



**The University of Sydney**  
Integrated Sustainability Analysis™



# **Sustainability Reporting**

## **Case Study Wollongong City Council**

**2004**



## Wollongong City Council: A Case Study

### Introduction

#### *The community*

Wollongong is the ninth largest city in Australia and the fourth largest Local Government Area (LGA) in NSW. It has a population of 191,600 with 75 different spoken languages. It has a higher than national average proportion of younger age groups. The LGA covers an area of 714km sq. Key Industry Sectors are manufacturing, retail, health and community services, property and business services and education. According to local and state surveys the community ranks Environment and Sustainability of the utmost importance.

In a recent report of research conducted by the NSW Department of Environment and Conservation<sup>1</sup> (2003) 44% of people in Newcastle and Wollongong expressed concern for future generations; 87% rated the environment as important (this was less than Sydney 96% and regional NSW 93%); 48% were concerned about water issues (again less than other areas 57-61%) although more than elsewhere (14% as apposed to 8-10%) were concerned about air quality. On the other hand it was reported that people in Newcastle and Wollongong were more likely to report improvements in minimizing community waste (60%) and agree that there has been an improvement in dealing with household rubbish (79%) and in the environment in general (61%).

This report reflects the considerable work undertaken in the Wollongong area to improve its environmental record over the past several years.

#### *The council*

Thirteen Councillors sit on Wollongong City Council. The Wollongong local government area is divided into six wards, with two Councillors elected to represent each ward. The Lord Mayor is elected by all voters in the city. <http://www.wollongong.nsw.gov.au/>  
18/02/05

The council's executive management group is made up of the General Manager and three Directors, one of whom deals with Environment and Planning, one City Services and one Corporate and Governance. The council has an operating budget of \$149m and \$1.1bn assets including roads, drainage, buildings and community land. The council provides 140 services to the community. Council's goals are to: provide services that build strong vibrant communities; protect and improve the natural and built environment; facilitate a sound local economy; and provide responsible leadership and management of resources.

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<sup>1</sup> NSW Dept of Environment and Conservation (2003). *Who Cares about the Environment in 2003*. Sydney.



## Background

### *Reporting*

Under the Local Government Act 1993, section 12 local councils must make available to the public, among other things: the annual report, annual financial reports, auditor's report, management plan, the council's land register and its register of investments.

[http://www.austlii.edu.au/au/legis/nsw/consol\\_act/lga1993182/](http://www.austlii.edu.au/au/legis/nsw/consol_act/lga1993182/) (03/03/05)

Under section 428 of the Act annual reports must cover, among other items, the council's achievements against objectives and performance targets set out in its management plan for that year. The report must include the state of the environment in the area.

A separate State of the Environment (SoE) report must be submitted to the NSW Department of Local Government as part of its formal annual reporting obligation. In addition a comprehensive report is required every four years. The SoE provides a "summary of the attributes of the Local Government environment and the human impacts on that environment. It also provides a public record of the activities of government, industry and the community in protecting and restoring the environment." Local SoE reports are expected to be integrated with environmental management strategies for the local area. <http://www.lgsa.org.au/site/policy/1000150/1000151.html> (04/03/05)

Wollongong City Council's annual report and State of the Environment document are available on the council's website ([http://www.wollongong.nsw.gov.au/Index\\_2319.htm](http://www.wollongong.nsw.gov.au/Index_2319.htm) (04/03/05)).

The State of the Environment report covers the main issues of environment concern in the city, and the strategies to address them. It addresses factors affecting water quality, biodiversity, social issues, land management, and air quality. It sets out improvement programs in place, and identifies where further improvements need to be made.

### *Audience*

The State of the Environment report is distributed to all community, business and special interest groups in the Wollongong area. Copies are available to the local community free of charge and can be obtained from the information counter at the Council's administration building or downloaded from the website. Copies are also provided to the Department of Local Government, libraries and other interested organizations.

### *Who is responsible for production?*

The State of the Environment report is prepared by the Council's Environment and Health Division. It is the responsibility of the Council's Manager of Environment and Health.



### Context for change

#### *Regulatory framework:*

NSW Waste Avoidance and Resources Recovery Act 2001: the objects of the Act are, among other things, to: encourage the most efficient use of resources and to reduce environmental harm in accordance with the principles of ecologically sustainable development; and to ensure that resource management options are considered against a hierarchy of the following order:

- avoidance of unnecessary resource consumption,
- resource recovery (including reuse, reprocessing, recycling and energy recovery),
- disposal,
- provide for the continual reduction in waste generation,
- minimise the consumption of natural resources and the final disposal of waste by
- encouraging the avoidance of waste and the reuse and recycling of waste,
- assist in the achievement of the objectives of the *Protection of the Environment Operations Act 1997*.

