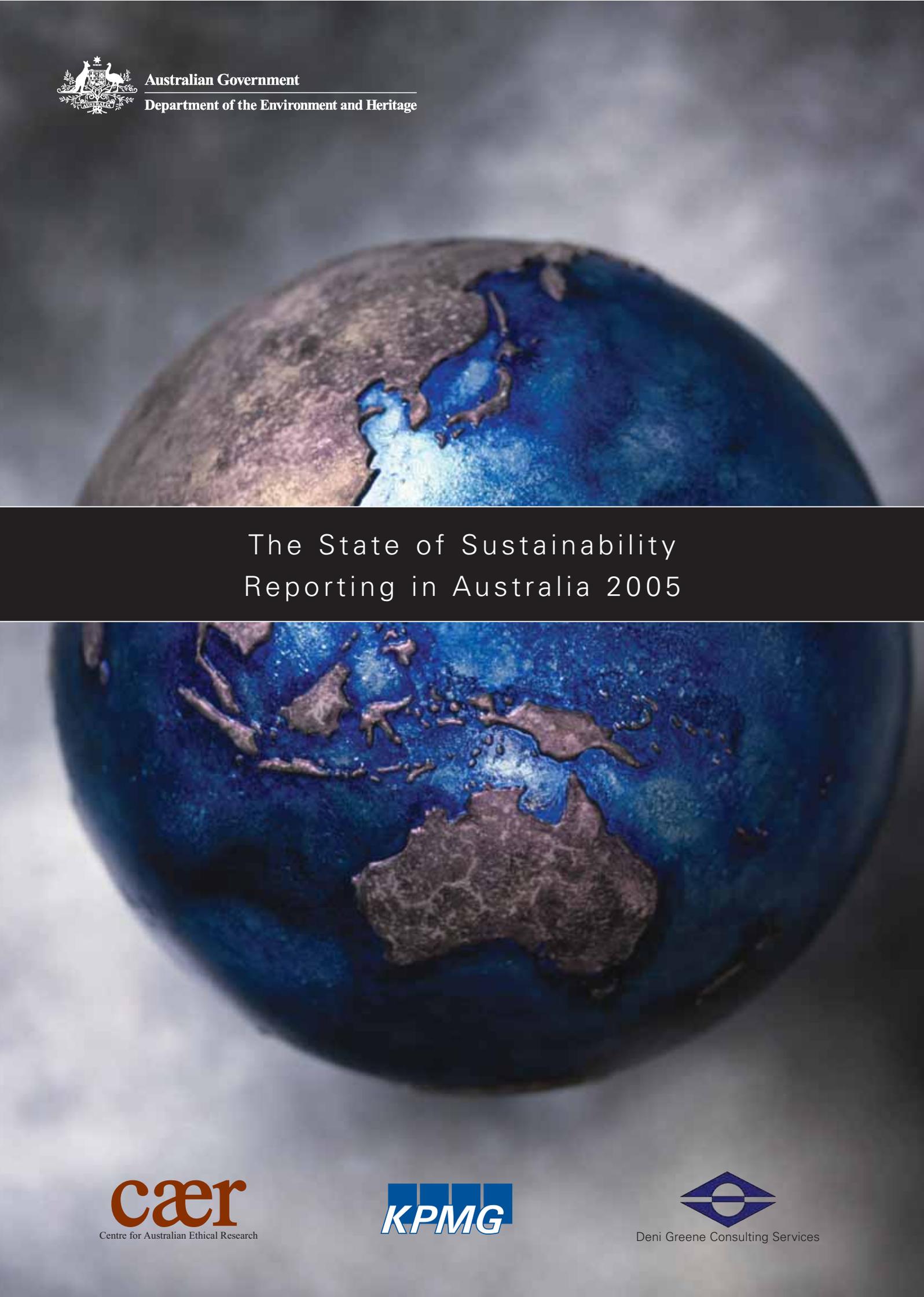




Australian Government
Department of the Environment and Heritage



The State of Sustainability
Reporting in Australia 2005

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Canon Australia Pty Limited	QBE Insurance Group Limited
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Envestra Limited	Transurban Group
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An additional 23 companies provided information on their sustainability reporting activities but chose not to be identified in the report. We are grateful for their assistance.

