The Sustainability Challenge

Embarking on a triple bottom line reporting process with Murrumbidgee Irrigation Pty Ltd

Michael Mitchell, Evan Christen, Penny Davidson, Nihal Jayawardane and Mark Shepheard

June 2006
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CRC for Irrigation Futures
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Outcomes from this case study are a result of collaborative efforts. We are greatly appreciative of the cooperation of Murrumbidgee Irrigation, and its willingness to provide staff time to work with us on this project. In particular, we have greatly benefited from the contributions of the MI staff who formed part of the planning team:

Matt Linnegar, Corporate Affairs Manager
Tracey Cotter, Communications Coordinator
Sigrid Tijs, Environmental Projects Officer

We would also like to acknowledge the following who gave their support and time to the project:

Brett Tucker, MI Chief Executive Officer
Rob Kelly, MI Environment Manager
Catherine Allan, CSU, who facilitated the second workshop
Reports in this series

The guidelines provided in Report 1 (No. 03-1/06) are the main focus of the sustainability challenge project. The guidelines are supported by Reports 2 to 6 in the series, providing the background to triple bottom line reporting and the experience of working with a variety of organisations to apply the approach within the irrigation industry.


3. Use of reporting systems to improve the sustainable use of water for urban and peri-urban irrigation. Deborah Atkins, Basant Maheshwari, Bruce Simmons and Paul Mulley.

4. Performance reporting by the North Burdekin Water Board and sustainability, foundations for the future. Mark Shepheard, John Wolfenden and Steve Attard.

5. The development of sustainability reporting by a rural irrigation water provider, the Murray Irrigation Limited experience. Alex Marshall, Mark Shepheard, Demelza Brand, Catherine Norwood and Evan Christen.

Foreword

The triple bottom line (TBL) concept provides both a model for understanding sustainability and a system of performance measurement, accounting, auditing and reporting. TBL reporting is also part of a broader framework of change management for integrating sustainability into business management decisions. It is generally accepted that the TBL refers to the economic, social and environmental aspects of business performance. As such the various aspects should not be viewed in isolation from each other, but as an integrated suite for sustainability assessment.

The CRC for Irrigation Futures with its partners undertook the “Sustainability Challenge” project (CRCIF 2.08) with the vision that the research would lead to “An irrigation industry that applies TBL reporting for continuous improvement and enhanced sustainability”. The research was a collaborative effort between the CRC for Irrigation Futures partners and organisations in case study regions in both rural and urban settings. The study regions were the Lower Burdekin of north Queensland, Western Sydney council areas and the irrigation areas in the Murrumbidgee and Murray river basins of southern NSW.

The project researchers have worked with the case study organisations to develop a joint vision of sustainability, an Irrigation Sustainability Assessment Framework and then to integrate these with sustainability reporting by the organisations.

It is hoped that this report and the accompanying report series will assist those businesses and organisations in the irrigation sector to undertake more thorough sustainability reporting, and that this will lead to a process of continuous improvement, resulting in better outcomes across the social, economic and environmental spectrum for all associated with or affected by irrigation in Australia.

Dr. Evan Christen and Prof. Basant Maheshwari
Leaders, Sustainability Challenge
CRC for Irrigation Futures
Executive Summary

This case study involved CRC IF Sustainability Challenge team members collaborating with Murrumbidgee Irrigation (MI) in a process of:

1. Reviewing the means through which MI reports on its performance; and
2. Planning for the development of a report that includes performance indicators across the triple bottom line (TBL).

The purpose was to use experiences from this case study to inform recommendations on the process through which other organisations in the irrigation industry could use TBL reporting to enhance sustainability.

Collaboration took place over a period of about a year. During that time, MI was able to review its past reporting, establish goals for future reporting and work towards its planned inclusion of TBL performance indicators in its forthcoming 2005-06 annual report. Coincidentally, the organisation also decided to use the Balanced Scorecard approach as part of its strategic planning and to develop performance measures against key strategic objectives identified for the business. This helped to integrate sustainability performance monitoring as part of MI’s business objectives, and in the performance assessment of the day-to-day activities of staff.

