Sustainable Development
Makes Good Business Sense
Conference Proceedings

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Australia and Current Business: Sustainable Development Makes Good Business Sense

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Sustainable Development and Trust

In the April 2004 Grey/Worldwide/Sweeney research Eye on Australia study of the aspirations and attitudes of Australian consumers it was found that 84% of Australians think that companies put profit before anything else and 83% considered companies to be greedy. Set against this, 85% of Australians in this same study consider a company to be successful if it gives back to the community through some aspect of corporate citizenship and 76% define corporate ethics as caring for local communities.

There is, therefore, still very firmly a ‘them and us’ culture in Australia (and worldwide), between civil society, generally, and business. This was demonstrated most recently with the findings of two worldwide surveys conducted for the World Economic Forum in 2002, which questioned 36,000 people in 36 countries. Big companies, together with legislatures and parliaments, are the least trusted entities in the world, while NGOs are the most trusted. As Karen Armstrong pointed out in the WEF Annual Meeting in 2003 which received this report, ‘Building trust, respecting differences and valuing one another, i.e. learning the art of pluralism, is no longer just a “nice idea”, but essential to survival’. Noted sociologist Anthony Giddens at this same meeting made the important distinction between active and passive trust, saying that ‘Passive trust is built on traditional expectations, while active trust must be earned over time. Trust’, he said, ‘particularly active trust, can be destroyed in a heartbeat and might never be recaptured. A single incident could result in an irreversible, downward spiral.’ (ibid). It is the lack of this active trust in business that is clearly being signaled in the sort of results emerging from surveys right now on this issue. And is active trust that must lie

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1 This presentation is based on a number of previously published, or in-press publications.
2 (see http://www.weforum.org/site/homepublic.nsf/Content/25F2FF3F84CC622AC1256C9)
3 (http://www.weforum.org/site/knowledgenavigator.nsf/Content/D483CB6505364930C; see also WEF, 2003).

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at the heart of any company seeking to connect the communities in which it operates to a sustainable future.

As Simon Zadek makes clear in *The Civil Corporation*, that ‘the era of bottomless trust *(has) come to a precipitous and painful end.’ (Zadek, 2001:41). Few of us, worldwide, now position business very highly in any ranking scales that ask about ‘trust’.

Yet, as Zadek rightly points out, ‘Corporate social and environmental performance in the New Economy depends on what people really think about business, and what is really important to them.’(p42). That being the case then we clearly need to do something about it.

Again, as Zadek points out, trust ‘is a complicated and volatile substance.’ (p50). As more and more in business recognize its importance, they are also increasingly recognizing that to generate, build, and more importantly, to sustain trust they need to radically rethink the rationale of business society relationships. Getting this rethinking onto the agenda lies at the heart of the sustainable development agenda in the last few years. It is this reestablishment of trust that should drive the business case for sustainable development – not altruism, not corporate philanthropy, nor a belief that companies have to give something back to the community to assuage their guilt in making profits.

Building trust between business and society will be, and must be, the key driver in the business case for companies committing to sustainable development. It makes sense for the business; it makes sense for the community and it makes sense for our hopes for a sustainable future for everyone.

To that end, ‘Trust is deeply rooted in people’s values, visions and personal experiences. At the same time it is fluid, moulded both deliberately and organically by the complex interactions of people’s internal and external worlds. At one level it can provide a stable basis on which to build long-term relationships, shared values, and pursue common aims for mutual benefit’ (Zadek, 2001:203). All of which are central tenets of contemporary corporate citizenship. But ‘At another level, trust can be an unstable cocktail of fact and fiction, of utopian desire and pathological hopelessness.’ (p203).

**Values**

If then, the surveys are right, there is clearly a major erosion of trust in business taking place, and with that, a clear perception that effective translation of corporate values and mission statements on social and environmental responsibilities is not perceived by many people to be happening. The route to rebuilding that trust, the WEF recommends, requires:

- **Establishing accountability.** Who is responsible, what are they responsible for and what are the consequences if the rules are violated?
• **Increasing corporate transparency.** This entails a true dialogue with a range of stakeholder groups and a serious effort on the part of business leaders to listen and learn.

• **Revisiting corporate values and values statements.** This requires corporate values that are, at least to some extent, externally driven and responsive to a range of stakeholder communities.

• **Recovery and economic growth** are probably necessary, but not sufficient conditions for the rebuilding of trust.

But this is not going to be easy outside of business when, in a 2003 survey on employee trust and corporate credibility, only 55% of those surveyed *inside business* said that they actually trusted their corporate employers.4

So, in consequences of surveys like this, many CEOs worldwide are now positioning *values* as an essential basis for building trust (Elkington, 2003), and in turn an essential basis for sustainable development. As Kofi Anan has made clear, ‘global citizenship, based on trust and a sense of shared responsibility, is a crucial pillar of progress’ in an age of inter-dependence.5

It is the recognition of that age of inter-dependence, where business can no longer function as if it is isolated or immune for social, cultural and community values and expectations, which is one of the most significant cultural changes that is required of any business seeking to be a sustainable company.

**Business Imperatives**

The global and national imperatives and demands upon business to engage more effectively with sustainable development related issues, policies and practices; the new business cases that are being developed for sustainable development related initiatives; the emerging and evolving social positioning of business and the demands of going beyond a single bottom line as a real and definable realization of sustainable development, are all leading business to recognise that the challenge to developing as a sustainable corporation in the future, without losing profitability, will require serious and well-thought-out organizational and cultural change within the company. Sustainable development in this respect is not a passing fad, or a new management mantra, but a serious call to significant changes in the way that business see themselves, and are seen by an ever increasing number of interested external stakeholders, and the way in which business then function and operate in the communities in which they seek a licence to operate.

4 (see [http://www.imakenews.com/eletra/mod_print_view.cfm?this_id+122536&u](http://www.imakenews.com/eletra/mod_print_view.cfm?this_id+122536&u))

Business in Australia, for the most part, has started on the journey to sustainable development, but, again for the most part, has started with the easier things – the more tangible things – the things in its own comfort zone, often the things that can be easily measured. It’s a very good start, but a glossy stand alone social, environmental, sustainability, or Triple Bottom Line report, all of which are proliferating in Australia right now, is not the end of the journey., It is the beginning, because at the end of the day, effective sustainable development is not going to be measured by countable activities between business and community, it is going to be measured by the more intangible levels of trust that develop between business and society.

The route to building that trust involves a broad portfolio of community engagement activities, many of which some of the companies in this room are doing, but more importantly it requires policy, behavioural and cultural change, within the economic rationale of how business does business, where the social, environmental and cultural bottom lines are positioned as just as important as the financial bottom line. That is not easy – it is an economic paradigm shift of great magnitude, where profit and reward is understood not just in terms of finance, but also in terms of social, environmental and cultural sustainability. This involves an understanding of sustainable development which has as its core a recognition that a truly sustainable future is not going to be possible without a more thorough integration of social, environmental, cultural and economic bottom lines – what we might called ‘the joined up bottom lines’.

In a recent survey, we conducted in 2004, a total of 820 companies either headquartered or operating in the State of Victoria in Australia were surveyed through analysis of their public domain materials (websites, annual reports etc) for their reporting of sustainable development related initiatives and activities – I see no reason why the results would not be replicated across Australia.

A total of 182 of these companies were determined to be committed to a journey of sustainable development if they were involved in four or more of the following initiatives:

- A stated commitment on commitment to the environment
- A stated commitment to corporate citizenship
- A stated commitment on diversity
- A stated commitment on positioning as an employer of first choice
- Community partnerships
- Community sponsorships
- Community/environmental reporting
- Corporate community Foundation
- Employee volunteering
- Environmental activities
- Fundraising
- In-kind donations
- Matched giving schemes
• Pro bono services
• Stakeholder identification/dialogue
• Winner/finalist in the Prime Minister’s Community Business awards

Results

| Corporate Citizenship Policy and/or Statement | 76 % |
| Sponsorship                                | 76% |
| In-kind Donations                          | 67 % |
| Matched Giving                             | 21% |
| Partnerships                               | 59 % |
| Pro Bono Services                          | 26 % |
| Employee Volunteering                      | 54% |
| Fundraising                                | 45% |
| Stakeholder Identification and Dialogue    | 45 % |
| Diversity Policy/Program                   | 48 % |
| A Community and/or Environment Report      | 33% |
| Environmental Policy                       | 58% |
| Environmental Activities                   | 60% |
| To be Employer of First Choice             | 21% |
| Company Foundation/Trust                   | 40% |
| Winner/Finalist PM’s Business Community Partnership Award | 16% |

This simple breakdown indicates that while 76% of the active companies in the State of Victoria have a clear commitment to sustainable development, the realisation of this commitment is still predominantly enacted by sponsorships and in-kind donations – as such, this is a transactive approach to sustainable development.. But world-wide there is a growing understanding that the most effective sustainable development initiatives are much more interactive – most particularly involving long term partnerships between business and community, where these partnerships enable both parties to learn more about each other, and in ding so, to break down the distrust that bocks true sustainable development. Such partnerships are resource-intensive for both parties; they may not produce tangible, measurable outcomes, for a long time; they are not always easy to demonstrate to a Board that they return business value to a company, short-term, but I am convinced they will be the most effective building blocks for a sustainable future in the years to come.

Accountability is the key, and a simple framework for establishing and ensuring trust through accountability might look like this:
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• What do we say we will do?
• Who will do it?
• Who are we doing it with?
• When will it be done?
• Is this really core business or just an add-on?
• What do our stakeholders say about it?
• How extensive is stakeholder influence on the core business decisions and policies/practice we make?

