

SUMMARY AND RESPONSE TO PUBLIC SUBMISSIONS ON THE DRAFT STATE SUSTAINABILITY STRATEGY September 2003

Section Eight – Sustainability and business Introduction

| CIB # | Submission paragraph/ page # | Paragraph Text | Response |
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| 200303065: City of Gosnells | 54 | The Strategy does not recognise the potential of the State to influence the Commonwealth or lobby the Commonwealth to alter business conditions to promote sustainable business practices or to create incentives that stimulate the commencement and growth of sustainable industry. | Noted. |
| | 55 | The document seems to focus on large business as large-scale users of resources. The partnerships listed in the document do not seem to provide an avenue for small business representation or a strategy to inform and educate small business about sustainability. The majority of West Australians work in small business. This sector of the economy needs to be heavily involved to actually access the majority of economic activity. | This matter will be partly addressed through the membership of the Sustainability Roundtable and the partnership initiatives that will be conducted through the Roundtable. The final Strategy also acknowledges the importance of providing information to small business, including the need to provide low cost, easily accessible and readily understood information, education, awareness and referral measures to inform small business operators about sustainability. See Training and facilitation for sustainability. |
| | 56 | Support must be provided to local enterprises that are sustainable, employ local people and use locally produced goods and services. Local governments require support to attract local industry, and to propagate the “business incubator” concept. | Noted. The final Strategy acknowledges this. See for example, the action to implement strategies that support the use of local employment in mining ventures, particularly using regional centres as employment hubs, and encourage mining companies to maximise the purchase of goods and services within regions. See Sustainable mining and petroleum production. |

Introduction *continued*

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| 200302863: Property Council of Australia | 11 | As a general comment, the paper should more frequently acknowledge the role of the economic contributions to sustainable outcomes. Economic performance generates the tax revenue required to fund many of the initiatives presented in the draft strategy. It also delivers technologies and investment that enhance the community's ability to realise sustainable gains. The role of economic contributions should be given acknowledgment and encouragement to achieve the community and environmental outcomes sought by the strategy. | The final Strategy places increased emphasis on the role of economic contributions to sustainable outcomes. |
| 200300089: Phil Thompson | 27 | Vision: This should also include something along the lines that business/the economy has been subject to a transition so that it is not dependent on continued population growth and growth of urban areas (see 2. above). | Noted. |
| 200302880: City of Wanneroo | 48 | While much employment occurs in small to medium sized enterprises, the ability to address sustainability outcomes is inherently greater in larger businesses. Support mechanisms specifically aimed at smaller businesses should be considered. | See response to City of Gosnells above. |
| 200303161: William (Bill) Grace | 23 | <p>Business: The relationship of business with the Strategy needs to be clarified in the final Strategy. In the Partnership section in Governance there is no mention of business (save for a reference to industry stakeholders in Rec 1.10). Under the Business section it says "... a partnership will be established with business" but there is no mention of this in the proposed actions, and no suggestion of who the partnership will be with.</p> <p>The creation of a partnership with WA industry will be critical to the development of a sustainable economy in the state.</p> <p>The Chamber of Commerce and Industry (CCI); as the peak body for business in WA, is one logical partner in the process. Equally, if not more important, would be the Chamber of Minerals and Energy, remembering that the mining industry has sustainability firmly in its emerging agenda following the Mining, Minerals and Sustainable Development (MMSD) process recently completed.</p> <p>As presently structured, the WA Sustainable Industries Group cannot really be described as an Industry body. However it is looking to restructure, and this may offer the opportunity for it to become a player in this partnership.</p> <p>Any State Strategy that progresses without an interface with industry will be open to question.</p> | This is addressed in the final Strategy. See <i>Corporate Social Responsibility and Industry Sustainability Covenants</i> . |

Introduction *continued*

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| 200303074: WA Sustainable Industry Group (WASIG) | 2, p.12 | <p>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.</p> | |
| | 2, 3, 4 p.13 | <p>Re: vision, goals and priority areas: 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.</p> <p>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 – and a contribution from professional groupings – which can foster consideration of best practice without representing members on issues of policy.</p> <p>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.</p> <p>Note: see document for details</p> | <p>The detailed operation of the partnership with industry will be determined in consultation with the Sustainability Roundtable and other stakeholders.</p> |

Introduction *continued*

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| 200303443: State Development Portfolio | 181-182 | <p>This section is noticeably weaker and less detailed than many other parts of the Strategy. It also focuses strongly on a particular set of issues, such as training, financial reform, eco-efficiency and sustainability covenants, without considering the full suite of issues relating to sustainability and business. There are a range of other critical issues which are of direct relevance to sustainability but which have not been considered in the Strategy. The promotion and commercialisation of innovation is a particularly important example. It is recommended that further consultation with the economic development agencies of Government should be conducted prior to completion of the final Strategy to rectify these omissions.</p> <p>This section of the Strategy should recognise the significant efforts being made by various industry participants in the areas relating to sustainability. ...</p> | Noted. |
| 200303883: Sustainable Development Facilitation | 3-4 p.1 | <p>One of the most obvious omissions from this document is the lack of emphasis placed on the potential of small business in the sustainability process. There is little information in the document to show how the potential of small businesses can be harnessed to benefit from, and contribute to, sustainability.</p> <p>A lot of the business that is focussed on in the Strategy relates to industry, however there is not a great deal of focus on the commerce, services and tourism sectors. This is a significant gap given that eco-tourism for example, is very important to achieving sustainable development.</p> | This has been addressed in the final Strategy. See Training and facilitation for sustainability. |
| 200303590: WA Collaboration | Rec. 17 | <p>Business and community interaction Business should continue to develop, establish and improve partnerships with the community. This should be based on a willingness to listen to community pressure, a commitment to community participation in areas of key concern to the community, an approach to resource use that better meets the ongoing economic needs of regional centres and remote communities, and investment in strategies that build the capacity of individuals and communities to improve their governance institutions and practices.</p> | Noted. |

