strategy, pg 28).*

There is widespread concern about the expansion of the sustainability visions into 42 "*priority*" areas for action and the subsequent translation of goals into indicators and targets. Only 4 out of the 82 suggested indicators have a quantitative goal, the large majority (46) of the suggested indicators are activities the government could consider to undertake on its own or in partnership with other organisations without criteria for their effectiveness and impact towards sustainability in Western Australia.

**The WA SIG recommends that the State Sustainability Strategy should provide for a strategic process that will generate an evolving set of a few priority areas that can be addressed consecutively. Progress in addressing those time-bound priorities generates learnings that should be utilised for selecting new priorities over time, in response to the evolving sustainability agenda. This strategic process should favour actions that have outstanding triple bottom line benefits and that are truly complementary and additional to initiatives already undertaken or planned by the public, private and non-**

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**governmental sectors. Such approach would enable resources to be prioritised to be able to make inroads for progressing sustainability in some areas, and enable the WA society to learn from practical sustainability experiences.**

# 4.   Taking Actions that Make a Difference

The Draft State Sustainability Strategy expands the eleven 'sustainability principles' into six 'sustainability visions' for Western Australia, with regard to: governance; global contributions; natural resources; settlements; community and business. Each sustainability vision is accompanied by an overall 'goal for government', leading to a number of 'priority areas for action'. The mandate of the WA SIG pertains in particular to business, and a lesser extent global contributions, natural resources and settlements. Comments for effective action are therefore limited to those four sustainability visions.

## *4.1   Vision 6: Sustainability and Business*

The State Government uses the publication on '*Sustainability through the Market*' (from the World Business Council for Sustainable Development (WBCSD)), to underpin its vision, goal and actions in relation to sustainability and business. The WA SIG is extremely concerned that the original ideas and value propositions from the WBCSD have not been properly captured, with the overall result that the role of business and markets in developing and delivering sustainability outcomes has been categorically downplayed. Appendix 1 compares in detail the WBCSD summary of the publication and summary provided in the Draft State Sustainability Strategy – it provides detailed testimony of the redactions made. The most striking differences in interpretation relate to the following '*keys*' for sustainability through the market.

► *Key 2: Practice Eco-Efficiency*: The WBCSD notion of growing economies qualitatively, not quantitatively is ignored in the State Government's summary, as is the characterisation of Eco-Efficiency as a management strategy that combines environmental and economic performance, through: optimised processes; revalorised by-products; and innovative products and services.

► *Key 4: Provide and Inform Consumer Choice*: The summary in the Draft State Sustainability Strategy does not explain the WBCSD's principle rationale for this key, namely 'triple win' of consumer choice for sustainable development. Moreover, the Draft State Sustainability Strategy adds '*behavioural change programs*' for informing consumer choice, which goes well outside the intent of the WBCSD for '*freedom to decide how best to use our own resources to enhance our quality of life*'.

► *Key 5: Improve Market Framework Conditions*: The Draft State Sustainability Strategy picks up the list of '*market aspects that hinder sustainability*' (albeit leaving out 'corruption') from the WBCSD, and interprets these as '*market failures*' (a term not used by WBCSD). It also picks up the need for legislation and regulations to '*address market failures*'. WBCSD's original recognises the need for legislation and regulations to optimise the operation of the market (i.e. improve competition, effective property rights, reliable contractual terms etc.)

► *Key 7: Make the Market Work for All.* The WBCSD proposes this key as creating opportunities for the global poor through enabling access to effective markets and spreading consumer power. This value proposition is not addressed in the Draft State Sustainability Strategy, which uses this key to reiterate that sustainable products and services should be affordable to all, and the need for technology transfer.

The State Government's proposed vision for "sustainability and business", and the suggested goal and priority areas for action are as follows:

| | |
|---|---|
| *Vision for Western Australia* | *Western Australian businesses, large and small, are globally innovative and receptive, leading to the resolution of sustainability issues at home and abroad and achieving competitive advantage and prosperity* |
| *Goal* | *Assist business to benefit from and contribute to sustainability* |
| *Priority areas for action* | ✓ *Training and facilitation for sustainability*<br>✓ *Financial reform and economic instruments for sustainability*<br>✓ *Eco-Efficiency and industrial ecology*<br>✓ *Industry sustainability covenants* |

The WA SIG highly appreciates the State Government's aspiration to assist businesses to benefit from and contribute to sustainability. It is however questionable whether realistically all businesses can benefit and contribute to sustainability – sustainability will require structural changes which inevitably means that some businesses stand to win while others will struggle to survive when attempting to redefine their business.

The WA SIG endorses the key thrust of partnership and collaboration to progress the business and sustainability agenda in WA (as suggested in the Draft State Sustainability Strategy). The WA SIG is however concerned about the lack of specific details for the operation of the industry partnership. Figure 11 (page 197) suggests that business has one voice in the industry partnership, and is an equally important stakeholder alongside with local government, research organisations and the WA Collaboration. The WA SIG would like to see more detail on the operation of the industry partnership, and recommends that the business contribution be separated in a contribution from industry peak bodies – which can *represent* their members on issues of policy - (such as the Chamber of Commerce and Industry, Chamber of Minerals and Energy, WA Local Government Association, Plastics And Chemicals Industry Association, etc.) and a contribution from professional groupings – which can *foster consideration of best practice* without representing members on issues of policy – (such as the WA Sustainable Industry Group, WA Collaboration, Australian Corporate Citizenship Alliance, Waste Management Association of Australia etc).

