



**Lower Hunter & Central Coast
State of the Environment Reporting
Capacity Building Program**

Project Report

May 2003

LOWER HUNTER &
CENTRAL COAST REGIONAL
ENVIRONMENTAL MANAGEMENT STRATEGY



Prepared by Twyford Consulting for the Lower Hunter & Central Coast Regional Environmental Management Strategy (LHCCREMS) including the Councils of Cessnock, Maitland, Port Stephens, Newcastle, Lake Macquarie, Wyong, & Gosford.



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1. EXECUTIVE SUMMARY

Reforms to local government legislation and guidelines have strengthened the role of the State of Environment (SOE) Report in guiding local council priorities, strategies and accountability for performance. These reforms have been matched to the introduction of Ecologically Sustainable Development (ESD) as part of the responsibilities of local government (Local Government Act s.8). These reforms include:

- Requirements for draft management plans to take into account environmental management and environmental controls (related to ESD) in determining a council's Principal Activities.
- Requirements for Annual Reports (and quarterly Management Plan reports) to refer to progress on matters raised in the SOE Report.
- Revised Environmental Guidelines for Councils (1999) that stress the importance of 'whole of Council' approaches to environment strategies and activities.

The role of the SOE Report as a requirement of the management planning system in local government has been clearly established. Similar reforms to better integrate the various plans and reports within local government are reflected in the Department of Local Government revised Social Planning Guidelines (2002), which stress the need for social plans to relate to ecologically sustainable development and Triple Bottom Line indications of performance. Councils are being urged to take a 'whole of Council' approach to the development the Management Plan and the plans and strategies that form the management planning system. This means that the SOE Report may be regarded as a management tool for Councils, which can be applied to the whole of Council business in achieving outcomes for the residents of a defined local government area.

1.1 Project Purpose

The purpose of the Capacity Building Project for councils in the Central Coast and Lower Hunter has been to enhance the capacity of council staff to design, resource and deliver improved State of the Environment Reporting.

The strategies adopted are outlined as follows:

- To enhance the knowledge and skills of Council staff in the design, resource and deliver State of the Environment Reports (SOERs)
- To facilitate better linkages being drawn between SOERs and Council Management Plans – consistent with the opportunities provided through the 1997 amendments to the Local Government Act.
- To review the potential for regional environmental reporting and resource sharing opportunities across member Councils.

1.2 Emergent Issues

- The impact of changes relating to Council responsibilities on Ecologically Sustainable Development (ESD) are perhaps not widely understood. Many people within councils and outside tend to view the SOE Report as either an educative document that describes current activities and issues, or a scientific document that compiles in a single location a range of data and information on the condition of the ecosystems in a local environment. The importance of the Report as an input to strategic and management planning is often under-recognised. The local government guidelines suggest that the SOE Report should contribute towards those strategies, decisions, protection measures, projects and actions that councils undertake to improve the management of human activity and its impact upon the environment. That is, the Report should be aligned to the objectives of ESD so that human activity is influenced or controlled in such a way as to achieve sustainable impacts on the environment.
- The SOE Reports generally do not relate the environment management activities in the local government area to key issues that require attention in order to achieve sustainability. The Environment Plan for a Council could be referred to on specific projects or strategies that are being put in place. The implications for a local government area of failing to achieve sustainability could also be more clearly highlighted in the SOE Reports through analysis of trends in areas such as biodiversity and water quality.
- The extent to which SOE Reporting can make a strategic contribution is directly related to the quality of strategic analysis and 'whole of council' input during the preparation of the Management Plan. The management planning processes influence how issues raised in the SOE Reports can be translated into policies and operational activities of the council. Even the most thoughtfully composed SOE Report will not make an impact on the work of a council if there is not a receptive and strategically oriented management planning capability.
- Within the Pressure, State, Response model (PSR Model) for reporting on the state of the environment, there has been greater emphasis in the Council reports on the 'State' and less emphasis on the 'Pressure' and the 'Response'. The Reports have tended, accordingly, to be retrospective in nature and not as strategically oriented as they are now expected to be.
- Performance monitoring is also an area where greater integration could occur between management planning and SOE reporting activities. Often there is not a clear relationship between the data collected in the SOE Report and the performance measures and targets contained in the Management Plan. Yet, the SOE Report can be a way of consolidating reporting on those measures taken to ensure ESD – directly relating to those measures and targets contained in the Management Plan. Some Councils are doing this, which makes it easy to see the links between each document.
- Councils often struggle with accessing and allocating resources to obtain data and information and prepare the SOE Report. This becomes a constraint to the Report's effectiveness. Much of the data that is externally sourced does not readily relate to the local government area. It is costly to obtain locally sourced environmental monitoring data. Information of a more analytical nature can be difficult to obtain from existing sources.
- Data at the finer scale is necessary if the SOE Reports are to inform planning processes and complex decision-making where there have been risks identified in particular localities, places of significant natural value and threatened ecosystems. Detailed and rigorous research on the impact of human activities on particular natural processes, such as a wetland area, may be required if appropriate responses are to be identified.