The case study highlights the benefits of adopting a participatory approach in the process of planning a TBL report; particularly the following aspects:

1. Engaging staff at key stages in the TBL reporting process;
2. Providing plenty of time for reflection; and
3. Allowing those involved to have ownership over the process, especially in identifying the sustainability issues that will be the subject of performance monitoring.

Adopting such a participatory approach is an important part of the learning and dialogue that is crucial to achieving organisational progress on sustainability issues, and to make broader issues in society part of the day-to-day work of organisations and their staff.

Even though many of the changes to MI’s reporting are still being proposed for the 2005-06 annual report, some changes are already evident in MI’s 2004-05 annual report released in October 2005. The TBL section on company performance in this report had increased content, a wider coverage of issues and increased presentation of quantitative data. It is expected that the 2005-06 annual report will contain a more thorough set of key performance indicators across the TBL, initially presented in a spreadsheet snapshot of progress over time. This spreadsheet of indicators will form the framework to link performance outcomes with business objectives for the rest of the TBL section on company performance.
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1. Goals of the Case Study

- To collaborate with Murrumbidgee Irrigation (MI) staff in reviewing the organisation’s existing reporting mechanisms and planning for the development of a TBL report that includes performance indicators across the triple bottom line;
- To use this experience to learn about what is involved in a TBL reporting process and how one organisation in the irrigation industry uses the process to reflect on how it can enhance sustainability; and
- To use these learnings to inform recommendations on the process through which other organisations in the irrigation industry could develop a TBL reporting process, including the formulation of some of the sustainability principles, objectives and performance indicators relevant to the irrigation industry.

2. Principles Adopted by the Case Study Researchers

The researchers came to this study with some principles on:

- How to collaborate with the case study organisation on the research agenda:
  - the organisation should have ‘ownership’ over the planning process that evolves;
  - as external researchers, we needed to adopt a flexible approach and modify, where necessary, how we thought the planning process should evolve in order to accommodate the organisation’s needs and expectations;

- How to incorporate what we learnt from the case study organisation into the overall project:
  - a participatory action research agenda was adopted so that MI staff involved helped direct the research agenda and what was learnt as a result;

- What we expected TBL reporting to do:
  - the process was not just about producing a TBL report but about reflecting on how the organisation can improve its sustainability performance;
  - the organisation would consider its sustainability performance across the three TBL dimensions of economy, society and the environment;
  - this would require the organisation to reflect on its role in and how it can contribute to the ‘bigger picture’, and see itself as part of a ‘bigger whole’; and

- How TBL reporting should be done:
  - the process should involve all the key internal and external stakeholders from the outset of the process beginning with goal setting right through to decision making;
  - sufficient time for reflection on progress should be a key part of the planning process.

However, it was clear from the outset that there might be some challenges in putting all of these principles into practice, particularly as the principle that we wanted the organisation to ‘own’ the approach that they would take towards TBL reporting would inevitably constrain how much we as researchers could impose our principles on how this process should be done. We had to let the organisation take the lead even if we felt ideally it should’ve been done in a different way.
For example, one constraint for us as researchers was that no other external stakeholders (apart from us) became involved in the TBL reporting process during the time of the case study and it was thus not easy for us to learn about this aspect of the process. Similarly the fact that the Balanced Scorecard was used as a process through which performance objectives and indicators were developed restricted our involvement in these stages and how this case study could contribute to the content components of the Irrigation Sustainability Assessment Framework (ISAF) (Christen et al. 2006).

