

Western Power Comment on the Draft State Sustainability Strategy

Western Power supports the Western Australian Government's initiative to develop a State Sustainability Strategy. The following comments are offered in response to the consultation draft of the WA State Sustainability Strategy "Focus on the Future", issued in September 2002. Western Power has reviewed the document and participated in the series of public seminars and workshops on the Strategy conducted since then. The comments add to and revise those already submitted at the time of the launch of the consultation draft of the Strategy, based on observed amendments to the consultation draft and proceedings from the Sustainability Seminars.

Since its inception, Western Power has increasingly engaged sustainability principles in its activities and planning. As a result, Western Power was invited to join the World Business Council for Sustainable Development (WBCSD) in 2000 (becoming one of only four Australian companies to be members) and the Corporation has been an active participant in a WBCSD member project examining the sustainable development challenges facing the electricity utility industry. Western Power is also an active participant in the WA Sustainable Industry Group (WASIG), a partner organisation of the WBCSD, with the objective of promoting eco-efficiency and cleaner production in WA industry.

These affiliations have led Western Power to focus on defining what sustainable development means and more specifically, how electric utilities might develop in a sustainable manner. In responding to the State Sustainability Strategy consultation paper, Western Power has also contributed to an industry comment developed and submitted by the WASIG.

General Comment

Western Power welcomes the consultation draft of the State Sustainability Strategy as an excellent dissertation on sustainability and the aspects of sustainability that are pertinent to Western Australia. However, a fundamental criticism is that, in its attempt to encompass the far reaching implications of sustainable development, the Strategy document is far too detailed in its treatment of issues and consequently loses strategic focus. As such, it is a good consultation and reference document, but leaves the reader with no concept of an integrated strategy for the State because:

1. It is generally focussed at too fine a level of detail. As a result, the consultation process tended to focus on local detail and the strategic picture for the State was lost. Many of the 241 actions identified are more tactical than strategic. Treatment of Greenhouse is an example. The document highlights an evidently disparate number of greenhouse related actions that do not represent a coherent, strategic approach to greenhouse gas management in WA. Admittedly, this should come from the WA Greenhouse Strategy, but in this instance the Sustainability Strategy should stay at the level of acknowledging the Greenhouse Strategy development and not dip into isolated elements of a greenhouse response.

2. It generally reads as a document for Government agency action rather than a strategy for the State. While this might be expected of a State document, the predominance of potential processes for government agencies to incorporate sustainability actions into legislation, planning, partnerships etc seems to marginalise business and the community and there is little indication of how sustainability principles will be arrived at in a way that is consistent with the State's overall objectives.

It would be useful to develop a companion document that embodies the State's sustainability strategy in a more concise, high level form so that it can be more easily conceptualised by stakeholders. This would crystallise the (smaller number of) high level sustainability issues that need to be visioned by government, and key strategic processes by which these could be achieved. In turn, these could feed into the partnership processes to guide the incorporation of the sustainability principles into policy and planning processes. Detail presently in the consultation document would more logically appear in subsequent agency Sustainability Action Plans.

A sector that requires more comprehensive consideration is energy. Energy, in all its forms, is a key to development and a State sustainability strategy should consider all energy resources and forms available to the State and the social, environmental and economic implications of their use. It seems uncoordinated, therefore, to see reference to a bioenergy policy in the absence of a more strategic energy policy.

Further, the draft Strategy addresses the long term issue of oil vulnerability and gas as a transition to a hydrogen economy, but ignores the important short to medium term. otherwise, energy is only considered in the greenhouse sense and even then, actions relate predominantly only to electricity and limited aspects of renewable energy in electricity supply. There remains a need to engage sustainability principles to guide strategy development for the State's energy resources (eg oil, gas coal, renewable and other energy sources) in the current decade – both in terms of utilisation of the resources themselves and the design of markets for distribution of the energy they provide.

Chapter 3 – Sustainability and Governance

Sustainability Assessment

The establishment of Social (Dept for Planning & Infrastructure) and Economic (Dept of Treasury & Finance) assessment units to work contemporaneously with the Environmental assessment unit in the EPA is a recognised step in establishing a State capability for integrated sustainability assessment of new projects, programs etc. However, the very nature of sustainability considerations is that there will often be conflicting principles, and if the assessment process is to be effective, the units will require policy guidelines from Government that have themselves been subject to sustainability assessment in their formulation. This will presumably be facilitated by the Sustainability Policy Unit in the Dept of Premier & Cabinet, but the present strategy elements appear to be aimed at Government agencies and the legislation they administer.

