

Sustainability reporting is up, but behind international rates

The number of top Australian companies reporting on their sustainability achievements has doubled in 12 months according to the Australian Government's *State of Sustainability Reporting 2004* survey. However, compared to international trends, large Australian companies are lagging behind in their reporting rates.

Conducted for the Commonwealth Department of Environment and Heritage, by the Centre for Australian Ethical Research in collaboration with KPMG and Deni Greene Consulting Services, the project gathered information on sustainability reporting activities from companies in the S&P/ASX 300 index,

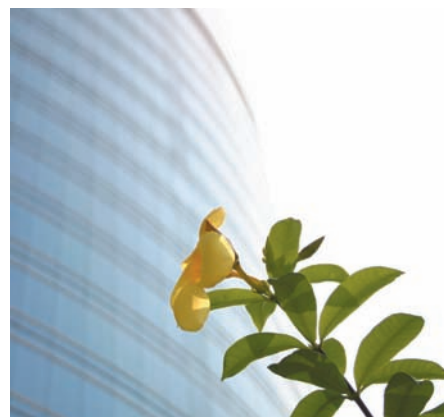
the top 100 private companies and the top 100 unlisted public companies.

Of the 509 companies surveyed, 116 published sustainability reports in 2003–04, up from just 57 the previous year. These included stand-alone reports, sections in Annual Reports and sustainability sections on company websites. Some 53% of the companies producing a sustainability report were in the mining or manufacturing sectors.

The Department says the increasing proportion of companies involved is good news for investors and for the broader community as triple-bottom-line reports allow them to gauge a company's performance against such environmental indicators as water efficiency and greenhouse emissions. There is room for improvement though, with just 23% of the top Australian companies reporting, whereas internationally 45% of the Global Fortune Top 250 companies now publish such reports. This suggests that pressure and incentives to produce sustainability reports are greater overseas.

What do large Australian companies identify as the benefits and impediments to sustainability reporting? Companies in all industry sectors most often nominated 'reputation enhancement' as the key benefit with 'gain confidence of investors, insurers and financial institutions' the next most cited benefit, followed by 'operational and management improvements' and 'improved management of risks'.

When asked about impediments to producing a sustainability report, most companies nominated 'cost and resource



Green and golden: Australian companies are realising the previously hidden value in sustainable practice. *Istockphoto*

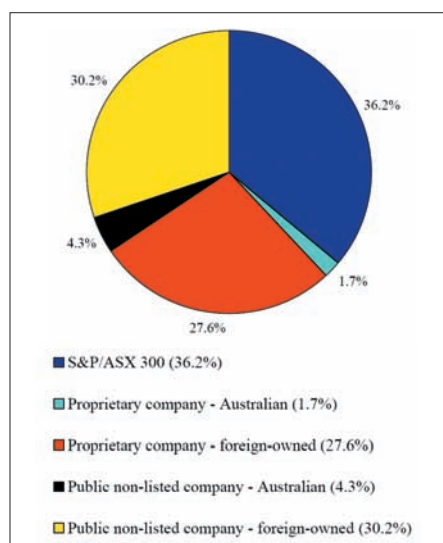
constraints' or the 'additional resources required to develop a framework for measuring and reporting'.

The 2004 report concludes that many companies do not yet recognise that there are substantial operational benefits to sustainability reporting, in addition to enhanced reputation, or they believe the costs, difficulties or possible risks outweigh the benefits. Managing sustainability is really an integral part of good company management and, worldwide, improved sustainability reporting and successful business success seem to go hand-in-hand.

● **Steve Davidson**

More information:

State of Sustainability Reporting 2004 survey:
<http://www.deh.gov.au/industry/corporate/reporting/pubs/final-report.pdf>



State of Sustainability Reporting 2004 survey, Commonwealth Department of Environment and Heritage.

Breakdown, by sector, of the 116 large Australian companies that now produce sustainability reports.

DiCom's biological process profits from garbage

The inner Perth suburb of Shenton Park is set to boast a leading edge municipal waste processing facility that by 2005 could be transforming 55 000 tonnes of garbage per annum to yield green electricity and compost – both lucrative end products.

ASX-listed group Organic Resources Technology Limited (ORT) said the completion of the new \$5 million commercial-scale facility, which uses its patented DiCom® closed biological waste treatment process would signal a major advance for Australia's waste treatment industry and sustainability.

Developed in Perth over the past five

years, the hybrid DiCom® system integrates existing technologies in a fully enclosed vessel, where both aerobic and anaerobic bacteria efficiently convert organic waste into compost and biogas for electricity generation. This continuous process takes two to three weeks.

Once the 17 000 tonne capacity first stage of the Shenton Park facility is successfully running by the end of this year, ORT can proceed to construction of a larger scale facility during 2005, and sign a 20-year commercial contract with Perth's Western Metropolitan Regional Council worth up to \$100 million.



ORT's first stage DiCom® processor is up and running at Shenton Park. *Organic Resources Technology Limited*