There is a very powerful business case for companies to consider becoming more involved in sustainable development which, simply stated, will position a company to engage more fully in its communities. In turn, this creates a positive reputation for the company which in turn, as many studies have shown, will enable a continuing and growing return on shareholder value. This can be achieved by a company’s increased engagement with communities where through this increased engagement the following factors can be demonstrated to have positive impacts on the business:

• Greater public confidence in the company;
• Better management of community perceptions in order to better manage business performance;
• Enhanced influence on the community;
• Improved corporate reputation and image;
• Increase in brand recognition;
• Differentiation from competitors;
• Increased engagement in dialogues and key stakeholders;
• A more active role in public/community debate;
• A more positive attitude towards stakeholders and the community and their impact upon core business;
• A more inclusive and transparent business culture;
• New sources of information and innovation;
• A positive increase in staff moral which can lead to improved labour productivity, increased staff retention, increased staff loyalty and an increased ability to become an employer of first choice attracting more highly qualified and motivating staff;
• The development of a more flexible work force’
• Potential improvement of products and/or service quality’
• Reduced absenteeism’
• Skills sharing’
• Better training and staff development within the business’
• More community based job training’
• A potential long term improvement in the company’s stock performance on the market’
• A potential increase in investors wanting to invest in a more socially responsible company.
There is no single business case which suits all companies. Strategic decisions need to be made within each company as to which of the highlighted points above to focus upon. But at the heart of any business case made relevant for specific companies, there needs to be a recognition that effective moves towards sustainable development are more than simply transactions involving the transfer of goods, skills or money (all of which may form an integral part of a company’s expression of its commitment to the community) but also involve interaction with the community as equally important, if not more so, than transactions.

The major challenges in sustainable development for business are, therefore:
- Moving from a transactive culture to an interactive culture
- Moving from a concentration on impact to a more process-oriented relationship with local communities
- From one-off events, to building, interactively, local sustainable capacity
- Shifting the rhetoric and aspirations for sustainability into embedded core business
- The creation of more management space, time and resources, across an increasing number of fronts, and including more people internally and externally to the business, to enable the rhetoric and aspirations to be translated effectively into core business
- sustainable development reporting
- More strategic community awareness, involvement, investment and engagement
- Long-term Business/Community partnerships
- Greater stakeholder dialogue and engagement
- Compliance with increasing legislation and regulation in corporate social responsibility, governance and related issues
- Sharing Ownership of Information with non business organisations
- Alignment of Sustainable development Values and Community Values with Business Values
- A Greater Attention to Assurance Processes and not just Verification Protocols
- Understanding Business as a public (and not just a private) culture
- Being more strategic about a company says it will do
- Knowing where to stop and what limits and boundaries to put in place
- Being able to align initiatives and imperatives in sustainable development with a company’s own strategic choices not just as reactions to pressure from external agencies

While the benefits of sustainable development are likely to be:
- The potential to open up new markets and audiences and to expand existing ones
- The opportunity to contribute more to social and public policy formulation
- The establishment of a continuous and real dialogue with key stakeholders
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• A more active role in public/community debate
• A more inclusive, interactional and transparent organisational culture
• The potential for long-term improvement in stock performance and long term shareholder returns
• An increase in investment (both financial and other forms of capital) for a socially responsible sustainable company

Sustainability and Globalisation

When Kofi Anan established the United Nations Global Compact at Davos in 1999, he said, ‘let us choose to unite the power of markets with the authority of Universal ideals. Let us choose to reconcile the creative forces of private entrepreneurship with the needs of the disadvantaged and the requirements of future generations.’ As such, ‘the Global Compact is an initiative to safeguard sustainable growth within the context of globalisation by promoting a core set of universal values which are fundamental to meeting the socio-economic needs of the world’s people, today and tomorrow. It is an effort to give a human face to the global market.’ (United Nations, 1999)

Extending beyond just business, the Global Compact in promoting the universal values that the United Nations was created to uphold ‘requires that all actors/governments, corporations, non governmental organisations and international organisations – work with common purpose to ensure that these values are more than just fine words on obscure documents. By helping to protect and promote universal values, the private sector can help the United Nations make a persuasive case for the open global market. Therefore, advocating for a strong United Nations is in the interest of business and society at large.’ (United Nations, 1999)

Since its formal launch at the United Nations headquarters in July 2000, many hundreds of companies and organisations have become participants. These companies and organisations represent different sectors, industries, and come from all over the world but as the Global Compact office now based in New York points out ‘they have two features in common: they are all leaders; and they all aspire to manage global growth in a responsible manner but takes into consideration the interest and concerns of a broad spectrum of stakeholders – including employees, investors, customers, advisory groups, business partners and communities.’ (Global Compact, 2001) Overall, ‘the Global Compact was created to help organisations redefine their strategies and causes of actions so that all people can share the benefits of globalisation, not just a fortunate few.’ (Global Compact, 2001)

To do this, the Global Compact has the following goals:

• To make the principles part of the strategic vision and operating practices of companies everywhere
• To provide an interactive and action oriented learning resource based on the experience of hundreds of companies to show case what works and what doesn’t
To conduct at least one major Issue Dialogue a year that addresses a critical problem where business in partnership with NGOs and other relevant stakeholders can produce recommendations leading to meaningful change.

To ensure that business, United Nations agencies, labour, NGOs, Government and community groups work in partnership to develop and execute projects that further the principles, and are particular benefits to those most in need.

As such companies and organisations are encouraged to participate so that they can:

- Demonstrate a position of leadership with regard to responsible citizenship
- To share experiences and learning’s with likeminded companies and organisations
- To build relationships with other companies, government bodies, labour, NGOs and international organisations
- To partner with United Nations agencies including the International Labour Organisation, the Office of the High Commission of Human Rights, The United Nations Environmental Program, and the United Nations Development Programs
- To maximise business opportunities by broadening the corporate vision to include the social dimensions and by implementing responsible management policies and practices
- To participate in results oriented Issue Dialogues related to the critical problems facing our world. (www.unglobalcompact.org).

As Malcolm McIntosh points out, ‘the Compact is a vehicle for greater and higher quality multi disciplinary thinking and cross sectoral partnerships. In order to engage with the world we need to complement our current disaggregation of the world with a more integrated, co-ordinated and complex view of the relationship between people and planet.’(McIntosh, 2003: 20-21).

**Conclusion**

‘Trust’ is a key issue here for doing this. It requires the building of social, cultural and environmental capital, not just financial. It requires relationship building, and that in turn requires knowledge and understanding from all parties involved in the relationship. It requires ‘empathy’, ‘respect’ and ‘tolerance’. It requires cultural change on both sides. It requires the ability to listen, compromise and to be prepared for failures and disappointments. It requires taking risks. It requires dialogue, and ‘give and take on both sides’, and it requires willingness to face the demands of the surprises, which will inevitably come along.

Effective sustainable development, then, is about the challenge to business for building social, environmental, and cultural capital – not just financial capital. John Elkington, a leading commentator on sustainability and triple bottom line thinking, positions such social capital as an absolute necessity if we are to build a truly sustainable society. And goes further by stating that, ‘the degree of trust between a corporation or an industry and their external stakeholders is likely to be a key factor determining their long-term
sustainability.’ (Elkington, 1998: 85). ‘Distrust in a society’, Elkington argues, ‘imposes a kind of tax on all forms of economic activity, a tax that high-trust societies do not have to pay.’ (p85)

It is clear, then, that ‘The successful company of the future will be the one that has seized the opportunity opened up by today’s apparent chaos and confusion, created a market niche among previously untapped customers, and generated a unique value proposition that appeals to the hearts of all its stakeholders, from its shareholders and consumers to its employees and the communities in which it works.’ (Schwab & Hartigan, 2003)

The truly sustainable corporation will, therefore, be the one that recognizes, and more importantly acts upon, at every level of its policy and operations, that the route to a sustainable future goes well beyond compliance to existing legislation, mission statements, codes of ethics, governance and conduct – if our aim is to build sustainable societies for ourselves and future generations, both within Australia, and worldwide, we need, more than anything else, to drive a business case for trust.

That requires vision, leadership and a culture of business that understands the business value of integrating social, environmental, cultural and economic bottom lines. As Queensland Transport has recognized, and I am sure many others here in this room today, ‘Delivery of the vision can only be achieved through partnerships and alliances with all levels of government, industry and the community …to connect people, goods and services, thereby enhancing the economic, social and environmental well-being of all Queenslanders.’

The challenge, of course, is translating this statement into reality. It makes sense – but it needs to make business sense too, and that requires the learning of a new language of trust where social, cultural and environmental economics are understood as returning value and reward in the same way as the financial. This effectively means the development of a new economy, where, as some of you in this room have already recognized and committed to, human capital needs to be at the center of how you measure your business success. Easily said, but not so easily enacted, when so much of the existing economy of business is based on the language and discourse of finance.

I wish all of you every success in the successful implementation of the Charter on Sustainable development being launched later today. Thank you.

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Workshop 5: Liveable Communities – Engaging Governments

Di Jay
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Planners are the meat in a rather unsavory sandwich. Half of Australia’s dedicated planning professionals work day in and day out trying to hold the official party line of Councils, often in the position of infuriating several, if not all parties to a planning decision – the applicants, the objectors and the stakeholders, including the development industry, state government and council. Some also have to deal with councillors openly white anting decision making or seeking to in appropriately influence professional deliberations.

This is overlaid by State Government agency interests and legislative frameworks with which planners must comply, but which are often not well integrated or focused on local needs and issues. On top of that is Federal Government which takes at best a piecemeal and at worst deliberate disinterest in the issues facing planners and the future of our cities and towns.

As one planner recently said to me, “being a planner is like being between a dog and a chop”. Not pleasant and sometimes downright dangerous.

Planners are frustrated by their image. They are often characterized as “process meisters” – a far cry from the highly qualified professionals that they are, and from the strategic planning, community building and sustainable development advocacy role that enticed many of them to join the profession in the first place.

In my experience, the planning profession has an unyielding desire to make the world a better place. From that starting point has emerged the policy framework that the Planning Institute of Australia has developed and has been promoting since February this year.

It is called Liveable Communities and seeks to provide an integrated approach to sustainable development by engaging all three tiers of government in a rational framework designed to strengthen our national capacity to deliver sustainability.

Transport planning and sustainable transport systems are critical components of a broad sustainability agenda which PIA sees can be addressed by the Liveable Communities model.

The title of this Conference, Sustainable Development Makes Good Business Sense, must be our collective catch cry. Economics is the language of government and of industry. So what do the numbers tell us?
Econometric modeling has shown that improved structuring and more sustainable development in the metropolitan region of Sydney alone would enable the NSW economy to be $1.4 billion larger than would otherwise be the case in 15 years’ time. And, Australian GDP would, as a consequence, be boosted by $1.7 billion per annum. Big dollars, and that is Sydney alone.

This is a small study which the PIA together with a number of other non-government built environment stakeholders plans to develop further to demonstrate the benefits of investing in more sustainable cities.

