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ABSTRACT

This Paper is structured around two case studies which compare and contrast approaches to implementing organisational sustainability in the Australian water industry: Water Corporation (WA) & Yarra Valley Water (Vic). It discusses the innovative and pioneering activities undertaken over the last two years by EcoSTEPS to promote and reinforce practical sustainability thinking in these and other business enterprises.

The impacts of expanding city populations, changing rainfall patterns and the current drought have combined to put water utilities at the forefront of the sustainability debate. With their intimate understanding of the water 'cycle' they are perfectly positioned to lead the rest of society into better understanding of the necessary transition from the current industrial 'Linear' Take-Make-Use-Waste paradigm to the 'Cyclic' thinking of natural capitalism.

This paper focuses on the key learnings from the projects and the lessons are widely applicable to other organisations and communities. Topics addressed include:

- Behavioural and cultural change processes and impacts;
- Challenges we are now working with;
- Innovative Education for Sustainability techniques employed

Delegate engagement and participation will be achieved using illustrative sample exercises from the programs such as: Single Biggest Issue, Ecological Footprint, and House A & House B.

PAPER

Introduction

This Paper is structured around two case studies which compare and contrast approaches to implementing organisational sustainability in the Australian water industry: Water Corporation (WA) & Yarra Valley Water (Vic). It discusses the innovative and pioneering activities undertaken over the last two years by EcoSTEPS to promote and reinforce practical sustainability thinking in these and other business enterprises.

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Water Corporation is one of Australia's largest water service providers, serving almost two million Western Australians, managing more than \$10 billion in water services infrastructure and directly employing over 2,200 people

Yarra Valley Water (YVW) is the largest of Melbourne's three metropolitan water retailers and provides water and sewerage services to over 1.6 million people and 60,000 business customers in Melbourne's northern and eastern suburbs and employees over 400 staff.

Education for Sustainability

The period 2005-2014 has been declared by UNESCO as the Decade of Education for Sustainable Development. In parallel with this is the rapidly emerging field of Education for Sustainability (EFS). EFS embraces certain non-traditional learning approaches that are quickly becoming mainstream and may be summarised as:

- 1: Imagining a better future
- 2: Critical thinking and reflection
- 3: Participation in decision-making
- 4: Partnerships
- 5: Systems thinking

These themes are becoming widely recognised as key elements of EFS practice. EcoSTEPS believe that they should have an important role in any Sustainability strategy and change program adopted. The themes are used below to illustrate the differing approaches adopted by the two case study organisations.

1: Imagining a better future

Yarra Valley Water's Approach

"Yarra Valley Water exists to provide water and sewerage services that contribute to the health and well being of its customers and the environment." It has aspirations of providing these services within the ecological carrying capacity of nature. While key areas have been identified by the business to have an environmental impact, many employees were still of the opinion that we were 'talking the talk but not walking the walk'. We needed to take the next step in our environmental journey and encourage employees to take individual ownership so they could say: 'This is what we are doing to make YVW more sustainable'.

The Environmental Education Program at YVW is underpinned by a need to communicate a compelling vision for environmental sustainability. A strategy for environmental education was conceived, and then

a program planned based on relentless consultation and communication. The changes and initiatives required were anchored to YVW's Strategic Intent and the organisation's culture.

Water Corporation's Approach

Water for life... This concept is fundamental to the way Water Corporation delivers water, wastewater and drainage services, and how it plans for Western Australia's water future. 'Water for life' expresses the commitment to sustainability in all that Water Corporation does - for the benefit of present and future generations. Although Western Australia's drying climate continues to present many challenges, planning stretches forward almost half a century.

Over the past two years, the Western Australian Water Corporation has taken major steps to create a sustainable organisational culture, looking for ways to lessen any business impacts on the environment, but to do so in socially acceptable and financially affordable ways.

The Sustainability Strategy has set the following one and three year goals:

In one year, Sustainability Principles are visible and integrated into decisions made in key areas of our business.

In three years, sustainability underpins our culture, it's how we do business, from the way we provide water services to the way we purchase supplies. We influence other companies and utilities in Australia by being a case study for sustainable business success.

The Water Corporation's approach to sustainability can be described in terms of the following three foundation propositions about sustainability which reflect on the organisation's core business and its responsibilities to the communities it services:

- An approach to sustainability that involves looking at sustainable development as an ongoing journey of development and not as an interim goal.
- A whole-of-organisation approach where everyone is responsible for sustainability, rather than it being the centralised role of a few.
- A move beyond the physical measures of sustainability to focus on changing the thinking, culture and systems of the organisation to support measurable change.

The Strategy has a number of innovative elements which distinguish it from other organisation-wide sustainability initiatives and has enabled initial implementation across the organisation through a structured change management approach.

Among these, is preparedness by the Corporation's Board and Senior Executive to fundamentally transform the business in order to fully integrate 'sustainability thinking' as the 'way we do things', rather than sustainability being a discretionary addition to core business - like many corporate 'sustainability' programs.

