

## **The State of Sustainability**

The Western Australian State Government has made a commitment to ensure sustainability becomes a central consideration in its operations and to encourage industry and the community to adopt sustainability principles in their operations and day to day life.

The State Government has produced a number of policies and guidelines to progress sustainability. The primary document is the State Sustainability Strategy. One of the main platforms of this strategy is the introduction of sustainability assessments for a range of government and industry operations and proposals.

This paper discusses the State Government's sustainability initiatives to date in general terms. It also explores ideas of what a sustainability assessment could or should be and draws upon the United Nations position on sustainability assessments as a standard.

## **Sustainability Assessment**

### **Sustainability Assessment and Environmental Impact Assessment**

Sustainability assessments by their very nature challenge current paradigms on environmental protection and development and encourages greater understanding of the links between the two. Sustainability assessment should not be seen as a threat by any party as if it is used properly may save considerable time and resources - by identifying concerns, problems and alternatives at a very early stage.

Naturally, the investigation into whether a proposal is ecologically sustainable must enter into the assessment at the very beginning. Current Environmental Impact Assessments (EIA) are usually initiated after a proposal is put to the EPA. A list of environmental issues to be assessed is then drawn up along with the environmental objectives to be met. These factors are developed between the EPA/DoE and the proponent. Unlike the proponent, the public has no direct say on what these factors will be. That is achieved indirectly through a submission process.

The proponent then engages a consultant organisation to carry out the EIA. Rarely is the public encouraged to participate with the consultant in regards to the depth, detail and scope of the assessment.

Sustainability Assessment (SA) differs to the EIA in that there is a statewide pre-determined list of key sustainability objectives or principles by which any proposal must be judged and be able to operate within. Sustainability assessment is a principles based approach to assessment. It primarily comprises a list of key sustainability criteria or objectives which must be applied. A sustainability assessment will determine if a proposal is sustainable in the long-term through a detailed life cycle analysis. Sustainability assessment goes well beyond the EIA process which only seeks to minimise or manage negative environmental impacts.

Sustainability assessment is a relatively new and evolving process. The sustainability principles and criteria that underpins the process may strengthen or expand with time, but at its core is a set of minimum acceptable criteria against which proposals must be assessed and be able to operate within.

Where the WA EPA could assess the environmental and sometimes social impacts of a proposal the current form of sustainability assessment in WA usually adopts a triple bottom line assessment. This means it includes environmental, social and economic factors. However, more evolved versions of the sustainability assessment include a further factor, that of Governance. This focuses on how proposals contribute to improving the openness and accountability of government and of social structures in general. The United Nations Commission on Sustainable Development has long adopted such an assessment category with 'Governance' being known as 'Institutions'.

## Triple Bottom Line Approach

The three independent pillar approach known as the Triple Bottom Line (TBL) analysis includes social, environmental and economic factors. The process as practiced in WA encourages the subjective assigning of value weighting between the three pillars and also to the individual issues contained in each pillar. If there are unacceptable impacts the process applies off-setting between and within the three pillars until an 'acceptable compromise' is achieved.

The TBL approach sets up competing interests between the pillars rather than the identification of the interdependencies and synergistic effects between, amongst and within each pillar. In these trade-offs the limited perspective of current economics is inevitably given a high priority at the expense of the environment and social pillars.

The current emphasis given to the economic pillar, along with the current definition of 'cost effective', often leads to a distorted analysis. If the economic analysis took into account for example, opportunity cost, available alternatives, a long-term view of economics or Genuine Progress Indicators, then the analysis and emphasis may not be so problematic.

## Current Forms of Sustainability Assessments in WA

A number of recent projects in WA have undergone what is said to be sustainability assessment. As suggested previously sustainability assessments must not be confused with triple bottom line (TBL) assessments or even the four-pillar assessment. TBL assessments are essentially a form of environmental impact assessment (EIA) albeit more elaborate. Sustainability assessment determines whether a proposal is sustainable in the long-term. The May 2001 report, *IUCN Resource Kit for Sustainability Assessment*, noted that the purpose of sustainability assessments was that the precautionary principle be used and that it not be used to trade-off assessment factors in the individual pillars in an attempt to establish a compromise.

### Gorgon

The assessment of Chevron Texaco's Barrow Island Gorgon proposal does not fit into the definition of a sustainability assessment despite suggestions it did. It was a more extensive version of the triple bottom line analysis, incorporating a significant number of factors to be assessed and public consultation. Even as an expanded and more detailed EIA process it failed as a sustainability assessment on a number of levels.

