

THE WINSTON CHURCHILL MEMORIAL TRUST OF AUSTRALIA

Report by Maria Simonelli

2001 Churchill Fellow

**To study the performance of progressive organisations
in sustainable development.**

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(i) Introduction

As more companies and local governments discover environmental programs make good economic sense, they are recognising that environmental performance is compatible with their business objectives.

I have been on a journey that has provided contacts and exposure to the work of individuals and organisations in Australia as well as overseas excelling in this field. Over the past few years I have been in a unique position of being a participant of a number of programs, including the Churchill Trust, which have provided outstanding professional development and learning opportunities through challenging experiences.

The basis of the Churchill study tour was to take this work commenced to the next level and explore further what will support Australian organisations to take sustainable development theory into practice. In particular what features are found in organisations that have incorporated environmentalism into their organisational culture and how can this understanding assist in achieving environmentally conscious practises in an organisation's policies and operations.

The organisations and individuals visited have either implemented unique methods of integrating sustainable development into their business strategies or are challenging how this can be achieved and, in their own way, are demonstrating leadership in building environmentally sustainable business practices.

On return from the Churchill study tour I intend to work with various organisations to spread the results, in particular through the

- 'International Council for Local Environmental Initiatives' (ICLEI), a not for profit company representing local governments and dedicated to building and supporting tangible improvements in environmental action and
- 'Business and the Environment', a voluntary group of individuals from the business sector who aim to promote environmentally sound business practices.

Acknowledgments

This study was made possible due to the generous financial support provided by The Winston Churchill Memorial Trust and I thank the Trust for all its efforts in turning this vision into a reality.

I also thank my work colleagues at the International Council for Local Environmental Initiatives for the space and time to complete this study and for their commitment to the objectives of sustainable development and continuous environmental improvement.

Footnote

While I have interchanged terms like environmental programs and sustainable development their definitions are included in the report to show their true distinction. (See Attachment 2)

(ii) Executive Summary

Maria Simonelli
Director Cities for Climate Protection™
International Council for Local Environmental Initiatives
5th floor 267 Collins Street Melbourne 3000 Victoria
Phone 03 9639 8688
Fax 03 9639 8677
Email msimonelli@iclei.org

This study was designed to take advantage of the amazing opportunity presented via the Churchill Trust to visit a variety of organisations around the world. In some cases, particularly in Commonwealth countries, the profile of the Churchill Trust provided the entry point to meet with very senior management levels in these organisations.

The study tour highlights centred very much on the relationships made with individuals and exposure to their organisations and local environments. For example visiting Mt Hood and the surrounding hinterland of Portland in Oregon (USA) provided a first hand view of the challenges of containing urban sprawl in a growing and developing region. This made real the views of Councillor Eric Sten who acknowledged past local leaders as setting a vision for the state and whom he acknowledges helped to create a progressive and informed community actively interested in their local environment.

The enthusiasm from individuals I met during the tour, in what some would consider an esoteric subject like organisational culture, was most encouraging. Being able to present to staff of various organisations like the Greater Vancouver Regional District (in Vancouver Canada) and engage in discussion around how to engender a corporate culture that supports sustainability and integrates triple bottom line reporting, was a highlight.

I was also most encouraged by the variety of methods managers are utilising to promote and deliver sustainable development policies, such as those at the City of Hamilton (Toronto, Canada). This manufacturing zone 69km southwest of Toronto had a persistent image as a place with dirty air and polluted water amongst the region and its own local citizens. Its heavy industry based economy, particularly in steel production, is now diversifying with a shift to biotechnology, e- business and airport development. This was of most interest as its situation relates to many Australian cities and regions and gave credence to the view that through chaos positive change can be created.

Another highlight was the opportunity to meet with staff at the BP London office, international headquarters to this multinational organisation, and to continue to document their progress in sustainable development. The relationship with this

company began in 1998-99 when I was fortunate enough to work with the Australian regional office. During this period BP has been an ongoing case study, developed from my interest in understanding how different organisational cultures operate and how environmental philosophies can become part of a corporate makeup. The company's willingness to discuss their position on issues like climate change, internal leadership and management challenges and how this links to an organisation's performance, make me believe there is a direct link to organisational culture and sustainable development practice.