1.3 Undertakings

In response to these issues, the Capacity Building Project undertook the following capacity building activities:

- Conducted a series of workshops with SOE Report writers to discuss common issues faced in the preparation and application of their Reports.
- Through the workshop process with SOE Report writers, developed a Template SOE Report that creates a format and checklists to prompt greater attention towards the Pressure and Response components of the reporting framework. The Template also adds a section titled 'Future Actions' for each chapter, emphasising the role of the Report in making recommendations for the council Management Plan.
- Included in the Template document is a chapter specifically on sustainability. In addition, in each of the eight required reporting chapters questions prompt the report writer to directly address the implications of the state of environment for achieving sustainability in the local government area.
- Conducted a series of interviews and discussion sessions with Managers in Councils - including members of the Corporate Planning and Environment Divisions.
- Formulated recommendations about how structural and internal systems can be developed to foster integration of the SOE Reports and the Management Plans. Much of the work to integrate SOE Reports and Management Plans relies on improving the working relationships between various staff, and on the internal systems that give life to the application of Report findings to the development of a Management Plan. Leadership within the Council also features strongly as a factor in enabling this integration to occur.
- Identified ways through which data collection can be improved through collaborative ventures on a regional or sub-regional basis and through seeking relevant data on sustainability from existing performance information within councils. The Project has also identified the potential to negotiate with development proponents for local environmental monitoring to occur on major developments.
- Examined the potential for improved performance monitoring and evaluation capability on environment management through the formation of program frameworks that bring together a range of projects and activities around defined objectives. Program development will also enable improved monitoring of impact or lower level outcomes for the inclusion of effectiveness information in SOE Reports.
- Explored the ways in which a regional mechanism for Lower Hunter and Central Coast Councils in relation to SOE reporting may provide opportunities for collaborative input to regional planning agendas and processes such as PlanFirst.

It is apparent from the experience of this Project that the writers of SOE Reports wish to continue to share information and work together on techniques to improve the quality and usefulness of their reports. Accordingly, it is recommended that councils and regional forums give support and resources to the establishment of a network of writers and a range of activities on an annual basis.

Improvements in SOE Reporting will greatly aid councils in meeting their responsibilities for Ecologically Sustainable Development. The benefits of enhanced SOE Reporting will not, however, be realised unless there is leadership from senior levels in individual councils and across the regions. This leadership will demonstrate the importance of sustainability as part of a council's charter and will give rise to the

necessary focus internally and externally on sound environment management to achieve this outcome.

1.4 Documents Produced

The following documents have been produced through this Project:

- State of the Environment Reporting-Capacity Building Project Report, May 2003 – a summary of the project’s purpose, issues identified in consultations with councils and a set of recommendations for future directions.
- Legal and Conceptual Frameworks for State of the Environment Reporting, July 2002 – a consolidated record of the legislative, regulatory and policy framework around which council’s responsibilities for SOE Reporting and Ecologically Sustainable Development are defined (Attachment 1).
- State of the Environment Reporting Template for the Lower Hunter and Central Coast Councils, February 2003 – a document to assist writers of the SOE Report, containing formats, prompts and questions and suggestions for the preparation of the Report. (Attachment 2).
- Cycling Case Study: – Improving the Reporting Process for Management Planning by Councils, February 2003 – a example of how specific issues for sustainability can be integrated into management planning in councils (Attachment 3).
- New Information and References: Relevant to State of the Environment Reporting in the Lower Hunter and Central Coast, February 2003 – Additional Resources for Councils (Attachment 4).

Copies of the documentation from the Capacity Building Project are available through the Lower Hunter & Central Coast Regional Environmental Management Strategy (LHCCREMS), Telephone: 4962-0921 or visit: www.lhccrems.nsw.gov.au.

2. FINDINGS AND ISSUES

A number of staff from LHCCREMS and the seven participating Councils were involved in the Capacity Building Project on SOE Reporting. Staff and managers discussed issues surrounding the preparation and utilisation of SOE Reports over several months between July and December 2002. The information and feedback from these discussions was invaluable to framing the activities and outcomes of the Project. We wish to acknowledge and thank the people involved for sharing their time and insights with us.

2.1 Initial Research into State of the Environment Reports

The following is a summary of the outcomes from the initial research into SOE Reports and reporting in the Lower Hunter and Central Coast. The consultants read and reviewed all SOE Reports for the seven councils involved in the Capacity Building Project and interviews were held with writers of the Reports of all seven Councils. Comparative analysis of the reports themselves and the comments offered by writers was undertaken. The comments made below represent a summary of the findings from these activities.

2.1.1 Overall Comments

The 2001-2002 supplementary SOE Reports vary greatly from four-page black and white documents which are not publicly available to more lengthy reports that are available online or in hard copy. This variation is unsurprising given the variation in Council views about the purpose and profile of SOERs, the level of senior officer involvement in report preparation, and the time and resources available to the report writers.

The capacity of report writers varies across the seven councils in terms of their skills and abilities in document design, writing style, understanding of and involvement in management planning and other planning processes.

2.1.2 Reporting Practice

All the report writers felt that the SOE Report is a 'very useful educational resource'. Beyond this, however, different views about the role and profile of the SOE Report exist and writers had varying outlooks about what was expected of them in the development of the SOE Report. Examples of the variety in views and approaches follow:

- **Level of involvement of other staff:** Generally, the SOE writer involves other council staff, mostly by seeking input or checking certain sections. More recently, in some Councils, a meeting is convened with staff from various units attending to discuss substantial issues, including the action plan that might result from the SOER.
- **Time and resources:** Lack of time and resources to produce the report (with the exception of the Councils where SOE reporting has senior management support) was mentioned by almost all staff interviewed.