Multiply that result for Sydney across the country and there is massive economic gain to be derived from better spatial planning and improved functionality and sustainability.

Sydney is one of Australia’s key global portals. More than any other, but like all our cities, Sydney has to contend with what the former Prime Minister, Paul Keating, has called “tsunamis” of development capital. The NSW property market is supercharged – there is lots of money at stake and long term implications in the planning, infrastructure and development decisions taken daily in that hotbed.

To tame these tsunamis, State and local governments need support from national government in framing and delivering urban and regional planning policies. The implications of planning decision making don’t stop at local government boundaries or state boarders and have ramifications for national economic prosperity.

Liveable Communities, PIA’s policy agenda, assumes that better outcomes will be achieved from an integrated approach by all three tiers of government, and is built on the premise that sustainable development makes good business and economic sense.

The model calls on all three spheres of government to cooperate to achieve sustainability and in particular calls on the Federal Government to get involved - it has a key leadership role to play.

Liveable Communities has been backed by a number of key stakeholders in the built environment since its launch in Hobart in February this year by its primary author, PIA’s National President, Marcus Spiller, and has evolved a little since then. I will elaborate on that later.

Liveable Communities recognises the significant shift that has taken place in the relationship between state, local and the Australian governments in recent years. GST revenues now flow back to State governments significantly shifting relationships between state, local and the Commonwealth governments. State and local autonomy and budget discretion has increased with direct access to a tax linked to economic growth. The states are better placed to attend to local matters, like urban and regional policy, in their preferred local way.
In the past, the Commonwealth stronghold on tax revenue has caused it to be called upon to directly solve the problems of cities and regions - sewerage programs, public transport infrastructure, and heritage assets. These interventions by the Commonwealth may have been of great value but they muddied accountability for urban and regional outcomes and interfered with the capacity of local jurisdictions and local communities to manage their regions, cities, towns and neighborhoods.

So, why should the Commonwealth do as PIA thinks it should and now ‘muddy the waters’ by re-entering the field of urban and regional policy?

The fact is, that the Commonwealth may not be able to deliver on national objectives in transport, social security, health and particularly, its heartland of economic growth, and national prosperity, if it continues to fail to see issues through a spatial lens.

The clever use of monetary policy, fiscal policy, labour market reform and competition policy have seen Australia enjoy almost 2 decades of consistently strong economic growth. But there is mounting evidence that a macro-economic focus will no longer be sufficient.

The spatial structure, and efficiencies to be gained from more sustainable urban design including transport planning, PIA believes provides a “new” lever to create a competitive edge for Australia in the global economy.

I have already mentioned the modeling exercise which demonstrates that a more sustainable Sydney metropolitan region would enable the NSW economy to be $1.4 billion larger than it otherwise would have been in 15 years time and that Australian GDP would be boosted by $1.7 billion per annum. There would be 20,000 more jobs in NSW and 24,000 more jobs across Australia.

Multiplied across Australia, the economic pay off from good urban management is likely to be up to $10 billion per annum. That is of a scale comparable to the impact of National Competition Policy.

PIA and Liveable Communities does not say that the Commonwealth should roll up its sleeves and get its hands directly into urban and regional planning. We are not advocating a return to the DURD days nor the likes of the Building Better Cities program.

Liveable Communities is built on the concept of ‘subsidiarity’, which is a cornerstone of policy in the European Union, which has much to offer. Subsidiarity calls for policy development and implementation to be undertaken as close as possible to local communities, against agreed objectives. Subsidiarity supports a diversity of local policy responses, recognizing the uniqueness of communities and their environmental circumstances.
An example of subsidiarity at work in Australia was National Competition Policy (NCP) - the Council of Australian Governments (COAG) signed off on a set of overarching principles to boost openness and competition in Australian markets. Financial incentives were provided by the Commonwealth, but it was left up to States and local governments to determine what action to take locally to open up competition.

PIA is not advocating for competition policy, around which there is still a hot debate, that’s not the point. The key observation is that the Commonwealth, states and local jurisdictions together led national reform, using Commonwealth funds, against agreed objectives.

PIA believes a similar approach is required with a coordinating role for the Commonwealth in urban and regional policy.

“Liveable Communities”, the model of Commonwealth urban and regional policy promoted by PIA features 4 key elements;

Firstly, the adoption of sustainable development targets, set out in a national Charter; Secondly, the formulation of specific packages of policies, strategies and investment plans by the States and Territories to meet the targets set out in the Charter; Thirdly, the establishment of an independent Commonwealth body to assess the robustness of these policies, strategies and investment plans and to monitor their achievement of the targets and milestones under the Charter; and Fourthly, the provision of untied Commonwealth funding to the States and Territories for delivery of outcomes at the local level contingent upon their formulation of appropriate policy packages and progressive achievement against nationally agreed targets and milestones.

The Australian Sustainable Development Charter would set time bounded national objectives regarding sustainable development. It would have a triple bottom line focus and incorporate outcome targets and milestones to be achieved against known benchmarks. We have not sought to be prescriptive about the outcomes and targets – this is a matter for inter-governmental debate and agreement.

However, Environmental objectives might include reductions in:

- energy consumption per capita;
- greenhouse gas emissions per capita;
- vehicle kilometres traveled per capita;
- water consumption per capita.

Social targets might include improving:

- the proportion of households within 400 metres of a quality public transport service;
• education, housing and living standards within indigenous communities;
• accessible urban public domain per capita (parks, gardens, beaches, piazzas, cultural precincts);
• housing stress.

In terms of the Economic parameter targets might include:
• reducing road congestion costs;
• increasing the percentage of metropolitan jobs accessible via a 30 minute public or active transport trip;
• increasing the growth in business service exports from urban regions.

This process of target setting is not rocket science. Europe has established clear methodologies.

I am sure that with the expertise in this room appropriate targets in terms of sustainable transport system development could readily be identified. And at the conclusion of this session, I would like you to suggest appropriate targets and desirable outcomes that might be included in the Liveable Communities charter.

As part of the Australian Sustainable Development Charter, signatory governments would commit to achieving the targets over, say, a 10 year period, with clear intermediate milestones. Importantly, progress towards the targets must be capable of independently verifiable measurement.

The Sustainable Development Commission would be a new Commonwealth agency with responsibilities and powers similar to those of the National Competition Council (NCC). Its role would be to scrutinize and endorse (or otherwise) the sustainable development policy packages proposed by signatory governments. It would also rigorously monitor progress towards the agreed sustainability outcomes in each jurisdiction. The Commission would report to COAG and to the Australian Parliament.

New Commonwealth funding will be essential if the Australian Sustainable Development Charter is to make the transition from lofty words and theoretical targets to a process that will galvanise activity at state and local government levels and achieve real, on the ground, outcomes.

PIA sees there being an ‘up-front’ payment to states upon signing the Sustainable Development Charter to kick start policy package formulation. Upon endorsement of a jurisdiction’s plans further payments would be made. Further payments would flow to the participating jurisdictions on achievement of agreed milestones and outcome measures set out in the Charter.

These payments would be staggered over the 10 year life of the Charter. PIA proposes that $10 billion of funding be provided over that period.
The source for this $10 billion program will be the productivity dividend stemming from more efficient and sustainable patterns of development and re-bundling of existing Commonwealth infrastructure expenditures.

Based on the research I cited earlier, about the economic benefits of more efficient and sustainable settlement patterns a funding program of some **$10 billion over 10 years could be funded from the productivity dividend alone**. Treasury should love that.

Let me reiterate, this whole idea is firmly based on the concept of subsidiarity and the delivery of outcomes locally in ways determined by and suited to local conditions and environments.

State governments will be unable to meet targets without the support of and providing funding to local government. This will translate into local incentives for Councils (individually or collectively) to get behind sustainable development policies that deliver real outcomes and deal with them consistently.

Since the launch of Liveable Communities, PIA has held three industry Round Tables which have been attended by a range of invited peak bodies and industry organizations to discuss and further develop this policy framework.

With the assistance of the Property Council of Australia, the Royal Australian Institute of Architects and the Australian Conservation Foundation, in particular, but also ACOSS, Australian Consumers Association, Master Builders and many others we now have a jointly supported, slightly enhanced model retitled Capitalising Sustainable Communities. We are seeking widespread endorsement of this model.

I have a small number of slides summarising the model that I would like to run through quickly which will perhaps illustrate more clearly some of the concepts I have been describing and highlight the additions made to the original framework.

**SLIDES**

There was a remarkable degree of support for the concepts in these models reflected in the outcomes of the National Summit on the Future of Australia’s Cities and Towns convened by all state planning Ministers and held in Canberra in June this year, particularly around governance structures and funding models.

For most of the 20th century Australian cities have expanded gradually through the building of low density detached housing and segregated land usage. Added to that, since 1945, the growth of Australian cities has been based on the presumption that most urban travel would occur by private vehicle.

Generous road-building programs led to further car use leaving Australia with a legacy of cities with some of the lowest population densities and the highest road provision amongst urban centres and a nightmare in terms of excessive energy use, higher air
pollution, increased land take, deteriorating public health, social division, diminished opportunity for spontaneous exchange and low mixed use in our urban form.

Our ideals of the future Australian city have begun to change. It has become fashionable and convenient to live in the city again. People now juggle a number of professional and educational commitments over time and space and change their needs and priorities regularly.

This is however, still combined with an ever widening urban boundary and commuter belt. Central city employment may be declining, manufacturing relocating, outer urban populations growing, and multi-centred metropolitan forms emerging, most intra-suburban commutes remain radial in direction.

Traditional peak hour traffic is increasingly extending into congestion at other times and places. Our urban transport needs are increasingly complex and dynamic with public transport systems not keeping pace with new urban node development and changing commuter needs, thus perpetuating unsustainable levels of car dependency.

Australian planners, following a global trend, are strongly favouring compact, multi-nodal city development as the preferred blueprint for urban sustainability. A sustainable urban public transport system is critical to complement this shift. Such a system can help to address economic, social and environmental issues facing our nation - translating into cost savings for commuters, communities, public and private sectors, improved lifestyle and health, and reduced environmental impact.

Density and land use mix are both related to modal choice. As these increase, so transit usage, walking and bike riding rise too and consequently, single occupant vehicle use falls. The compact city is the most fuel efficient of all urban forms with (Newton 2000) 43 per cent less fuel consumption than low density, dispersed development.