3. What Actually Happened

<table>
<thead>
<tr>
<th>Stage</th>
<th>Timeline</th>
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<tr>
<td>1. Initial discussions</td>
<td>March – July 2005</td>
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<td>2. Review of past reporting and goals for future reporting</td>
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3.1 Initial discussions: March – July 2005

At the time that the CRC IF Sustainability Challenge project was being developed, several new personnel had taken up senior positions at Murrumbidgee Irrigation (MI). These changes provided impetus to support a thorough rethink of the organisation’s approach to reporting. Part of this was to streamline its workload, but there was also considerable interest in the potential to develop a more rigorous performance assessment and reporting process across the triple bottom line based on the Global Reporting Initiative guidelines (Global Reporting Initiative 2002). Up to that time, MI produced three reports, a compliance report, a summary environmental report based on this compliance report and an annual report which included a brief performance summary that followed a quadruple bottom line format – the fourth bottom line being culture and heritage. CRC IF Sustainability Challenge project team members based at the CSIRO Land and Water offices in Griffith were aware of MI’s plan to change its approach to reporting, and a collaborative approach to developing MI’s reporting was agreed upon.

Initial discussions were focussed on a workshop to set the goals for the reporting process. From MI’s perspective the focus was on having representation at the workshop from a broad cross-section of the organisation. Sustainability Challenge
project team members felt it was also important to ensure that external stakeholders were involved in the initial goal setting approach. This was based on an understanding that a TBL reporting planning group should include external stakeholders and would need to develop a group understanding with common goals from the outset. However, MI felt that it had already established a number of processes through which it was consulting external stakeholders on aspects of its business performance, and felt that it was important to focus on reviewing its reporting goals internally at this stage. MI also indicated that it would review its decision on the involvement of external stakeholders once there was a level of comfort within the business in relation to a new approach. Aside from this, there was broad agreement on the principles to be adopted for the first workshop:

- That it was important to provide an opportunity for those within the organisation to draw on existing knowledge and experience when reflecting on MI’s past reporting achievements and future potential; and
- That this reflection requires a focus on both the content and process of reporting, where process includes how the organisation decides what goes into the report, and the process in which the content of the report is reviewed by its target audiences.

### 3.2 Review of past reporting and goals for future reporting: July 4 workshop

The half-day workshop provided an opportunity for a cross-section of staff to participate in a review of MI's past reporting and to set goals for future reporting. The participants were 14 MI staff representing all of the main divisions of the organisation and 5 researchers from the CRC IF Sustainability Challenge team.

The workshop had the following objectives:

1. To review and document what those present perceived as being the strengths and weaknesses of MI’s reporting to date;
2. To envision goals for future reporting – what those present would like to see MI achieve through its reporting; and
3. To begin identifying MI’s stakeholder groups and prioritising which stakeholder groups MI should aim to consult through its reporting processes.

A detailed description of this process is provided below.

**Step 1: What are the current strengths and weaknesses in current MI reporting?**

Participants were provided with large-size post-it notes in two colours – one colour for strengths, another for weaknesses. They were given 5-10 minutes to individually write down what they thought were the strengths and weaknesses of MI’s reporting. These were then collected, read out individually, discussed if necessary and grouped according to themes (e.g. presentation, balance of content, audience, timing, overall process).

**Step 2: What do we want reporting to achieve?**

Groups of four participants were each given butchers' paper and asked to brainstorm ideas in response to the question: What outcomes might be achieved from MI
reporting in the future? The groups were asked to indicate which of these outcomes had full agreement in the group; all their points were then presented to the whole workshop group. During these presentations, the facilitator developed a separate list of points on butchers’ paper, noting down when points were repeated by different groups. These points were then further examined for duplications. Finally, each person was given three stick-on dots which they attached as ‘votes’ next to the three most important outcomes they would like to see achieved through MI’s future reporting.

**Step 3: Who are our key stakeholders/audience?**

Due to lack of time, the planned process for this step was curtailed, preventing a more in-depth discussion of why each stakeholder group had been identified and prioritised. Instead, the group quickly brainstormed stakeholders which were written on the whiteboard. Immediate consensus was achieved on which stakeholders were clearly a target audience for reporting. Additional stakeholders were then prioritised by asking participants to place stick-on dots against the three stakeholder groups they felt should be consulted as MI developed its reporting process.