- **Content:** Most writers used the eight themes recommended by the EPA, with the three 'programmatic' headings receiving less attention as an organising basis for the report.
- **Scope:** At least one writer wanted to see greater reporting on some of the changes made by Council, for example, to what extent tree preservation is being enforced.
- **P-S-R model:** Most writers view the P-S-R model as intrinsically confusing, and consequently some have added a further component 'future directions'. This is appropriate and consistent with legal expectations for a SOE report to produce recommendations.
- **Data sources:** Lack of data on some issues (eg. land clearing, air quality) and the cost and timeliness of data provision particularly by State agencies were mentioned as issues by some Council staff. For example, several staff mentioned the problem of air quality data and how there is no way to assess it for their area. and whether surrogate indicators can be used. Data sources for region e.g. EPA has lake sediment information
- **Integration between SOER and Management Plan and other Council plans:** In some Councils, the SOE Report is part of the overall management planning-reporting (and community consultative) process which is moving the Council towards implementing ESD. However, most writers want to see better integration yet are not always clear how that could be done, or done well. In some cases the staff involved in preparing the SOE Report, 'don't really have much involvement in the management plan' and they said that the 'SOE Report exists independent of other Council documents'.
- **Community consultation:** There are different approaches to community involvement in state of the environment reporting – both in terms of the level of community consultation and the inclusion of community-collected data. Some staff requested assistance with this issue.
- **Overall environmental management:** There are local differences in terms of the priority issues for environmental management and the relationship between the SOE Reports and environmental strategies to address these issues.
- **Approach to sustainability:** There are differences across Councils in their reference to principles of ESD in the SOE Reports. Some Councils have sustainability indicators, which may feature in the SOE Report.

Overall, the consultants noted that in some Councils, the SOE Report is clearly part of the overall management planning-reporting (and community consultative) process, which is moving the Council towards implementing ESD. In others, this is less apparent. Some see it simply as a "legal obligation" and have commented that it "*forces them annually to collect figures and put (them) into a community-friendly (format)*".

It is also recognised that the SOE Reports are often written by Environment Officers who rely substantially on external data sources and commentary from other Council staff. The volume and quality of this input directly affects the content of the SOER.

2.1.3 Assessing the Effectiveness of Council Environment Management Activities

Several writers expressed concern that they did not have the experience or knowledge to assess whether an environmental strategy was sufficient to achieve the necessary level (and timing) of environment protection. Similarly, several writers also expressed hesitancy in being able to make recommendations or to prioritise actions. Other comments made in interviews with writers include the following:

- Several writers expressed the view that the themes or programs on environment management had not much changed from the previous year. They felt expectations were to only report changes in the environment outcomes rather than processes necessary to set up or maintain a program.
- Some writers stated that they would like advice on how to report on the environmental impact of Council's own actions, programs and responses (including Council's lands).
- There was a common interest in indicators for land clearing and protection of biodiversity. Staff asked 'how do you report on biodiversity ... and track changes?' They noted that looking at DAs is not a useful way to assess the state of biodiversity, although other planning instruments such as the revised LEP is likely to be. They also noted that effective reporting on such issues as biodiversity, water and air quality required a regional perspective. This led to some agreement about the value of using a few "basic indicators" (for the eight themes) in common across the region.

Some staff suggested greater involvement of senior staff across council; others suggested involving external people such as a reference panel. The consultants believe that an important issue for enhanced SOE Reports is the extent to which staff at all levels of the council become involved in the preparation of information for the Reports and the analysis of the implications for council strategies and plans.

2.1.4 Report Form and Content

Through a comparative analysis of the SOE reports in the Lower Hunter and Central Coast the consultants made the following observations:

- There is potential for greater consistency in reporting across programs across Councils (eg. Cities for Climate Protection), especially to enable comparisons of environmental outcomes on a regional basis.
- Some of the Reports had sections on future directions, but many did not.
- Integration with to the Management Plan, environmental strategies (including the use of regulatory tools) and other plans (e.g. social plans) needs to be clear in the Reports.
- Council reporting on the environmental impact of Council's own activities could be strengthened to better demonstrate the application of sustainability principles in Council operations such as roads, rubbish and public facilities.

- Many reports do not have clear recommendations or the identification of relative priorities for action.
- Feedback and involvement. Some reports contained an invitation to readers to become involved in community environmental activities. Some reports also invited the reader to provide feedback on the report – one council received 15/800 forms in reply.
- Data is often presented without commentary or analysis.
- Some reports had technical errors in production, such as misleading chapter headings and misalignments between text and table of contents.
- Document design: Staff mentioned their lack of skills in information design and wanted assistance, for example with indexing and producing short executive summaries.
- Online reports: Some writers experience difficulties in putting the reports online and there is a need to explore the potential for more interactive electronic presentations of the reports.

The variations in the presentation of SOE Reports across Councils are to some extent to be expected and encouraged. Each Council must find a format and profile that matches the expectations of local residents and the particular needs of the area. However, the consultants believe that more could be done to share 'good ideas' and introduce more consistent inclusions in the SOE Reports. Attention to the presentation of Reports across Councils in the regions will facilitate easier highlighting of those issues that are held in common. This may assist Councils in presenting issues of a regional nature to state and federal agencies, or regional planning forums.

It is also recognised that Councils face real limitations in their ability to affect environmental improvements on issues that appear in the SOE Report. There are many "other players" external to council's influence. The Reports provide a valuable means through which the community can become better educated about the range of impacts on the environment and the complexities associated with achieving more sustainable human activity.