Training and facilitation for sustainability

| CIB # | Submission paragraph/ page # | Paragraph Text | Response |
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| 200302959: City of Fremantle | 48 | The City of Fremantle is supportive of proposed actions for training and facilitation for sustainability but would like to see proposed action 6.4 to include local government input in enterprise facilitation as many local governments now have some form of Local Economic Strategies to encourage business development and opportunities. | Noted. |
| 200300887: Australian Corporate Citizenship Alliance | 24 | There is an important link to the Education and Community Awareness for Sustainability section that discusses how general awareness of sustainability can be improved. | Noted. |
| | 25 | While it is acknowledged in the Strategy that the universities can play an important role in developing the skills required in the new disciplines centred on sustainability, it is proposed that TAFE is best placed to provide vocational training. As a result the actions in relation to training and facilitation focus mainly on the role TAFE can play in this process. | This is addressed in the final Strategy. |
| | 26 | What appears to be missing is a strategy to develop an understanding of how sustainability principles can be embraced by the business community, and a lack of discussion on how government can facilitate this through financial encouragement or regulatory control. This must occur in order to create the demand for workers with skills in sustainability principles. What is of primary importance is the balance between what are, at least in the short-term, competing priorities between economic, social and environmental objectives. | The final Strategy proposes to work in partnership with the Chamber of Commerce and Industry and the Australian Corporate Citizenship Alliance to create 'Corporate Social Responsibility Guidelines for Western Australia'. |
| | 28 | The knowledge base of sustainability is relatively small and new, is still being debated and explored and is not capable of forming an accepted body of knowledge that can be incorporated into educational programmes. | Noted. |
| | 29 | The strategy needs to incorporate forums that allow sharing of ideas, debate and evaluation of possible courses of action. Organisations such as the ACCA can provide this and their role needs to be acknowledged and supported. | The final Strategy acknowledges the role of ACCA. |

Training and facilitation for sustainability *continued*

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| 200219280: City of Swan | 57 | The focus for sustainability training is at the TAFE level. As part of the implementation program there needs to be recognition of the importance of flexible delivery methods tailored to businesses rather than standard TAFE delivery mechanisms to ensure businesses are engaged in the training. | This is reflected in the final Strategy through the action to provide low cost, easily accessible and readily understandable information etc to small business operators. See Training and facilitation for sustainability. |
| | 58 | With regards to the indicator for this goal area rather than 'the number of new TAFE courses in sustainability areas' the focus should be on the uptake of courses. Some of the other indicators also need to be more integrative/holistic to accurately assess progress against the objectives. | All indicators and targets have been removed from the final Strategy. |
| 200300261: City of Albany | 10 | The criteria used as part of a sustainable assessment process will need to be utilised by a wide range of officers. There is some concern that the officers asked to perform these assessments may not be adequately trained in the assessment criteria thus impacting on the overall potential benefit gained by such an assessment process. The criteria need to be developed so that they have wide application (by being easily understood) or that accredited training is provided to ensure that there is an adequate knowledge base on which to give the criteria effect consideration. | Noted. |
| | 11 | There is a need to encourage training bodies such as the Western Australian Local Government Association and tertiary institutions to develop quality sustainability training programs. | Noted. The Sustainability Policy Unit will work with the Western Australian Local Government to support the Association's initiatives in this area. |
| | 12 | Focussing on sustainability in postgraduate management development courses will raise the awareness of the managers of today and the leaders of tomorrow. The end result is to ensure that local and state government have access to managers and staff who can achieve a best practice approach to sustainability. | Noted. |
| 200300368: City of Kalgoorlie- Boulder | 55 | In order to train for, and facilitate the community towards a more sustainable future considerable support and resources are required. A programme preaching sustainability centred in Perth will have limited acceptability to regionally based communities. It is necessary that sustainability be seen to be a regional issue being tackled by the region with the support of the state governments, not state government lead. | Noted. |
| 200300363: Eastern Metropolitan Regional Council | 106 | The majority of actions for training in sustainability (Actions 6.1 - 6.4) relate to the State Government and will require commitment and resources. | Noted. |

Training and facilitation for sustainability *continued*

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| 200300363: Eastern Metropolitan Regional Council | 107 | Working towards establishing a Centre for Applied Sustainability in TAFE (Action 6.1) is an action that may have benefits to the region, particularly as Midland TAFE already has courses in environmental management and has been hosting seminars on sustainability and other related topics. Providing leadership on certification and accreditation for professional activities in sustainability (Action 6.5) would be relevant to the EMRC and member Councils, given that there are a number of staff in the region working on sustainability projects that would benefit through greater formal recognition of this discipline. | Noted. |
| 200303069: Alcoa | 1, p.10 | We agree with the draft Strategy that education and training are critical to enabling the new concepts of sustainability to be more widely understood and applied in business and industry. However, we believe that the solution proposed by the draft Strategy is too narrow in scope by being restricted to only the TAFE level of training facilities. The draft Strategy needs to identify a more comprehensive education programme for sustainability, including primary and secondary school education curricula, further education programmes through facilities such as TAFE and adult learning centres and extending into tertiary education courses at all levels of university. In particular, the draft Strategy has a role to play in encouraging courses in business and management (including government in-service courses) to include sustainability in their coursework. | This is addressed in the final Strategy. <i>See Education and community awareness for sustainability.</i> |
| 200303266: Melville Conservation Group | 6 | Many professionals have no biological or even environmental training – perhaps this should be addressed in the education system. Major industries, such as the real estate, building and construction and oil and motor industries strongly promote high population growth and have no concern for the environmental consequences. Business needs to learn to function without a steady influx of people, as this cannot continue forever, unless we have a few more planets at our disposal. Governments need to listen to Australia's scientists, instead of flat-earth economists, with no scientific understanding of Australia's urgent, environmental degradation, caused by the impact of population pressure. The increasing demands on the environment for the three basic necessities of life alone – food & water, shelter (housing) and fibres (clothing), can never be adequately met, unless population is stabilised. | Noted. |