The relationships between the four priority areas for action are not addressed, which leaves the impression that the four priority areas are an arbitrary selection. It is of concern that the Draft State Sustainability Strategy does not justify the strategic nature of any of the four proposed 'priority areas for action' nor addresses their potentially reinforcing role.
   ✓ *Training and facilitation for sustainability* – the WA SIG feels that the vision for training and facilitation is focused on serving an international market niche (through export of training solutions and sustainability products and

services), with little consideration for training and skill development in order to resolve sustainability issues in Western Australia. The WA SIG also regrets the sole focus in the training and facilitation section to formal training (resulting in personal qualifications). This unnecessarily disqualifies major training and capacity building activities that are already underway and achieve implementation of new concepts and skills in practice in companies (without providing personal qualifications for the training participants). Within the WA SIG, this includes for instance the ongoing Cleaner Production training and implementation programs run by the Centre of Excellence in Cleaner Production for small businesses, local government and other stakeholders, and the Green Stamp training activities provided by the Motor Trades Association of WA.

✓ *Financial reform and economic instruments for sustainability* – the WA SIG is concerned about the generalisation made that better sustainability performance coincides with better economic performance. Companies in the Dow Jones Sustainability Group Index ([2]) have consistently outperformed the market average, but the existence and direction of the causal relationship has been consistently questioned. Businesses have good economic performance because their management thinks ahead, and their organisations are more readily adapted to the demands of tomorrow, and this seems to naturally encourage greater consideration of sustainability aspects (see box 2 for a more detailed summary of the current understanding of the relation between business performance and sustainability performance of companies).

✓ *Eco-Efficiency and Industrial Ecology:* The WA SIG is extremely pleased with the quantitative stretch target for Eco-Efficiency – i.e. " *to achieve a four fold increase in Eco-Efficiency and to reduce the ecological footprint of the Western Australian economy by a factor of two by 2020*". The WA SIG recommends that Factor 4 be strongly established as the leading paradigm that glues the final State Sustainability Stragegy together (see also suggestions in section 5 of this submission).

✓ *Industry Sustainability Covenants:* The WA SIG recognises the importance of voluntary environmental agreements, and is actively pursuing this through its WA Cleaner Production Statement, which could in principle be further expanded to cover a broader set of industry sustainability topics. The WA SIG convened a best practice sharing workshop on this subject (report available on http://wasig.curtin.edu.au/). There is genuine concern on the practicability of the proposed covenant requirements with regard to net benefit in all three sustainability performance areas, and the need to develop those in partnership with public interest groups. In the view of WA SIG, the partnership should at maximum include those interest groups that have a 'stake' in the respective company or industry sectors (i.e. workers, neighbours, suppliers, customers and regulators).

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[2] The Dow Jones Sustainability Group Index is a sustainability screened selection of companies from the Dow Jones Group Index. It includes those companies that emerge as sustainability leaders ('best in class') in their respective sectors.

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**Box 2: The Business Case for Corporate Sustainability**

The SustainAbility think-tank investigated in more detail the business case for sustainability, through the use of a business case matrix, which relates ten dimensions of corporate sustainable development performance to ten measures of business success The ten sustainable development dimensions cover five areas, respectively: governance (ethics, values & principles, and accountability & transparency); general (triple bottom line commitment); environment (environmental process focus, and environmental product focus); social (socio-economic development, human rights, and workplace conditions); and stakeholder engagement (engaging business partners, and engaging non-business partners). The ten business success measures deal with financial performance (shareholder value; revenue; operational efficiency; and access to capital) and financial drivers (customer attraction; brand value and reputation; human and intellectual capital; risk profile; innovation; and license-to-operate). The correlations between each sustainable development dimension and business success measure were qualitatively assessed on the basis of a review of environment, safety, financial and sustainability reports for a global selection of leading businesses, to assess both the direction of the correlation (positive or negative) and its apparent strength. The study found that evidence in favour of the business case continues to build and is particularly strong in certain areas of business performance. However there still remains a significant gap between what is intuitively logical and what one can prove. The key messages from the study were as follows:

1. *Positive Impact:* Overall corporate sustainable development performance has a positive impact on business success. A strategic focus on sustainable development performance is aligned with mainstream business purpose.

2. *Brand & Reputation:* Brand value and reputation is the measure that appears to be most positively linked to corporate sustainable development performance. Business case analysis should not focus exclusively on financial performance.

3. *Environmental Process:* Environmental process focus is supported by the strongest business case. Environmental performance should continue to play a prominent role in any business case assessment.

4. *Financial Results:* Positive links exists between sustainable development performance and verified financial results. The business case can thus be developed without having to exclusively rely on indirect or intangible measures of business success.

5. *Multiple Measures:* The business case is strongest when multiple measures of business success are considered. Companies should therefore adopt a more holistic view of business success, considering both financial results and underlying financial drivers.

6. *Business Strategy:* The business case is strongest when companies incorporate sustainable development performance into mainstream business strategy. The business case analysis should thus lead, rather than follow, a decision to improve sustainable development performance.

7. *Chicken and Egg:* The chicken and egg question (Are responsible companies more prosperous, or are prosperous companies more responsible?) cannot yet be put aside. A close comparison of business models is required to understand the mechanisms by which improved sustainable development performance can contribute to business success.

8. *Sensitivity Testing:* The business case is likely to strengthen in coming years, based on current trends. Consequently any business case analysis should be dynamic, with results tested for sensitivity to various plausible scenarios.

9. *Work in Progress:* The business case debate is still raging, and the current state of research supplies only partial answers. Companies should uses external evidence to supplement, rather than drive, an in-depth analysis of their own particular situation..