One further aspect to be mentioned was the simple methodology used during the study tour- create an environment where free flow conversation could occur and, with permission, tape these to ensure nothing was lost to memory. The conversations were then transcribed and used as a record of main points discussed.

Regarding the next step in disseminating the experiences and lessons learnt, I'm in a unique position with my workplace to not only promote, but apply all the valuable learning's from this study tour.

The International Council for Local Environmental Initiatives (ICLEI) has as its mission statement: " ICLEI is a membership organisation of local governments and their associations. The council is dedicated to building and supporting a worldwide movement of local governments to achieve tangible improvements in global environmental conditions through the cumulative impact of local initiatives".

After almost 20 years of working in the area of environmental education and capacity building, I am convinced that work done at the local and regional level and supported by appropriate and consistent government policies and programs, can create the changes necessary for Australia, and indeed the world, to live sustainably.

This simple but powerful philosophy is reinforced in the campaigns of ICLEI -when communities and local government work together, the seemingly insurmountable task of global problems like reducing the impacts of climate change, are achievable. It is a sensible approach, as when viewed in its entirety the greenhouse effect is daunting. Emission rates are rising, as are the number of headlines linking weather catastrophes to the greenhouse effect. But what local authorities are demonstrating is that 'what's good for the climate is good for the city'.

As the world also progresses closer towards the United Nations World Summit on Sustainable Development in September 2002, in Johannesburg, South Africa, it appears that local authorities will be able to report back on progress in a meaningful and significant way. This Summit will mark the tenth anniversary of the UN Conference on Environment and Development held in Rio de Janeiro in 1992 and provides valuable opportunity to stop and see what progress has actually been achieved since that momentous 1992 event.

Much greater institutional change is required to continue the progress made towards sustainable development and action on abating climate change. Campaigns that aim for long-term cultural change while achieving on the ground action are what are essential if we are to progress beyond rhetoric. The most positive experience from this Churchill study tour was the reinforcement that when local authorities and communities are supported, a new culture of sustainability can be created. I will continue to work with local government to demonstrate to other public and private sector organisations what can be achieved in accelerating sustainable development practices.

(iii) Program of People and Organisations Visited (from August to October 2001)

People & Organisations Visited	Discussion points
<p>San Francisco (Berkeley Office) USA</p> <p>International Council for Local Environmental Initiatives</p> <p>Abby Young, Director of Cities for Climate Protection USA</p> <p>Maria Sanders, Program officer Cities for Climate Protection USA</p> <p>Bill Drummond, Transport Specialist</p> <p>Susan Odey, Political and Recruitment Manager Cities for Climate Protection USA</p>	<p>Discussion centred on their experiences with US local governments in promoting the concept of sustainable development through campaigns such as Cities for Climate Protection, where progress has been made by US cities and why they have been able to overcome various institutional and other challenges.</p> <p>As an organisation I'm deeply involved with, these interviews provided an opportunity to explore organisational differences and views on local government challenges in sustainable development.</p>
<p>City of Portland, Oregon ,USA</p> <p>Eric Sten, Commissioner for the City of Portland</p> <p>Susan Anderson, Director, Office of Sustainable Development, City of Portland</p> <p>Curt Nicolas, Energy Manager, City of Portland</p> <p>Note: Portland Oregon covers 130 square miles in the Pacific Northwest region of the US. 1.7 million people live in its metro area which offers 37 000 acres of expansive parkland.</p>	<p>The City of Portland is known as a leader in the US on sustainable development practices. It stands out particularly in the areas of urban planning, public transport measures and energy efficiency activities.</p> <p>Discussion focused on what factors have assisted the city to continue to lead the US in sustainable development policy and practice.</p> <p>It was important to seek the views of both the managers and operational staff as well as an elected member of council.</p>