2.2 Template State of the Environment Report

This Template has been designed to assist Council staff in preparing local and regional SOE Reports and management plans by providing a basic structure with suggested indicators and information on sources of data in order to:

- Facilitate a broader analysis of issues
- Guide a wider data collection process to enable this analysis to occur
- Highlight the inclusion of sustainability in environment reporting
- Equip writers with some tools and techniques for report preparation
- Encourage comparability across local Councils and facilitate future regional SOE reporting or reporting on regional issues.

The template addresses the eight environmental sectors of land, air, water, biodiversity (including recovery plans), waste, noise, Aboriginal heritage and non-Aboriginal heritage required by the legislation and explicitly sets out sections on stormwater, coasts and estuaries and sewage as required by the regulation.

In addition, the template includes sections relating to economic and social development (in a chapter titled Towards Sustainability). In a chapter on human settlements, sections are included on energy and transport and chemicals management. These sections follow the approach of State and Commonwealth SOE reporting and we believe are essential to give a rounded picture of reporting on environment protection and environmental management.

At the start of each chapter, any relevant Management plan objective/environmental policy objectives (if available) are described.

Each chapter has two tables:

1. At the beginning - an overview 'at a glance' table summarising pressure, state and response with a qualitative assessment (good, reasonable, limited), and
2. At the end - a 'summary of response' table indicating the adequacy of the responses to date listing the responses, actions to date, and new action for Council's consideration.

These tables are based on those used by Gosford City Council in their SOE Report 2001. Depending on the size of the report and its format, these two tables for each chapter may be summarised and placed in the over-arching chapter on 'sustainability' or at the end of the Report's Summary.

For each sub-section of each environmental sector, the following structure has been used:

Name of subsection eg. energy

Short and long term goals

1. What are the issues for sustainability? And how are they changing? (state)

Brief description of environmental quality/issues for sustainability.
And/or brief description of changes in environmental quality since last SOE Report.

Possible indicator(s):

Possible data source(s):

2. Why is it happening? (driving forces, pressure)

Brief description of driving forces/causes/pressures that are contributing to the issue.

Possible indicator(s):

Possible data source(s):

3. What are the responses and how effective are they? (response)

Describe the implementation of relevant plans and programs and assess:

1. the effectiveness of environment management programs in protecting the environment (within the responsibility of Council).
2. special council projects relating to the environment.
3. the environmental impact of council activities.
4. other Council plans and programs – eg. LEP, social plan.
5. community/industry involvement in responses (provide references where appropriate).

Possible indicator(s):

Possible data source(s):

As appropriate: include information on what's new in terms of Federal and State policies.

4. What more could be done? (future directions)

Outline and suggest:

- what could be done differently by Council to improve the state of the environment (new actions for Council's consideration).
- what is the potential for developing partnerships on programs to improve the state of the environment.
- what could be done differently by regional programs or regional cooperation and coordination to improve the state of the environment.

3. MANAGEMENT PLANNING ISSUES

The Department of Local Government's Management Planning Guidelines (2000) and Environmental Guidelines (state of the environment reporting) (1999) make it clear that the SOE Report is to be regarded as a management tool that contributes to the development of the Management Plan for each council. Both these documents see the SOE Report as playing a role in performance reporting for local councils, in regard to environmental management and especially as a way of demonstrating how the council's accountability for progress towards Ecologically Sustainable Development is being met.

In the seven councils involved in the State of the Environment Report Capacity Building Project, compliance with the requirements of these guidelines is relatively easily established. The SOE Report is completed within the standards established and the Annual Reports for each council refer to the SOE Report, as required. Less consistent is the way in which the SOE Report is related to the Management Plan, with some councils explicitly referring to sections of the Management Plan in the SOE Report and vice versa, while others do not make a direct link between the two documents. Further, SOE Reports need to contain recommendations and suggestions for action that can be translated into the management planning process in a more effective manner.

Compliance with requirements does not, however, mean that the SOE Report is used or is as influential as intended. Consultations with SOE Report writers early in the Project suggested that the SOE Report could be seen as a collection of data and information that is interesting, but not of vital relevance to the majority of council business. This was confirmed in discussions with corporate planning staff and managers in councils. The situation regarding SOE Reports varies from council to council, but it is a general phenomenon that there is a gap between the theory and the practice in the integration of SOE Reports in council business.

This is of particular interest given the intention that the SOE Report demonstrates council performance on implementing Ecologically Sustainable Development (ESD), which is now a cornerstone of council accountability. The changes that have introduced this facet of accountability have also changed the role of the SOE Report so it potentially relates not just to the environmental controls and programs of a council, but to all areas of planning, policy and operations.

In the course of the Capacity Building Project, some attention has been given to improving the SOE Reports themselves. In particular, a Template SOE Report has been developed to promote a broader analysis of issues and wider collection of relevant data and information in the Report, as well as recommendations for council's consideration. The Project has also considered the systematic issues around council management planning and performance monitoring. These issues address the utilisation of the Reports and their integration to council business and budgets.

3.1 Strategic Analysis and Management Planning

The Management Planning Guidelines for local government recognise that there are strategic and operations planning levels. These guidelines stress the importance of having strategic directions formed to determine priorities for operations planning. Councils need to identify the priorities for their area and then match strategies against these priorities that can be, in turn, translated into operational projects and activities.