Training and facilitation for sustainability *continued*

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| 200303092: Housing Industry Association (HIA) | p.18 | <p>The draft report omits to give recognition to the considerable training that industry provides. HIA for example, is a National Training Organisation and as part of its service to members, provides a wide range of targeted courses for those engaged in the housing sector as well as more general courses to the public.</p> <p>Surveys have shown that building industry participants place more trust in the training and advice provided by HIA so that the Government should include recommendations to incorporate industry training into its sustainability strategy. Self-certification is another option that is not addressed in the draft report. Rather than rely upon training provided solely by the and this level of trust should be TAFE providers the Sustainability strategy should also include provision for empowering individuals to embrace sustainability through their own codes of conduct.</p> <p>The draft report would benefit from recognising existing training arrangements and the range of providers and its recommendations should be broadened accordingly.</p> <p>Proposed Actions</p> <p>6.1.1 HIA seeks further discussion on the proposal for a Centre for Sustainability. Any such centre should incorporate existing industry training providers such as HIA.</p> <p>6.2 As a delivery agent for 'green' building courses, HIA requests inclusion on the Green Jobs initiative.</p> <p>6.3 Likewise, the annual 'vision' event should be a partnering event with all parties (such as HIA) that currently deliver such courses.</p> <p>6.5.1 HIA provides the leadership suggested in this action and seeks continued recognition by Government and inclusion in future structures.</p> <p>Indicators and Targets</p> <p>The proposed indicator is too narrowly focused. It should be inclusive of other training providers such as HIA.</p> | Noted. |
| 200303443: State Development Portfolio | 183-184 | <p>It is also considered that this area of the Strategy needs to be more outward or outcomes focussed with less reference to specific industries and sectors. ...</p> <p>This area of the Strategy also needs to recognise and make recommendations on addressing the skill requirements for the public sector to achieve implementation of the recommendations in areas such as sustainability assessments and community consultation/stakeholder engagement, as well as generalised information provision on sustainability issues and developments.</p> | Noted. The final Strategy acknowledges the importance of regular communication, information exchange and capacity building across the public sector for sustainability. |

Training and facilitation for sustainability *continued*

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| 200303443: State Development Portfolio | 185-186, 188, 189 | <p>On page 198, during a discussion on enterprise facilitation, it is unclear what is meant by the final paragraph and, in particular, the statement that “this kind of facilitation can be done at the community level in ways that have much deeper sustainability outcomes, especially in rural areas”.</p> <p>It is also stated that “Western Australia has had such enterprise facilitation programs (see for example www.sirolli.com)”. This reference is to a website for the Sirolli Institute International Enterprise Facilitation Inc based in British Columbia, Canada. Sirolli’s model dates back 13 years and gave rise to the existing Business Enterprise Centre network. It is more appropriate to give a better example of business facilitation measures in WA drawn from the activities of the Small Business Development Corporation, the Department of Industry & Resources (particularly the Office of Aboriginal Economic Development), or the Business Enterprise Centre Network. ...</p> <p>The Strategy also fails to propose measures that will assist small businesses to cope with the changes that its implementation will visit on them. ...</p> <p>The inclusion of another proposed action in this section may assist in addressing this issue, with the suggested possible wording of:</p> <p>“Provide low-cost, easily accessible and readily understandable information, education, awareness and referral measures to inform small business operators about sustainability, including actions arising from the State Sustainability Strategy, the opportunities and obligations this will present for small businesses and ways to address and/or capitalise on these.”</p> | This has been addressed in the final Strategy. |
| 200302776: Department of Education and Training | 2 | <p>Whilst the Office of Training has no additional comment to make on the overall content of the document, I wish to request that the performance indicator used in the section entitled Training and Facilitation for Sustainability be reviewed. The current indicator, “the number of new TAFE courses in sustainability areas”, is rather too narrow in the context of a network of public and private training providers. Although the number of new courses in sustainability areas would be somewhat indicative of progress, it is flawed in that it ignores changes within existing courses of study which may impart sustainability principles within the existing course structure. My preference would be for an indicator which is rather more generic and which embraces the role to be played by all training providers, not just those in the TAFE College network. I understand that this was a view shared by participants at the public consultation forum at which this section of the Strategy was considered.</p> | All indicators and targets have been removed from the final Strategy. |

Training and facilitation for sustainability *continued*

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| 200302729: Shire of Serpentine- Jarrahdale | 3, pg. 19 | There needs to be guidelines for training on sustainability established. They are required to ensure that care is taken when "selling" sustainability, in particular that it builds upon the environmental movement and work and culture change that has been achieved and moves forward from this. There is a danger of disempowerin and loosing people if they feel the work they have done is not relevant to achieving sustainability. | Noted |
| | 4, pg. 19 | Vision The vision needs to add that it relates to training at all levels both formal and informal. | Noted. |
| | 5, pg. 19 | Objectives: Training needs to incorporate capacity building and equip people with the skills to implement what they have learnt about sustainability. | Noted. |
| | 6, pg. 19 | Objectives: Training needs to be inclusive of all training not just jobs and courses that are identified as specifically relating to sustainability. This implies integration of sustainability into all courses with the higher education sector. | See <i>Education and community awareness for sustainability</i> . |
| | 7, pg. 19 | Action 6.1 needs to have its aim to incorporate integrating sustainability into the curriculum of all courses offered throughout TAFE. | Noted. |
| | 8, pg. 19 | Action 6.2 refers to green jobs, sustainability is not just about green jobs and the strategy should avis targeting specific programs or actions and make overall proposed actions for across the state and avoid being specific to an area such as green jobs. | Noted. |
| | 9, pg. 19 | Action 6.3 the Working Futures conference provides an excellent example of a conference that addresses sustainability issues. There should be an annual sustainability or a number of sustainability conferences addressing a range of issues that links to the rest of Australia and is a means of sharing ideas and resources. | Noted. |
| 200219116: Wheatbelt Development Commission | 21 | Need to provide training for existing workforce to facilitate changing attitudes towards sustainability. | Noted |