<p>Greater Vancouver Regional District (GVRD), Vancouver, Canada</p> <p>Jennie Moore Air Quality Manager, GVRD</p> <p>Sharon Peters consultant working on corporate stewardship initiative for GVRD</p> <p>Note: Located on the southwest coast of Canada, the Greater Vancouver Regional District has a population of 2 million and is comprised of 22 member municipalities. It is a major seaport and centre for trade. A significant challenge for the region is the ongoing management and conservation of resources with a growth rate of 2% per annum.</p>	<p>Jennie Moore has completed a case study examining the barriers to implementing recommendations for reducing air pollution and greenhouse as emissions in the Vancouver region. A particular aspect of mutual interest centred on the need to acknowledge organisational culture and the challenges this poses in organisational change.</p> <p>Sharon Peters had just commenced an internal review of the GVRD to examine what internal factors are at work to support corporate stewardship and in particular how organisational structures and the relationships between department's work for or against the corporate mission. Of particular interest was the influence this has on organisational culture and how this can support sustainable development policies and practices.</p>
<p>Greater Vancouver Regional District (GVRD), Vancouver, Canada</p>	<p>Presentation to staff (43 attended) on Churchill study and links to organisational motivation factors in pursuing sustainable development.</p>
<p>Diana Cartwright Howden, Managing Co-ordinator, EXCEL partnership for GLOBE, Calendonia, Ontario, Canada</p> <p>Note: The GLOBE Foundation is a private foundation created in 1992 to help environmental firms capitalise on international opportunities in environmental business. The GLOBE foundation is an acronym for '<i>Global Opportunities for Business and the Environment</i>' and believes that environmental problems are business opportunities and that the solution to the world's environmental problems ultimately lie with the business sector to manage and take initiative on.</p>	<p>Diana Cartwright Howden is managing coordinator for EXCEL which is an acronym for '<i>Excellence In Corporate Environmental Leadership</i>'. This is an unique partnership of major Canadian corporations who are committed to environmental leadership and continuous improvement in environmental performance.</p> <p>EXCEL is designed as a powerful interactive peer group that allows senior executives to exchange ideas and experiences, enhance corporate value through environmental management leadership and benchmark performance against a peer group of companies, all to achieve cutting edge environment management.</p> <p>Discussion centred on how the partnership operates, its core objectives and the links to a company's organisational culture.</p>

<p>Linda Harvey, Planner for Vision 2020, City Of Hamilton, Ontario, Canada</p> <p>Cn Russ Powers, City Councillor Community of Dundas, City Of Hamilton, Ontario, Canada</p> <p>Note: Hamilton is located in the southwestern area of the Province of Ontario with a population of 470 000. It encompasses 6 municipalities, each with a character of its own, from the rural area of Flamborough to the urban core of Hamilton itself.</p>	<p>Linda Harvey is the strategic planner for the Vision 2020 program- which is a description of what the Hamilton region could be like in the year 2020 if and when the principles of sustainable development are adopted.</p> <p>Discussion centred on strengths of strategy approach, its use in corporate initiatives such as 'Comprehensive Integrated Management System', ISO 14001 Environmental Management Systems and other general applications. Overall it is the integration of sustainability in the organisations policy and practice that I was most interested in exploring.</p> <p>Cn Russ Powers Discussion centred on his impressions of the success of Hamilton's attempts at integrating sustainable development into the corporate management culture.</p>
<p>Toronto Office Canada International Council for Local Environmental Initiatives</p> <p>Sean Southey, Secretary General</p> <p>Judy Walker, Local Agenda 21 Manager</p> <p>Rob Kerr, Director Cities of Climate Protection</p>	<p>Discussion centred on their experiences with Canadian local governments in promoting the concept of sustainable development through campaigns such as Cities for Climate Protection, Local Agenda 21, environmental areas where progress has been made by Canadian cities and why they have been able to overcome various challenges.</p>
<p>Gerry Morvell, Business Sector Manager, WSSD, United Nations Environment Program, New York, USA</p>	<p>Discussion centred on the lead up to the United Nations World Summit on Sustainable Development (WSSD) in September 2002, in Johannesburg, South Africa. The Summit will mark the tenth anniversary of the UN Conference on Environment and Development held in Rio de Janeiro in 1992. Specific discussion centred on Gerry Morvell's role in bringing the views of business sector to the conference and themes coming from work underway.</p>