The same applies for SOE Reporting. The linkages between the chosen priorities for the local government area and the responses suggested in the SOE Report to the environmental implications of these priorities should be clear. The local government guidelines suggest that the SOE Report should play a role in the development of strategic directions for a council through the provision of an assessment of environmental management issues for the local government area.

Generally, strategic directions are formed through a Corporate Plan or statement of Council objectives, often reviewed on a four yearly basis to match the establishment of a new term within the election cycle for councillors. The SOE Report can be aligned to this, with the requirement for a Comprehensive SOE Report at the commencement of each new term for councillors. The Comprehensive Report should be a document that informs and contributes to the strategic objectives and priorities for the council.

The extent to which an SOE Report can provide this strategic input can be limited by the effectiveness of the management planning processes within a council. Where there is a robust process for analysis of issues and their translation into a planning exercise, there is greater potential for the SOE Report to have an input in shaping the final outcome. Several council representatives contacted during the Project stated that reforms to management planning had meant that the SOE Report could be better utilised in both strategy development and in performance monitoring against the selected strategies.

The elements of a strong strategic planning process include:

- Good information on existing activities and services within council, to enable analysis of relative costs and benefits – and therefore options for change.
- Sound knowledge of council responsibilities at the elected representative level, so strategies are set within a realistic and appropriate framework.
- Effective internal processes for debate on competing bids for priority and resources, so that strategic issues are determined on their merits and open to innovation to support environmentally friendly practices.
- Sufficient lead time to enable input from various points within the council to be carefully considered and assessed.
- Leadership from Councillors and the General Manager to encourage a 'whole of council' basis for planning, ie: taking input from all functional areas and using reports such as SOE Reports as contributions to the analysis that forms council's strategic directions.

Most councils have specialist staff positions that undertake corporate or management planning. This means there are consolidated skills within the council to guide the planning processes. It is important that the Report writers and environment managers form good relationships with the corporate/management planners so that the issues raised in SOE Reports are understood and factored into the priority-setting of the council. The corporate/management planner can also play a role in facilitating formal and informal exchange between the functional areas responsible for the SOE Report and other parts of council that might impact on the achievement of SOE Report outcomes, eg: works.

The SOE Report needs to be prepared in a way that enables the issues it raises to be addressed in the strategic aspects of management planning. Critically, the SOE Report needs to go further than describing data or presenting information. Analysis of the issues for environmental management and an assessment of the relative priorities in the local government area is necessary if the SOE Report is to translate effectively to strategy formulation for the council. The SOE Report therefore needs to develop recommendations for action by the whole of council. Ideally, the SOE Report should draw the links between the issues it raises and the existing mission and principal activities for the council.

Several councils have adopted innovative ways of quickly summarising the key issues and priorities in the SOE Report. The Template SOE Report developed through this Project contains a segment for 'At a Glance' summaries of issues. The diagram below shows how Cable and Wireless Optus have used shading in a table to report on the environmental issues that relate to their business activities:

		Flora and fauna	Visual issues	Cultural and heritage	Energy usage	Greenhouse gas emissions	Waste	Fuel storage
Facilities	Inter-city fibre							
	Suburban hfc network							
	Mobiles							
	Satellites							
	Microwave links							
	Corporate facilities							

To take this analysis further and propose strategic responses to the issues identified requires skills in policy development and critical reasoning. It also requires a management perspective and understanding of the broader issues facing a council to properly see the points of integration to existing plans and strategies. Where the SOE Report is prepared with the involvement of people who hold these skills, its potential to be used as an input into the management plans and longer term plans of the council is much greater. Professional development strategies can also play a part in improving the capacity of individuals within councils to provide strategic analysis from the SOE Report.

3.2 State of the Environment Reports and Business/Functional Plans

The Management Plan is implemented through a series of internal business and functional plans in a council. These plans form the basis for work programs and budgets for individual staff and teams/units. The recommended actions contained in the SOE Reports need to be translated into these business and functional plans for there to be tangible activity in response to the issues raised.

One way of achieving this is to establish an environment plan as a business plan, with a direct relationship to the Management Plan. Where the environment plan exists as an operational plan it can align the actions contained in SOE Report to the work unit/team level of council operations. It may be that the work programs of several units/teams include matters contained in the environment plan, and therefore respond to the issues in the SOE Report. This is to be expected, given that a 'whole of council' approach is often required to address issues of sustainability and environment management.

The direct alignment of the environment plan to the Management Plan and the SOE Report should enable the SOE Report to act as a reporting tool on the progress and effectiveness of the environmental strategy or plan.

3.3 Management Oversight of the State of the Environment Report

The potential to promote the SOE Report and its implications more broadly across council as an organisation could be enhanced through making a senior manager accountable for the SOE Report. This senior manager would then act as an advocate on behalf of the issues raised in the SOE Report in various internal forums, including the business and functional plans feeding into council's management plan. This position would also facilitate cross-functional use of the SOE Report. Some councils have established such an accountability; others have formed senior positions with responsibility for integrated strategic planning. Where there is a senior manager actively promoting the issues contained in the SOE Report there appears to be a shift in how the SOE Report is utilised and regarded across council.

A single senior manager should be accountable for the SOE Report and champion its recommendations for council business and budgets. This is particularly appropriate where there is no 'principal activity' in the Management Plan devoted entirely to environment management and where there is a matrix structure adopted within the organisation. A single senior manager (such as Director of Environment and Planning) will provide for a point of internal coordination and accountability to ensure that integration and monitoring of the issues raised in the SOE Report will occur efficiently and effectively. This will also ensure that a single council officer is able to provide reports and responses to issues relating to environment management as they arise.