2: Critical thinking and reflection

Yarra Valley Water's Approach

To reach as many of our employees as possible, the education program had to be engaging, challenging, concise and adaptable. We simplified the program so that it consisted of only two delivery modes, a 2 hour program (for the majority of staff) and a 4 hour program (for those with greater expertise in the field, including some environmental engineers).

The latter was distinguished by its use of more challenging and broader case studies and greater depth of technical content, and discussion of issues and operational applications. The former was a particularly important option for our customer contact centre staff who face rostering and call volume issues that sometimes prevent attendance at longer programs as well as new staff. The natural variation in personal values relating to the environmental can often be the greatest barrier. We tried to overcome this with a step-by-step, sensitive, multi-dimensional and non-threatening approach supplemented by the self exploration.

Water Corporation's Approach

More than 500 Water Corporation employees have attended sustainability training sessions to gain knowledge of the key concepts, issues, priorities and principles of sustainability. The education initially focused on the employees involved in the early stages of the capital creation process including procurement. This is now being progressively extended to all Corporation employees, as well as key contractors and consultants. Approximately 500 other employees have also attended Environmental Master Classes, the 2006 Sustainability Fair, and lunchtime video sessions or participated in Sustainability story or photographic competitions.

3: Participation in decision-making

Yarra Valley Water's Approach

To deliver on key environmental strategies, YVW needed, among many other things, to encourage staff, and key stakeholders, to become passionate about the environment. Working with EcoSTEPS, YVW developed an education strategy and design and coordinate a program to engage and educate YVW's staff (around 400) in the field of environmental sustainability. An experiential process was needed where people could see the link between personal and organisational decision-making, behavioural change and our impact on the environment.

Key components of the education program were:

- A program of speakers delivering inspirational environmental messages which encouraged innovation and engagement. These speakers included international and local experts, including YVW staff.
- An Environmental Sustainability Training Program.
- An Intranet Site with supporting information and tools.
- 'The Passion Index', a survey designed to help staff assess their own personal impact on the environment.
- A 'World Environment Day' Expo of activities which invited staff to travel to work in an environmentally friendly way, create a huge environmental map of Melbourne, measure their ecological footprint, view educational videos and other stimulus material, and receive an indigenous plant for their efforts.

Approximately 310 staff participated in the Environmental Sustainability training program during 2006. The key aims of this program were to ask what Environmental Sustainability means to me (and my family) personally, to us collectively as an organisation and in terms of my role / team?

The main components of the training were:

- Introduction by the MD
- What is environmental sustainability?
- What are the big issues for us as individuals?
- Sustainability approaches
- What has YVW been doing as an organisation?
- What more can we do (explored through case studies)?
- Reflections and Next Steps (by writing a self addressed Personal Action Plan letter delivered two months later).

Water Corporation's Approach

About 20 per cent of the Water Corporation's employees now have a shared understanding of the drivers of sustainability, the issues and the Water Corporation's response. About 5-10 per cent have also attended sessions to understand the business principles and have been encouraged to use them as part of their decision making framework. The education program has facilitated the development of strong advocates for improved sustainability within the Corporation, and has underpinned the implementation

of the next project - Embedding Sustainability Principles into the Water Corporation's Infrastructure Planning Process. (Refer below)

Employees are aware of the Water Corporation's commitment and it encourages the initiation of sustainability aligned projects within the organisation by employees. For example, the Employee Giving Program, local recycling programs, take up of the Personal Vehicle Carbon Neutral Program.

4: Partnerships

Yarra Valley Water's Approach

Information on how staff could make a personal contribution was provided through useful web links on our intranet. The company encouraged and rewarded learning and innovation through access to inspirational speakers, interesting activities, exploratory tools and access to broader training programs. A diversity of learning mechanisms were designed to suit a range of entry behaviours, knowledge levels and learning styles.

Water Corporation's Approach

The Sustainability Strategy, which features many innovative approaches, is being implemented through a structured change management process across the organisation. These approaches include:

- A preparedness to encourage collaboration with external stakeholders - including suppliers, customers, stakeholders, alliance partners and key regulators.
- Senior management commitment to make fundamental changes to fully integrate sustainability into the business.
- Driving change efforts through leadership, policy and science-based support to achieve practical sustainable outcomes. This approach contrasts with many other organisational sustainability initiatives which focus on individual outcomes rather than organisational change.
- Empowering employees to identify sustainability issues and generate improvements to core business systems in order to achieve sustainable outcomes.
- Sustainability Principles which guide the business and underpin planning, decision making, execution and evaluation of work.

5: Systems thinking

Both organisations fundamentally appreciate the need for 'systems' thinking. They have adopted slightly different approaches to moving towards more holistic and cyclic thinking and strategies. YVW worked with The Natural Step to apply the four Systems Conditions to articulate clear unequivocal key sustainability 'targets'. Water Corporation worked on developing a series of business sustainability principles which are now being progressively applied to all aspects of their business.