<p>Note the remainder of UN interviews were cancelled due to aftermath of Sept 11th World Trade Centre attacks.</p>	
<p>The remainder of US interviews were cancelled for the same reason as above. This included scheduled visits with the PEW Centre in Washington and Interface Company in Atlanta.</p>	<p>Note: PEW Centre on Global Climate Change is a non-profit independent organisation dedicated to providing credible and innovative solutions to the worlds effort to address climate change.</p> <p>Note: Interface Carpets is an exceptional company that is putting sustainable development into operational and management practice. It operates in 100 countries and makes 40% of all carpet tiles worldwide.</p>
<p>Series of Interviews across BP, London Office, UK</p> <p>Anna Catalano, Group Vice President Marketing</p> <p>John Mogford, Group Vice President, Health, Safety and Environment (HSE)</p> <p>Richard Newton, Group Vice President</p> <p>Charles Nicholson, Group Senior Adviser</p> <p>Carmen Sanchez, Communications Adviser</p> <p>Susan St Lawrence, Environmental Innovations Facilitator</p>	<p>BP, because of their role in economic development and as a large multinational, has an influential role in both local and global policy making. BP has challenged the traditional views of corporations in climate change and has addressed the issue internally by re-examining many of their operational and policy areas.</p> <p>Discussion centred on organisational culture and how this is influenced by leadership in the company, internal and external drivers in environmental policy making, how standards are set particularly in HSE and overall how this influences the company's progress on Triple Bottom Line reporting.</p>

<p>Sarah Collier, Training Manager, Prince of Wales International Business Leaders Forum, London, UK</p> <p>Alok Singh, Coordinator Business Leadership and Strategy, Prince of Wales International Business Leaders Forum, London, UK</p> <p>Note: Prince of Wales International Business Leaders Forum is a non profit organisation established in 1990 to promote responsible business practices that benefit business and society and that contribute to sustainable development.</p>	<p>Discussion centred on the BLF's approaches to continuous improvement in business practice across the range of economic, social and environmental areas. Of particular interest are the BLF's views on organisational culture as indicator of a company's progress in sustainable development and how this is manifested across the member companies and their CEOs around the world.</p>
<p>Sustainability , London , UK</p> <p>Cancelled due to illness but further contact made on return to Australia.</p>	<p>Sustainability is a management consultancy and think tank promoting the business case for sustainable development particularly in large multinational corporations. Much of their work is focussed on Triple Bottom Line reporting/ sustainable development issues and how companies can explore this simultaneously with economic prosperity and social equity.</p>
<p>European Office, Freiberg, Germany International Council for Local Environmental Initiatives</p> <p>Konrad Zimmerman, Director</p> <p>Monica Zimmerman, Training Manager</p>	<p>Discussion centred on their experiences across European local governments in promoting the concept of sustainable development through campaigns such as Cities for Climate Protection, Local Agenda 21 and Ecoprocurement. We also discussed various environmental areas where progress had been made by European cities.</p>
<p>Fritz Balkau Chief, Production and Consumption, United Nations Environment Program, Paris, France</p>	<p>UNEP is heavily involved in working with organisations like Sustainability to report on corporations achieving sustainable development. Discussion centred on the lead up work being undertaken to WSSD and more broadly on sustainable management as a new and growing business approach.</p>

(iv) Main Body of Study

Background to study tour

In 1998-9 I commenced a study to determine the motivational factors at work for organisations shifting to integrate environmental principles into their business objectives. {Note this report is available on request}

As more organisations, companies and local governments discover environmental programs make good economic sense, they are recognising that environmental performance is compatible with their business objectives. This earlier study provided contacts and exposure to the work of individuals and organisations in the USA, Canada and Europe excelling in the field of sustainable development.