**Results:**

After reviewing the strengths and weaknesses of MI's reporting, goals for future reporting were summarised as follows.

1. **Achieve an understanding of company performance by:**
   - Developing clear and accurate performance indicators across the TBL – economic, social, environmental
   - Linking performance indicators to the strategic direction of the company - showing how company values underpin company reports
   - Linking to the 'big picture' – external influences and the risks and opportunities they provide

2. **Improve company performance by:**
   - Comparing performance measures over time and with other companies’ measures
   - Provoking feedback from stakeholders and building confidence and trust with stakeholders
   - Drawing on the reporting process as part of business planning

3. **Provide effective communication by:**
   - Producing a meaningful and understandable document through which various stakeholders might also understand the way MI functions
   - Recognising the usefulness of the reports as a reference source for internal and external stakeholders
   - Meeting the communication requirements of compliance
   - Documenting MI's movement towards more sustainable practices
   - Seeking to do all of this within a realistic time frame, and in a way that optimises use of resources

Feedback from MI suggested that this workshop was a significant step forward for the organisation. It provided an opportunity for a broad cross-section of the organisation to share thoughts about how it reports to the public about its corporate performance, and
to whom its reporting should be targeted. Considerable interest was generated by
those present to have ongoing involvement in the planning process for the reporting
project. The report from this workshop serves as a useful record of the thoughts and
experiences of those in the organisation concerning its reporting goals.

3.3 Establishment of planning team and initial plans: July –
August 2005

MI decided that the corporate affairs manager, the communications coordinator
responsible for the production of MI's annual reports and the environmental projects
officer responsible for compliance reporting would be the key staff involved with the
Sustainability Challenge project in the planning team to develop TBL reporting. The
first meeting of this planning team took place on August 19.

A planning process was mapped out as follows:

| Discuss how to engage stakeholders | Discuss what TBL issues to include in reporting | Discuss what indicators to use | Draft outline of set of indicators | Stakeholder review of draft | Revise draft set of indicators | Present revised draft to MI board |

However, as discussed below, the actual process did not exactly follow this initial plan.

3.4 Development of planning process: August – December
2005

Because there had not been sufficient time to adequately discuss stakeholder
engagement at the July workshop, the planning team decided to invite participants at
the workshop to complete a brief survey on which stakeholder groups should become
involved at different stages in the process, and how. They were also invited to
consider how they would like to become involved. This would then be analysed in
order to plan the rest of the process.

The response from those who completed the survey was split between those who
thought it was important to include external stakeholders when identifying sustainability
issues and indicators and those who thought that the first draft should be developed
internally before inviting any external participation.

During the next planning meeting, a compromise was reached where it was proposed
that two external people with experience in TBL reporting processes would be invited to
participate at the next stage of identifying sustainability issues, one from an
organisation already undertaking TBL reporting and one from an environmental
organisation. The intention was that their participation would help challenge MI staff
involved to 'think outside the square'. It was also decided that the workshop process
should be led by an external facilitator.

A final planning meeting was arranged to discuss in detail the planned activities of the
next workshop. A key point of discussion here was the extent to which the irrigation
sustainability principles and higher level objectives developed as part of the Irrigation
Sustainability Assessment Framework (ISAF) would be presented to participants as a
guide for their discussion or to allow the sustainability issues to be identified from the group without any external input. MI participants were of the view that allowing the group to decide the issues would ensure that they have ownership of the issues. This would also allow the case study discussion to inform the development of the ISAF rather than the other way around. The comment was made that it was important that those in the irrigation industry were involved in the formulation of irrigation sustainability principles and high level objectives. As a result, the team decided on the following plan:

1. Brainstorm sustainability issues from the knowledge and experience of each participant;
2. Group these issues into categories guided by the TBL concept;
3. Identify if any issues are a more specific aspect of another broader issue (e.g. water salinity and pesticide contamination of the water are two specific aspects of a broader water quality issue) and use this process to develop a map or tree of the issues that come up; and
4. Through this process to develop some higher level objectives, and, if time is available to formulate these into a set of irrigation sustainability principles.