Training and facilitation for sustainability *continued*

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| 200303354: Western Power Corporation | 18 | 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. | The final Strategy acknowledges the importance of capacity building for sustainability assessment. |
| 200300358: F. Schnattler | 80 | Enable public participation via the electronic media like the Internet, or radio, or TV. | Noted |
| | 80 | Provide BEvolving unionship, ie. lawship and normship, on accreditation and certification for professional activities in BEvolution education and training by the end of 2004. | Noted |

Financial reform and economic instruments for sustainability

| CIB # | Submission paragraph/ page # | Paragraph Text | Response |
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| 200302959: City of Fremantle | 49 | Proposed action 6.7 has the potential to significantly change the way in which the Western Australian economy operates and the City of Fremantle suggests that this action is revised to "examine the ways in which subsidies and other financial mechanisms are having positive or negative effects on the health of the environment, society and economy and to propose and implement a course of action to address subsidies and mechanisms which have a negative effect to facilitate sustainability". | Noted. |
| 200303065: City of Gosnells | 57 | The debate that rages on individual tax audits regarding investment in "alternative", agricultural businesses and the level of tax rebate claimed through such schemes can only serve to discourage investors from entering into schemes that focus on West Australian products (tea tree oil, sandalwood, etc). The Strategy should recognise that the State has a role to play as a lobbyist for economic reform that promotes sustainability. One way of doing this could be to ensure that sustainability is placed on the agenda for meetings between the Prime Minister and State Premiers with the aim of engendering a federal response in line with key initiatives at the various state levels? This would seem to be the logical next step, advancing the debate from an academic level to a more practical policy level. | Noted. |
| 200302863: Property Council of Australia | 13 | Some specific economic issues that could be considered in greater detail include the impact of current tax rates and other statutory charges, the current extensive delays in planning approval processes, and business attraction policies in Western Australia. | Outside the scope of the Strategy. |
| 200303139: Kimberley Development Commission | 6 | More specific concerns that have been identified with respect to content are: The absence of strategies targeting the negative impacts on communities and the associated effect on their sustainability caused by significant royalties and benefits being exported out of the regions specifically from the Resources Sector. | The final Strategy includes the development of a protocol that establishes broad principles and procedures to facilitate communication and discussion between the Department of Industry and Resources and relevant local authorities in regard to projects of significance to the State, future State Agreements and variations to existing State Agreements. |

Financial reform and economic instruments for sustainability *continued*

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| 200301547: City of Cockburn | 13 | ...section refers to the implementation of the triple bottom line for the State Government budget as being a long term goal. The State Government should be taking a lead role in the introduction of Sustainability and require its agencies to be reporting triple bottom line performance in Annual Reports and budget expenditure assessed against sustainability criteria. This should be seen as a short to medium term goal with reviews and adjustment as required as the process develops. | This is addressed in the final Strategy. See <i>Embracing sustainability in government agencies</i> . |
| 200217953: The Market Place Company | 47 48 49 50 | In its mixture of tools, the Strategy includes economic analyses that estimate the impacts of activities on environmental and social amenities. It identifies the problem that no market exists for the amenities, rendering subjective the value that is placed on their loss. This approach is consistent with a taxation-based regime, where a central agency is responsible for evaluating investment decisions, and raises consequent issues of sub-optimal resource allocation. Recommended solution: <ul style="list-style-type: none"> · Create a property right for sustainable waste treatment; · Create a mechanism for its exchange, · Set a price for non-compliance by liable parties that is higher than the price to supply sustainable waste treatment. The result would be discovery (by normal market dynamics) of the most efficient price to supply the desired amount of sustainable waste treatment. Such price discovery enables the most efficient allocation of resources to achieve the desired outcomes. | This could be addressed as part of the Strategic Framework for Waste Management. |
| 200217953: The Market Place Company | 58 59 60 | Setting the value of taxes to encourage sustainable outcomes is difficult, and requires an estimate of the total cost of unsustainable practices. Recommended solution: <ul style="list-style-type: none"> · Create a property right for sustainable waste management; · Create an exchange mechanism that allows the market to discover its value; · Replace the waste levy with a liability upon waste generators to submit a number of certificated offset instruments that would represent the mandated proportion of waste to be diverted from landfill to alternative treatment. The discovery of the market value of sustainable waste management allows the value of other economic instruments (such as local governments' domestic waste charges and Advance Disposal Fees) to be set accurately. | This could be addressed as part of the Strategic Framework for Waste Management. |