3.4 Program Development and Performance Reporting

A program is a collection of projects and activities that together contribute toward common objectives. Program formation is useful because it allows the management of complex operations to occur within a framework that is objective-based. Programs are ways of organising complexity and reducing the fragmentation of complex activity. Program management encourages integration and recognition of the interdependencies between various activities in achieving outcomes. Program evaluation enables the relative effectiveness and efficiency of various projects and activities to be measured against stated objectives and outcomes. Program development can be informed by testing the 'program logic' - the assumptions about the interrelationships between various activities and the outcomes that they are to achieve.

SOE Reporting could be enhanced through the introduction of program models for council environmental management strategies. Some councils are moving towards this approach with the introduction of stated objectives for projects and performance reporting. However, much of the reporting and description of council's environmental management is oriented around activity or output measures (eg: tree planting, remediation works completed, plans developed) and not around changes in ecological processes, levels of degradation or the net impact of human activity on the environment.

Program formation would provide a way of better matching council strategic objectives for sustainability with operational projects and activities. Program formation would also guide the selection of data and information for SOE Reports. There would be a more cohesive framework for reporting on council performance towards the high level outcomes of sustainability if there was a program description and logic around which various activities could be mapped. This would also avoid a

situation where strategies are developed without any targets or performance indicators against which they can be measured, or where performance indicators are given without any relationship back to source strategies for the activities being reported on.

The Bennett's Hierarchy is a program development theory that can be related to many environmental management applications. It is especially relevant to programs that are intended to change human behaviour and practice – which is the case in environmental management where strategies are being adopted to alter human impacts on the environment towards a more sustainable model of human settlement and existence. The Bennett's Hierarchy is shown at Attachment Five, indicating the various steps through which the 'logic' of a program can be developed across various component activities. The result of this exercise is the linking of activities and outputs to lower level 'impact' outcomes and finally broader strategic objectives and visions.

The table below shows how Telstra has used a program format to develop targets and performance measures in its Public Environment Report 2000:

Program	Target	Progress
Energy efficient payphones Replacing coin telephones (CT) AND Card Payphones (CP) with Telstra Smart Phones (TSP). The TSPs consume 50% less power than the models they replace.	Complete replacement of CTs & CPs with the TSP.	Since the introduction of the TSP in 1998, 32,149 CTs and CPs have been replaced. 4,018 CTs and CPs remain in service.

This program performance reporting provides a clear way of matching objective and performance in a report. The features of this approach include:

- Program description brings together an array of projects and tasks that are interconnected, ie: the technical production of the TSPs, the marketing and installation in communities, the training of staff in maintenance of the TSPs.
- Program objective is clear and quantified – energy use reduction because the TSPs will use 50% less power
- Target sets longer term goal – complete replacement of all CTs and CPs with the TSP (NB: could be further strengthened with a timeframe, say December 2003).
- Progress report – performance measure on present result (NB: could be expressed as percentage).

This is especially important where councils are adopting Sustainability Indicators. Unless there are linkages formed between the objectives for sustainability, the strategies adopted to meet these objectives and the range of projects and activities working to achieve these strategies, there is a risk that Sustainability Indicators will sit outside the 'real business' of council and become a reporting exercise alone.

3.5 Environment Monitoring

Councils rely heavily on external agencies for data and information about ecosystem status. While the environmental guidelines encourage local government to undertake environment monitoring, most councils find this difficult to resource and it is not easily tied to any council activities or services.

Where a major development is underway that will impact significantly on environmental management in a local government area however, greater attention could be given to negotiation with the proponents to provide for environmental

monitoring. Within the council areas included in the Capacity Building Project, two major economic development projects are underway. It may be possible to negotiate with the proponents for a regime of environmental data collection and monitoring to be undertaken to match the objectives for sustainability established through the development approval process. Such monitoring would be reportable in the SOE Report and would relate specifically to council activities to achieve ecologically sustainable development within its boundaries.

Environmental monitoring could also be specifically generated at a local level where there is a state government compliance requirement for a local council. An example of this might be where there is a specific management plan for an endangered species and a series of monitoring data can be tied to the success of that management plan (eg: koala populations). State government could work with the local council to establish the monitoring data required and then share in the provision of resources to enable this monitoring to occur. A condition of the partnership might be the inclusion of data and performance reporting in the SOE Report.

3.6 Council Operations – A Source of Data

The SSROC Sustainability Background and Discussion Paper (1997) lists a number of Council operational functions/activities that relate to sustainability – these can be seen to have the potential to provide data that could be reported on in the SOE Report, as shown below:

COUNCIL FUNCTION/ACTIVITY	REPORTING ON SUSTAINABILITY
Approvals and planning and development control	Numbers and effectiveness of controls, such as tree preservation, area of land approved for clearing, erosion and sediment controls, heritage orders, etc.
Catchment, estuary and coastal management	Completion and effectiveness of project works, number and type of land use planning controls, eg; DCPs
Energy consumption	Diversity and re-use nature of energy choices by Council, eg: vehicles, offices, street lighting, equipment
Landscaping and roadside works	Number and nature of vegetation plantings; environment protection measures
Pollution control	Number of successful prosecutions, number of investigations and outcomes
Stormwater management	Impact on water quality from stormwater works and remedial activities
Waste management	Household recycling practices; business and industrial waste levels per annum

These operations functions may collect data as part of their internal reporting or accountability systems. This data will be relatively easy to retrieve internally and can be used in the SOE Report to demonstrate how council activities are contributing to the sustainability of the local government area. The use of this data will also emphasise the integration of environmental management to all functional areas of council.