10. *Research Gap:* The biggest research gap plaguing the business case question as a whole is the lack of robust, generally accepted measures of corporate sustainable development performance. .

*Source: Sustainability, (2001), Buried Treasure: uncovering the business case for corporate*
*sustainability, SustainAbility, London, UK.*

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## 4.2 Vision 2: Global Contributions

The State Government's proposed vision for "global contributions", and the suggested goal and priority areas for action are as follows:

| Vision for Western Australia | Western Australia contributes to the solution of global sustainability issues, particularly population pressures and poverty, climate change, threats to biodiversity and oil vulnerability, and - in so doing - creates significant local opportunities for new jobs in the rapidly growing sustainability economy |
|---|---|
| Goal | Play our part in solving the global challenges of sustainability |
| Priority areas for action | ✓ Population, development aid and environmental technology<br>✓ Maintaining our biodiversity<br>✓ Responding to greenhouse and climate change<br>✓ Oil vulnerability, the gas transition and the hydrogen economy |

The WA SIG appreciates the State Government's recognition that Western Australia has to play a part in solving the global challenges of sustainability. The analysis presented appears still in its infancy, and does therefore not convince that the proposed priority areas for action are indeed the most pertinent ways in which Western Australia can make a difference towards global sustainability.

Most importantly, the Johannesburg World Summit on Sustainable Development (WSSD) has reshaped the global sustainable development agenda into three overall aims: poverty eradication; sustainable production and consumption; and management of critical ecosystems. Progress towards realisation of those aims will depend on the ability of the global community to turn around currently prevailing trends. The World Resources Institute, in collaboration with United Nations Environment Program and the World Business Council for Sustainable Development, summarised 19 dominant trends in five areas: people and tomorrow's markets; innovation; natural capital; connections and roles and responsibilities (see Table 4 for a summary of these trends). Although the global sustainability challenges may appear to be in the environmental arena (such as loss of biodiversity, climate change and dependence on oil, etc.), the real challenge lies in turning around the underlying trends in the global economic, social and political systems.

Against this background, the WA SIG has serious concerns about three of the proposed priority areas for action with regard to global contributions.

1. *Population, Development Aid and Environmental Technology*: it is unfortunate that the suggestion is created that poverty has to be addressed through development aid, and thereby is essentially a philanthropic undertaking. There is growing international consensus that business will have to play a lead role in eradicating poverty, as the challenges by far outstrip development aid and national capacity of developing countries. This is for instance reflected in the current Sustainable Livelihoods project of the World Business Council for Sustainable Development, which seeks to document business best practice in supporting opportunities for the global poor. Preliminary experience indicates the importance of new business models and using appropriate local solutions, to create sustainable business ventures which provide the global poor with jobs and goods and services, including energy, water, sanitation, health care and education, to improve their livelihoods and level off

**Table 4: Tomorrow's Markets: Global Trends and Their Implications for Business**

| Area | Synopsis | Underlying Trends |
|---|---|---|
| **People and Tomorrow's Markets:** serving society | Future consumer markets and labour will be concentrated in the fast growing, emerging markets where small and large enterprises will find profitable opportunities to help meet health, education and nutrition needs. These markets will favour businesses that partner with government and civil society to serve basic needs, enhance human skills, increase economic capacity, help remedy inequities, and conserve the environment | 1. Expanding population in developing regions will create large markets<br>2. Global wealth is rising but the income gap grows wider<br>3. Millions are malnourished amidst an abundance of food<br>4. Life expectancy rises, yet preventable disease continues to limit development<br>5. Primary education is widespread, but opportunities for learning elude many |
| **Innovation:** more value with less impact | The rise in world affluence holds promise for better lives and also comes with significant risks to ecosystems if prevailing patterns of consumption, energy production and waste persist. The need to reduce consumption and waste creates new opportunities for business to grow while at the same time helping people, economies, and ecosystems through the innovation of less wasteful processes and life-enhancing goods and services. | 6. Rising consumption creates environmental risks and business opportunities for innovation<br>7. Escalating demand for energy propels economic development but threatens Earth's climate<br>8. Pollution remains a global challenge<br>9. Throughput still grows even as energy and materials efficiency improves |
| **Natural Capital:** preserving the resource base | The world economy depends on the base of natural resources – our "natural capital" – that is showing signs of severe degradation. Without improved environmental performance, future business operations will be exposed to risk of rising prices for water, materials, and for waste disposal. Those businesses that reduce the environmental impacts of their operations, goods and services will win competitive advantages. Protecting the long-term license-to-operate in existing and new markets depends on business strategies that preserve and renew natural habitats and critical environmental resources. | 10. The productive capacity of the planet is in decline<br>11. Food production is the basis of many economies but threatens the ecosystems upon which it depends<br>12. Freshwater is growing scarce amidst competing human needs |
| **Connections**: doing business in a networked world | We live in a world of rapid change and a growing density of human and technological networks. People are concentrating in cities with greater access to information and transportation networks. Information and knowledge propagate at light speed, and people and goods move around the globe as never before. In this integrated world, businesses have a crucial stake in economic development, healthy cities, efficient and accessible mobility, and in expanding the pool of educated workers and consumers. | 13. Urban growth concentrates business opportunities and societal challenges<br>14. Humans are more mobile, accelerating the flow of goods and knowledge and raising the demand for energy and infrastructure<br>15. Access to information and communication technologies enables economic opportunity<br>16. As economies become service based, women are a growing part of the formal labour force |
| **Roles and Responsibilities**: earning license-to-operate | Businesses must meet national rules and standards for commerce, and also international agreements, codes of conduct, and the standards of civil society at home and abroad. The public and many governments will hold businesses accountable to be socially responsible – that they will promote development that meets basic human needs, support democracy, share information, and be open to the scrutiny and input of civil society. | 17. Democracy spreads, creating improved conditions for market-based economies<br>18. Civil society is demanding greater accountability and transparency from government and business<br>19. Private sector investment is increasingly financing economic development |

*Source: WRI/UNEP/WBCSD (2002), Tomorrow's Markets: global trends and their implications for business, World Resources Institute, United Nations Environment Programme and World Business Council for Sustainable Development, Geneva, 2002.*

population growth. Transfer of Environmental Technology can make a contribution, but is in its own right not sufficient to create more sustainable livelihoods.