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Minister for the Environment and Heritage – Foreword



Globally, the recognition and importance of non-financial or sustainability reporting by companies is increasing. It provides one indication of the level of corporate social responsibility of a given organisation.

Many companies already see a range of incentives for non-financial reporting. Reporting companies often cite increased market share, innovation and new business opportunities, risk identification and mitigation, employee motivation and retention, enhancing reputation and brand, and improved shareholder value as key drivers to report.

Several experts are expecting sustainability reporting to become mainstream over the next decade, showing that it is more than just a passing phase and should be taken seriously. Australian companies will need to improve the quality and comparability of reports to ensure they are more business relevant.

It is with this in mind that I am pleased to present *The State of Sustainability Reporting in Australia 2005*. It is the third annual report in a series covering sustainability reporting by Australia's largest companies. The Centre for Australian Ethical Research (CAER), in collaboration with KPMG and Deni Greene Consulting Services, conducted the research for the Australian Government, through the Department of the Environment and Heritage.

In general the results illustrate an increasing trend for Australian business to recognise the benefits of sustainability reporting. It is encouraging to see an increase in the number of S&P/ASX 300 companies conducting sustainability reporting, up 10 from last year's report. I am also pleased to note the increased focus on sustainability reporting using standardised formats such as the Global Reporting Initiative (GRI) framework.

I am heartened to see the increasing number of reporters seeking independent verification. This adds significant value to report credibility.

While the number of companies producing a sustainability report increased, there remains much to be done. The number of Australian companies undertaking sustainability reporting still falls behind the international average.

All stakeholders need to continue to work together to increase the uptake and quality of sustainability reporting in Australia. The Australian Government remains active in pursuing partnerships with industry to make reporting more meaningful for business and other stakeholders.



Senator the Hon Ian Campbell
Minister for the Environment and Heritage
Senator for Western Australia



Australian Government
Department of the Environment and Heritage

Executive Summary

Introduction

Sustainability reporting is of considerable interest around the world and is becoming one of the basic criteria for judging the social responsibility of organisations. Business leaders are starting to realise that comprehensive reporting helps support company strategy and shows commitment to sustainable development.

Background to this report

This is the third annual report in a series covering sustainability reporting by Australia's largest companies. The Centre for Australian Ethical Research (CAER), in collaboration with KPMG and Deni Greene Consulting Services, has conducted this project for the Australian Government Department of the Environment and Heritage (DEH).

Conduct of the study

The project involved gathering information on sustainability reporting activities from:

- companies in the S&P/ASX 300 index;
- the top 100 private companies; and
- the top 100 unlisted public companies.

Data was collected using existing databases of the study team, questionnaires sent to the companies and examination of company websites. Analysis of the data was conducted by the study team.

A broad range of corporate non-financial reports was considered under the heading of 'sustainability reports', including triple bottom line reports, environment reports and community reports. Unless otherwise noted, the term 'sustainability report' is used in this report to refer to all forms of corporate sustainability reporting.

The issues addressed by the study included:

- Production of stand-alone sustainability reports and sustainability sections in annual reports and on corporate websites;
- Independent verification of sustainability reports;
- Benefits of and impediments to producing a sustainability report;
- Identification of the key audience for sustainability reports;
- Benefits of and impediments to independent verification of sustainability reports; and
- Use of the Global Reporting Initiative Guidelines.

A total of 76 companies provided information on their sustainability reporting activities. Sixty-two of the companies contacted for this project chose not to provide any information on their sustainability reporting activities. The 76 companies providing information to the project and the

62 companies declining to do so are all considered to have responded to the survey. The total of 138 companies constitutes a response rate of 28 per cent.