Some councils have invested in Environment Management Systems (EMS) that create standards and auditable processes for the conduct of all operations. The EMS provides for a risk assessment and response to environmental management issues. The SOE Reports should include reference to the status of an EMS, and, should

there be external audits undertaken on the compliance with the EMS requirements, the results of these audits should be reproduced in the SOE Report.

4. RECOMMENDATIONS FOR FUTURE DIRECTIONS

Future directions in SOE reporting were discussed with SOE Report writers and other environmental staff from the seven LHCCREMS councils during workshops held as part of the Capacity Building Project. Interviews with management planning staff and senior managers in each of the seven councils were also held prior to the Project's completion to identify possible improvements in the strategic use of SOE Reports.

Regional initiatives and improvements were also considered where there are issues commonly experienced across all councils. There is also the potential to address regional environmental management issues through a regional SOE reporting framework. In particular, Councils have the potential to report on a collaborative basis on those issues of regional significance such as urban development and planning for infrastructure and services.

The recommendations that follow suggest ways in which the quality and utilisation of SOE reporting can be improved, especially through greater integration with council management planning and performance reporting.

4.1 Improvements to State of the Environment Reports

4.1.1 Formation of a State of the Environment Report Writer's Network

The SOE report writers indicated they were keen to continue to meet as a network and to share their experiences. It was proposed that they could use meetings of the network to:

- circulate their 2002 SOE reports for peer review
- discuss how difficult issues were addressed in the 2002 reporting process
- discuss joint data collection and other cost saving actions and decide on an action plan for 2003
- agree on a small number of common policies, issues and indicators to report on across all councils.

Recommendation:

That the Councils and LHCCREMS and HROC/CCROC provide the staff time and resources to support the meetings of the SOER writer's network.

4.1.2 Adoption of the Template State of the Environment Report

The Capacity Building Project included the development of a SOE Report Template, in collaboration with the SOE Report writers and other council staff/managers. The Template should be seen as tool to assist SOE Report writers and councils within their Council context.

Recommendations:

- **That all councils endorse the Template as a working tool to enable improvements to the quality of SOE Reports.**
- **That the SOE Report writer's group revise the Template SOE Report for 2003-04 after use of the template for the 2002-03 SOE Reports, ie: continually refine the Template in light of experience.**

4.1.3 Collection and Compilation of Information from External Bodies

The external sources of information (State Agencies, private organisations) that need to be contacted when preparing a SOE report include: Bureau of Meteorology, EPA, local universities (Newcastle, Macquarie, UNSW (Lakes)), ABS, State Forests, RTA, DLWC, Fisheries, NPWS, Agriculture, PlanningNSW, Ministry of Energy and Utilities, SEDA, Hunter Water Corporation, Wyong and Gosford Water Authority, Rural Lands Protection Board, Department of Mines, ResourceNSW. Most Councils experience difficulties with information collection given the time/resources that are involved in liaison the number of agencies that are potential sources of information.

Ways to obtain this information more easily were discussed at a workshop with SOER writers and the following recommendations emerged:

Recommendations:

- **That the SOE Report writer's network allocate responsibilities amongst its members (or to LHCCREMS) for the collection of information/data from external agencies for future SOE reports.**
- **That the SOE Report writer's network work with LHCCREMS to request the EPA to expand the SoEdirect service to cover more State Agencies.**

4.1.4 Collection of Data and Information Within Councils

Councils collect considerable data and information in their operations. Some of this could be utilised in SOE Reports and some Councils already report explicitly on Council operations.

Recommendation:

That Councils actively include operational data and information that relates to sustainability in their local government area.

4.1.5 Environmental Monitoring for Major Developments

Where there are major developments underway, councils could negotiate with proponents to provide the resources for environmental monitoring against the environment management objectives for the development, eg: retention of native vegetation, controls on air emissions, noise controls. This would provide site-specific or locality-specific data that relates to the achievement of ecologically sustainable development.

Recommendation:

That councils negotiate with proponents for major developments to resource a regime of environmental monitoring against environment management objectives for the site/locality.

4.2 Better Utilisation of State of the Environment Reports

4.2.1 Education on Ecologically Sustainable Development (ESD)

While ESD has been a responsibility for local councils for several years, it was recognised during this Capacity Building Project that it would be beneficial to have more education available for staff, managers and Councillors about the concepts and application of ESD in a local government context. Preferably, education programs would be conducted by each council, (short updates before Council meetings were suggested as one way to do this), but with the possibility of LHCCREMS also hosting briefings and offering ESD training. It was also suggested that regional forums on ESD-related issues could be conducted as part of the education program.

Recommendations:

- **That individual councils carry out ESD education programs for all staff, managers and Councillors.**
- **That LHCCREMS take a leading role in hosting regional forums about sustainability issues and ESD.**

4.2.2 Relationships between Corporate Planners and State of the Environment Writers

It is recognised that corporate planners can play a valuable role in facilitating the input of SOE Reports into the Management Plan. The model adopted by Gosford City Council and some others, where there is a process of formal and informal exchange between officers as part of draft management planning is recommended as a way of improving the integration of SOE Reports to the Management Plan.