Problems arose in securing a date at which the two external ‘experts’ and facilitator could participate, and in the end, the workshop had to go ahead without these ‘experts’. Participants comprised MI staff who had expressed interest in involvement together with those from the CRC for Irrigation Futures (CRC IF) Sustainability Challenge project.

3.5 Identification of sustainability issues for reporting: December 7 workshop

Despite considerable interest in the workshop from those MI staff who had been involved in the July 4 workshop, only 5 were able to attend. Another 4 participants were from the Sustainability Challenge project team, and a CRC IF associated researcher was appointed as a facilitator.

As part of the planning for the workshop, it became increasingly clear that a necessary part of the process would be to align the identification of sustainability issues to be included in MI’s reporting with the Balanced Scorecard (BSC) strategic planning and performance assessment process (Kaplan & Norton 1996) being developed at MI. This meant a substantial change to the planned process outlined above. The workshop began with an introduction to the overall framework of MI’s BSC strategic plan which was still in a draft stage.

The key components of the rest of the workshop were as follows:

1. Introduction to the BSC framework being developed at MI;
2. Identification of sustainability issues across the triple bottom line;
3. Discussion of each of the issues to identify which issues were already incorporated into MI’s strategic plan, which should be added to MI’s strategic plan and for all other issues reasons why they would not be included into MI’s strategic plan; and
4. Identifying objectives for issues added to MI’s strategic plan.
A detailed description of this process is provided below.

**Step 1: Introduction to MI’s Balanced Scorecard framework**

For the purposes of this report, it is suffice to explain that the Balanced Scorecard (BSC) is a means by which each employee, each unit within the business and the business as a whole develops performance measures against key strategic objectives of the business. It also has the potential to allow staff to have input into the development of a company’s overall strategic direction, and to reflect on how they can practically support these strategic objectives. The framework includes overall strategic themes within which specific objectives are defined and measures are identified which can track corporate performance against these objectives. This process of developing themes, objectives and measures is very similar to the process of developing higher level objectives, lower level objectives and indicators that are part of the Irrigation Sustainability Assessment Framework (ISAF). The focus of the ISAF on sustainability performance assessment complements the BSC focus on business performance assessment. MI saw this workshop as an opportunity to focus on ensuring that MI’s business strategic objectives incorporated broader sustainability objectives.

**Step 2: What are the sustainability issues facing the Murrumbidgee Irrigation Area?**

All participants were given 5-10 minutes to individually list ideas in response to the question “What do you think are the sustainability issues facing the Murrumbidgee Irrigation Area?” Then proceeding around the group, each participant provided one response in turn which the facilitator wrote onto a card. This continued until everybody’s ideas had been raised. Over lunch, the facilitator arranged these ideas on cards into TBL categories, adding additional categories where required to better reflect the ideas that were raised. For example, some of the issues raised reflected a gap in knowledge that might require further research.

**Step 3: Analysis of the issues listed**

MI staff identified those issues that they thought were already covered in the plan being drafted or which was already being reported on. These cards were placed separately. Each of the remaining issues was then discussed to decide whether it was an issue that MI should be reporting on. In the process, some issues were identified as being outside of MI’s sphere of influence, and placed in a category entitled ‘somebody else’s problem’; some issues suggested knowledge gaps, and therefore a possible subject for research and development; some issues were identified as being no more than performance indicators and more thought needed to be put into why MI was monitoring these issues; some issues would be taken up at a later stage and, for one issue, it was not possible to reach consensus on whether it was an issue that MI should be monitoring and reporting on. This left those issues that the group believed MI should report on but which were not currently covered in the Strategic Plan or not being reported on adequately. It was proposed that these issues would be added to MI’s strategic plan.