Planning and the sustainability of our cities are inextricably linked. The spatial lens is a critical tool for creating a sustainable future.

Perhaps you might like to share your expertise with me to critique this model and suggest appropriate performance indicators and targets that might be adopted in an intergovernmental Sustainable Communities Charter to help us determine as a nation that we are shifting toward a more sustainable transport future.

28 October 2004
WORKSHOP 11: NON-MOTORISED TRANSPORT – A REDISCOVERY

OUTCOMES OF THE WORKSHOP

Presenters

- Robyn Davies, Pedestrian and Bicycle Transport Institute of Australasia
- Paul Magarey, Australian Bicycle Council & Department of Transport and Regional Services
- Peter Strang, Bicycle Federation of Australia

Workshop Objectives

- Share success stories that have “main-streamed” non-motorised transport
- Identify common success factors
- Inspire participants to include non-motorised transport activities in their work

Success Factors

1. There can be a wide diversity of factors leading to a good outcome for cyclists e.g. the expenditure of Roads to Recovery funding made by the City of Gosnells in WA was based on a consultant’s report that recommended that having more pedestrians and cyclists on the streets of the city could reduce the crime rate.

2. Common to many stories was that having a ‘champion’ in local government, either in the council staff or a councillor, can make the difference to a project being adopted or not. Freeing that champion from restrictive middle management to report directly to senior management or relevant councillors may also pay dividends.

3. Constant, effective lobbying by user groups can make a significant difference.

4. In one case, negative publicity from cyclists being banned from the Gold Coast Motorway created the appropriate climate for achieving a desirable outcome. Generally, building a media profile on an issue can be a key factor.

5. Wide public support e.g. to prevent unwanted traffic in a residential area, can have a positive outcome for cyclists. Unley's 40km/hr speed limit on local streets was a result of such a situation.

6. A change in conditions for employees e.g. closing a car park may have a positive result for cyclists and increase the number of cyclists.

7. Personal experience can be a strong motivator e.g. overseas travel on a budget led to the realisation by one couple that they were fitter, richer and got to meet more of the locals. They've now sold their second car in Australia as a result.
Australia and Current Business: Sustainable Development Makes Good Business Sense¹

David Birch

Director, Corporate Citizenship Research Unit, Deakin University, Melbourne


Sustainable Development and Trust

In the April 2004 Grey/Worldwide/Sweeney research Eye on Australia study of the aspirations and attitudes of Australian consumers it was found that 84% of Australians think that companies put profit before anything else and 83% considered companies to be greedy. Set against this, 85% of Australians in this same study consider a company to be successful if it gives back to the community through some aspect of corporate citizenship and 76% define corporate ethics as caring for local communities.

There is, therefore, still very firmly a ‘them and us’ culture in Australia (and worldwide), between civil society, generally, and business. This was demonstrated most recently with the findings of two worldwide surveys conducted for the World Economic Forum in 2002, which questioned 36,000 people in 36 countries²

Big companies, together with legislatures and parliaments, are the least trusted entities in the world, while NGOs are the most trusted. As Karen Armstrong pointed out in the WEF Annual Meeting in 2003 which received this report, ‘Building trust, respecting differences and valuing one another, i.e. learning the art of pluralism, is no longer just a “nice idea”, but essential to survival’ ³ Noted sociologist Anthony Giddens at this same meeting made the important distinction between active and passive trust, saying that ‘Passive trust is built on traditional expectations, while active trust must be earned over time. Trust’, he said, ‘particularly active trust, can be destroyed in a heartbeat and might never be recaptured. A single incident could result in an irreversible, downward spiral.’ (ibid). It is the lack of this active trust in business that is clearly being signaled in the sort of results emerging from surveys right now on this issue. And is active trust that must lie

¹ This presentation is based on a number of previously published, or in-press publications.
² (see http://www.weforum.org/site/homepublic.nsf/Content/25F2FF3F84CC622AC1256C9)
³ (http://www.weforum.org/site/knowledgenavigator.nsf/Content/D483CB6505364930C; see also WEF, 2003).

Australian Greenhouse Office, Department of the Environment and Heritage 2005
at the heart of any company seeking to connect the communities in which it operates to a sustainable future.

As Simon Zadek makes clear in *The Civil Corporation*, that ‘the era of bottomless trust (has) come to a precipitous and painful end.’ (Zadek, 2001:41). Few of us, worldwide, now position business very highly in any ranking scales that ask about ‘trust’.

Yet, as Zadek rightly points out, ‘Corporate social and environmental performance in the New Economy depends on what people really think about business, and what is really important to them.’ (p42). That being the case then we clearly need to do something about it.

Again, as Zadek points out, trust ‘is a complicated and volatile substance.’ (p50). As more and more in business recognize its importance, they are also increasingly recognizing that to generate, build, and more importantly, to sustain trust they need to radically rethink the rationale of business society relationships. Getting this rethinking onto the agenda lies at the heart of the sustainable development agenda in the last few years. It is this reestablishment of trust that should drive the business case for sustainable development – not altruism, not corporate philanthropy, nor a belief that companies have to give something back to the community to assuage their guilt in making profits. Building trust between business and society will be, and must be, the key driver in the business case for companies committing to sustainable development. It makes sense for the business; it makes sense for the community and it makes sense for our hopes for a sustainable future for everyone.

To that end, ‘Trust is deeply rooted in people’s values, visions and personal experiences. At the same time it is fluid, moulded both deliberately and organically by the complex interactions of people’s internal and external worlds. At one level it can provide a stable basis on which to build long-term relationships, shared values, and pursue common aims for mutual benefit’ (Zadek, 2001:203). All of which are central tenets of contemporary corporate citizenship. But ‘At another level, trust can be an unstable cocktail of fact and fiction, of utopian desire and pathological hopelessness.’ (p203).

**Values**

If then, the surveys are right, there is clearly a major erosion of trust in business taking place, and with that, a clear perception that effective translation of corporate values and mission statements on social and environmental responsibilities is not perceived by many people to be happening. The route to rebuilding that trust, the WEF recommends, requires:

- **Establishing accountability.** Who is responsible, what are they responsible for and what are the consequences if the rules are violated?
• **Increasing corporate transparency.** This entails a true dialogue with a range of stakeholder groups and a serious effort on the part of business leaders to listen and learn.

• **Revisiting corporate values and values statements.** This requires corporate values that are, at least to some extent, externally driven and responsive to a range of stakeholder communities.

• **Recovery and economic growth** are probably necessary, but not sufficient conditions for the rebuilding of trust.

But this is not going to be easy outside of business when, in a 2003 survey on employee trust and corporate credibility, only 55% of those surveyed *inside business* said that they actually trusted their corporate employers.4

So, in consequences of surveys like this, many CEOs worldwide are now positioning values as an essential basis for building trust (Elkington, 2003), and in turn an essential basis for sustainable development. As Kofi Anan has made clear, ‘global citizenship, based on trust and a sense of shared responsibility, is a crucial pillar of progress’ in an age of inter-dependence.5

It is the recognition of that age of inter-dependence, where business can no longer function as if it is isolated or immune for social, cultural and community values and expectations, which is one of the most significant cultural changes that is required of any business seeking to be a sustainable company.

**Business Imperatives**

The global and national imperatives and demands upon business to engage more effectively with sustainable development related issues, policies and practices; the new business cases that are being developed for sustainable development related initiatives; the emerging and evolving social positioning of business and the demands of going beyond a single bottom line as a real and definable realization of sustainable development, are all leading business to recognise that the challenge to developing as a sustainable corporation in the future, without losing profitability, will require serious and well-thought-out organizational and cultural change within the company. Sustainable development in this respect is not a passing fad, or a new management mantra, but a serious call to significant changes in the way that business see themselves, and are seen by an ever increasing number of interested external stakeholders, and the way in which business then function and operate in the communities in which they seek a licence to operate.

4 (see [http://www.imakenews.com/eletra/mod_print_view.cfm?this_id=122536&y](http://www.imakenews.com/eletra/mod_print_view.cfm?this_id=122536&y))

Business in Australia, for the most part, has started on the journey to sustainable development, but, again for the most part, has started with the easier things – the more tangible things – the things in its own comfort zone, often the things that can be easily measured. It’s a very good start, but a glossy stand alone social, environmental, sustainability, or Triple Bottom Line report, all of which are proliferating in Australia right now, is not the end of the journey., It is the beginning, because at the end of the day, effective sustainable development is not going to be measured by countable activities between business and community, it is going to be measured by the more intangible levels of trust that develop between business and society.

The route to building that trust involves a broad portfolio of community engagement activities, many of which some of the companies in this room are doing, but more importantly it requires policy, behavioural and cultural change, within the economic rationale of how business does business, where the social, environmental and cultural bottom lines are positioned as just as important as the financial bottom line. That is not easy – it is an economic paradigm shift of great magnitude, where profit and reward is understood not just in terms of finance, but also in terms of social, environmental and cultural sustainability. This involves an understanding of sustainable development which has as its core a recognition that a truly sustainable future is not going to be possible without a more thorough integration of social, environmental, cultural and economic bottom lines – what we might called ‘the joined up bottom lines’.

In a recent survey, we conducted in 2004, a total of 820 companies either headquartered or operating in the State of Victoria in Australia were surveyed through analysis of their public domain materials (websites, annual reports etc) for their reporting of sustainable development related initiatives and activities – I see no reason why the results would not be replicated across Australia.