There is an extreme interest amongst Australian business and local government middle to senior managers as indicated in the series of forums conducted after this initial study on the topic motivational factors at work for leading organisations. Many managers believe that what is needed are examples to demonstrate how implementation can be achieved. Others saw the challenge as more to do with the culture that exists in Australian organisations and the need to explore how, as change agents, they could be supported to make the changes necessary for sustainable development to be maintained within their own organisations.

The organisations visited have either implemented unique methods of integrating sustainable development into their business strategies or work with organisations to support them in their efforts. Each provided valuable insight into the concepts and the challenges in establishing and maintaining a sustainable organisation and the reality of integrating 'triple bottom line' principles into business operations.

Churchill study tour

As stated, the Churchill study was prompted by this earlier work I had completed on factors motivating industry to take up environmental initiatives. The Churchill study outcomes had originally been expressed as aiming to progress this work further by investigating the:

- i) motivation of business, industry and local government leaders in building sustainable practices,
- ii) organisational factors in place (from a social, business or environmental perspective) which support sustainable practices,
- iii) practical examples of how sustainable development has been integrated into the organisations business strategies,
- iv) methods of building the capacity of business managers in Australia in innovative practices, particularly in small to middle business.

Hence these intended outcomes determined the variety of organisations visited with a special emphasis on follow up with progressive organisations interviewed in this preliminary study.

I have an ongoing interest in a concept that I have been working with since commencing at ICLEI, which is focussed on the links between progressive organisations and their organisational cultures. Specifically the interviews with large multinationals like BP and Interface were aiming to explore whether an organisation that had demonstrated both a willingness to initiate environmental policies and programs, was able to maintain their momentum. Having established whether this was a continuing policy and program, the next step was to determine whether the culture of an organisation supported this process. Discussions with individuals and their organisations thus focussed on elaborating on areas such as

1. organisational history
2. leadership patterns (appointed or elected eg CEO or councillor)
3. current internal drivers
4. external drivers or influences on an individual, regional or national level
5. political or governance structures
6. organisational structures

The aim of this was to determine whether any of these could be used as indicators that could thus be measured and transferred across organisations and maybe even different sectors.

While this aspect became the main focus of the study, other aspects ascertained by the Churchill study included exploring further:

- whether the motivational factors varied from the preliminary study conducted,
- concrete examples particularly in the local government sector of how issues such as urban planning and transport were being dealt with and
- overall methods to build the capacity of staff, managers and CEOs through training or other innovative practices to support the concept and practice of sustainable development.

The following is a summary of the organisations visited and how the information and lessons can be applied directly to my current work and thus disseminated further.

1. City of Portland

Main feature/ issue/ lesson derived	Application to Australian Context
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<p>The City of Portland is clearly one of the most advanced US city's in regard to practical application of sustainable development agendas.</p> <p>The reasons varied but could all be broadly described as influential leadership that commenced in the late 1960's with innovative legislation on urban planning which set the scene for the next 30 -40 years.</p> <p>Today the political structure of the city means that elected members have clear management and operational responsibility. The successful outcome is what comes with this- transparent and accountable decision making.</p>	<p>While the political governance structure of Portland is unique and difficult to transfer to the Australian situation, the overall use of Portland as a case study is very applicable to the Australian situation.</p> <p>The city stands out as a case study that works where so many cities in US are bogged down in the problems of urban sprawl and the resulting high dependence on individual car vehicle use. Many city examples in US thus have air quality and greenhouse problems. This city with is comparable size to Australian capital cities is an excellent example of where appropriate regulatory, planning and business incentives can work to reduce poor air quality and overall greenhouse emissions.</p> <p>This city will continue to act as an excellent case study to promote through ICLEI's campaigns to local authorities.</p>
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2. Greater Vancouver Regional District (GVRD)