**Step 4: What are the objectives for the sustainability issues to be added to MI’s strategic plan?**

The final stage was to identify objectives for the issues for those issues to be added to MI’s strategic plan. These were written on separate cards of different colour.
What next?

At the conclusion of the workshop, it was decided that the MI executive would seek to incorporate these objectives into the strategic plan, and, in the process, identify performance indicators for them. The revised list of objectives and indicators that constituted MI’s BSC would then be presented to the TBL reporting planning team who would rework the BSC structure into a TBL format, selecting those indicators that MI was ready and willing to include in its annual report.

Results

Most of the environmental issues that came up were part of MI’s compliance obligations and commitment to improving the sustainability of irrigation, and were already being reported on. On the other hand, many of the social issues and broader economic impact issues were not being monitored. MI participants felt it was important to demonstrate the benefits of the irrigation industry to rural towns and farming communities. For example, it wanted to be able to work towards the objectives of attracting value-adding industries and increasing the diversity of the agriculture industry and industries more generally. It also saw that declining health, education and transport services undermined the sustainability of the region. The challenge for MI was to find practical ways in which to use its influence to make improvements in these broader social and economic aspects. However, at this stage, it has not been possible to incorporate these issues into MI’s BSC strategic plan.

3.6 Incorporation of sustainability issues into MI Strategic Directions ‘Balanced Scorecard’ (BSC) Framework: January – April 2006

The process of incorporating the sustainability objectives that were to be added to the BSC framework was handled internally by MI without the involvement of CRC IF Sustainability Challenge project members. Much of this was undertaken at an executive level, but also involved discussion at business unit levels, especially the environmental unit. The BSC framework was presented to the MI Board at its meeting in March. The CRC IF Sustainability Challenge team was asked to provide some recommendations for the Board on external stakeholder engagement at the next stage prior to finalising the report lay-out for the 2005-06 annual report.

3.7 From strategic planning BSC framework to TBL performance reporting: April 2006 onwards

The next planning meeting was held in April when MI was able to report on which of the sustainability objectives had been incorporated into the BSC framework and how. This also provided an opportunity to explain the framework more thoroughly. However, the focus of discussion was to reflect on the list of ‘measures’ MI would use to monitor its business performance as part of its BSC. The planning team sought to identify if there were any gaps in the performance assessment, and to identify indicators that could be used to fill those gaps. This involved a process of comparing the list of indicators with others available, such as the Global Reporting Initiative list and those used by other comparable organisations (e.g. VicWater 2001; VicWater n.d.; Water UK 2005). Several additional indicators and ideas for reporting were suggested. The CRC IF Sustainability Challenge team also provided a list of criteria upon which to reflect on the
validity of the indicators proposed, but there was only time to reflect on two indicators as a practice run for future reflection. Finally, the planning team was informed that the MI executive had decided not to consult with external stakeholders until after the release of the 2005-06 report.

At the final planning meeting involving Sustainability Challenge team members which was held in May, the team organised the list of indicators according to those that were already being reported on, those for which the data would be available for inclusion into the 2004-05 annual report, and those for which the means to come up with the measurements had not been finalised. During the process, decisions were also made on which of the BSC measures would not be used for public reporting. The indicators to be included in the 2005-06 annual report and those that could be included in future reports were then organised into a TBL format.

At the time of writing, the MI communications coordinator is in the process of producing this into a proposed reporting layout which will be presented to the MI Board at its next meeting.

4. Changes made to MI’s annual reports

Many of the changes and other impacts listed below were due to initiatives by MI. Others evolved as a result of our collaborative efforts.

1. Impact of July 4 workshop reflections on changes to 2004-05 annual report

Many of the weaknesses with MI’s reporting that were raised at the July 4 workshop were addressed through the streamlining of the three reports into two – a compliance report and an annual report. In addition, considerable effort was given to providing greater detail on company performance in the annual report. The TBL section on company performance had increased content and a wider coverage of issues. For some issues, explanation was offered on what had contributed to performance, included one issue involving a negative trend in performance. There was a clear effort to present more quantitative data even though the process of developing performance indicators had not commenced at the time of producing the report.