Financial reform and economic instruments for sustainability *continued*

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| 200300887: Australian Corporate Citizenship Alliance | 31 | There exists a real opportunity for the State Government to lead in this field by making as one of their objectives, that all government departments begin the journey to full cost accounting (using triple bottom line principles) in their annual reporting. At the very least, seeking their involvement in using guidelines such as the Global Reporting Initiative would be a wonderful start. | This could be considered in the review of the annual reporting framework for government agencies. See Embracing sustainability in government agencies. |
| | 32 | The other process that Government could be active in is an ongoing education program among financial analysts with whom they deal. Education of analysts is critical to the success of sustainability. All surveys indicate public preferences lie with Social/Sustainable Investment Indices, yet traditional measures of success (or failure) still prevail among this key group's decision-making processes. | The final Strategy indicates that a program will be developed regarding the opportunities for sustainability investment for business and the wider community.. |
| 200302946: Landcorp | 19 | Accreditation schemes that work by the market rewarding the entity for its innovation, can be undermined when it ceases to be a point of difference ie. when accreditation becomes too easy to acquire or commonplace. This leads to two conclusions: (1) incentives schemes need to be progressively graded if they are to continue to allow a point of difference signal to buyers and reward innovators; and (2) when schemes become mandatory, there is no point of difference and no competitive advantage from innovation. In cases where there is a whole-of-community benefit from a new product innovation but there is sufficient risk to prevent all the existing players in the market from introducing the innovation, facilitation of industry cooperative agreements may be more flexible than mandatory regulations. This would require a new style of relationship between industry and the State. | Noted. |
| 200219280: City of Swan | 59 | As part of the broader objective of promoting innovation to WA businesses, access to innovation funding needs to remain to ensure that development of sustainable technologies and practices continues to happen, as the slower reform of investment practices, subsidies and policies is occurring. | Noted. |
| | 60 | Page 25 of the Strategy notes 'the fastest growing sector of the global economy is the development of environmental technology...'. Given the importance of the commerce sector to Western Australia's economy, significant investment by the State Government should be investigated to position Western Australia to attract this business type and take full advantage of this trend. | The Government released its Draft Industry Policy for comment in July 2003. |
| 200300357: Water Corp | 52 | On page 202, the text suggests that "material, energy and water flows in the global economy are currently not sustainable and have exceeded the carrying capacity of the planet". The Water Corporation will work with the water resource manager towards ensuring that water supply policy in WA is consistent with the principles of sustainability. | Noted. |

Financial reform and economic instruments for sustainability *continued*

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| 200300368: City of Kalgoorlie- Boulder | 56 | Triple bottom line accounting within government budgets, not just pure financial | This is addressed in the final Strategy. <i>See Embracing sustainability in government agencies.</i> |
| | 57 | Enterprise facilitation to ensure there are developmental and community based approaches to enterprise facilitation should be facilitated by local governments with the assistance of the state government. | Noted. |
| 200300363: Eastern Metropolitan Regional Council | 108 | Financial reforms and economic instruments being considered include encouraging sustainable investments (Action 6.6), examining subsidies that have positive sustainability outcomes (Action 6.7), policy changes (Action 6.8) and working towards triple bottom line reporting (Action 6.9). These actions will assist in providing financial and economic incentives that are capable of filtering through to local business and communities. | Noted. |
| 200300305: Institution of Engineers, Australia | 13 | The Institution agrees that the inappropriate use of subsidies and Government support may distort the market and encourage unsustainable practices, so unless there is clear evidence that this distortion will be minimised, the use of subsidies should be avoided. | Noted. |
| 200303069: Alcoa | 4, p.5 | In its current form, however, the draft Strategy does not adequately address the issue of the Western Australian Government's role in supporting the Australian government to create sustainable economic development by maintaining free trade markets with our major trading partners, particularly in South East Asia. This deficiency in the draft Strategy is particularly important for a major exporter like Alcoa, as it underpins our competitive advantage in raw materials imports, product exports and technology transfer. | Noted. |

Financial reform and economic instruments for sustainability *continued*

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| 200303443: State Development Portfolio | 192, 193 | <p>The focus in the section (page 201) on the false assumptions made by “neo-liberal” economics acts to obscure the valid messages put forward. ...See document for discussion on those assumptions</p> <p>This section of the draft Strategy also contains several claims regarding “new” economic theory which are characterised as facts but are really largely opinion. These claims should be modified as discussed below:</p> <p>Material, energy and water flows in the global economy are currently not sustainable and have exceeded the carrying capacity of the planet: Whilst there are a number of commentators on sustainability that have made similar claims on this issue it remains open to question and could not be considered as a general acknowledgement. This statement needs to be qualified with a prefacing statement such as “Some commentators have alleged...”.</p> <p>Consumers and producers usually act in the absence of information: This statement needs to be modified to “acting on less than full information”. Acknowledgement should be given to the fact that consumers may also act on inaccurate information.</p> <p>Discounting procedures in economic policy work against intergenerational equity and can result in perverse ecological and social impacts: This may occur if discounting is carried out without consideration of the costs of environmental issues, but this is not necessarily the case. This generalisation should be amended to reflect this.</p> | The final Strategy has been modified. |
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Financial reform and economic instruments for sustainability *continued*

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| 200303443: State Development Portfolio | 194, 195, 196-179, 199 | <p>In the Financial Reform and Economic Instruments section, the Strategy suggests that a critical issue for business is to mobilise sufficient financial resources to make the transition to sustainability and that Government's pay an important role in encouraging the direction of capital to sustainability. While this contention is supported, the Strategy infers that increasing the supply of funds to ethical investment will drive those seeking funds to be more sustainable. Given the small relative proportion of investment funds currently directed to ethical investment and the fact that the ethical investment market is not synonymous with the general investment market, this inference is not reliable and should not be taken to suggest that the supply of ethical funds is unlimited to the extent that they will drive the market as hypothesised in the Strategy.</p> <p>The proposed actions (page 203) recommend that the Government should work in partnership with the financial sector to improve investment decisions for sustainability and encourage greater investment in sustainability business opportunities in WA. While there is a role for Government to establish the correct framework for sustainability-related investment and the removal of distortions and disincentives for such investment, there are significant risks associated with Government attempting to direct investment or financial sector behaviour (i.e. action for recourse if investments do not meet expectations/forecasts).</p> <p>Alternatively, there could be a stronger focus in this section on the role of Government in promoting, facilitating and setting the example for ethical investment, rather than directing investment decision-making. For example, significant opportunities exist for promotion through:</p> <ul style="list-style-type: none"> ○ availability of ethical investment opportunities in the management of State Government employee superannuation funds; ○ consumer awareness and education initiatives; and ○ facilitation of contact between businesses, innovators and ethical investors. <p>The discussion on alternative growth measures to GDP (p.201) should also note that the United Nations system of National Accounts is being refined to include similar measures that reflect changes in the state of natural resources.</p> <p>The statements regarding promotion of sustainability through use of the State's "significant reserves" and the banking and finance decisions taken by Government should be deleted from the final draft of the Strategy. The intention behind these statements is unclear and does not reflect the Government's financial governance framework.</p> | <p>Noted.</p> <p>The final Strategy has been amended to remove reference to this proposed action.</p> <p>This is addressed in the final Strategy. See <i>Financial reform and economic policy for sustainability</i>.</p> <p>Noted.</p> <p>This has been addressed in the final Strategy.</p> |
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Financial reform and economic instruments for sustainability *continued*