2. *Responding to Greenhouse and Climate Change*: in recognition for the fact that availability of '*modern energy services*' is a principal enabler for development, the international discussion is moving away from 'responding to climate change' to 'providing quadruple A rated energy services' (i.e. Accessible, Affordable, and Acceptable (environmentally and socially) to the community, while maintaining 'Appropriate returns on investment' for investors in the energy sector).

3. *Oil Vulnerability, the Gas Transition and the Hydrogen Economy*: Two important transitional strategies for coping with oil vulnerability are not being addressed here: i.e. traffic minimisation and management (i.e. reduction of the per capita trips (personkilimeters) without compromising on ability to interact and experience diversity) and fleet fuel efficiency. Traffic reduction can be achieved through better planning and community development, which could be a spin off from initiatives under the sustainable settlements vision. Fleet fuel efficiency can be achieved through communication and marketing, tax incentives for fuel-efficient new cars, logbooks, etc.

Moreover it is regrettable that stationery energy (including coal, gas, oil and renewables) is not being addressed as a separate area for action, given the prominent role of the energy sector to support our current lifestyle and level of wealth in Western Australia.

## *4.3 Vision 3: Natural Resources*

The State Government's proposed vision for "natural resources", and the suggested goal and priority areas for action are as follows:

| Vision for Western Australia | *Western Australia's vast landscape and seascape, intricate web of biodiversity and other natural resources are managed and used sustainably for the common good and the community is involved in management and planning processes that are transparent and visionary* |
|---|---|
| Goal | *Value and protect our environment and ensure the sustainable use and management of natural resources* |
| Priority areas for action | ✓ *Sustainable agriculture*<br>✓ *Sustainable fisheries and aquaculture*<br>✓ *Sustainable forestry and plantations*<br>✓ *Sustainable mining and petroleum production*<br>✓ *Sustainable tourism*<br>✓ *Protecting aquatic systems*<br>✓ *Sustainable coastal and marine environments*<br>✓ *Sustainable rangelands management* |

Although the WA SIG is generally supportive for the goal, objectives and activities for each of the priority areas for action, WASIG participants have expressed concern on four aspects in regard to sustainability in natural resources sectors.

▪ A principal concern is the omission of energy as a separate sector for action in the natural resources agenda, as access to affordable energy services with acceptable environmental and social impacts is critical

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for any other form development. The coverage of sustainable energy in the sustainable settlements section only addresses greater use of energy efficiency and renewable energy – it is very unlikely that this subset of sustainable energy options will in the near future be sufficient to provide affordable energy services for WA.

▪ Related is the omission of the coal sector – regardless of the question of whether or not one believes coal developments can make a net environmental, social and economic benefit, it can not be ignored that coal is a principal fuel in the current energy mix, and given the levels of investment involved, it is unlikely that this will drastically change over the next 1-2 decades.

▪ Moreover, there should be recognition that even new industries that are considered to be 'sustainable' can have significant ecological footprints (such as tourism with a high ecological footprint as a result of the air and road travel required to bring tourists to sustainable tourism locations).

▪ Some in the WA SIG have expressed concern about the strong reliance on codes of practice for each of the natural resources sub-sectors, as the impact of existing codes of practice and best practice guidelines is not un-contested. The contents of the codes of practice should be sufficiently innovative and challenging to drive continuous improvements in each of the sub-sectors, while independent verification is required for transparency and securing trust in the codes.

## 4.4 Vision 4: Settlements

The State Government's proposed vision for "settlements", and the suggested goal and priority areas for action are as follows:

| Vision for Western Australia | Western Australia's settlements are among the most attractive places to live in the world, constantly becoming more innovative and efficient in their use of resources and management of wastes while simultaneously being more liveable and equitable |
|---|---|
| Goal | Plan and provide settlements that reduce the ecological footprint and enhance quality of life at the same time |
| Priority areas for action | ✓ Managing urban and regional growth<br>✓ Revitalising declining centres and suburbs<br>✓ Integrating land use and balancing transport<br>✓ Managing freight and regional transport<br>✓ Preserving air quality<br>✓ Reducing and managing waste<br>✓ Our water future<br>✓ Sustainable energy<br>✓ Preserving cultural heritage, landscapes and creating 'sense of place'<br>✓ Building sustainability |

The WA SIG supports the vision of WA settlements being attractive places to live, and being innovative in progressively reducing ecological impacts while simultaneously reducing inequalities. There is however great concern that the 'people' dimension for achieving sustainable settlements does not get sufficient attention - the ecological footprint of settlements is a result of the

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physical infrastructure, the provision of services and the consumption and lifestyle choices of its people. The compartmentalised discussions on planning, transport, waste, water, energy, housing, etc. each have behavioural aspects, but do not convey the message that there is a need to rethink lifestyle choices and reorient consumption patterns.