For example,

There was inadequate analysis of alternative sites. Alternatives to Barrow Island were ruled out at a very early stage

Extensive lobbying of government and departments beforehand by the proponent

The State Government gave 'In-principle' approval before any assessment began

The actual and final form of the development was unknown

No key sustainability principles were established

### Freight Network Review

The Freight Network Review (FNR) was another comprehensive triple bottom line analysis carried out in this case on the Roe Highway Stage 7 proposal and facilitated by the Department of Planning and Infrastructure. It is perhaps the most public and extensive analysis of a highway proposal conducted in WA. Unfortunately, the government has not advanced the concept to a proper sustainability assessment. Indeed it has not even held similar TBL analyses on other highway projects.

The FNR reviewed a range of social, environmental and economic considerations and allocated weightings through a very public process. However, the process failed in that trade-offs between and within the three pillars were employed. It was also always the government's intention to build

the highway and to only accept route options that fell within the current metropolitan region scheme alignment boundaries despite viable alternatives.

The Department of Planning and Infrastructure is also facilitating the Fremantle Ports Outer Harbour Project. This is a well developed triple bottom line strategic planning analysis which intends to address all barriers to the port proposal. The assessment and consultative structure is similar to the Freight Network Review and suffers many similar failings.

The study is not a sustainability analysis. Page 18 of the, *Fremantle Ports Outer Harbour Project, Strategic Assessment Guidelines*, (Department of Planning and Infrastructure, March 2005) states that the assessment is, "termed 'strategic' assessment to reflect the fact that the assessment is not a full sustainability assessment of the overall outer harbour project but rather an assessment of the relative sustainability performance of the various port/transport corridor options." The four port/transport corridor options are all derivatives of one design concept.

### **South West Yarragadee Aquifer Water Supply Development**

The Water Corporation's Yarragadee Aquifer Sustainability Report is a comprehensive study and can be seen to some extent to fulfil a sustainability assessment. It engaged the public at an early stage in particular over the design of the community involvement process itself and established a set of sustainability principles in which the final option is required to operate.

Importantly, an additional layer of review, the Sustainability Panel, was formed to provide a review and advice process on the findings from various Yarragadee Aquifer investigations. This was in addition to the usual departmental, EPA, ministerial and cabinet reviews and provided an addition check and to some extent balance. Despite all this the process did have a number of failings.

The potential impacts from the proposal were tested against sustainability objectives or principles that were established at the beginning of the process. Unfortunately, of the 13 important sustainability principles established by the Water Corporation 7 are worded poorly and led to vague and to some extent meaningless end targets.

The Water Corporation has also seen the use of the Yarragadee Aquifer as a strategic long-term resource in regards to Perth's water supply future since 1995. The Water Corporation has for some time considered that the Yarragadee Aquifer will supply a significant portion of Perth's water supply. (*Perth's Water Future*, Water Corporation, 1995). It is unfortunate that the proposed extraction amount and the amount the assessment was based, 45Gl/annum, is based on the Water Corporation's calculations of the level that will make the project 'commercially viable'. Ideally, it should have been part of the sustainability assessment to determine what level of extraction is sustainable, if any. Furthermore, it was admitted that the analysis process was to determine how the Yarragadee Aquifer proposal may be implemented and not an evaluation of alternative water supplies. (*South West Yarragadee Aquifer Water Supply Development, Sustainability Evaluation Scoping Report* (pp.18), Strategen, Water Corporation, 2005).

The Yarragadee Sustainability Evaluation Scoping Report also uses the State Sustainability Strategy definition of sustainability. This definition is vague and means very little. The Scoping Report says sustainability is, "meeting the needs of current and future generations through the integration of environmental protection, social advancement and economic prosperity". As a comparison the Commonwealth Government's National Strategy for Ecologically Sustainable development definition is, "to enhance individual and community well-being and welfare by following a path of economic development that safeguards the welfare of future generations". The Brundtland Commission in 1987 said that it was, "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

Page 16 of the Yarragadee Sustainability Evaluation Scoping Report sums up this ambiguity by stating that the desired outcome of the Yarragadee Aquifer proposal is to implement it, 'in the most sustainable way that is feasible'.

## Sustainability Commission

*Evolution of a Sustainability Assessment for Western Australia*, (Jenkins. B, Annandale. D, Morrison-Saunders. A, 2003?) suggests that one approach to sustainability assessment would be to extend the EIA process to include social and economic inputs. Presumably the EPA which administers the current EIA process would take over an extended role.