Key results of the study

The study provided a considerable amount of useful information and some surprising results. The key findings were:

Production of sustainability reports

- 61 per cent of the 76 companies that provided information for the study are producing a sustainability report.
- 24 per cent of the entire 486 companies covered by the survey are producing a sustainability report.
- The types of reports produced changed substantially since last year. Sustainability reports now dominate the field of reporting (increasing from 26 per cent to 37 per cent) and corporate social responsibility reports also showed a considerable increase (from 9 per cent to 18 per cent).
- The majority of the reports produced were stand-alone, as opposed to annual report or web site sections.
- 55 per cent of the companies producing reports are in the mining and manufacturing sectors.
- The number of S&P/ASX 300 companies conducting sustainability reporting increased from 42 last year to 52 this year. This is a larger increase in reporting than for the overall top 500 companies.
- The rate of production of sustainability reports among S&P/ASX 300 companies is substantially lower than the rate for all companies surveyed (18 per cent compared to 24 per cent), and only about half the rate of the public and private non-listed companies (18 per cent compared to 35 per cent). The 200 smallest companies within the S&P/ASX 300 have an even lower rate of production of sustainability reports of 8 per cent.
- The highest rate of report production (46 per cent) occurs among foreign-owned proprietary companies. This figure is unchanged since last year.

Independent verification

- 40 of the 119 companies producing a sustainability report/section in Australia in 2004 have their report independently verified, representing 34 per cent of reports, an increase from the 28 per cent independently verified last year.
- One third of verified reports used the services of the major accounting and management consulting firms, while two thirds relied on other organisations such as technical or environmental consulting firms and university departments. This differs from international trends, with international research showing 58 per cent of companies use the major accounting firms.

Target audiences

- The most frequently identified target audience for company reports was their own employees.

Producing a sustainability report – benefits and impediments

- ‘Reputation enhancement’ was the most frequently cited benefit of producing a sustainability report both last year and this year.
- ‘Ability to benchmark performance’ was cited much more frequently this year - last year 48 per cent of companies identified this benefit, compared to 68 per cent this year.
- The impediments to producing a sustainability report that were cited most often were ‘cost and resource constraints’ and ‘additional resources required initially’.

Independent verification – benefits and impediments

- The benefit of independent verification most frequently cited is ‘enhances reputation/credibility’ – this was identified by 83 per cent of those responding.
- The benefit ‘addresses risk of publishing incorrect information’ was cited by 57 per cent of respondents.
- The primary impediment to independent external verification cited by survey respondents is ‘cost and resource constraints’. This impediment was cited by 70 per cent of respondents identifying an impediment.

Use of the GRI Guidelines

- The number of companies using the Global Reporting Initiative (GRI) Guidelines has increased substantially in the past year.
- Reports produced ‘in accordance with’ the GRI Guidelines increased from five to six, and reports produced ‘with reference to’ the GRI Guidelines increased from 35 to 61, representing an increase from 30 per cent to 51 per cent of reports using the GRI Guidelines.
- About 60 per cent of the companies using the GRI Guidelines are internationally owned.

Comparison with international trends

- The KPMG International Survey of Corporate Responsibility Reporting 2005 (KPMG 2005) found that reporting rates in Australia are lower than in most of the countries surveyed, by percentage of the top 100 publicly listed companies in each country.
- The average rate of reporting across the 16 countries was 41 per cent, compared with 23 per cent in Australia for the S&P/ASX 100.
- The highest prevalence of sustainability reporting occurs in Japan, with 80 per cent, followed by the UK with 71 per cent.

Conclusions

One of the important findings of the study is that there is a clear difference in the reporting performance of the S&P/ASX 300 companies compared to the sample as a whole. S&P/ASX 300 companies showed a much greater increase in reporting over the past year, though their rate of reporting is still substantially lower than that of the total sample. Foreign-owned companies operating in Australia (both proprietary and public non-listed companies) have a considerably higher rate of production of sustainability reports than Australian companies.