The WA SIG is convinced that sustainable consumption is one of the most complicated items on the sustainability agenda. The principal challenge is to break down the deep rooted belief in the community that sustainable consumption is about consuming less, and thus a direct threat to people's current material wealth. A consolidated effort is required to build awareness that sustainable consumption is about consuming differently, and that doing so has distinct benefits to the consumer. This requires a change of perception and values in society, which can be catalysed through e.g. public dialogue/interrogation of the value choices of people, creation and promotion of positive role models, education, etc. Experience on the sustainable consumption agenda is still scarce, although there are a number of starting points on the basis of the work of the United Nations Environment Program (UNEP), Organisation for Economic Cooperation and Development (OECD) and the Commission for Sustainable Development (CSD).

> *"Sustainable consumption is not about consuming less, it is about consuming differently, consuming efficiently, and having an improved quality of life. It also means sharing between the richer and the poorer".*
>
> *Jacqueline Aloisi de Larderel, Assistant Executive Director,*
> *United Nations Environment Program, 2002*

The WA SIG would welcome more inclusive treatment of sustainable consumption as a key priority in the final State Sustainability Strategy. As recommended by the United Nations Environment Program, sustainable consumption can be addressed at four strategic levels: dematerialisation for efficient consumption; optimisation for different consumption, optimisation for conscious consumption and optimisation for appropriate consumption (see Table 5). Moreover, it can build on the 1999 additions on 'promotion of sustainable consumption' (section G), to the United Nations Guidelines for Consumer Protection.

**Table 5: Strategic Framework for Sustainable Consumption**

| Strategic Element | Leading Question | Major Agents |
|---|---|---|
| 1. Dematerialisation - efficient consumption | What factor of increased resource productivity can be achieved in each product and service? | ▪ Industry<br>▪ Government<br>▪ Consumers |
| 2. Optimisation – different consumption | What changes in choices and infrastructure will satisfy consumer demand more sustainably? | ▪ Governments<br>▪ Industry<br>▪ Consumers |
| 3. Optimisation – conscious consumption | How can consumers increase their quality of life by 'choosing and using' more wisely? | ▪ Consumers<br>▪ Industry<br>▪ Government |
| 4. Optimisation – appropriate consumption | Are consumption levels sustainable? Is consumption the best way to achieve every type of quality of life? | ▪ Society at large<br>▪ Communities<br>▪ Citizens |

*UNEP (2001), Consumption Opportunities: strategies for change – a report for decision makers,*

*United Nations Environment Program, Geneva.*

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# 5. Making Factor 4 a Reality

The WA SIG is extremely pleased with the Factor 4 Objective in the Eco-Efficiency and Industrial Ecology section of the Draft State Sustainability Strategy.

> *Vision*
> *Western Australian industry responds to the global challenge of Eco-Efficiency and finds new economic opportunities from the expertise gained*
> *Objectives*
> - *To achieve a four-fold increase in Eco-Efficiency and to reduce the ecological footprint of the Western Australian economy by a factor of two by 2020*
> - *To establish institutional and policy measures that support the uptake of industrial ecology and Eco-Efficiency*
>
> *Draft State Sustainability Strategy, page 205*

The WA SIG would like to see 'Factor 4' become one of the few leading themes in the final State Sustainability Strategy (and subsequent action plans). There are a number of benefits for using Factor 4 as a strategic objective across the State Sustainability Strategy, rather than just in one of the priority areas for action.

In short, Factor 4:
- *Captures the challenge ahead* – Factor 4 establishes the need for devising and implementing sustainable solutions that are capable of doubling the wealth with half of the environmental impact. The challenge is to find attractive ways to get there.
- *Links the sustainable production and consumption agendas* – Factor 4 is about Eco-Efficiency achievements over the lifecycle of a product or service, and thereby links improvements in product manufacture and supply with changes in consumption patterns. It can be achieved through a combination of smaller Eco-Efficiency improvements in various stages of a product life cycle ([3]). Factor 4 also provides for consideration of local and global perspectives, for instance by challenging the transport intensity of products and services.
- *Puts the 'impossible equation'* – Many in society and business will in first instance respond that Factor 4 is impossible in their own sector. Such notion of 'impossibility' is critical for encouraging 'out-of-the-box', creative thinking, leading to new product and service concepts, that can be constructed to deliver Factor 4 outcomes.
- *Goes beyond current sustainability activities and efforts in WA* – The current initiatives of State and local government, industry and other stakeholders by and large deal with incremental change towards more sustainable outcomes, which in turn are unlikely to result in Factor 4

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[3] For example Factor 4 (75% reduction of the environmental impact per unit of product value) can be achieved through the simultaneous achievement of 30% extension of the useful life of the product, 30% reduction of the material content of the product ('dematerialisation'), 30% efficiency improvement in product manufacturing (Cleaner Production) and 30% reduction of environmental impact in raw materials extraction.

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outcomes. Centering the State Sustainability Strategy on Factor 4 provides a clear point of differentiation for the Strategy, which is useful for securing the necessary support and resources for successful implementation of the Strategy.

International experience, in particular from the Dutch Sustainable Technology Development (STD) program and other European initiatives, illustrates that Factor 4 sustainable technologies, or solutions, are possible, but are not likely to emerge spontaneously in time.