The EPA can, and has in a few cases eg (Clontarf Hill (2000) and more extensively for a Canning Vale Marshalling Yard proposal (1998)), reviewed social impacts. That it has regularly chosen not to is probably a product of its lack of skill in this area. Given that the EPA has even less skill in economic analysis a new assessment organisation or structure is probably the better alternative.

Jenkins et al, may have recognised the danger of extending the EPA's scope. They make the comment that, "The danger of extending the EIA process to incorporate sustainability principles is that these trade-offs may start to occur throughout the entire assessment process". The authors may have been aware of the EPA's Environmental Off-Sets Policy, which was released in 2004.

Given the EPA's promotion of its Environmental Off-Sets Policy, where environmental protection is compromised via the trade-off process, extending the EPA's scope would have the potential to put environmental protection at a further disadvantage in that it would have to further compete with economic and social factors in.

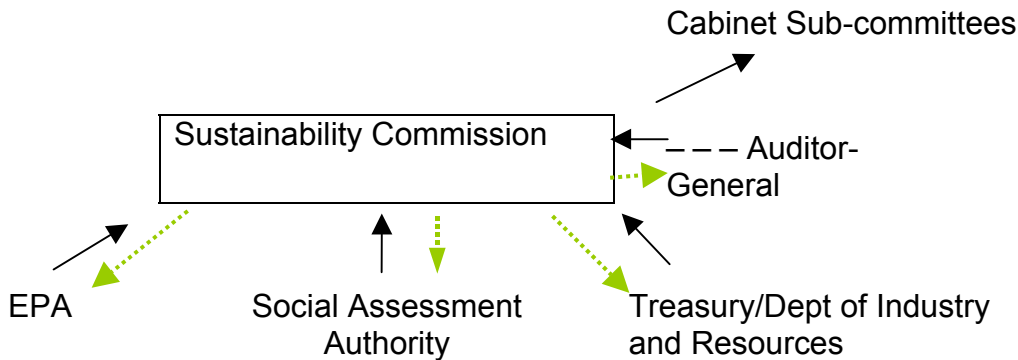
### **WA Collaboration Sustainability Assessment Model**

WA Collaboration has proposed the establishment of a Sustainability Commission to oversee future sustainability assessments. WA Collaboration suggests it would perform a similar role as the Australian Competition and Consumer Commission but be responsible for the provision of information on integrated sustainability assessment to Cabinet. It would be the body responsible for the co-ordination and achievement of sustainability across government.

WA Collaboration does not indicate the composition of the Commission. As community input is fundamental to any sustainability assessment it is essential that community organisations have a significant role in this Commission. Community representation would need to be more than the token recognition given on today's committees, authorities or commissions. There would need to be community representation equal to that of government and departmental members.

WA Collaboration sees a Sustainability Commission as being independent of Government, similar to that as the EPA but sitting above the EPA. The Sustainability Commission would provide input, an overview and continuous review of the scope and progress of the EPA process and other departmental contributions (eg DoIR, Treasury) to the complete assessment. It is also important that the decision of whether or not to assess the sustainability of a project is taken out of the hands of Cabinet and made the decision of the Commission.

Below is the WA Collaboration outline of the proposed governmental sustainability assessment flow chart. However, I have made one change (it appears as dashed arrows) and that is there would be a two-way flow of information between the Sustainability Commission and relevant departments. This enables the Commission to continually review progress by requesting more information, asking for more factors to be assessed or for more detail on factors already assessed as the sustainability assessment progresses.



No existing department has the requisite skills to undertake social assessment of proposed projects and/or policies. It would therefore be necessary for the Government to either establish a Social Assessment Authority with a similar remit and structure to the EPA (as WA Collaboration suggests) or establish a Social Assessment Unit in the Department of Premier and Cabinet.

Little change would be required to enable Treasury and/or the Department of Industry and Resources to carry out sustainable economic evaluations. However, there will certainly be a need for these departments to develop skills in the newly advanced areas of environmental/ecological economics and Genuine Progress Indicators.

### Discussion of Government Initiatives

Integration of sustainability principles into government and society will require institutional change. It does not involve an overturn of government but it does involve a change in the way of doing things. Such things as full access to information, a completely democratic decision-making processes and a holistic view of environment and society are key to the change. As environmental conditions continue to decline the need for a move to comprehensive principles based sustainability assessment will be more apparent.