A total of 182 of these companies were determined to be committed to a journey of sustainable development if they were involved in four or more of the following initiatives:

- A stated commitment on commitment to the environment
- A stated commitment to corporate citizenship
- A stated commitment on diversity
- A stated commitment on positioning as an employer of first choice
- Community partnerships
- Community sponsorships
- Community/environmental reporting
- Corporate community Foundation
- Employee volunteering
- Environmental activities
- Fundraising
- In-kind donations
- Matched giving schemes
• Pro bono services
• Stakeholder identification/dialogue
• Winner/finalist in the Prime Minister’s Community Business awards

Results

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Citizenship Policy and/or Statement</td>
<td>76%</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>76%</td>
</tr>
<tr>
<td>In-kind Donations</td>
<td>67%</td>
</tr>
<tr>
<td>Matched Giving</td>
<td>21%</td>
</tr>
<tr>
<td>Partnerships</td>
<td>59%</td>
</tr>
<tr>
<td>Pro Bono Services</td>
<td>26%</td>
</tr>
<tr>
<td>Employee Volunteering</td>
<td>54%</td>
</tr>
<tr>
<td>Fundraising</td>
<td>45%</td>
</tr>
<tr>
<td>Stakeholder Identification and Dialogue</td>
<td>45%</td>
</tr>
<tr>
<td>Diversity Policy/Program</td>
<td>48%</td>
</tr>
<tr>
<td>A Community and/or Environment Report</td>
<td>33%</td>
</tr>
<tr>
<td>Environmental Policy</td>
<td>58%</td>
</tr>
<tr>
<td>Environmental Activities</td>
<td>60%</td>
</tr>
<tr>
<td>To be Employer of First Choice</td>
<td>21%</td>
</tr>
<tr>
<td>Company Foundation/Trust</td>
<td>40%</td>
</tr>
<tr>
<td>Winner/Finalist PM’s Business Community Partnership Award</td>
<td>16%</td>
</tr>
</tbody>
</table>

This simple breakdown indicates that while 76% of the active companies in the State of Victoria have a clear commitment to sustainable development, the realisation of this commitment is still predominantly enacted by sponsorships and in-kind donations – as such, this is a transactive approach to sustainable development. But world-wide there is a growing understanding that the most effective sustainable development initiatives are much more interactive – most particularly involving long term partnerships between business and community, where these partnerships enable both parties to learn more about each other, and in doing so, to break down the distrust that hinders true sustainable development. Such partnerships are resource-intensive for both parties; they may not produce tangible, measurable outcomes, for a long time; they are not always easy to demonstrate to a Board that they return business value to a company, short-term, but I am convinced they will be the most effective building blocks for a sustainable future in the years to come.

Accountability is the key, and a simple framework for establishing and ensuring trust through accountability might look like this:
There is a very powerful business case for companies to consider becoming more involved in sustainable development which, simply stated, will position a company to engage more fully in its communities. In turn, this creates a positive reputation for the company which in turn, as many studies have shown, will enable a continuing and growing return on shareholder value. This can be achieved by a company’s increased engagement with communities where through this increased engagement the following factors can be demonstrated to have positive impacts on the business:

- Greater public confidence in the company;
- Better management of community perceptions in order to better manage business performance;
- Enhanced influence on the community;
- Improved corporate reputation and image;
- Increase in brand recognition;
- Differentiation from competitors;
- Increased engagement in dialogues and key stakeholders;
- A more active role in public/community debate;
- A more positive attitude towards stakeholders and the community and their impact upon core business;
- A more inclusive and transparent business culture;
- New sources of information and innovation;
- A positive increase in staff moral which can lead to improved labour productivity, increased staff retention, increased staff loyalty and an increased ability to become an employer of first choice attracting more highly qualified and motivating staff;
- The development of a more flexible work force’
- Potential improvement of products and/or service quality’
- Reduced absenteeism’
- Skills sharing’
- Better training and staff development within the business’
- More community based job training’
- A potential long term improvement in the company’s stock performance on the market’
- A potential increase in investors wanting to invest in a more socially responsible company.
There is no single business case which suits all companies. Strategic decisions need to be made within each company as to which of the highlighted points above to focus upon. But at the heart of any business case made relevant for specific companies, there needs to be a recognition that effective moves towards sustainable development are more than simply transactions involving the transfer of goods, skills or money (all of which may form an integral part of a company’s expression of its commitment to the community) but also involve interaction with the community as equally important, if not more so, than transactions.

The major challenges in sustainable development for business are, therefore:

- Moving from a transactive culture to an interactive culture
- Moving from a concentration on impact to a more process-oriented relationship with local communities
- From one-off events, to building, interactively, local sustainable capacity
- Shifting the rhetoric and aspirations for sustainability into embedded core business
- The creation of more management space, time and resources, across an increasing number of fronts, and including more people internally and externally to the business, to enable the rhetoric and aspirations to be translated effectively into core business
- Sustainable development reporting
- More strategic community awareness, involvement, investment and engagement
- Long-term Business/Community partnerships
- Greater stakeholder dialogue and engagement
- Compliance with increasing legislation and regulation in corporate social responsibility, governance and related issues
- Sharing Ownership of Information with non business organisations
- Alignment of Sustainable development Values and Community Values with Business Values
- A Greater Attention to Assurance Processes and not just Verification Protocols
- Understanding Business as a public (and not just a private) culture
- Being more strategic about a company says it will do
- Knowing where to stop and what limits and boundaries to put in place
- Being able to align initiatives and imperatives in sustainable development with a company’s own strategic choices not just as reactions to pressure from external agencies

While the benefits of sustainable development are likely to be:

- The potential to open up new markets and audiences and to expand existing ones
- The opportunity to contribute more to social and public policy formulation
- The establishment of a continuous and real dialogue with key stakeholders
• A more active role in public/community debate
• A more inclusive, interactional and transparent organisational culture
• The potential for long-term improvement in stock performance and long term shareholder returns
• An increase in investment (both financial and other forms of capital) for a socially responsible sustainable company

Sustainability and Globalisation

When Kofi Anan established the United nations Global Compact at Davos in 1999, he said, ‘let us choose to unite the power of markets with the authority of Universal ideals. Let us choose to reconcile the creative forces of private entrepreneurship with the needs of the disadvantaged and the requirements of future generations.’ As such, ‘the Global Compact is an initiative to safe guard sustainable growth within the context of globalisation by promoting a core set of universal values which are fundamental to meeting the socio-economic needs of the world’s people, today and tomorrow. It is an effort to give a human face to the global market.’ (United Nations, 1999)

Extending beyond just business, the Global Compact in promoting the universal values that the United Nations was created to uphold ‘requires that all actors/governments, corporations, non governmental organisations and international organisations – work with common purpose to ensure that these values are more than just fine words on obscure documents. By helping to protect and promote universal values, the private sector can help the United Nations make a persuasive case for the open global market. Therefore, advocating for a strong United Nations is in the interest of business and society at large.’ (United Nations, 1999)

Since its formal launch at the United Nations headquarters in July 2000, many hundreds of companies and organisations have become participants. These companies and organisations represent different sectors, industries, and come from all over the world but as the Global Compact office now based in New York points out ‘they have two features in common: they are all leaders; and they all aspire to manage global growth in a responsible manner but takes into consideration the interest and concerns of a broad spectrum of stakeholders – including employees, investors, customers, advisory groups, business partners and communities.’ (Global Compact, 2001) Overall, ‘the Global Compact was created to help organisations redefine their strategies and causes of actions so that all people can share the benefits of globalisation, not just a fortunate few.’ (Global Compact, 2001)

To do this, the Global Compact has the following goals:

• To make the principles part of the strategic vision and operating practices of companies everywhere
• To provide an interactive and action oriented learning resource based on the experience of hundreds of companies to show case what works and what doesn’t
To conduct at least one major Issue Dialogue a year that addresses a critical problem where business in partnership with NGOs and other relevant stakeholders can produce recommendations leading to meaningful change

To ensure that business, United Nations agencies, labour, NGOs, Government and community groups work in partnership to develop and execute projects that further the principles, and are particular benefits to those most in need

As such companies and organisations are encouraged to participate so that they can:

- Demonstrate a position of leadership with regard to responsible citizenship
- To share experiences and learning’s with likeminded companies and organisations
- To build relationships with other companies, government bodies, labour, NGOs and international organisations
- To partner with United Nations agencies including the International Labour Organisation, the Office of the High Commission of Human Rights, The United Nations Environmental Program, and the United Nations Development Programs
- To maximise business opportunities by broadening the corporate vision to include the social dimensions and by implementing responsible management policies and practices
- To participate in results oriented Issue Dialogues related to the critical problems facing our world. (www.unglobalcompact.org).

As Malcolm McIntosh points out, ‘the Compact is a vehicle for greater and higher quality multi disciplinary thinking and cross sectoral partnerships. In order to engage with the world we need to complement our current disaggregation of the world with a more integrated, co-ordinated and complex view of the relationship between people and planet.’ (McIntosh, 2003: 20-21).

**Conclusion**

‘Trust’ is a key issue here for doing this. It requires the building of social, cultural and environmental capital, not just financial. It requires relationship building, and that in turn requires knowledge and understanding from all parties involved in the relationship. It requires ‘empathy’, ‘respect’ and ‘tolerance’ It requires cultural change on both sides. It requires the ability to listen, compromise and to be prepared for failures and disappointments. It requires taking risks. It requires dialogue, and 'give and take on both sides', and it requires willingness to face the demands of the surprises, which will inevitably come along.

Effective sustainable development, then, is about the challenge to business for building social, environmental, and cultural capital – not just financial capital. John Elkington, a leading commentator on sustainability and triple bottom line thinking, positions such social capital as an absolute necessity if we are to build a truly sustainable society. And goes further by stating that, ‘the degree of trust between a corporation or an industry and their external stakeholders is likely to be a key factor determining their long-term..."
sustainability.’ (Elkington, 1998: 85). ‘Distrust in a society’, Elkington argues, ‘imposes a kind of tax on all forms of economic activity, a tax that high-trust societies do not have to pay.’ (p85)

It is clear, then, that ‘The successful company of the future will be the one that has seized the opportunity opened up by today’s apparent chaos and confusion, created a market niche among previously untapped customers, and generated a unique value proposition that appeals to the hearts of all its stakeholders, from its shareholders and consumers to its employees and the communities in which it works.’ (Schwab & Hartigan, 2003)

The truly sustainable corporation will, therefore, be the one that recognizes, and more importantly acts upon, at every level of its policy and operations, that the route to a sustainable future goes well beyond compliance to existing legislation, mission statements, codes of ethics, governance and conduct – if our aim is to build sustainable societies for ourselves and future generations, both within Australia, and worldwide, we need, more than anything else, to drive a business case for trust.

That requires vision, leadership and a culture of business that understands the business value of integrating social, environmental, cultural and economic bottom lines. As Queensland Transport has recognized, and I am sure many others here in this room today, ‘Delivery of the vision can only be achieved through partnerships and alliances with all levels of government, industry and the community …to connect people, goods and services, thereby enhancing the economic, social and environmental well-being of all Queenslanders.’