Protection of the Environment Operations Act 1997: the objects of the Act are, among other things, to: protect, restore and enhance the quality of the environment in New South Wales, having regard to the need to maintain ecologically sustainable development; provide increased opportunities for public involvement and participation in environment protection; reduce risks to human health and prevent the degradation of the environment by the use of mechanisms that promote the reduction in the use of materials and the re-use or recycling of materials; and assist in the achievement of the objectives of the *Waste Avoidance and Resource Recovery Act 2001*.

Protection of the Environment Administration Act 1991: NSW local governments are obliged under this Act (Section 10) to provide state of the environment reports every year so that the Environmental Protection Authority can report to the Minister and to Parliament every three years. These reports not only document the status and condition of environmental resources and review programs and activities but are also expected to examine environmental trends, trends in economic analysis and the costs and benefits of environment protection.

Waste Reduction and Purchasing Policy 1997: this policy (WRAPP) requires councils to develop and implement a WRAPP plan to reduce waste in four areas:

- paper products
- office equipment and components
- vegetation material; and
- construction and demolition material.

Council WRAPP plans must provide information on strategies to reduce waste. Report must provide data on total quantities of scheduled wastes being generated and recycled.

#### *Organisational climate:*

ICLEI-Local Governments for Sustainability was founded in 1990 by local governments at the United Nations Headquarters in New York as the International Council for Local



Environmental Initiatives (ICLEI). ICLEI is a democratically governed membership association of cities, towns, counties, metropolitan governments, and local government associations. Its headquarters is located in Toronto, Canada. ICLEI's mission is to build and serve a worldwide movement of local governments to achieve tangible improvements in global sustainability with special focus on environmental conditions through cumulative local actions.

Chapter 28 of Agenda 21, the global action plan stemming from the 1992 Rio Earth Summit, stipulates that, “by 1996, most local authorities in each country should have undertaken a consultative process with their population and achieved a consensus on a local Agenda 21 for the communities.” The rationale for tackling global environmental and equity issues through local councils is captured below:

“Local authorities construct, operate and maintain economic, social and environmental infrastructure, oversee planning processes, establish local environmental policies and regulations, and assist in implementing national and sub-national environmental policies. As the level of governance closest to the people, they play a vital role in educating, mobilising and responding to the public to promote sustainable development.”

Ten years after the 1992 Rio Earth Summit, Implementation of Agenda 21, was proceeding so slowly that the 2002 World Summit on Sustainable Development, (Johannesburg, South Africa, August 2002,<sup>2</sup>) endorsed a demand for a profound shift in the development model. Those present committed themselves, among other things, to the following.

- Local Governments implementing sustainable development are determined to enter a decade of accelerated, effective action to create sustainable communities and protect the global common goods.
- Local Governments will work to ensure viable local economies, just and peaceful communities, eco-efficient cities, and secure and resilient communities able to respond to the change, while ensuring safe and accessible water supplies and protecting our climate, soil, biodiversity and human health.

TBL reporting is supported by ICLEI in Australia with a toolkit jointly sponsored by the City of Melbourne.

Cities for Climate Protection in Australia<sup>3</sup> is the largest local government greenhouse program in the world, with 199 councils now participating in a collaboration with the Australian Greenhouse Office. Wollongong City Council has reached all five milestones in the project:

1. Establish an inventory and forecast for key sources of greenhouse emissions in your Council and community.

<sup>2</sup> [http://www.iclei.org/lgs/johannesburg\\_call.htm](http://www.iclei.org/lgs/johannesburg_call.htm)

<sup>3</sup> <http://www.iclei.org/anz/>



2. Set an Emissions Reduction Goal.
3. Develop and adopt a Local Greenhouse Action Plan to achieve those reductions.
4. Implement your Local Greenhouse Action Plan.
5. Monitor and report on greenhouse gas emissions and implementation of actions and measures.