These institutional changes are central and are perhaps a reason why the move towards principles based sustainability assessments has been slow. The State Government has made some progress and the next section briefly examines some of the initiatives the Government has made.

### Legislation

Legislation to require government departments to carry out sustainability assessments is still to occur. A draft Sustainability Bill was out for public comment in 2004 but to date there is no indication of when this Bill will be presented to Parliament. It is one of the keys to ensuring all sectors of government think about and move towards sustainability

WA Collaboration's submission to the draft Bill was very critical of aspects of it and argued for a complete revamp of the vague definitions and principles contained in Schedule 1 of the Bill. These included core matters such as the definition of sustainability and the definition of the precautionary principle.

For example the Bill should have contained, as a minimum, Principle 15 (precautionary principle) of the United Nations Rio Declaration on Environment and Development (1992) which states,

*In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.*

However the Bill redefines the precautionary principle as,

*Sustainability requires caution, avoiding poorly understood risks of serious or irreversible damage to environmental, economic or social capital, designing for surprise and managing for adaptation.*

Sustainability and other key attributes also suffer similar redefining in the Bill.

In its submission to the proposed Bill WA Collaboration also argued that a number of additional definitions should be included to reinforce sustainable principles (intergenerational equity, democracy and governance) and that there should be a more transparent way of appointing members to the proposed Sustainability Roundtable. WA Collaboration was especially critical of Section 17 of the Bill, where it appears the Minister would have the ability to direct the Sustainability Roundtable regarding performance and functions. This could lead to the undermining the independence of the Roundtable.

Other failings in the draft Bill are that it promotes the idea of environmental and social trade-offs, that it was unclear whether government corporations would be subject to the sustainability provisions and that the Minister could declare a department exempt from sustainability requirements.

## **Programs**

A number of important sustainability guidelines and codes have been produced by the State to progress sustainability. For example *Better Planning: Better Services* and *Leading by Example: Sustainable Code of Practice for Government Agencies* have put the issue of sustainability into the government bureaucracy. The documents are of varying quality and value and suffer badly from definition revisionism which results in the dilution of the original United Nations vision of sustainability. There is also insufficient emphasis given to specific goals or objectives. Of the 40 actions outlined for government agencies in *Leading by Example* only 19 set clear performance indicators such as preparation of reports or plans, minimising resource use, resource audits and adherence to a purchasing policy.

Many departments have developed a Sustainability Action Plan as outlined in the *Leading by Example* resource guide and have incorporated the sustainability principles to varying degrees into their activities. A number of departments have set a minimum standard for some sustainability goals such as a level of recycling, energy use reduction, reducing vehicle use or adopting LPG vehicles, use of recycled products, reducing waste and have made progress implementing them. However, too many actions make use of words such as 'promote', 'monitor', 'support', 'best practice', and 'examine' and avoid specific sustainability goals.

The State Supply Commission's Environment Procurement Policy appears to be a good example of departmental attitude to sustainability. The policy begins by stating,

*Public Authorities must consider the environmental impact in the procurement process when undertaking the purchase of goods and services and disposal of goods.*

The policy even provides a fine rationale,

*Public Authorities should lead by example and set a high benchmark for environmentally sustainable procurement practices.*

The Commission also provides a very good list of environmental impact issues to be considered during purchases. However, the Procurement Policy then begins to make qualifications. One comes in the form of the undefined and vague condition that purchases should be based on 'value for money'.

Further to this the State Supply Commission emphasises that the,

*level of effort expended to minimise the environmental impact of procurement should be commensurate with the nature of the purchase and should be applied in the procurement process.*  
(State Supply Commission - Policies and Guidelines, 2004)

Three key policy reports which are critical to progressing sustainability assessment in WA, the Framework for Reporting Indicators of Sustainability, Sustainability Assessment of Complex and Strategic Projects and the Sustainability Assessment Framework are still to be released for public comment. This is despite draft forms of these reports being available within government since 2004.

## **Conclusion**

Sustainability assessment is a young and evolving activity and the WA State Government has made steps towards implementing sustainability within government and creating a form of sustainability assessment for some developments. There is still considerable work to be done to progress sustainability and to make sure it is at the core of the decision-making and assessment process. There is also the inevitable need for more resources, commitment and leadership to progress sustainability

It is apparent that there are institutional barriers and inertia to overcome before principles based sustainability assessments become part of the project approval system. The State also needs to develop clear and unambiguous sustainability principles and objectives for environment, society, economy and governance and have these established as a non-negotiable cornerstone of sustainability assessment.

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