Yarra Valley Water's Approach

YVW recognises that both the well-being of our community and the strength of our business depend on the health of our environment. This means we must provide our water and sewerage services in an environmentally sustainable way 'within the carrying capacity of nature'. YVW adopted The Natural Step sustainability principles or 'system conditions' to help them do this. They have adopted these principles because the system conditions allow one to define the carrying capacity of nature with scientific rigour, and because they provide clear direction as to what has to be done. We know that the human race cannot keep endlessly extracting resources from the Earth and spreading waste products everywhere without consequences. Our planet simply cannot sustain this behaviour and remain in balance.

YVW's Key targets are:

To provide our services within the carrying capacity of nature we will:

- *Reduce greenhouse gas emissions to below 10,500t CO₂-e by 2008, which is 50% of 1990 total.*
- *Reduce average water consumption to below 306 litres per person per day by 2010, which is 80% of our 1990's total.*
- *Reduce the amount of waste to landfill to below 10% of the total waste by 2010.*
- *Establish quantifiable targets for nutrients discharged from our sewage treatment plants by 2006.*

Water Corporation's Approach

A set of guiding Business Sustainability Principles is the core of the implementation phase of the Sustainability Strategy. These principles were developed after reviewing principles from organisations providing world leadership in sustainability and consulting with the Water Corporation's Senior Executive. The draft principles were tested for understanding and appropriateness with a diverse group of managers from across the organisation. Technical staff then applied the Principles to past projects, to see if they were applicable and practical. Of the six dimensions of the Principles, the three outcome principles (social, environmental and economic) consider the impacts of business decisions and actions, while the three process principles (ethical, stakeholder and governance) describe the characteristics of a robust, inclusive and conscious decision making framework which will support sustainable outcomes. Each principle reflects the Corporation's objectives to prevent loss, sustain gains and enhance value across all of these dimensions.

The Principles include consideration of effects across space and time, and may be applied to consider impacts for both current and future generations, along with impacts for the Corporation, stakeholders, customers and the environment. They are scalable, and can be applied at personal, local, state, national or global levels of decision making.

The Business Principles are beginning to be used to guide the design of processes, infrastructure decisions, operations and interaction with others. In this context, they are used to frame, communicate and resolve sustainability dilemmas of the business, and promote alignment of policies, processes and actions with the Business Purpose and the philosophy of sustainability. The Corporation is also starting to apply the Principles beyond internal processes - to public engagement, procurement and contracting, in the governance of alliances, and in negotiations with government and key regulators.

Conclusion - The Journey Continues

This paper has attempted to illustrate, compare and contrast various aspects of two organisational journeys towards sustainability, particularly from strategic and Education for Sustainability perspectives.

The adoption of systematic, organisation-wide approaches to embed sustainability into both organisations' cultures has already yielded significant social, economic and environmental benefits for them, their key stakeholders and the communities they serve.

Both YVW and Water Corporation are justifiably proud of their achievements to date with regard to sustainability and have been widely recognised by their peers and in various awards. But they recognise that there is much more yet to be achieved.

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Julian Crawford is a founding director of EcoSTEPS, the sustainability consultancy that provides strategy and training to organisations to all sectors of society. He provides facilitation, education, training and strategic advice to organisations on sustainability and triple bottom line issues.

Julian has a science and business background. Having originally studied zoology at Oxford University, England, he then worked internationally as a Chartered Accountant with Price Waterhouse, where he became Australian National Technical & Training Manager. He has established and managed a number of internationally operating companies.

Julian is highly experienced workshop and conference presenter with an engaging and warm delivery manner. This is combined with a sharp analytical mind ensures that meeting participants are actively engaged to contribute their best. A list of conference and speaking engagements is available on request.

Recent projects

- Water Corporation WA - Strategy & Training
- Yarra Valley Water - Sustainability strategy and training
- Blue Mountains Business Advantage - Sustainable business practices program
- City of Melbourne - sustainability indicator development
- Dept of Environment & Conservation (NSW) - State of Environment Report 2006
- Ergon Energy - Sustainability strategy
- Hassell Architects - Sustainability strategy
- Institute of Chartered Accountants - Editor Triple Bottom Line newsletter
- St Vincent de Paul - Sustainability strategy
- Sustainability Victoria - Training & Education

Memberships

- Member of the Australian and NZ Society of Environmental Economics (ANZSEE)
- Chairman of the Institute of Chartered Accountants' Triple Bottom Line Group
- Global Reporting Initiative - Organisational Stakeholder representative for EcoSTEPS
- Global Footprint Network - Endorsing Partner representative for EcoSTEPS
- Member of Australian Institute of Social and Ethical Accountability
- Member of the NSW Government's 'It's a Living Thing' Reference Group
- Member of the International Association for Public Participation (IAP2)
- Member of the Australian Association for Environmental Education (AAEE)
- Accredited facilitator with The Natural Step sustainability framework