2. Impact of TBL reporting process on changes planned for 2005-06 annual report

The process is in place for the company to present a snapshot of how its performance is progressing over time using its BSC measures. Inclusion of these performance indicators will address many of the other weaknesses raised at the July 4 workshop. Using the BSC framework as a basis for report structure also might help to make the company’s objectives clear and establish a clearer link between these objectives and report content. It also has the benefit of enabling those in the organisation see how their performance links with how the company reports on its performance.
5. Other impacts of the way MI approached the development of TBL reporting and integrated it with its BSC strategic planning

1. Increased engagement of staff in the organisation’s strategic planning and in its performance reporting

One of the benefits of the July 4 workshop was in bringing almost all of the senior staff from across the organisation together to discuss and reflect upon on how the company’s performance might be perceived. Subsequent to that, much of the increased engagement of staff in defining the company’s strategic objectives and how their performance would be assessed has evolved through the use of the BSC process. Using the BSC measures as a basis for performance reporting has the potential to allow staff to have an ongoing voice in the strategic direction of the company and how the organisation is perceived.

2. Integration of TBL reporting with business performance assessment

All of the above comments on improvements in how the company reports on its performance need to be understood in the context of how sustainability issues have been incorporated into this process. The process is in place for the company to continue reflecting on its TBL performance as it reports on its contributions to social, environmental and economic enhancement. Because this reflection on TBL performance has been placed in the context of its business objectives, it has the potential to develop greater transparency and accountability through the use of performance indicators, as well as involving staff as a key stakeholder in the process. Processes will need to be established to involve other stakeholders in this reflection on the company’s TBL performance and in finding ways forward to improve its TBL performance.

3. Increased appreciation of the benefits of reporting

It is clear that an appreciation of the link between reporting, how the company is perceived and a process to continuously improve upon performance has been instilled into the operating ethos of the company. By reflecting on sustainability issues confronted by the society within which the organisation functions, the process was established whereby the company could consider how to improve its positive impacts on the broader society. MI also conducted a perceptions audit in order to better understand how MI is perceived by a range of stakeholders, and this is likely to become a regular part of how MI seeks to understand the concerns of its stakeholders.

4. Increased appreciation of the need for and difficulties presented by external stakeholder participation in assessing company performance

Even though external stakeholder involvement was not a part of the TBL reporting process to date, this does not mean that the company does not appreciate its importance. Concerns were raised about the danger of raising expectations, but at the same time those involved recognised the importance of establishing dialogue with external stakeholders, especially those critical of the industry’s performance.
5. Increased dialogue with government agencies on how to improve processes of compliance reporting

Another outcome of this case study was a meeting organised between Murrumbidgee Irrigation, Murray Irrigation, the Coleambally Irrigation Co-operative and the government agencies responsible for compliance reporting. The meeting was organised by the CRC IF Sustainability Challenge project in response to a clear need to resolve some of the issues raised by the organisations seeking to more efficiently report on their TBL performance, including compliance aspects. Unfortunately, it was not possible to find a suitable time for a follow-up meeting, and it is hoped that the initiative will be taken up by others in the future.