The results of this study indicate that despite the growth in reporting this past year, Australian companies are lagging behind their overseas counterparts. This points to a need for maintaining efforts to encourage further participation in sustainability reporting by Australian companies and for continuing to monitor performance regularly so as to shape the assistance in ways that meet company needs.

The study also makes a number of recommendations regarding possible future research on sustainability reporting.

1. Background

The Centre for Australian Ethical Research (CAER), in collaboration with KPMG and Deni Greene Consulting Services, has conducted a study for the Australian Government Department of the Environment and Heritage (DEH) on the uptake of Sustainability Reporting in Australia. The study will help the Department target and promote initiatives to increase the uptake of sustainability reporting in Australia. It is the third annual report in this series on sustainability reporting in Australia.

The primary audience for the study is Australian companies, with the secondary audience being the finance sector and government. This report on the study is available through DEH's Corporate Sustainability Reporting website (<http://www.deh.gov.au/settlements/industry/corporate/reporting/>). Links to company reports will be added to DEH's on-line report library for those companies that have given approval for these links.

2. Current Sustainability Reporting Practice

Sustainability reporting is of considerable interest around the world, and is becoming one of the basic criteria for judging the social responsibility of organisations (WBCSD 2004).

Some observers are, in fact, coming to the view that sustainability indicators provide a better picture than financial results of how a company will perform in the future. An executive of one of Australia's largest companies stated recently, in an article directed at CFOs, that a company's financial results are "lag indicators", reflecting what the company has done over the past reporting period, while the items generally reported under "sustainability" are the "leading indicators" of how well the company is dealing with its future risks. "I'd like to see the language change so that CFOs think differently about what is a lead indicator and what is a lag indicator. Anyone relying purely on a 12-month financial report is making a judgement without fully considering the quality of the company's management. Sustainability reporting is more complex, and so if it is done successfully, it shows how well the company is being run" (Kellerman 2005).

Although companies around the world have moved or are moving from environment reporting to sustainability reporting, their focus still remains largely on reporting of environmental issues. The KPMG 2005 survey of corporate reporting, discussed later in this section, found that "compared with environmental issues, coverage of social and economic issues and topics is far more superficial" (KPMG 2005).

Sustainability reporting in Australia

Government activity in Australia

A number of initiatives by the Australian Government have aimed to encourage companies to begin reporting. Environment Australia (the former name of the Department of the Environment and Heritage) issued "A Framework for Public Environmental Reporting: An Australian Approach" in 2000 and in 2003 released "Triple Bottom Line Reporting in Australia - A Guide to Reporting Against Environmental Indicators."

The Department of the Environment and Heritage Corporate Sustainability Reporting website (<http://www.deh.gov.au/settlements/industry/corporate/reporting/>) also includes a library of sustainability reports by Australian companies, and is searchable by either company name or industry type.

The Department is working on a second TBL Report covering 2005.

Recent studies in Australia

In July 2005, CPA Australia published the survey "Sustainability Reporting: Practices, Performance and Potential", prepared by CPA Australia and the University of Sydney (CPA Australia 2005). A comparison between the results of the CPA Survey and this study is included here to assist the reader in interpreting the results of this study.

Part 1 of the CPA Survey includes the result that 24 corporations provided discrete reports on sustainability/TBL issues. This survey for DEH found that 119 companies produced a

sustainability report. The results of the CPA Survey and the survey for DEH covered by this report differ for a number of reasons as shown below.