Main feature/ issue/ lesson derived	Application to Australian Context
<p>The most valuable aspect of this visit was meeting with Jennie Moore who is attempting to make similar conclusions regarding organisational culture and its influence on sustainable development.</p> <p>We discussed at length the challenges and barriers that prevent individuals and thus society from adopting actions to support sustainable development. Her application of this theory to her local work on air quality issues is most interesting as she examines the multiple barriers acting against progress.</p>	<p>The contact made will be very important for me in future exploration of this topic and I hope to use Jennie's work as a case study for improving civic participation in greenhouse action. This is most applicable to my work underway through ICLEI.</p>

3. City of Hamilton

Main feature/ issue/ lesson derived	Application to Australian Context
<p>This city is attempting to integrate sustainability practice in their organisational corporate structure. Their approach is to use strategic planning and corporate management as tools that are then further supported by a corporate training program.</p>	<p>The relationship developed with the staff and councillor will be of great value to the work being undertaken by ICLEI.</p> <p>Staff between ICLEI and the City of Hamilton, are already exchanging information on various approaches and I can foresee some interesting comparative data being made available to our local authorities in Australia in the near future. This will be particularly useful for the similar Australian cities and regions making the transition from manufacturing to 'clever' technologies.</p>

4. EXCEL Partnership

Main feature/ issue/ lesson derived	Application to Australian Context
<p>EXCEL is an excellent example of capacity building aimed exclusively for management.</p>	<p>This provided some valuable ideas on how to design an interactive peer group with the aim of supporting leaders to integrate environmental priorities into core corporate objectives.</p> <p>This will be very useful in designing an Australian middle management mentoring program that ICLEI hopes to have established in 2002.</p>

5. ICLEI offices

Main feature/ issue/ lesson derived	Application to Australian Context
<p>Visiting three offices (USA, Europe, Canada) provided some interesting comparison to not only how local governments operate differently but how each country's approaches to promoting sustainable development is influenced by their culture.</p>	<p>This provided valuable and tangible relationship building within the organisation, particularly in the Cities for Climate Protection campaign, which is the most advanced and progressive of its kind.</p>

6. United Nations Environment Program (UNEP)

Main feature/ issue/ lesson derived	Application to Australian Context
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<p>Both contacts made in New York and Paris provided some interesting comparisons on the work undertaken by the UN to bring together a business case for sustainable development.</p> <p>In particular it is the work being done to present this at the upcoming World Summit on Sustainable Development (WSSD) in September 2002 in South Africa that will be of most interest.</p>	<p>This information will be pulled together and provided to many contacts including BP and Business Council of Australia as background information on progress made on WSSD and to encourage them to attend this important event as part of an Australian delegation.</p>
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7. BP

Main feature/ issue/ lesson derived	Application to Australian Context
<p>BP have provided me with an incredibly valuable case study over the past 4 years with an openness to be interviewed, challenged and scrutinised by an outsider. Their approach to continuous improvement and the challenge of integrating sustainable development into a meaningful set of policies, principles and practices is a great source of information and inspiration.</p>	<p>This ongoing case study has provided me with an excellent context to understand how corporations view the whole concept of sustainable development and triple bottom line reporting.</p> <p>This information is directly related to the ongoing work I will be undertaking on how organisational cultures influence the uptake of sustainable development practice. It also acts to ground the theoretical work underway and thus makes it far more applicable to the work of others and myself in this field.</p> <p>Some initial feedback has been provided to the BP Australian regional office for information with further presentations scheduled over the first quarter of 2002.</p> <p>This information will also be of great interest to the forum known as Business and the Environment and a presentation is scheduled for the first half of 2002.</p>

8. Prince of Wales International Business Leaders Forum

Main feature/ issue/ lesson derived	Application to Australian Context
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<p>Business Leaders Forums are gaining momentum in eastern block countries where the need for capacity building programs has been the focus. Partnership approaches are also underway in the Balkan countries where international companies have managed to hang in without much profile and are now gaining strength.</p> <p>Discussion on incorporating an analysis of corporate cultures into the membership of BLF clients was also discussed.</p>	<p>This organisation wants to develop further relations with ICLEI and the most tangible result is that there are possible joint projects that could be entered into which will advance thinking around how organisations can be supported to take up sustainable development principles and practices.</p>
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(v) Conclusions

The Churchill study tour provided many ideas for further thinking, practical suggestions for immediate use in my work and long term contacts. The following are some distilled thoughts but by no means reflect the entirety of the value of the study.