> *"Technology has an important role to play in the transition towards sustainable development. Technologies can contribute to sustainability by augmenting the resource base and by increasing resource productivity. But there is no guarantee that eco-efficient technologies will be developed in time, that they will be successful in replacing eco-inefficient technologies or that the eco-efficiency gains will automatically be captured for environmental protection. Much depends on whether deliberate efforts are made to develop sustainable technologies, whether the necessary structural and cultural criteria for success are factored into innovation processes, whether innovation processes are inclusive, and how technologies are used. A strategic perspective is essential for identifying opportunities and taking these up. Moreover, since sustainable technologies will only contribute to achieving sustainability if they are successful in replacing existing eco-inefficient solutions, attention needs to be paid early on to the social and structural factors that impinge on successful diffusion.*
> *While it is clear from the STD case studies that sustainable technologies are possible, the programme makes equally clear that sustainable technologies are not easily developed in all fields of need and that substantial, conscious and consistent efforts are needed to search for sustainable technologies. Throughout the technology development process, there is a need for a goal oriented, strategic, co-evolutionary systems perspective, which stresses the dynamic interaction between cultural, structural and technological innovation. Technology is only one component of the development system. But it is a critical and potentially pivotal component. Proof that sustainable technologies are possible provides scope to make the needed structural economic changes for redirecting development. Given the long lead-times for innovation and diffusion of new technologies, there is no time to lose in beginning the search for sustainable technologies and systems solutions. The urgent need now is for innovation in regard to the innovation process itself".*
>
> Final Remark on the Dutch STD Programme Evaluation, in Weaver, P. et all (2000),
> Sustainable Technology Development, Greenleaf Publishing, Sheffield, UK, pg. 285-286.

The WA SIG is convinced that the desired Factor 4 improvement of the Eco-Efficiency of the Western Australian economy will only be possible through a high-level, dedicated, comprehensive and goal-oriented effort involving the public, private and non governmental sectors. The WA SIG is therefore both interested and committed to contribute to the development and implementation of a strong Factor 4 initiative in partnership with the State Government and other stakeholders as appropriate as contribution to the State Sustainability Strategy. Such Factor 4 initiative could, for instance, involve:

- *Collection and promotion of (West) Australian examples that demonstrate that Factor 4 is possible* – this could in principle lead to an (West) Australian equivalent of the international Factor 4 Book ([4]) which contains 50 examples of businesses that have doubled their productivity and earnings while halving their environmental impact.

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[4] E. Von Weizsacker, A. Lovins and L Hunter Lovins (1997), Factor Four: doubling wealth, halving resource use, Earthscan Publications, London, UK.

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The collection of examples serves the dual objective of evidencing that Factor 4 is doable, and acting as a source of inspiration for Factor 4 initiatives in other businesses, value chains and life-cycles.

- *Coordination and facilitation of vision shaping research to drive sustainable technology development* - in collaboration with relevant Collaborative Research Centres ([5]), CSIRO, WA Universities, etc. It is increasingly accepted at the international level that sustainable technology development can be initiated and encouraged by Factor 4 pathfinder types of research and dialogue projects. The pathfinder approach is illustrated in Figure 2. It starts with the development of a 'far-future' vision (e.g. 2020 – 2050) for the provision of a given service (e.g. nutrition, mobility, housing/shelter) under sustainability conditions (e.g. Factor 4 or The Natural Step system conditions), and then back-casts towards the present to identify the required technological breakthroughs. Once these are identified a path is mapped out to plan for the achieving these required technological breakthroughs in time.

- *Public debate and dialogue* – Factor 4 can be used as a starting point for the interrogation of mass culture and consumerism, and thereby raise the profile for the sustainable consumption agenda (see Table 5 for a summary of the contents of the sustainable consumption agenda).

**Figure 2: Steps in Path-finding: application of backcasting for development of sustainable innovations**.



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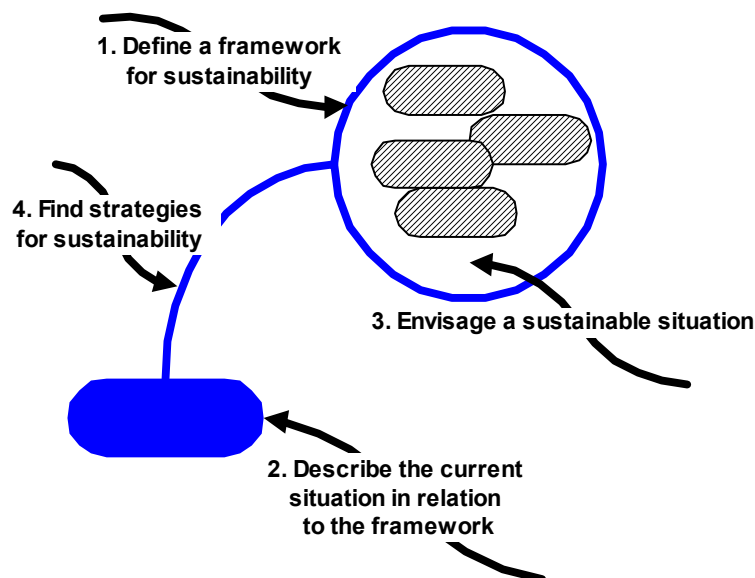
[5] Such as the CRC for Sustainable Tourism, CRC for Sustainable Resource Processing, CRC for Desert Knowledge, CRC for Coal in Sustainable Development, CRC for Greenhouse Gas Technologies, Australian CRC for Renewable Energy, etc.

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# 6.   Turning Strategy into Action

As highlighted throughout this submission, the WA SIG is deeply concerned about the ability of the WA Government and the public, private and civil sectors to effectively manage the great diversity of 249 'priority' areas for action. The WA SIG therefore recommends that a strategic process be established that allows for ongoing review and prioritisation of sustainability action areas to effectively only pursue a few (perhaps no more than half a dozen) high impact action areas at any one time. Other action areas can than be pursued as part of other strategies (e.g. greenhouse strategy, water strategy, housing strategy, etc.). The State Government could then commit to a significant initiative in each of the time-bound priority impact areas allowing inroads to be made in dealing with selected elements of the State Sustainability's Agenda (rather than spreading too thin across all elements of the State Sustainability's Agenda).