The challenge, of course, is translating this statement into reality. It makes sense – but it needs to make business sense too, and that requires the learning of a new language of trust where social, cultural and environmental economics are understood as returning value and reward in the same way as the financial. This effectively means the development of a new economy, where, as some of you in this room have already recognized and committed to, human capital needs to be at the center of how you measure your business success. Easily said, but not so easily enacted, when so much of the existing economy of business is based on the language and discourse of finance.

I wish all of you every success in the successful implementation of the Charter on Sustainable development being launched later today. Thank you.

References


Elkington, John (2003) ‘Trusting Values’, The Director, April, 25


‘Australia and Current Business: Sustainable Development Makes Good Business Sense

David Birch
Corporate Citizenship Research Unit, Deakin University

“Distrust in a society imposes a kind of tax on all forms of economic activity, a tax that high-trust societies do not have to pay” (John Elkington)
• **Establishing accountability.** Who is responsible, what are they responsible for and what are the consequences if the rules are violated?

• **Increasing corporate transparency.** This entails a true dialogue with a range of stakeholder groups and a serious effort on the part of business leaders to listen and learn.

• **Revisiting corporate values and values statements.** This requires corporate values that are, at least to some extent, externally driven and responsive to a range of stakeholder communities.

• **Recovery and economic growth** are probably necessary, but not sufficient conditions for the rebuilding of trust.

(World Economic Forum)
External Sustainability -Related Imperatives on Business-

• Sustainable Development initiatives and reporting
• Corporate citizenship initiatives and reporting
• CSR initiatives and reporting
• Triple Bottom Line initiatives and reporting
• Non-Mandatory social, environmental and governance initiatives and reporting
• Some mandatory social, environmental and governance initiatives and reporting
• Socially responsible and ethical investment funds reporting
• Corporate reputation indices
• National and international Corporate Governance guidelines
• Sustainable Development Charters

Brisbane 27 October 2004
External Sustainability
-Related Imperatives on Business-

• Engagement with global initiatives like the UN Global Compact, the OECD Guidelines on multinationals, the Global Sullivan Principles
• Adoption of new reporting and performance guidelines and standards like the AA1000 standard on social and ethical accountability and the Global Reporting Initiative
• More strategic community awareness, involvement, investment and engagement
• Long-term Business/Community partnerships
• Greater stakeholder dialogue and engagement
• Compliance with increasing legislation and regulation in corporate social responsibility, governance and related issues
• Corporate Philanthropy
• Greater Community Engagement

Brisbane 27 October 2004
A Simple Model for SD Accountability

- What do we say we will do?
- Who will do it?
- Who are we doing it with?
- When will it be done?
- Is this really core business or just an add-on?
- What do our stakeholders say about it?
- How extensive is stakeholder influence on the core business decisions and policies/practice we make?
Challenges to Business

• Greater Community Engagement
• Integrated Triple Bottom Line Performance and Reporting
• Sharing Responsibilities not just Stakeholders as a Source of Information or Commentary
• Accountability Protocols
• Inclusivity Demands
• New Definitions of Profitability
• Quality of Life Indicators
• Governance and Transparency Demands
• A Greater Attention on ‘the Local’
• Countering Stakeholder Fatigue
• Understanding Community Cultural Politics
• Contributing to Community Capacity Building

• Cont…..
Challenges to Business

- Sharing Ownership of Information
- Alignment of Sustainable Development Values and Community Values with Business Values
- A Greater Attention Paid to Assurance Processes and not just Verification Protocols
- Developing an Interactive Rather than Transactive Business Culture
- Understanding Business as a Public Culture
- Translating the Rhetoric of SD into Embedded Core Business
- The Creation of Management, Time and Freedom to Implement SD Processes
- Being more strategic about what you say you will do
- Knowing where to stop and what limits and boundaries to put in place
- Being able to align initiatives and imperatives in SD with your own strategic choices not just as reactions to pressure from so many external agencies
Benefits to Business

• New sources of information
• New ways of doing business
• New ways to innovate
• New enabling environments for effective corporate citizenship
• The ability to influence the norms and attitudes of internal and external stakeholders
• Greater public confidence in the company
• Increased positive reputation for the company

Cont.....
Benefits to Business

- The potential to open up new markets and audiences and to expand existing ones
- The opportunity to contribute more to social and public policy formulation
- The establishment of a continuous and real dialogue with key stakeholders
- A more active role in public/community debate
- A more inclusive, interactional and transparent organisational culture
- The potential for long-term improvement in stock performance and long term shareholder returns
- An increase in investment (both financial and other forms of capital) for a socially responsible company
Interactive Workshop on Sustainable Development
“Sustainable Development Makes Good Business Sense”
Brisbane, 27/28 October 2004

A Global Approach for a Global Problem
The Homeopathic Approach to Behaviour Change

PART A: Presentation

Werner Brög

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SUMMARY

CHART 1: In seven years from a local feature to a global approach

CHART 2: Consistent success in reducing car kilometres

CHART 3: Similar patterns in specific attitudes and perceptions

CHART 4: Similar patterns in specific facets of mobility behaviour

CHART 5: Consistent misperception by decision makers and opinion leaders

CHART 6: Each by oneself?
CHART 7  Growing acceptance on political levels

CHART 8  Homoeopathy: The way to a healthier transport system

CHART 9  Inconsistent evaluation concepts

CHART 10  Better information as a result of the program

CHART 11  Better systems through soft policies

CHART 12  The situational context defines potentials for change

CHART 13  Sustainable behaviour change: The call for an integrated approach
A GLOBAL APPROACH

- IndiMark® -

P.T.: 100+ projects, in 13 countries, involving 1,5+ mio participants

Europe

1997 Perth 865 people

America

Seattle
Portland Pilot
FIA-Demonstration
Portland Large
Vancouver

Sustainable Towns
DTR-Projects (UK)
CONSISTENCIES ON THREE CONTINENTS

- Reduction of car kilometres -
<table>
<thead>
<tr>
<th>Expectations</th>
<th>Worldwide, four fifth of the population want to see more emphasize on environmentally friendly modes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information</td>
<td>In half of the cases, where public transport provides a reasonable alternative, this is unknown</td>
</tr>
<tr>
<td>Perception</td>
<td>Alternative modes to the car are always perceived worse then they really are</td>
</tr>
</tbody>
</table>
### Consistencies on Three Continents

- **Behaviour**

<table>
<thead>
<tr>
<th>Activities</th>
<th>Only one out of five trips is work-related</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spatial orientation</td>
<td>Five out of six trips begin or end at home</td>
</tr>
<tr>
<td>Car usage</td>
<td>10% of all car trips are not further then 1km, 30% not further than 3km and 50% not further then 5km</td>
</tr>
</tbody>
</table>
CONSISTENCIES ON THREE CONTINENTS

- Decision makers / Opinion leaders -

SYSTEMFIXATION

PERCEPTION OF BEHAVIOUR (AL CHANGES)

MENTAL BLOCKADE
**IMPROVE CONSEQUENCES OF CAR TRAFFIC**

- Germany -

<table>
<thead>
<tr>
<th>Each has to start by oneself</th>
<th>| ---</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision makers/Opinion leaders</td>
<td>Citizens</td>
</tr>
<tr>
<td>Agree</td>
<td>93</td>
</tr>
<tr>
<td>Do not agree</td>
<td>7</td>
</tr>
</tbody>
</table>
„We need to involve directly the people of London in finding ways to reduce congestion rather than impose solutions on them and persuade people that with their support we can achieve even more. That, as I see it, is one of the great merits of the individualised marketing approach; people are empowered to contribute to solutions through personal actions.“

**Lynne Featherstone**
Chair of the Transport Policy and Spatial Development Policy Committee, London Assembly
THE HOMEOPTHIC WAY

MOTIVATION and EMPOWERMENT

PARTNERSHIP and DIALOGUE

PERSONALISED and CUSTOMISED

“POSSIBLE” TRIPS and “SMALL” CHANGES
INCONSISTENCIES ON THREE CONTINENTS

- Evaluation -

INDEPENDENT - instead of - QUALIFIED

SIGNIFICANT - instead of - VALID

“TECHNOLOGY”-DRIVEN - instead of - “RESPONDENT” DRIVEN

REVEALED BEHAVIOUR - instead of - SITUATIONAL CONTEXT
EXTENT OF INFORMATION

- Fremantle; motorised private modes -

Public transport available; no constraints

Without IndiMark®

Informed (to some extent) 41
(Nearly) not informed 59

With IndiMark®

Informed (to some extent) 61
(Nearly) not informed 39
PUBLIC TRANSPORT

- Fremantle -

SATISFACTION

Without IndiMark®  |  With IndiMark®
--- | ---
Satisfied  | 60  | 75
Don't know  | 13  | 11
Dissatisfied  | 27  | 14

EVALUATION

Without IndiMark®  |  With IndiMark®
--- | ---
Better than 4 years before  | 52  | 68
Same  | 38  | 21
Worse than 4 years before  | 10  | 11

Index  | +33  | +61
Index  | +42  | +57
POTENTIALS FOR "GREEN MODES"

- Fremantle -

Without IndiMark®

- Constraints: 37%
- No adequate alternative: 28%
- Only subjective reasons against walking, bicycle, public transport: 10%
- Actual usage (walking, bicycle, public transport): 25%

With IndiMark®

- Constraints: 31%
- No adequate alternative: 29%
- Only subjective reasons against walking, bicycle, public transport: 10%
- Actual usage (walking, bicycle, public transport): 30%
ALLIANCES

IndiMark®
(all modes)

Transport planning
Environment
Car use
Health (activities)
Water
Energy
Waste
etc, etc, etc
A Global Approach for a Global Problem

Development of an Integrated Sustainability Approach

PART C: Background Paper

Werner Brög

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1 **Between Skylla and Charybdis**

The dependence on the car in everyday travel has increased enormously in the last decades. This has serious and growing consequences for the environment and health and for many communities affected by road traffic. At the same time, these consequences are very expensive for business, environment and society. Ways have to be found to overcome this car dependency so that people use other modes of transport.

The steep increase in the use of motorised private transport has resulted in greater transport distances for the inhabitants of European cities but not in any substantial mobility gain. The time spent on transport has to a large extent remained steady, at about one hour per person per day ("active mobility"). But at the same time the consequences connected with this increase ("passive mobility") have become much greater.