CPA Survey	Survey for DEH by CAER, KPMG and Deni Greene Consulting Services
Based on reports published in 2003	Based on reports published in 2004 and 2005
Based on only stand-alone reports	Based on both stand-alone reports and sustainability sections in annual reports
Based on discrete reports	Includes both discrete reports and sustainability sections of websites
Based on only publicly listed companies	Based on publicly listed companies, proprietary Australian and foreign-owned companies, and public non-listed Australian and foreign owned companies

Sustainability reporting overseas

Government activities overseas

The UK Government in March 2005 issued regulations on the Operating and Financial Review and Directors' Review (OFR). The OFR is a new reporting requirement for UK listed companies, and it is designed to provide shareholders with a more complete picture of the company they invest in. It specifically encourages companies to report on non-financial aspects of their business. Companies that face environmental risks and uncertainties, or social, community and employee issues, are required to report on policies and performance to the extent necessary for shareholders to assess the company's strategy and its potential to succeed.

It is the ultimate responsibility of company directors to sign off on the OFR content. If they decide not to report on various issues, they have to make a statement noting that they considered these issues in detail and decided they were not material to the business. As is the case for financial accounts, directors are expected to apply "due care, skill and diligence" in the preparation of this report. The Accounts Modernisation Directive requires similar information to be reported by large unlisted companies across the EU in their directors' report.

A number of other Governments have some provisions for mandatory reporting on environment and/or sustainability issues.

Recent studies overseas

Figure 1 shows a comparison between sustainability reporting in Australia and in other countries. The international data is sourced from a survey by KPMG Netherlands and the University of Amsterdam (KPMG 2005).