### **Driving forces**

#### *Organisational catalyst*

In 1999 the council threw its hat in the ring for a Gold Award from The Australian Organisation for Quality. The AOQ is a not-for-profit membership-based organisation formed in 1968. It has over 2000 corporate and personal members and affiliates around Australia and from overseas. It established *The Gold Award for Quality* to recognise and encourage organisations in the pursuit of excellence and sound management. The Gold Awards are annual awards offered at regional and state levels to organisations that excel in Quality Management. The award focuses on eight elements of Quality Management aligned with the Quality Management Principles outlined in ISO 9004:2000.

<http://www.aoq.org.au> 18/02/05.

Much to its chagrin the Council did not achieve gold award status, a shock that sent them 'back to basics'. The General Manager felt it a huge loss and almost immediately initiated a change process that was to engulf everyone. The thirteen council managers were called to take part in what they referred to as a 'lock up'. They were confronted with the failure of the Gold Award bid and asked to consider what the council stood for. Over the following three months they worked towards agreement on goals, principles and values which were to underpin all future work of the council.

#### *People*

The General Manager was the main driver of the organisational change process. However another important player was the Council's Manager of Environment and Health. The Manager of Environment and Health had previously worked as a Marine Ecologist and in contaminated site assessment, environmental auditing and community consultation. In a previous job she had become aware of work being carried out on the ecological footprint of a water utility on the strength of which she was to introduce a sustainable homes program in the Wollongong area. All of this experience and knowledge meant that she was well placed to take advantage of the Council's newly developed organization-wide vision and its consolidated beliefs about the direction in which it was heading.

Her knowledge of the methodology used by the water utility to measure its ecological footprint was also important. Another important factor was that the Executive General Manager had an accounting background and so was receptive to a methodology that drew on accounting principles and practices.



### The Process

The General Manager's change process took place in four one-day sessions off site with sub-groups working between sessions on aspects of the goals, principles or values. It examined the basic questions of: Who are we? What do we want to achieve? What are our values?

Outside help was called on to assist with the examination of managerial performance however the rest of the process was managed internally, most sessions being led by the General Manager. At the end of the process everyone signed off on the new set of goals, principles and values.

However, signing off was the beginning rather than the end of the cultural change process that was to take place over the next year.

The Manager of Environment and Health, recognizing the council's 'back to basics' process as an opportunity for change of attitude towards sustainability, talked to the Director of Environment and Planning who in turn talked to the Executive General Manager; thus placing environmental management firmly on the Quality Management agenda.

### *Research and education strategy*

Following agreement on principles there was a six month process of discussing sustainability and the TBL. The Manager of Environment and Health conducted briefings and training sessions on the TBL in general and the methodology adopted by Sydney Water. She pointed out how the TBL could help to align council's values with practices. These training sessions suggested that to deliver a sustainable future we need to ask the questions:

1. Where are we now?
2. Where are we headed?
3. Where to we want to be?
4. How do we get there?
5. How are we going?

Out of the various discussions and education sessions arose a definition of a sustainable city, council or community:

"a city, council or community is becoming more sustainable if it is reducing its **resource input** (land, energy, water, material) and its **waste outputs** (gases, liquids, solid wastes) while simultaneously increasing in **liveability** (health, employment, community activity, leisure activities, public spaces, land, pedestrian accessibility)"

This being so then it becomes obvious that all the policies, procedures, and reporting you put in place in relation to sustainability are delivering this goal.



### *Choice of methodology*

The Manager of Environment and Health believed that the Ecological Footprint process, using ISA<sup>4</sup> methodology would allow the council to identify what and where they needed to focus their policy, planning and actions to deliver the above goal. In simple terms it was setting the benchmark that is often all too nebulous when considering sustainability programs.

It would deliver the answer to "Where are we now" because it relates to the whole organisation or community. It would answer part of the question "Where are we headed?" The other half of "Where are we headed?" would be determined through a review of all existing plans and policies.

Its applicability from a council perspective was in:

- Setting the benchmark against which priorities can be set and performance measured, including any WRAPP or Green Procurement Policies etc;
- A communication tool for all stakeholders (community, Councillors, staff, government agencies, industry sectors etc);
- An education tool for the community;
- A tool for realigning an organisation's Visions, Mission Values.

Dr Manfred Lenzen from the University of Sydney's Integrated Sustainability Analysis team visited the council twice and presented the ISA methodology. Those who attended the meetings were impressed by the level of detail and the production method. It became obvious that the process would allow benchmarking and the level of detail would provide the ability to identify where the 'biggest bang for the buck' was going to be in any changes the council might make to its procurement policy.