**CONSEQUENCES OF CAR TRAFFIC**

- CITIZENS -

![Chart showing the consequences of car traffic for citizens in different EU countries. The chart is divided into three categories: well bearable, hardly bearable, and unbearable. The percentages for each category vary across different countries.](chart.png)

UTIP / Eurobarometer  
*) Different questions in different nations; results aligned
Since, however, passive mobility takes up an incomparably greater part of our lifetime, citizens mainly judge the traffic trend from the passive mobility standpoint. They therefore hope that transport planning and policy will provide relief precisely during the period of passive mobility by an orientation towards the promotion of environmentally friendly and not (no longer) motorised private modes.
This understandable wish that environmentally friendly transport modes will be encouraged is countered by public opinion which is seen as “pro-car”. Accordingly the importance of motorised private transport is overestimated and the possibility of reducing it is underestimated.

Nonetheless limited changes by individuals in their behaviour would be possible at any time without giving rise to major problems and would have great impact. But it is not sufficient for such behavioural changes to be possible, as they must also be considered possible. And the predominance of the car in public opinion runs counter to this requirement.

The result is, strange as it may seem, that the simple behavioural changes in active mobility, which would make an appreciable contribution to the desired improvements concerning passive mobility, are (wrongly) considered to be so radical that any attempt to initiate them is immediately seen as an unwarranted impairment of the quality of life. Accordingly practical measures to reduce traffic are not taken at all or not taken confidently enough, and the very trend we think we are avoiding (deterioration in the quality of life) actually occurs.

Transport policy and transport planning do not provide much solution to this “mental blockage”. For, first and foremost, it is not a change in basic conditions which is
necessary but a change in people. It is not “others” who have to make a change, but we ourselves. This obviously applies not only to citizens but also to opinion-formers and decision-makers.

**IMPROVE CONSEQUENCES OF CAR TRAFFIC**

- Germany -

Each has to start by oneself

<table>
<thead>
<tr>
<th></th>
<th>Opinion-formers</th>
<th>Citizens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>93</td>
<td>91</td>
</tr>
<tr>
<td>Do not agree</td>
<td>7</td>
<td>9</td>
</tr>
</tbody>
</table>
2 Old Wine in New Barrels

Behaviour is a product of wanting to do something and being able to do it. In the context of mobility, “being able” is determined by individual constraints and available options, whilst “wanting” is determined by information, perception and subjective preferences. The present discussion about ways of influencing people's choice of transportation is indeed dominated by proposals concerning options (new tramways, bicycle tracks etc.), behavioural control (road pricing, parking fees etc.) or restrictions (no-parking zones, speed limits etc.). In all of this, it is assumed that people have to be influenced “from the outside” because they are not willingly prepared to adopt a pattern of sustainable mobility by themselves.

This is disproved by the findings of numerous studies on why people choose the transportation they do, and what the chances are of changing their behaviour patterns. Again and again, it has emerged that there is great potential for behavioural changes without the objective conditions needing to be changed at all. More than half of all car trips in Germany are made without any inherent necessity for choosing the car to make them, and there is at least one equally good, environmentally friendly alternative (= on foot, by bicycle, using public transport).
To open up this potential, therefore, does not require any costly investments or unpopular restrictions – all it takes is the deliberate use of “soft policies” (information, motivation, identification). Nor are people required to give up their cars entirely, but simply to give more thought to their choice of transportation. If every car driver in Germany were to make only two journeys a week (just one round trip) by a more environmentally friendly means of transportation than the car, the volume of car traffic would be reduced by a significant 15 - 20%.

The potential for soft policies is especially great for the simple reason that people are swayed in their choice of transportation by severe miscalculations and lack of information. About half of the German citizens for whom public transport is a genuine alternative are not in possession of the facts; if they do know of the alternatives, they heavily overestimate the travelling time and the fares involved. In other words, people’s subjective perception of alternatives to the car is considerably worse than the true state of affairs. However, since it is subjective perception which controls behaviour patterns, this is the key to effective and sustainable influence.

3 The Homeopathic Way to a Healthier Transport System

In a business context, problems of this type are solved with differentiated marketing concepts. In the case we are examining, it would make sense to use a dialogue marketing process. This enables mobility patterns to be changed in a quasi-homeopathic way by strengthening existing resources. Citizens are taken seriously as active partners in solving a shared problem. They are motivated to make their own contribution and given all the help and information that they need. “Dialogue” means that they actively join in, decide for themselves what information they need, and are served individually instead of being the passive recipients of unwanted advertising material.
Dialogue marketing of this kind is particularly successful when it happens in a communal context, the dialogue (with all inhabitants) taking place in several phases.

First, all households are personally addressed and invited to reflect on their choice of transportation. Then – depending on how willing they are to change their behaviour patterns – they are segmented into different groups and drawn into a dialogue, which will vary from group to group. In this dialogue they receive not only information and advice tailored to their needs, but also reassurance and rewards. Measures range from providing a bus-stop timetable to making a house visit. In all cases, the dialogue is kept as individual as possible and only maintained for as long as necessary, so that the targeted persons do not feel burdened or pressurised (help to self-help). This concept has so far encountered thoroughly positive reactions, achieving not only sustainable changes in behaviour patterns, but also definite improvements in motivation and attitude. Their numerous letters and comments prove the point.
Private households are the classic field of application for individualised dialogue marketing (behavioural changes “at source”). There are, though, two useful and effective areas where this can be complemented: schools and businesses (behavioural changes “at destination”). In both cases, applying a slightly modified process can reinforce the effect, particularly where peak traffic is concerned, and gain additional important partners.

4 Individualised Marketing – An Effective Tool for Reducing Car Use

Individualised Marketing (IndiMark®) is a dialogue-based technique for promoting the use of public transport, cycling and walking as alternatives to car travel developed by Socialdata. It is a programme based on a targeted, personalised, customised marketing approach which empowers people to change their travel behaviour. Using these “soft policies” to make people think about their travel behaviour has proven to be highly successful in achieving shifts in mode from the car; shifts that are proving to be sustained in the longer term.
In the 1990s Socialdata undertook a series of projects of an experimental nature, in order to prove the effectiveness of so-called "soft policies" for public transport. The starting point of these experiments was the recognition that much opposition to the use of public transport is due to a lack of information and motivation. Potential users of public transport were contacted directly, to motivate them to think about their travel behaviour. They were then thoroughly informed about the availability of public transport to meet their specific needs. As an added incentive, selected test candidates were given a special ticket to use the public transport system free of charge for one month.

The development of the method was supported by an International demonstration project called “Switching to Public Transport”, initiated by the UITP (International Association of Public Transport) – the world-wide association of urban and regional passenger transport operators, authorities and suppliers, with scientific leadership from Socialdata. In 13 European countries 45 projects were carried out which were very successful. This demonstration project showed that personalised encouragement, motivation and information could lead to considerable increase in public transport use, that the approach could be applied on a large scale and that it was relevant for many very different, countries. Since then about 100 large scale projects in Europe have promoted public transport by IndiMark®. It has proven to be highly successful in achieving mode shifts from car to public transport.

Following from this, the approach of Individualised Marketing was extended to all environmentally friendly modes in order to reduce car use. In 1997 Socialdata Australia was engaged by the Western Australian Ministry of Transport to implement a pilot study on Individualised Marketing in South Perth.

The pilot study consisted of an implementation of the IndiMark®-system with a pre- and after-surveys to evaluate changes in the mobility behaviour. Further evaluations took place one year later to evaluate the sustainability of the changes.

The first afterward survey, completed directly after the campaign in November 1997, showed that IndiMark® is an effective instrument to increase the use of alternative means of transport and to reduce the share of car traffic. Further evaluations in 2000 showed that these changes remained constant over more than two years. As a consequence it is obvious that IndiMark® has a sustainable effect on the modal choice, even up to two and a half years after the campaign. The changes of modal choice have proven their sustainability.
It has been very successfully implemented on a large scale for the first time in Perth, the Australian metropolis said to have been built for and around the automobile. In a local council area (South Perth) with 35,000 inhabitants, without introducing any special measures as restrictions, the project succeeded in reducing the number of car trips by 14% and the kilometres travelled in cars by 17%. The share of trips made on foot rose by one third, bicycle trips increased by two thirds, public transport trips by one sixth (bus only by one quarter) and 10% more trips were made as car passengers.

A cost-benefit analysis by the Department of Transport revealed a cost-benefit ratio of 1:30. These findings have induced the Government of Western Australia to extend the application of IndiMark® to half of Perth over the coming years.
5 A Global Approach for a Global Problem

Since this successful application in Perth a number of other cities have tested and applied IndiMark® to reduce car trips. Pilot projects are already completed in a number of Australian cities, in Paris, London, Portland (USA), Townsville (Australia), Viernheim (Germany) and Gloucester, Frome (UK). Five pilot projects are just starting in the USA.

<table>
<thead>
<tr>
<th>Country</th>
<th>City</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUS</td>
<td>Perth - South Perth</td>
<td>Evaluated</td>
</tr>
<tr>
<td>AUS</td>
<td>Brisbane - Grange</td>
<td>Evaluated</td>
</tr>
<tr>
<td>AUS</td>
<td>Townsville - Hermit Park</td>
<td>Evaluated</td>
</tr>
<tr>
<td>AUS</td>
<td>Townsville - Mundingburra</td>
<td>Evaluated</td>
</tr>
<tr>
<td>AUS</td>
<td>Adelaide - Marion</td>
<td>Evaluated</td>
</tr>
<tr>
<td>AUS</td>
<td>Adelaide - Onkaparinga</td>
<td>Evaluated</td>
</tr>
<tr>
<td>D</td>
<td>Viernheim</td>
<td>Evaluated</td>
</tr>
<tr>
<td>AU</td>
<td>Linz - Neue Heimat</td>
<td>In Progress</td>
</tr>
<tr>
<td>F</td>
<td>Paris - Athis-Mons</td>
<td>Evaluated</td>
</tr>
<tr>
<td>F</td>
<td>Paris - Montreuil/Bagnolet</td>
<td>Evaluated</td>
</tr>
<tr>
<td>UK</td>
<td>Frome</td>
<td>Evaluated</td>
</tr>
<tr>
<td>UK</td>
<td>Gloucester-Qedgeley</td>
<td>Evaluated</td>
</tr>
<tr>
<td>UK</td>
<td>London - Kingston</td>
<td>Evaluated</td>
</tr>
<tr>
<td>UK</td>
<td>Nottingham - Lady Bay</td>
<td>Evaluated</td>
</tr>
<tr>
<td>UK</td>
<td>Nottingham - Meadows</td>
<td>Evaluated</td>
</tr>
<tr>
<td>USA</td>
<td>Portland - Multnomah/Hillsdale</td>
<td>Evaluated</td>
</tr>
<tr>
<td>USA</td>
<td>Bellingham</td>
<td>Completed</td>
</tr>
<tr>
<td>USA</td>
<td>Cleveland</td>
<td>Started</td>
</tr>
<tr>
<td>USA</td>
<td>Durham</td>
<td>Started</td>
</tr>
<tr>
<td>USA</td>
<td>Sacramento</td>
<td>Started</td>
</tr>
<tr>
<td>USA</td>
<td>Seattle Metro</td>
<td>Started</td>
</tr>
<tr>
<td>USA</td>
<td>Seattle Uni</td>
<td>Started</td>
</tr>
</tbody>
</table>
Large scale projects are completed and evaluated in a number of cities. In Perth and Viernheim, the success of the large scale application succeeded the result of the pilots; in Perth repeated evaluation surveys suggest that the behavioural changes achieved were sustainable. At present diverse large scale projects in Australia are waiting for their evaluation.