The Strategy would benefit from consideration of actions to consolidate over arching State direction on sustainable development – a pre-requisite for the agencies to develop their own implementation planning. This also extends to Government Trading Enterprises where, for example, the Government’s sustainability principles would need to be reflected in its expectations of GTE performance.

The “Roundtable” concept to promote sustainability outcomes in planning is a good one, but as proposed in the consultation paper it appears very government oriented (e.g. its title is “State-Local Government Roundtable”). For this concept to be effective, other sectors would need to participate in the roundtable – not “worked with”.

Chapter 4 – Contributing to Global Sustainability

Responding to Greenhouse and Climate Change and Oil Vulnerability, the Gas Transition and the Hydrogen Economy

As energy is fundamental to the State’s economic activity and is the largest sectoral contributor to the State’s greenhouse gas emissions, it is logical to expect strategic attention to energy in this and the following chapter (Sustainable Use of Natural Resources) of the draft Sustainability Strategy. However, the present treatment is not strategic in that, in Chapter 4, it highlights a few immediate actions (apparently unsystematically developed) and then jumps to consideration of a specific long term issue (transition to a hydrogen economy), and in Chapter 5 it is not considered at all.

This provides insufficient strategic direction for the State on such a fundamental issue. Activity over the next decade(s) needs to be guided by a considered Energy Policy that addresses issues such as management of natural resources (eg coal, as well as oil, gas, renewable sources), deployment of energy technologies, balancing the social and economic objectives of energy supply and changing the energy use culture. A State Strategy should recognise that the transition away from fossil fuels will not “happen overnight” and should retain enough flexibility to respond to emerging developments.

This approach is akin to the “pre-requisite” position of Government advocated in the Chapter 3 comment above. It is expected that the State would need to apply its governance and sustainability assessment principles in making decisions of this nature on the utilisation of energy resources in Western Australia.

Chapter 5 – Sustainable Use of Natural Resources

As indicated above, it would be appropriate for energy resources to be covered in this chapter. As it stands, energy is only considered under specific aspects such as Greenhouse and sustainable energy provision under Settlements. Energy resources are so fundamental to State development in both the domestic and international realms, they deserve strategic consideration of the associated environmental, social and economic implications of their utilisation within the State sustainability framework. For example there needs to be a strategic framework developed for sustainable management of gas reserves between domestic end use and export.

Chapter 6 – Sustainability and Settlements

Sustainable Energy

The general thrust of this section relates to:

- improved “built in” end use energy efficiency and end user education; and
- improved utilisation of renewable / alternative energy sources.

While these are essential elements in improved energy sustainability, their capacity alone to achieve substantial movement in the next decade is limited. As indicated above, an over-arching State energy policy could allow the development of workable strategies involving a wider spectrum of energy resources that could see a more significant, ordered improvement over the short and medium terms.

For example, while appropriately designed electricity market mechanisms may be able to provide incentives to reduce line losses (4.68), it could be more practicable to consider policies that encourage industrial development close to energy sources.

Another observation under this section of the draft Strategy, and relating to the Sustainability Assessment capabilities discussed in Chapter 3, is the importance of the development of authoritative, independent and verifiable criteria, methodologies and factors for the estimation of sustainability impacts (eg life cycle costing and analysis). These are presently open to a diversity of applications with significantly different outcomes. An important element of a State Sustainability Strategy is the establishment and Government endorsement of these criteria and methods to underpin a consistent approach by business, the community and Government itself.

Chapter 8 – Sustainability and Business

Training and Facilitation for Sustainability

A present difficulty in assessing the sustainability value of a new proposal is the short history of experience in assessing the environmental and social implications compared with the long and detailed evolution of the economic assessment. Consequently, the evaluation of the social, and to some extent the environmental, aspects remain somewhat subjective or arbitrary. An important early requirement for balanced sustainability assessment is the development and application of accounting principles for evaluation of the social and environmental impacts, so that the sometimes discretionary nature of these assessments can be more rigorous and applied on a more consistent basis. This applies at all levels, from Government and Government agencies in policy setting, planning and evaluation, to proponents of new development proposals. The draft Strategy includes some training aspects of this, but could benefit from inclusion of some more specific strategic activity to establish a more widely applied capability. It would also underpin the development of some broad sustainability indicators and targets by which State progress on sustainable development could be measured.