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| 200303883: Sustainable Development Facilitation | 2-3, p.2 | The Strategy acknowledges that small businesses "...have difficulty accessing ethical investment funds and that government can play a useful role in linking Western Australian innovations for sustainability with these funds" (Page 202, <i>Focus on the future: The Western Australian State Sustainability Strategy</i> , Consultation Draft). However it is not clear <i>how</i> the Government will do this. Specific strategies need to be drafted that will demonstrate how this might be achieved. ...Given that small business is a leading employer in Australia today, far more emphasis should be placed on demonstrating ways that Western Australian small businesses can actively and realistically operate in a sustainable manner. Strategies need to be developed that address ways to include the small business sector. For example: ... | This is addressed in the final Strategy. |
| 200303590: WA Collaboration | Rec. 15 | Support sustainability through economic means A large scale inquiry should be undertaken to advise the State Government on how to support the sustainability agenda through economic policies, mechanisms and instruments. The inquiry would identify best practice, investigate appropriate models for community economic development and identify government subsidies that act as incentives and disincentives for sustainability. The proposed Sustainability Commission should co-ordinate or commission this inquiry. | Noted. |
| 200303076: WA Sustainable Energy Association (WA SEA) | 2, p.10 | The most suitable action in this section is to have policy certainty, clear targets and established guidelines. The State Government for instance can attract investment in the renewable energy industry. The current WA renewable energy industry has no market for electricity other than through a direct customer contract. These contracts need to be acceptable to the finance community to guarantee funding. If Government agencies were to preferentially source renewable electricity this would provide the security that finance institutions require. | Noted. |
| | 2-3, p.13 | <i>'Other than in some specific areas, such as in the provision of financial incentives and support for land management and energy efficiency, this area of sustainability policy has been given little attention by the Government.'</i> (Page 203.) Comments: WA SEA is keen to know what are the financial incentives and support available for energy efficiency? Is this in reference to limited funds provided for the SEDO Grants or some other support program? | This section has been amended in the final Strategy. |
| 200219116: Wheatbelt Development Commission | 22 | Required all recipients of Government grant funding to demonstrate project sustainability through the use of the Triple Bottom Line methodology. | Noted. |

Financial reform and economic instruments for sustainability *continued*

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| 200300358: F. Schnattler | 1 | SEENergetic resource allocation: Social: 500 new jobs at circa AUD 50,000 each, Ecotechnical: AUD 250,000,000 over 5 years, Envirotive: 50 ha blocks of land, Normative: New ARCH of lawship if necessary (A cts, R egulations, C odes of Practice, H elp Notes) | Noted_ |
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Eco-efficiency and industrial ecology

| CIB # | Submission paragraph/ page # | Paragraph Text | Response |
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| 200303065: City of Gosnells | 60 | There is potential to improve eco-efficiency by tying business to the products that it produces in much the same way as is happening in the mobile phone industry - where up until recently phones were simply discarded rather than repaired. Creating the incentive to repair and reuse is one way that government can help improve industry practices or even form the basis of new industries. | This is addressed in the final Strategy. See <i>Managing waste and using it as a resource</i> . |
| | 61 | The Strategy does not outline the State's position in relation to the treatment of carbon sinks or carbon credits as major incentives that have the potential to create industry, to address salinity and give business a mechanism to address issues in other ways. This issue highlights the State's limited control over particular aspects of sustainability, and hence the need for concerted efforts to force change at the Commonwealth level. | Noted. These matters will be addressed in the preparation of the Government's State Greenhouse Strategy. |
| 200300089: Phil Thompson | 28 | The information and objective regarding the need to reduce the ecological footprint of the WA economy is considered very important and should be related to the issue of population growth. | Noted. |
| 200300887: Australian Corporate Citizenship Alliance | 34 | The crux to the adoption by industry of sustainable directions lies in costs. Industry, particularly small and medium sized enterprises, will not alter their processes or industrial capital for a "feel-good" push. There needs real encouragement to help them understand that they need to manage their waste to manage their costs. | Noted. |
| 200302856: City of Stirling | 43 | This action is generally supported. | Noted. |
| 200300140: Wetlands Conservation Society | 19 | We are opposed to Action 6.12 because we believe that DEWCAP should be a regulator and not an advocate for industry. You should not mix these roles in a single department. We are already concerned about the mixing of DEWCAP's role in operating and regulating waste disposal facilities, such as Brookdale and Mt Walton. This misguided approach has caused many problems for the DEP and we would like to see these facilities operated by the Health Department and regulated by DEWCAP. We are not opposed to an Eco-Industries Section but we believe that it should be placed in the Department of Industry and Technology which is a support agency for industry. | Noted. |