The first large scale-implementation in the USA has started.
The results of all projects in Europe, Australia and the United States, which have been conducted so far show that Individualised Marketing has a great potential as a tool for promoting the use of public transport, cycling and walking as alternatives to car travel and to reduce car trips.

INDIMARK® - EVALUATION

<table>
<thead>
<tr>
<th>City</th>
<th>CAR(^{a})</th>
<th>EF(^{b})</th>
<th>FM(^{c})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frome</td>
<td>-6%</td>
<td>+12%</td>
<td>+20%</td>
</tr>
<tr>
<td>Townsville</td>
<td>-8%</td>
<td>+20%</td>
<td>+25%</td>
</tr>
<tr>
<td>Gloucester</td>
<td>-9%</td>
<td>+18%</td>
<td>+25%</td>
</tr>
<tr>
<td>Portland</td>
<td>-9%</td>
<td>+11%</td>
<td>+15%</td>
</tr>
<tr>
<td>Paris Region</td>
<td>-10%</td>
<td>+10%</td>
<td>+20%</td>
</tr>
<tr>
<td>Melbourne</td>
<td>-10%</td>
<td>+15%</td>
<td>+20%</td>
</tr>
<tr>
<td>Brisbane</td>
<td>-11%</td>
<td>+4%</td>
<td>+19%</td>
</tr>
<tr>
<td>Paris</td>
<td>-11%</td>
<td>+12%</td>
<td>+12%</td>
</tr>
<tr>
<td>London</td>
<td>-12%</td>
<td>+13%</td>
<td>+22%</td>
</tr>
<tr>
<td>Vienheim</td>
<td>-12%</td>
<td>+11%</td>
<td>+32%</td>
</tr>
<tr>
<td>Fremantle</td>
<td>-13%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gothenburg</td>
<td>-14%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Perth</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^{a}\) Car as driver  \(^{b}\) Walking, Cycling, Public Transport

The modal shift achieved makes a significant contribution to the aims of local transport policies and also other policies. The reduction of car use would help to reduce traffic congestion, improve air quality and cut road crash casualties, the associated increases in walking and cycling would make a significant contribution to health promotion purposes.

A further evaluation of the effectiveness of IndiMark® in all target areas in Perth based on the systematic and automatic counting of bus passengers was done by the (neutral) the Department of Transport. This evaluation confirmed for this large scale application an increase of passengers of between 9 and 19 % for the different communities and a long term effect.
An increase in boardings of 6% was measured for the months prior to TravelSmart commencing (August 2003). This exogenous increase is deducted from the TravelSmart boarding figures to calculate a net increase of 9% (ie 15% - 6% = 9%).

Agriculture Department for Planning and Infrastructure

Increase of 19% (for 14 months+)

TravelSmart Subiaco - Bus Boardings (97)

Route 97 is reported as full year (as it was broadly unchanged). Data for routes 24, 25, 27, 103 & 104 are reported elsewhere (only for the unchanged baseline months of Feb to June 02). Route 28 can be reported against May and June 02 only, due to changes in April and July.

Increase of 16% (for 21 months+)

TravelSmart Cambridge - Bus Boardings

Data for unchanged services only (Feb to Oct - 02 v 03 - routes 103, 104, 106, 111, 135, 136, 138, 142, 144, 145, 154, 155, 381, 510 and 920 are comparable) (Changes in Oct 02 made the 70/107, 126, 148 and 881 comparable and required the 103, 104 and 142 to be removed from the data). All Fremantle bound boardings only.

Increase of 14% (February to Dec)

TravelSmart Fremantle - Bus Boardings

Routes 70, 105, 141, 146, 148, 158 and 881 were amended prior to October 2002 and do not provide comparable data other than for November 02 to January 03.
In Control or Under Control of Traffic

The insights at the root of this concept are neither new nor revolutionary. They have been proven effective. Nevertheless, they have not attracted the public attention they deserve. Instead, they meet widespread disbelief, scepticism and rejection by many transport professionals. This reveals one fundamental dilemma of the transport world.

Transport policy, transport planning and transport sciences have been greatly influenced in the last few decades by the rapid development of car traffic. In only a few dozen years the car has left an indelible mark on social life in the Western countries. It has become mankind’s symbol for the technical conquest of nature, for freedom and affluence, for status and individuality. The slogan “open roads for free citizens” came to reflect the spirit of a generation who for the first time in history felt they were able to cast off their fetters and enjoy virtually unlimited mobility.

Those who produced cars or carried out the necessary infrastructure planning work were also held in equally high esteem and they succumbed to the universal euphoria; the (planning) techniques and instruments developed by them clearly reflected an emphasis on car traffic. With such planning methods and their planning action, they have left their mark on people’s thinking and their environment.

But since mobility on the part of the “mobile” at the same time leads to considerable disturbances precisely for those who are “non-mobile”, and since no disturbance is greater than that caused by the car, this increasing mobility necessarily raises the disturbance level. This did not seem to matter as long as the consequences of mobility were seen as the inevitable (and appropriate) price to be paid for “personal freedom”.

A change in thinking has slowly taken place: the detrimental effects of mobility are judged as negatively as the benefits of acquired mobility are positively. Along with the growing insight into finite nature of resources, a singular kind of conflict has arisen: the more people believe the message that mobility can be increased ad infinitum, the more self-defeating this message becomes. Maximising individual benefits on a massive scale has an overall detrimental impact that, in turn, neutralises these benefits.

And yet another change can be made particularly clear by using transport as an example. While after the Second World War the car symbolised with such striking effect the conquest of nature and personal freedom, it now epitomises the necessity of subordinating personal development, which is theoretically possible, to the paramount interest of environmental conservation.
It is precisely everyday mobility that makes it possible to achieve considerable overall improvements by means of numerous, minor changes in individual behaviour and to test a change in thinking that is very important for the survival of humanity.

Unfortunately, this opportunity is scarcely perceived by transport policy decision-makers, transport planners and transport theorists. Those who are so often themselves the staunchest advocates of "automobile freedom" find it extremely difficult to accept the idea that transport modes which are more tolerable than the car have to be promoted.

It is here that the transport professionals themselves could provide the inspiration for a major change of course in the transport field. However, they would first have to realise that it is possible for them to change their own behaviour too.
Extended possibilities

The key to the success of the process explained is personal contact. Once the requisite personal contact has been established, the dialogue is not restricted to a discussion of alternative means of transport that are kinder to the environment. On the contrary: it would be worthwhile, helpful and scarcely any more trouble to extend the dialogue. This might include promoting other ways of using transportation (such as “car-sharing” or “car-pooling” schemes) and encouraging a more environmentally sound use of the car. (There are journeys for which it is extremely difficult to replace the car by a more environmentally friendly means of transportation. In such cases it is often possible at least to encourage a more environmentally friendly use of the car. Automobile clubs offer successful programmes in this area, providing a valuable addition to the actual change of transportation).

The concept also touches on other topics that are of importance as regards sustainable development:
- Health (the increase of walking and cycling is entirely in line with the WHO recommendation of “30 minutes exercise per day”);
- Road safety (the introduction of driving habits that are kinder to the environment has brought about a considerable increase in road safety);
- Energy consumption (the motivation to adopt sustainable behaviour patterns in the choice of transportation combines very well with changes to energy consumption behaviour).
Clearly, then, a project of this nature should be implemented in a partnership of all social institutions. This is a particular asset of the concept, for truly sustainable behaviour patterns can only be achieved where there is a wide consensus between all the players ("social marketing"), including politicians, decision-makers, opinion leaders, media, user’s associations (walking, cycling, driving clubs etc.); providers in the transport market (public transport companies, car-sharing organisations, bicycle dealers etc.); businesses, chambers of commerce, professional associations; other players (medical insurance companies, energy providers) and (local) initiatives (Agenda 21, citizens’ initiatives etc.).

In Perth for example the IndiMark®-approach was tested in a pilot project, to motivate people to reduce their water consumption. The results were checked by the monthly reading of the water meters, for a target and a control group. And this objective meter reading showed increasing savings in the target group (with increasing water consumption due to the season) with respect to the control group.

<table>
<thead>
<tr>
<th></th>
<th>Litres per day per household</th>
<th>Changes absolute</th>
<th>Difference</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Target group</td>
<td>Control group</td>
<td>Target group</td>
<td>Control group</td>
</tr>
<tr>
<td>1st month</td>
<td>765</td>
<td>692</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2nd month</td>
<td>793</td>
<td>762</td>
<td>+28</td>
<td>+70</td>
</tr>
<tr>
<td>3rd month</td>
<td>908</td>
<td>946</td>
<td>+115</td>
<td>+184</td>
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<td>4th month</td>
<td>1,394</td>
<td>1,524</td>
<td>+486</td>
<td>+578</td>
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<tr>
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<td>1,773</td>
<td>1,951</td>
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<td>+427</td>
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<td>2,003</td>
<td>2,165</td>
<td>+230</td>
<td>+214</td>
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</table>
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Further information: TravelSmart website: www.travelsmart.transport.wa.gov.au

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