1. There are links between progressive organisations, as demonstrated by an organisation's initiation and maintenance of sustainable development practices and policies, and organisational culture as indicated by areas such as
 - organisational history
 - leadership patterns (appointed or elected eg CEO or councillor)
 - current internal drivers
 - external drivers or influences on individual, regional or national level
 - political or governance structures
 - organisational structures

The more I progressed the more I realised that this was the beginnings of a PhD study, as more analytical work is needed before one can conclusively state the above is true and verified. Nevertheless there is a very strong link between the above aspects of organisational culture and an organisations ability to stick with the difficult challenge of 'walking the talk' and maintaining sustainable development practices throughout an organisations operations.

Areas where this became more evident were when

- good leaders are supported by transparent and accountable structures and /or a competent practical second in charge;
- internal drivers including motivational aspects were recognised and acted upon. This was particularly the case with motivational factors such as cost savings, continuous improvement, staff alignment or staff concerns, CEO visionary

leadership, reputational gains, compliance with regulation and overall concern for environment.

2. Sustainable development and processes like Triple Bottom Line (TBL) reporting are relatively new and there is no best practice or established way of doing it. Where companies are willing to report on both the positive and negative aspects of an operation they are more likely to be seen by stakeholders as being transparent. This does support the notion of continuous improvement as TBL reporting is consistent with measuring performance against a company's business policies and aspects relevant to a business throughout a specific period of time.

3. Peer group interactions are a powerful tool in capacity building for management. This was evident in both the informal and formal work undertaken by many organisations interviewed. The emphasis in formal programs is on a sharing of views, ideas and thinking in a constructive and challenging manner in addition to fostering new relationships for business and sustainability innovation. Simple methods such as informal dialogue amongst participating managers and the infusion of ideas from expert thinkers in the field, is proving to provide a process where sustainable development solutions can be developed and realised by participants.

4. Sustainable development can be supported in organisations where there is a structural mechanism to set targets or standards, measure performance, reflect and make changes necessary as part of continuous improvement. Organisations who are successfully putting in place environmental programs see this as part of best practice and build this into an operational framework.

(vi) Recommendations

The following recommendations are in two parts, directed firstly to an area of influence eg ICLEI and then to Australia overall.

1. As a Director in ICLEI I am in a position to influence the next step this growing organisation takes in the Australia and New Zealand region. The areas that ICLEI can continue to influence are to
 - maintain its focus on practical implementation of sustainable development with its emphasis on tangible improvements in environmental conditions through the cumulative impact of local action
 - establish a practical application of TBL reporting and decision making processes which can further the delivery of ICLEI's current campaigns
 - establish further programs for middle to senior managers in local authorities with the key aim of capacity building and fostering institutional change to support sustainable development practises.
2. As a member of BATE help support and promote sustainable development practices by encouraging further discussion and application of areas discussed in this report.

3. To work further with leading organisations, such as BP, to promote the concept and practical application of sustainable development to both private and public sector organisations.
4. The Australian public sector through state and federal governments and the private sector through its various representative industry associations should
 - embrace, show leadership and take ownership of the TBL agenda and play a role as champions of change within their organisations and externally
 - put in place appropriate regulatory, incentive schemes and strategic planning mechanisms and ensure consistent messages about sustainable development from their own organisations and departments
 - use appropriate consultative processes to increase dialogue and feedback with stakeholders to ensure organisations usefully benefit from outside views on sustainable development
 - set up mechanism to identify and monitor a set of TBL performance indicators
 - align their policies and performance goals with TBL and sustainable development principles and practices
 - set up and evaluate performance against TBL criteria including a process for internal monitoring and external reporting and disclosure.