Eco-efficiency and industrial ecology *continued*

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| 200219280: City of Swan | 61 | An action that may be useful to be included in this goal area is a more general action to have eco-efficiency principles incorporated into the planning and development process for industrial areas. This may be an area where Local Government has a role to play. | Noted. The Minister for State Development announced on 13 August 2003 a process to identify the best locations for downstream processing projects in the State's north in terms of social, economic and environmental factors. |
| | 62 | It is important that WASIG not only focuses on encouraging the adoption of the cleaner production statement by government agencies but that maintains its focus on working at the business level providing one-on-one assistance. | This is outside the scope of the Strategy as it relates to the activities of the WA Sustainable Industry Group which is not a government agency. |
| 200300357: Water Corp | 53 | On page 205, the Strategy notes that government departments have signed the WA Sustainable Industry Group's Cleaner Production Statement. Although not a Government department, the Water Corporation has signed both the WA Sustainable Industry Group's Cleaner Production Statement and the Greenhouse Challenge. | Noted. |
| 200300368: City of Kalgoorlie- Boulder | 58 | Opportunities exist in all industries to benchmark present operations and develop plans to improve efficiency and decrease ecological footprint. By establishing the benchmark first, a history of improvement is available at any stage in the evolution of the industry. | Noted. |
| 200300363: Eastern Metropolitan Regional Council | 109 | Encouraging the adoption of the Western Australian Sustainable Industry's Group Cleaner Production Statement (Action 6.10) is supported. The EMRC has signed a Cleaner Production Statement and is in the process of implementing a Cleaner Production action plan. | Noted. |
| | 110 | Extending eco-efficiency to other industrial precincts (Action 6.11) and exploring the development of an Eco-Industries section within the Department of Environment, Water and Catchment Protection (Action 6.12). The expansion of the Industrial Waste Exchange program (Action 6.13) and the encouragement of sustainable business clusters around resource recovery precincts and industrial parks (Action 6.14) are considered positive waste management initiatives. The inclusion of sustainable business technologies and solutions on the Sustainability Online website (Action 6.15) and active participation in national eco-labelling programs (Action 6.16) will provide direction in the small business sector on sustainability. | Noted. |

Eco-efficiency and industrial ecology *continued*

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| 200303069: Alcoa | 3, p.9 | The draft Strategy recognises the need to change production and consumption patterns in our consumer society in order to reduce our ecological footprint in Western Australia such that our society can continue to prosper into the future. However it fails to identify any real mechanisms, programmes, targets or incentives to assist the Western Australian community to achieve real changes in resource consumption patterns which affect the 'ecological footprint'. In particular, the draft Strategy does not contemplate life cycle analysis and impact assessment as a tool for identifying and reducing the resource use cost of specific products, and assisting to identify the changes that need to be made to impact on consumer choice. | This could be addressed as part of the development of the 'factor 4' agenda. |
| | 4, p.9 | In this context, it is also important to recognise that waste recycling and by-product options need to be sustainable choices – that is, it must remain economically more viable to recycle and reuse a product rather than to dispose of it. | Noted. |
| 200304379: DEWCP | 23, par 4 | DEWCP does not support ecolabelling programs due to problems in accrediting this system (see 6.16). | Noted. |
| 200303092: Housing Industry Association (HIA) | 6, p.18 | HIA is a signatory to the WA Sustainable Industry Group and believes that it is the best example in the State of a cooperative venture between industry, community groups and governments. It should be a cornerstone of the Sustainability Strategy. The importance of the stature, magnitude and nature of the cooperative group has not been adequately portrayed or fully recognised in the draft report. Proposed Actions Accordingly, HIA seeks additional Proposed Actions to recommend the State Government provides adequate funding to the WA Sustainable Industry Group. The ability of such a diverse group to lead the agenda should be embraced by Government in its efforts to take the sustainability agenda (processes and actions) forward. | The final Strategy incorporates WASIG specifically in a number of actions to promote partnership initiatives. |
| 200309737: Office for Women | 12 | The State Sustainability Strategy currently holds a number of opportunities for the inclusion of gender equity principles. They include ensuring that: . women in industry and small business are engaged in sustainability projects and partnerships | Noted. |
| 200303076: WA Sustainable Energy Association (WA SEA) | 3, p.10 | Action 6.13: This needs to be more specific. WA SEA believes that this section should also include heat exchange within an industrial area or 'energy park'. This is an enormous area of opportunity in WA. | Noted. |

Eco-efficiency and industrial ecology *continued*

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| 200303443: State Development Portfolio | 200-201 | <p>As noted above it is important that the terminology used in this section is made clear and appropriately defined to allow the wider community to embrace the sustainability concepts as proposed. It must also be recognised that adoption of these sustainability principles is very significant and social responsibilities for companies are very difficult to define. ...</p> <p>Proposed action 6.10 relating to the adoption of the WA Sustainable Industry Group (WASIG) Cleaner Production Statement as part of agency Sustainability Action Plans appears confused. ...</p> <p>Proposed Action 6.12 suggests the development of an eco-industries department within the Department of Environment, Water and Catchment Protection. This would appear to be inappropriate given the limited expertise available to the department in industrial development while other agencies such as the Department of Industry and Resources already possess those skills. ...</p> | Noted. |
| 200300358: F. Schnattler | 1 | Review and enhance actionship and dialogship annually. | Noted. |
| | | Make sure that there is a limit to the number of norms and standards implemented. I envision a number of ten (10). Consumers will get confused if the number of eco-labelling norms and standards gets out of hand which only leads to a loss of productivity. | Noted. |

Industry sustainability covenants

| CIB # | Submission paragraph/ page # | Paragraph Text | Response |
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| 200302863: Property Council of Australia | 14 | A secondary issue is that the strategy should adopt an approach that encourages private sector involvement with voluntary schemes to achieve sustainable outcomes. It is a risk that the strategy could result in prescriptive regulation to achieve its desired outcomes. This could be counter-productive if the regulations add excessive costs or delays to business projects. Prescriptive approaches to regulation can also stifle private sector innovation and change. | Noted. |
| 200300887: Australian Corporate Citizenship Alliance | 38 | The concept of covenants is commendable, but it is unlikely that they will capture the imagination of the public or press. They tend to be one of events with no potential for follow up by the media. If sustainability is to become part of the mainstream public/industry agenda in Western Australia, then there will be the need for ongoing and imaginative "events" that provide a focus for the media and public. In the United Kingdom, the government has initiated the "Quality of Life" Index, a series of broad indicators designed to give focus to the media and public on the issues of sustainability. Without some similar level of involvement from the State Government, gaining attention of stakeholders will be difficult in the short term. | Noted. The final Strategy contains reference to the development of headline sustainability indicators. See <i>Measuring and reporting on sustainability</i> . |
| 200302968: Beverage Industry Environment Council | 9 | Competition / Commonality - Subsequent to this strategy document being actioned, emphasis should be placed on the compatibility of any subsequent policy and/or legislation to ensure that competition issues and issues of national commonality are addressed. For example, the current trend towards Sustainability Covenants is noted with some concern, recognising that this form of management is being undertaken without apparent jurisdictional cooperation or coordination. The creation of several different forms of operating environments for national and international businesses and industry within this country could impact significantly on regional viability and economic opportunities. | Noted. |
| 200302856: City of Stirling | 45 | These actions are generally supported. | Noted. |

