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Introduction

There is growing pressure from the community, the finance sector and governments on organisations to improve and report on their triple bottom line (TBL) performance in an open and transparent way.

According to KPMG\(^1\), in 2002 45 percent of the world’s top 250 companies published a separate report detailing their TBL performance, up from 35 percent in 1999. CEOs of the top 1000 international organisations are also starting to recognise the value that environmental and social performance and its disclosure can add to their organisation’s bottom line. Ernst and Young\(^2\) reports that 79 percent of CEOs surveyed within the Global 1000 believe the potential value of TBL reporting is either substantial or very substantial. The same report also notes that 46 percent of organisations surveyed currently publish separate reports covering aspects of TBL, with 75 percent planning separate reports covering TBL aspects within three to five years.

However, in Australia only 14 of the top 100 listed companies reported on TBL in 2002.

Australia’s relatively low reporting rate, particularly when compared with global trends, has significant implications for Australian industry, particularly with regard to investment and access to international markets. Following the adage of ‘what you don’t measure, you don’t manage’, low reporting rates also have the potential for significant impacts regarding the sustainable use of Australia’s natural resources.

It is against this backdrop that Environment Australia (the Commonwealth Department of the Environment and Heritage) is taking an active role in working with business to provide information and resources that assist organisations to grapple with the complexities of improving, measuring and reporting their environmental performance, or in other words to operationalise the intangible concept of sustainability.

One significant initiative currently being undertaken by Environment Australia, as a direct result of requests from business, is the development of a guide that will assist companies and other organisations in measuring and voluntarily reporting on their environmental performance.

This guide aims to provide a clear and comprehensive description of methodologies and indicators for measuring and reporting on environmental performance. It forms a companion volume to *A Framework for Public Environmental Reporting: An Australian Approach*\(^3\) and complements the

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2 Ernst and Young (2002). *Corporate Social Responsibility – A Survey of Global Companies, The Netherlands.*
related project on social indicators and methodologies project currently being undertaken by the Commonwealth Department of Family and Community Services.

The suite of indicators in the guide is closely aligned to the environmental indicators contained within the Global Reporting Initiative’s 2002 Sustainability Reporting Guidelines\(^4\) and therefore provides a basis for organisations to report in a manner that focuses on Australian needs and conditions, whilst also being consistent with the GRI.

**Objectives of the guide**

The guide aims to provide Australian organisations with:

- Guidance on the selection of suitable environmental indicators that are both relevant to Australian conditions and align with the GRI.
- Simple methodologies to enable organisations to determine performance in relation to selected indicators.
- Links to other resources to assist with the preparation of public environment reports.

**Who is the guide for?**

It is primarily targeted at first time reporters and is also intended to be a repository of relevant information for more experienced reporters.

It is intended to be equally applicable to organisations going down the path of TBL or sustainability reporting as those preparing stand-alone environment reports.

The guide recognises that one size doesn't fit all and therefore aims to present a range of indicators, methodologies and information to accommodate a broad spectrum of needs. Use of the guide is voluntary, and it is intended to be generally applicable across all industry sectors.

**Project Timing**

It is intended that the guide will be available in the second quarter of 2003.

**Further information:**

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*Social indicators and methodologies project: Glennys Purcell, Director, Business Engagement, Department of Family and Community Services, on (02) 6212 9538, glennys.purcell@facs.gov.au www.partnership.org.au*  

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