The WA SIG would recommend the following criteria for this ongoing strategic review and prioritisation process for high impact priority action areas. At any time the current high impact priority action areas should:
- Have outstanding potential for simultaneous net environmental, social and economic benefit
- Build upon and extend beyond activities already planned or being implemented by other stakeholders (e.g. local agenda 21, sustainability codes of conduct for various industry sectors)
- Not replicate actions already being pursued through other sectoral strategies (such as water strategy, greenhouse strategy, housing strategy, etc)

The WA SIG would recommend that at least the following initiatives are included as high impact priority actions in the final State Sustainability Strategy:
- ***Factor 4 Program***: integrated multi-stakeholder program of learning and doing to conceptualise, develop and implement sustainable solutions (Factor 4 innovations) for key areas of need in Western Australia (e.g. water services, nutrition, housing, transport, etc).
- ***Sustainable Lifestyle Initiative***: dedicated communication and promotion initiative that starts to interrogate current mass culture and mass consumption lifestyle choices, in particular targeted at young Australians, through efforts such as for instance: personalised ecological footprint calculator; documentary information on social and environmental impacts caused by the products and services we consume; and development and promotion of positive role models for sustainable consumption/lifecycle).
- ***Global Sustainable Livelihoods Initiative***: initiative to increase the awareness in the WA public and private sectors, and non-governmental organisations alike, of the principal short and long term global sustainability challenges, and the critical importance of creating sustainable livelihoods for the global poor. The challenge would lie in developing and promoting practical ways businesses,

governments and the community can support the creation of sustainable livelihoods through their daily production and consumption choices.

The WA SIG will continue its mission to promote consideration of best practice in the development, implementation and evaluation of sustainability initiatives. The WA SIG plans to maintain the focus of its efforts for the near future on:

- Eco-Efficiency, Cleaner Production, Sustainable Energy and Industrial Ecology: commonly regarded as the first stepping-stone for business on its journey to sustainability.
- Innovation and sustainable technology development: how research and development processes can be (re)structured to enable greater consideration of sustainability issues, leading to sustainable technologies that create factor improvements in the ratio of value generated per net unit of environmental impact.
- Monitoring of sustainability performance and benchmarking between different companies: the development and application of transparent measurement and analytical protocols to track how businesses and society is moving towards sustainability.

In addition the WA SIG will remain responsive to requests from its participants to take up other elements of the business agenda for sustainable development.

# Appendix 1: Sustainability through the Market

In 1997 the World Business Council for Sustainable Development (WBCSD) launched a project focused on developing a better understanding of the concept of sustainable consumption. Business felt discouraged by the (then) prevailing notion that sustainable consumption required consumption in developed nations to be reduced, by limiting choice and restricting access to products and services, in order to enable developing countries to rise out of poverty. WBCSD challenged itself to create a more inspirational vision – a business case for sustainable development. Companies have the opportunity to improve people's lives through what they do and how they do it – and in doing so, build their business. The four-year consultative process identified seven keys for unlocking and delivering the business case for sustainable development. Its findings were presented in the report 'Sustainability through the Market" at the ninth session of the Commission for Sustainable Development (2001)

The "Sustainability through the Market" report presents an agenda for improving markets so that they advance sustainable development. Market attributes that can serve the purpose of sustainability – such as freedom of choice, competition and innovation – should be more fully engaged. Markets can also provide the poor with more opportunities and can better reflect the values of environmental goods and services crucial to our quality of life. The report explains how, and WBCSD believes it can help global society, and in particular the business community, navigate the sustainability transition.

The seven keys of progressing sustainable development in the market system are based on seven value propositions.

| Seven Keys to Success | Seven Value Propositions |
|---|---|
| Innovate | Novel technical and social resources – new ways to improve lives while boosting business |
| Practice eco-efficiency | Economic benefit and environmental performance |
| Move from stakeholder dialogues to partnerships for progress | Shared understanding, aligned action and social inclusion |
| Provide and inform consumer choice | A different type of demand by enhancing appreciation for values that support sustainability |
| Improve market framework conditions | A stable, corruption free, socio-economic framework that facilitates positive change |
| Establish the worth of the Earth | Environmental conservation and promotion of resource efficiency |
| Make the markets work for everyone | Economic benefit and social cohesion |

The following table compares the text of the WBCSD in its summary with the summary provided in the Draft State Sustainability Strategy.

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## Sustainability Through the Market (WBCSD, 2001)