Industry sustainability covenants *continued*

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| 200300357: Water Corp | 54 | On page 207, the Strategy suggests that Government needs to go beyond traditional command and control regulation that minimises harm, and find new ways to encourage business to create economic, environmental and social benefits. The Water Corporation is doing this in a number of areas. A good example is the Corporation's Busselton Environmental Improvement Initiative. The Corporation has entered into binding agreements with local dairy farmers to significantly reduce their discharges of phosphorus and nitrogen. This will provide a very significant nutrient reduction as a cost-effective environmental offset to avoid excessive investment (for little environmental return) in the Busselton sewage treatment and disposal system. | Noted. |
| 200219350: Leschenault Catchment Council | 12 | Triple Bottom Line: Professor Peter Newman, at the recent stakeholder seminar on the strategy, suggested that social and economic advisory bodies would be created to address those respective concerns much in the way that EPA addresses issues pertaining to the environment with regard to proposals. While LCC supports a trend towards integrated sustainability outcomes, the practicalities associated with the establishment (allocation of resources, funding) of these bodies has not been considered. This is reflective of many of the proposed objectives of the strategy. | Noted. |
| | 13 | While LCC recognise that an action plan and partnership agreements are to be prepared within the next 12 months, the Council would expect that agency responsibility and expected timeframes will be designated for specific actions. This is particularly prevalent considering the tenure of Professor Newman's involvement with the strategy is due to conclude after this 1-year period, leaving only a single person to administer the progression of the strategy. LCC recommends that appropriate resources be investigated and provided to maintain the current momentum and progress the objectives outlined under the strategy. | <i>See Implementation.</i> |
| 200300886: Mr. J.E. (Eddy) Wajon | 4 | All incentives, subsidies and grants, both in existence and in the future, should be examined on triple-bottom line grounds to ensure they contribute to sustainability and to the improvement of economic, social and economic criteria; Levies or quotas on the extraction/use of natural resources such as water, coal, gas, bauxite, iron ore, sand, limestone, housing, agricultural and horticultural land, should be considered to encourage innovation, reduction in consumption, reduction in consumption, improved efficiency and recycling; | The final Strategy includes reference to the need to consider subsidies. See <i>Financial reform and economic policy for sustainability</i> . |

Industry sustainability covenants *continued*

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| 200300886: Mr. J.E. (Eddy) Wajon | 5 | <p>Research should be undertaken to develop better ways of putting a value on the environment. Potential mechanisms include the following:</p> <ul style="list-style-type: none"> • valuing the contribution of that portion of the environment to ecological processes, such as production of high quality water, high quality air and viable agricultural land; • determining the cost of replacing or replicating that portion of the environment. | This is addressed in various parts of the document including for example through the development of economic incentives and innovative instruments as drivers of land use change (see <i>Sustainable agriculture</i>). |
| 200303069: Alcoa | 3, p. 6 | Further, we believe that the possibility of introducing covenants (such as we have seen in Victoria), a mandated program of greenhouse offsets or any form of emissions trading or energy tax scheme may introduce further market distortions and result in discrimination and loss of competitiveness for larger projects in the international marketplace. Inevitably, this may result in inter-state competitive imbalances and a loss of investment potential for the Western Australian economy, as opportunities for investment elsewhere become more attractive. | Noted. |
| 200303092: Housing Industry Association (HIA) | 3, p.19 | <p>Proposed Action</p> <p>6.17 Broadly speaking, HIA supports this proposal, subject to our inclusion in formulating the covenant for the housing sector.</p> <p>The issue of monitoring compliance however, is of concern and any final recommendation should give clear guidance on how the covenants would be managed. Too often policies are made that recommend actions such as this without the capacity or perhaps the will by Government and others to maintain such arrangements.</p> | Noted. |
| 200303413: Plastics and Chemical Industries Association (PACIA) | 4, p.2 | PACIA strongly recommends that the Covenant program should include other rewards for participating sectors and companies. PACIA understands the philosophy that companies should seek to enter into agreements such as the proposed Sustainability Covenants for altruistic or reputational reasons, that is in the interests of being seen to be good corporate citizens. | Noted. This will be considered in the development of the covenanting arrangements. |
| | 1, p.3 | PACIA also has some reservations about the suggestion in the draft Sustainability Strategy that the covenants would be non-binding. The National Packaging Covenant, which is referred to as a model for the Sustainability Covenants, is backed by Packaging Regulations to which non-signatories are subject. PACIA has found it difficult to sell the idea of the Packaging Covenant, with its requirement to undertake voluntary actions and make financial contributions, quite difficult in the absence of the Regulations, which are now being enacted and enforced. ... | Noted. |

Industry sustainability covenants *continued*

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| 200303090: Woodside Energy | 5, p.8 | <p>For the concepts (sustainability covenants and assessments) to be effective and efficient, the implementation should take account of the following factors:</p> <ul style="list-style-type: none">• Strategies by their nature should focus on planning around the big picture. Robust strategies give overall direction for decision-making at the working level.• Development of natural resources in WA in a responsible and sustainable way is a complex balance of many issues that cannot be easily legislated or regulated.• The development of broad principles or aspirations should be encouraged by Government, but how individuals, companies, communities and governments meet these aspirations should be dependent on the individual circumstances and businesses. This process is supported in the draft strategy. | Noted. |
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