What appealed was the accuracy of the report and the ability to peel back the layers of the production chain. It could be deconstruct it in a useful way. It provided leverage for TBL reporting. An Ecological Footprint for the council itself and one for the Wollongong area were commissioned.

The council drew on the experiences of Melbourne Council and Brisbane, both of which had already been through a similar benchmarking process, and were struggling to define suitable indicators.

### *Indicators*

Discussion of indicators followed the determination to adopt the ISA Ecological Footprint methodology. There was a feeling that often TBL indicators are motherhood statements. The council therefore looked for items that could be simplified and measured. For example, rather than adopting 'reduce pollution' as an indicator motherhood statement the council targeted specific items related to the TBL report. The level of detail could

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<sup>4</sup> Integrated Sustainability Analysis, University of Sydney



actually extend to line items in the council's accounts with targets to reduce specific line items as part of the goal. This was important because careful choice of indicators meant that improvements could be readily identified and council could feel they had achieved something.

The indicators chosen by Wollongong City Council were compatible with the Cities for Climate Protection milestones. Indicators were allocated to the appropriate council department for action.

### **Product**

#### *The report*

The Manager of Environment and Health summarised the EF report and presented it to council, explaining the results. This report provided the benchmarks and enabled them to set targets.

A copy was sent to the prominent local industry, Bluescope Steel.

The Ecological Footprint of the Wollongong area was launched to the public along with the sustainable homes project: *Sustainability Begins at Home*<sup>5</sup>. However the marketing people were concerned about using the EF as an indicator in the Sustainable Homes project. They feared that people would not recognize the connection between water waste and energy and so dismiss the EF as irrelevant to them; or they may compare outcomes with neighbours and become despondent or angry because they would feel they were being asked to give something up. Others argued that knowledge is empowering because it allows you to make choices about what you change. It can also provide you with an informed role in local decision making.

### **Practices**

Feedback, both from within the council and from the community was an essential part of successful implementation. Any groups within council that may have experienced some initial difficulties in making changes to traditional processes and practices were encouraged by positive feedback once changes began to be implemented. Education played a role in this. Once environmental policies were enacted and positive outcomes could be identified these outcomes were immediately fed into public education events, thus gaining further kudos and professional pride for council workers themselves. For example the Engineering Department runs the council's recycling program and so began to provide community education about recycling. This provided a whole new avenue for

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<sup>5</sup> Sustainability Begins at Home (2004) is a WCC community education program sponsored by the Environment Fund, Integral Energy, and the Department of Energy Utilities and Sustainability (DEUS), along with support from 16 local businesses who sell sustainable household products. The Sustainable Homes booklet was sent to all homes across the City of Wollongong.  
<http://sustainability.wollongong.nsw.gov.au/sustainability%20at%20home.htm>



contact with the community that was well received and that provided avenues for good feedback.

Whenever resistance was met over any aspect of implementation (e.g. increased cost associated with some green purchases) those driving the initiative could invoke the principles to which everyone, from the General Manager down, had agreed. For example the green procurement purchasing policy was initially examined for its OH&S impact but not its social and environmental impacts. Having developed agreed principles as a basis for a unified approach to the TBL further research could be justified to extend and enhance the procurement policy.

Thus practices gradually changed in the internal running of the council. They also changed in the interaction of council and community. Through a program of community education misconceptions about recycling and water use were addressed. Targets were set for sustainable homes. Reduced household rates were offered in return for waste and water savings. Better house design was targeted to reduce reliance on air-conditioning. A partnership was forged with the energy supplier to reward households for reducing demand at peak times.

One of the highest infrastructure costs to council is the upgrading of roads and repair of verges damaged by compression garbage trucks. Reduced household garbage can reduce infrastructure costs by reducing damage to verges. Thus one of council's key roles is in educating residents so that they understand the links between their activities as citizens and actual costs – to themselves in rates and to the environment in pollution.

### **Conclusion**

The essential ingredients in Wollongong City Council's sustainability successes have been:

- the right people in the right jobs at the right time, in particular a General Manager who initiated a whole of organization change process and a Manager of Environment and Health who had the knowledge and ability to build sustainability into the change process as a management framework;
- a catalyst for change, in this case a disappointment at not having achieved a Quality Management award;
- a local and state climate for change towards a more sustainable future; and
- a methodology that supported the change process by providing detailed information and an Ecological Footprint framework that supported other frameworks within which the council was operating (e.g. Cities for Climate Protection).