Recommendation:

That councils actively encourage exchange between corporate planners and SOE writers to achieve greater integration of the SOE Report into all aspects of council business, using means such as:

- **establishing meetings between these officers during the early stages of draft Management Plan preparation to identify SOE Reporting issues for consideration**
- **encouraging corporate planners to attend training and professional development activities to increase their knowledge about ESD**
- **involving corporate planners in the internal reviews of draft SOE Reports, to obtain comments on the Report's utility in terms of Management Plan requirements.**

4.2.3 Summaries of Priorities and Key Issues in SOE Reports

Analysis of the priorities and key issues for sustainability in a local government area is important to have maximum impact in the management planning process.

Recommendation:

That SOER writers and senior managers with responsibility for SOERs develop summaries of the findings in the report - especially the Comprehensive SOE Report - so that clear advice is provided to the council on the priorities and key issues for sustainability.

4.2.4 Single Senior Manager for SOER

While the activities contained in a SOER may impact across several functional areas in a council, it is important that there be a single senior manager with accountability for the preparation and monitoring of the SOER. This senior manager would also have a role in the promotion of the SOER and sustainability issues, to achieve greater integration of the report in all aspects of council business.

Recommendations:

- **That a single senior manager be given accountability in each council for the preparation and monitoring of the SOE Report.**
- **Actions and recommendations into functional/business plans**

4.2.5 Program Development

Program frameworks will allow for improved performance monitoring on environmental management and the achievement of sustainability outcomes. Program development includes the formation of the 'logic' of a program that is made up of various activities and projects around common objectives. Reporting against impact outcomes should be developed along with the adoption of program frameworks for environmental management.

Recommendation:

That councils introduce program frameworks for environmental management and develop suitable impact outcome measures for reporting in the SOE Report.

4.3 Regional Initiatives

4.3.1 Regional Issues Report

Participants in the Capacity Building Project generally felt that a Regional State of the Environment report would not attract significant support from their councils because of the difficulty matching regional environment indicators to the situation in each council. Councils are reluctant to put resources to a report that does not clearly reflect local priorities and circumstances.

However, regionally relevant sections of each council's SOER were identified and these could be used to form the basis of a summary Regional Report. That is, issues experienced in common by all councils could be highlighted in a Regional Report. For example:

- Pressure on biodiversity through loss of native vegetation
- Impacts on air quality through rising private motor vehicle use
- Potential to alleviate human settlements impacts through greater use of urban water conservation technologies.
- Urban development issues
- Infrastructure issues

A Regional Report could document the strategic issues facing the region. It would form the basis for regional action or regional negotiation with state and federal agencies on environmental management issues, as applicable. This sort of Regional Report could be seen as a very useful input to the Regional Plans under PlanFirst and Catchment Bleprints.

The Regional Report could provide a comparison of basic parameters and responses or program updates on those environment management actions that are commonly undertaken in all councils. For example, council water conservation programs could provide details on water consumption on a regional basis.

A Regional Report could also highlight key regional issues that require better coordination and cross-government cooperation – effectively empowering local government to set an agenda for discussion with the other tiers of government.

The Template SOE Report could support the formation of a Regional Report through its inclusion of prompts that encourage broader analysis of regionally significant issues.

Recommendation:

That the SOE Report writer's network prepare information on regional issues as part of their own SOE reports and that this information be compiled into a summary regional environmental issues report in 2003 (possibly through LHCCREMS or HROC/CCROC).

4.3.2 Regional Activities to Promote Initiatives in Environmental Management

While Councils are less inclined to support regional initiatives that are introduced as requirements, there is a high level of interest in learning from each other's experiences. Councils like to have the option to participate in environmental management initiatives that suit their local circumstances.

Some initiatives that would be of interest to several councils were identified during the Capacity Building Project and include the following:

- Working for compact cities and shared experiences with the Cities for Climate Change program
- Developing common goals for environmental planning instruments (LEPs, DCPs), including water sensitive urban design (WSUD), biodiversity conservation, draft SEPP66 requirements, foreshore and coastal protection (in conjunction with strategic planners and PlanFirst).
- Developing a regional approach to DA monitoring for cumulative impact issues such as land clearing, water conservation and WSUD
- Designing an environmental education project for schools about SOE reporting – perhaps involving state agencies and including the relevance of SOE reports to school curriculum activities, eg: wetland field studies.

Seminars could be held or small project teams organised involving those councils that are interested in a particular initiative. The identification of the initiatives could be undertaken on an annual basis, in consultation with the SOE Report writers and senior managers in each Council. There may be a role for LHCCREMS or Lgov to organise activities on the initiatives identified, possibly on a fee-for-service basis with the costs being shared amongst the Councils who state their interest in the activity.

Recommendation:

That councils support the formation of an annual program of activities around environmental management initiatives and make resources available for staff/managers to attend those activities that relate to their local circumstances.

4.3.3 Promotion of Sustainable Council Activities and Operations

Actions taken to improve the sustainability of council activities and operations could be consolidated into an accessible format, possibly an internet site or publication. For example, many councils have introduced Environment Management Systems (EMS). Individual council's experiences with the implementation and operation these systems could be shared. For instance: Gosford City Council has made available a Discussion Paper on EMS objectives and implementation.

Other Council staff talked about changes at their Councils including worm farms in Council offices, mulching mowers, recycling, automatic electricity switching, a rangers' bicycle fleet.

Recommendation:

That an internet site or publication be established to collect information about actions taken to improve the sustainability of council activities and operations.