(vii) Attachments

Attachment 1

Interview Questions

The following were used as a basis for interviews with the differing organisations.

EXCEL Capacity Building

- Get a handle on how it works – appears to be an interactive group of peers that exchange ideas, benchmark
- How do they keep momentum going
- How successful are they and what indicators do they use to measure this success
- What are the links between public and private sector

BLF/Sustainability

Using the 'Power to Change' reference as it applies to organisational cultures

- what are the leadership patterns
- are the LEADER principles – all indicators of a culture ie Leadership, Engagement, Alignment, Diversity, Evaluation, Responsibility
- how do they manifest themselves as indicators of culture

Does sustainable development practice need an organisational structure

Cultural Learning

- How are graduates and new employees recruited/attracted to the organisation
- How are employees kept in organisation and what incentives are used
- What methods are used to train employees – what is the cultural link to this
- How are learning's stored in an organisation

General

Ascertain if we are taking about a specific program, policy of series of projects....

What were motivational factors in establishing X

Prompts

- cost savings
- continuous improvement
- staff alignment or staff concerns
- CEO leadership
- Reputational gains
- Compliance with regulation
- Environment;
- Ethics
- Problem /crisis driven

- Change management process/restructure
- Encouragement from a government grant or incentive Program
- Encouragement from industry sectors

Get a sense of who were main instigators eg CEO, board, middle management, staff- where was it driven from

Where was support gained from and how? Ascertain role of CEOs as champions

When program was rolled out – were there any crucial factors?

- Who were main players etc staff, consultants, external supporters (consumers, government.)
- ie staff involvement and education
- gaining access to staff attitudes
- Any special monitoring processes used?
- Where is X responsibility (eg is it in performance appraisals and subject to performance payments...)
- Concept of continuous improvement- how was that applied

What and how are the actual benefits perceived of the policy/projects/programs? ie does it align to motivational factors above?

How is the policy/projects/programs reported on...?

- annual reporting processes
- shareholder information, corporate plans
- PR material
- Performance contracts
- Meetings annual general, CEO
- Government programs...

What needs to be in place before establishing a policy/projects/programs?

- barriers to be overcome
- consideration of internal and external factors

Think about the internal factors that have to be in place

- roles of various players, support from CEO
- What role does the leadership of organisation play?

Think about the external elements/ factors that have to be in place

- timing, government policy/regulation, customer perceptions

Organisational culture

- what are the links to leadership
- what are the characteristics of the organisational culture

In relation to culture change, an organisational restructure, or characteristics of the culture:

Does anything need to be in place before an organisation can

- implement environmental programs
- take the next step to TBL

(vii) Attachments

Attachment 2 Glossary

Emissions – releases of pollutants and greenhouse gases into the atmosphere.

Environmental Management Systems - a systematic process used in organisations to continuously reduce the impact of their operations on the air, water and land resources associated with their operations. The International Standards association has produced a series of worldwide standards called the ISO 14000 series describing the elements of EMS.

Environmental Programs- is used to describe the policy and practice of an organisation as it relates to its direct and indirect impacts on the air, water and land.

HSE- stands for Health, Safety and Environment.

NGO- stands for non-government organisation.

Triple Bottom Line (TBL) - At its narrowest, the term 'triple bottom line' is used as a framework for measuring and reporting corporate performance against economic, social and environmental parameters. At its broadest, the term is used to capture the whole set of values, issues and processes that companies must address in order to minimise any harm resulting from their activities and to create economic, social and environmental value. This involves being clear about the company's purpose and taking into consideration the needs of all the company's stakeholders – shareholders, customers, employees, business partners, governments, local communities and the public.

Sustainable Development - The term has been around for over 20 years. It first broke into the consciousness of many international policy-makers and multinational corporations 1987, with the publication of Our Common Future, the report of the World on Environment and Development. The Commission's definition, since widely adopted, was: "Development, which meets the needs of the present without compromising the ability of future generations to meet their own needs."