6. Progress Made on MI’s Goals for Reporting

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<thead>
<tr>
<th>Goal – from summary of July 4 workshop</th>
<th>Progress on goal</th>
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<tbody>
<tr>
<td>Develop clear and accurate performance indicators across the TBL – economic, social, environmental</td>
<td>In process</td>
</tr>
<tr>
<td>Link performance indicators to company strategic direction</td>
<td>Substantial progress achieved</td>
</tr>
<tr>
<td>Link to the 'big picture'</td>
<td>In process</td>
</tr>
<tr>
<td>Compare performance measures over time and with other companies’ measures</td>
<td>Plan to compare measures over time in process</td>
</tr>
<tr>
<td>Provoke feedback from stakeholders</td>
<td>For discussion after release of 2005-06 report</td>
</tr>
<tr>
<td>Draw on the reporting process as part of business planning</td>
<td>In process</td>
</tr>
<tr>
<td>Produce a meaningful and understandable document</td>
<td>Some improvements made 04-05; too early to say for 05-06</td>
</tr>
<tr>
<td>Recognise the usefulness of the reports as a reference source for internal and external stakeholders</td>
<td>Streamlining has significantly trimmed down the compliance report to fulfil agency needs</td>
</tr>
<tr>
<td>Meet the communication requirements of compliance</td>
<td>Substantial progress achieved</td>
</tr>
<tr>
<td>Document MI's movement towards more sustainable practices</td>
<td>Too early to say</td>
</tr>
<tr>
<td>Seek to do all of this within a realistic time frame, and in a way that optimises use of resources</td>
<td>Streamlining has assisted in this; for future evaluation</td>
</tr>
</tbody>
</table>
7. Reflections and Recommendations

This case study has provided the CRC IF Sustainability Project with much food for thought which has contributed to the overall direction of the project and its outcomes. The following reflections are some unique attributes of this case study, and form part of the overall recommendations of the project.

1. Staff involvement

This case study shows the benefits of having a broad cross-section of staff involved in discussing the sustainability performance of the company. It is important to ensure that staff are involved as this helps instil sustainability as a goal that everybody in the organisation can contribute to, and ensures that progress on sustainability issues is part of the day-to-day work of all staff.

2. Time for reflection

A close read of how the process evolved in this case study shows how often the planning team needed to adapt its plans to unexpected changes that arose. It is therefore important to ensure that lots of time is provided for planning and reflection to ensure that the process keeps to its goals and principles. This also shows that each situation will be different. It is not possible to recommend one process that will suit all situations.

3. Identifying TBL issues from local context and experience

The exercise of having all those involved identify sustainability issues from their knowledge and experience is an important part of the reporting process. It ensures that there is a feeling of ownership of the issues that will be subject to performance monitoring. It is also an important part of the learning and dialogue that is crucial to achieving progress on sustainability issues. Of course, this exercise will be informed by sustainability issues identified in other contexts. Comparison with lists of issues identified in other contexts, including generic lists like those provided by the Global Reporting Initiative provide a useful check for completeness.

4. Identifying TBL issues before indicators

This case study, like other case studies, highlights the importance of identifying sustainability issues first before deciding what indicators will be used to monitor performance in response to these issues. To do so ensures that a broader range of issues might come up, and that there is a clearer idea of the objectives and relevance of the indicators being used.

5. Reflecting on the organisation’s role as part of a bigger whole

It is the inclusion of the social dimension that makes it the triple bottom line. When reflecting on how the organisation can contribute to enhanced sustainability, this inevitably makes those in the organisation reflect on the organisation’s role in society. Those bigger issues of concern to society thereby become issues of concern as part of the day-to-day activities of the organisation.

It is this aspect of TBL reporting that presents one of the greatest challenges for any organisation. The TBL reporting process seeks to identify social, environmental and economic indicators that relate to the organisation’s internal functions and to their
impacts beyond their organisational boundaries. The MI case study demonstrated that whilst it was conceptually important for the organisation to take responsibility for what is happening in the broader society, it was more difficult for the organisation to identify practical ways in which it could influence these broader social and economic issues of concern. The organisation saw many of these issues as being ‘beyond their sphere of influence’.

6. What to do with issues that are beyond the organisation's sphere of influence

There were a lot more issues that the organisation would have liked to respond to but were beyond the organisation’s direct sphere of influence. Perhaps this highlights the need for organisations involved in TBL reporting to identify other organisations in society that deal with the problems that the organisation cannot deal with on its own, and to consider working in collaboration with these organisations on monitoring and finding ways to respond to these issues.
8. References