| Key | WBCSD Summary (WBCSD, 2001, pg 3-5) | State Government Summary (pg 196) | Apparent Source Text in WBCSD Report |
|---|---|---|---|
| 1. Innovate | Today **all business must innovate to survive and to prosper**. Both technological and social innovation can do much to improve quality of life and address the depletion of resources and the build up of pollution around the world. Yet innovators today must innovate openly, and identify and publicise values that underpin their approaches to innovation. Any innovation process must be sensitive to the interests of the public. | Establish a culture and capacity for technological and social innovation to generate sustainable solutions, products and services. | Unknown [NB: WBCSD published in 2002 a special report on Innovation, Technology, Sustainability and Society, expanding on the potential contribution of innovation to sustainable development] |
| 2. Practice Eco-Efficiency | Eco-Efficiency is a **management strategy that combines environmental and economic performance**. The strategy enables more efficient production processes and better products and services while reducing resource use and pollution. In short, it is creating more value with less impact. Eco-Efficiency can open up significant business opportunities. Its pre-eminent goal is to grow economies **qualitatively**, not quantitatively. The WBCSD has developed a framework that companies can use to measure and report progress toward eco-efficiency | The WBCSD defines "eco-efficiency as being achieved by the delivery of competitively priced goods and services that satisfy human needs and bring quality of 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". There are three areas that are critical to practising eco-efficiency: <br>► Reducing resource use, impacts and operational costs; <br>► Cooperation between companies to improve cost efficiencies while moving towards a zero waste target; and <br>► Delivering better design and functions for lower impact in use and higher market share. | Eco-Efficiency is being achieved by the delivering of competitively priced goods and services that satisfy human needs, and bring quality of life, while progressively reducing ecological impacts and resource intensity, to a level at least in line with the Earth's estimated carrying capacity [pg 15] <br>The three eco-efficiency performance zones: <br>► **Optimised processes**: reduce resource uses, impacts and operations costs; <br>► **Re-valorised by-products**: co-operate between companies to improve cost efficiencies while moving towards a zero waste target <br>► **Innovative products and services**: deliver better design and functions for lower impact in use and higher market share [pg 15] |
| 3. Move | The dialogue among business, civil society, and government | Promote the establishment of | |

| | | | |
|---|---|---|---|
| from Stake-holder Dialo-gues to Partner-ships for Progress | has matured notably since the 1992 Rio Earth Summit. Now the time has come to move beyond talking to one another to acting together for the purpose of sustainable development. Partnerships for progress are built on common goals, empathy, open feed back, flexibility, ability to compromise, and sharing rewards. Such alliances can offer business, government and civil society new solutions to common concerns facing us all. | partnerships for progress which are built on common goals, empathy, open feed back, flexibility, ability to compromise and **shared** rewards. Such alliances can offer business, government and civil society new solutions to common concerns facing us all. | |
| 4. Provide and Inform Consu-mer Choice | ***Consumer choice in a transparent and competitive market economy can improve everyone's quality of life.*** Market choices allow us to the freedom to decide how best to use our own resources to enhance our quality of life. Providing choice is therefore a key part of promoting sustainable development. Business and other stakeholders can use the media and advertising to promote sustainability messages, fostering a consumer culture that helps people wield the power of demand in a powerful way. Companies increasingly find that they must communicate the values and principles on which they base their operations – values that their stakeholders can identify with over the long run. Individuals will change their consumption patterns when they realise that they can gain added value from sustainable behaviour in terms of financial benefits, quality of life and security. ***Consumer choice helps achieve sustainability 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.*** | Business, ***government and community organisations*** using the media, advertising ***and other forms of communication, combined with behavioural change programs*** to promote sustainability messages, fostering a consumer culture that helps people wield the power of demand in a thoughtful way. | |
| 5. Improve Market Frame-work Condi-tions | Markets depend on a stable and supportive framework of public policy. The rule of law, freedom of competition, transparent accounting standards, and a safe social context all contribute to the ability of business to create wealth. Market aspects which hinder sustainability include: monopolies, **corruption**, perverse subsidies, and prices which do not reflect real economic, social and environmental costs. Legislation and regulations should ***promote competition, effective intellectual and physical property rights, reliable contractual terms, fair and transparent*** | Market aspects which hinder sustainability include monopolies, perverse subsidies and prices which do not reflect real economic, social and environmental cost. Legislation and regulations ***to address these market failures are required in order for business to help achieve sustainability***. | |

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| | | | |
|---|---|---|---|
| | | *accounting standards, accountability for government intervention, freedom and democracy, and full cost pricing of goods and services*. Governments' most effective means towards better market frameworks is specifying a desired result rather than the paths towards that result. | | |
| 6. | Establish the Worth of the Earth | The market system needs accurate and timely price signals so that resources are not wasted and future opportunities squandered. We can *improve our markets* so that they reflect the true cost of environmental goods and services and social impact. Often this is by moving *towards full-cost pricing* – including removal of perverse subsidies; often it is by *new property regimes*. Economic instruments such as tradeable permits *can* encourage business towards constant environmental improvements. Proper valuation will help us maintain a diversity of species, habitats and ecosystems; conserve natural resources; preserve the integrity of natural cycles, and prevent the building up of toxic substances in the environment. Realistic pricing is the optimal means of supporting change in the market. | Create accurate and timely price signals so that resources are conserved and future opportunities are not squandered. *Markets should reflect* the true environmental and social costs of goods and services, requiring the removal of perverse subsidies. The use of economic instruments such as tradeable permits *are recommended*. | |
| 7. | Make the Market Work for Everyone | *Poverty is one of the single largest barriers to achieving sustainability through the market.* The 2.8 billion people living on less than two dollars a day have little or no access to the market to improve their lives. The market does create enterprises and jobs, but there will be rewards for companies who deliberately create more opportunities and a better quality of life for the poorest. Many of these opportunities will lie in the areas of healthcare, water, housing, nutrition, electricity, education, appliances and sanitation. Protectionism makes it harder for business to seize such opportunities. Making the market work for everyone involves *two basic measures: enabling access to effective markets and spreading consumer purchasing power.* Many successes are based on partnerships between businesses and government or civil society organisations – or often alliances involving all three. | Ensure that new technologies and sustainable goods and services are affordable to all in society, and that they are transferred to developing regions of the world to alleviate poverty and increase intra-generational equity | |

Note: Italics added to highlight key differences.