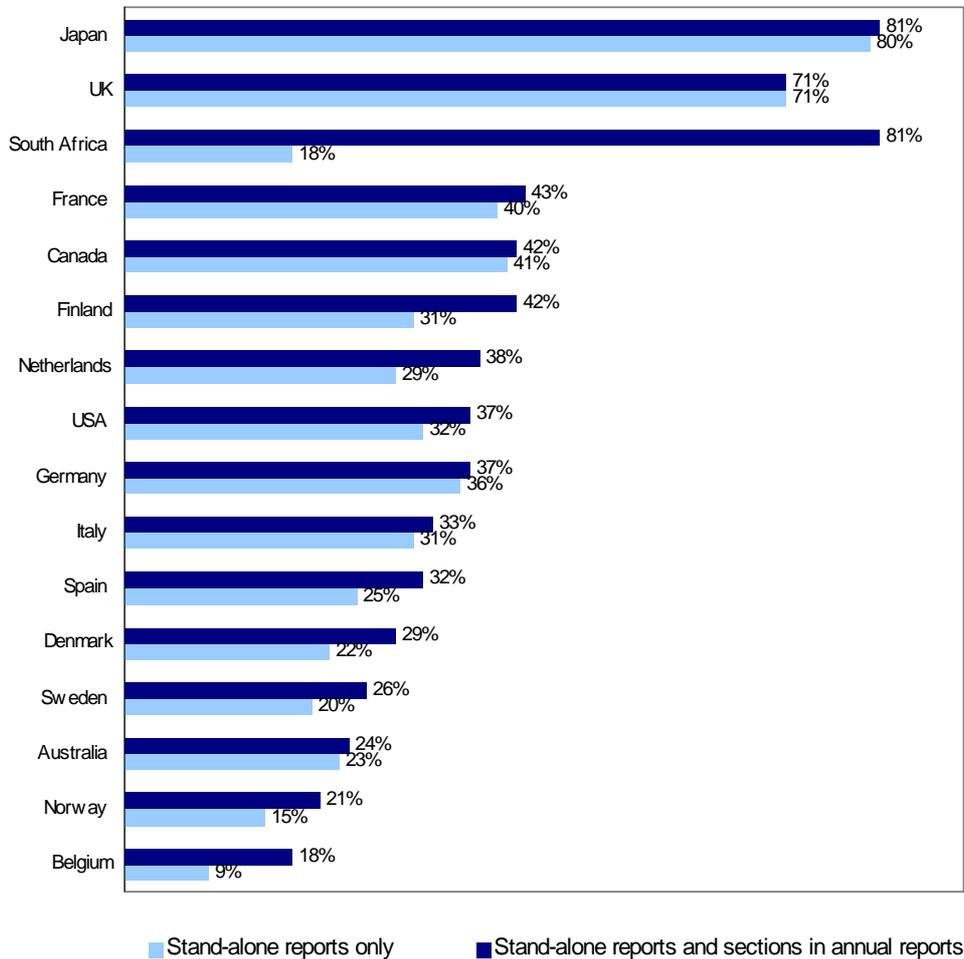


Figure 1. Comparison of Australian reporting with reporting internationally

Reporting rates in Australia are lower than in most of the countries surveyed, by percentage of the top 100 publicly listed companies in each country. The average rate across the 16 countries was 41 per cent, compared with 23 per cent in Australia (for the S&P/ASX 100). The highest rate of reporting occurs in Japan with 81 per cent, followed by the UK with 71 per cent. The international survey included separate sustainability reports and sustainability sections in annual reports, and excluded websites (KPMG 2005).

Although the uptake of sustainability reporting in Australia is relatively low, there appears to be rapidly growing interest in environmental, sustainability and triple bottom line reporting in many overseas countries. This interest is reflected in both Government and private sector activity.

Global Reporting Initiative Guidelines

The Global Reporting Initiative (GRI) was created in 1997 as a joint effort of the Coalition for Environmentally Responsible Economies (CERES) (a US-based organisation that arose after the Exxon Valdez oil spill) and the United Nations Environment Programme (UNEP). The original focus was on environmental reporting; this was expanded in 1998 to cover social and economic issues. It issued an initial version of its Sustainability Reporting Guidelines in 1999 and revised them in 2002 (GRI 2002). GRI is now an independent organisation, based in Amsterdam. GRI intends to issue revised guidelines in 2006. It works closely with the United Nations Environment Programme (UNEP) and UN Secretary-General Kofi Annan's Global Compact.

The GRI describes itself as a multi-stakeholder process and independent institution whose mission is to develop and disseminate globally applicable Sustainability Reporting Guidelines. Its Guidelines are for voluntary use by organisations for reporting on the economic, environmental, and social dimensions of their activities, products, and services.

Reports prepared "in accordance" with GRI Guidelines must meet five criteria:

- inclusion of a GRI Content Index, which allows readers to cross-reference reports to the Guidelines;
- reporting on all the numbered elements in the Vision, Profile and Governance sections of Part C of the Guidelines;
- responding to each core indicator in the Performance Indicators section with either the requested performance information or an explanation for its omission (in the GRI Index);
- ensuring that the report is consistent with the reporting principles in Part B of the Guidelines; and
- including the following statement signed by the board or CEO: 'This report is prepared in accordance with the 2002 GRI Guidelines. It represents a balanced and reasonable presentation of our organization's economic, environmental and social performance'.

GRI does not fully examine self-declared 'in accordance' reports for conformity with all 'in accordance' requirements; it only determines whether a content index appears and whether the signature of the CEO or Board representative appears, pursuant to 'in accordance' conditions in the Guidelines. The GRI website lists 68 companies (up from 26 last year) that produce reports "in accordance" with the GRI Guidelines; six of them are included among the companies covered by this survey. Over 700 organisations are identified as users of the GRI Guidelines for reporting, a dramatic increase over the approximately 200 listed in 2003. Among the 713 organisations are 38 Australian companies and organisations. Reporting companies with Australian subsidiaries are not counted among these 38.

The GRI held a series of workshops around the world on its 2002 Guidelines, including one workshop in Australia. The GRI website states that the major consistent messages about how to improve the Guidelines that GRI heard from the regional roundtables include:

- provide more guidance on the reporting process;
- improve clarity and comparability by completing technical protocols for all indicators;
- the Guidelines should include linkages to national/regional reporting contexts;

- develop a one-stop-shop software platform to help bridge the gap between report preparers and report readers;
- develop more guidance around the incremental and 'in accordance' approaches to reporting;
- improve qualitative indicators in the social section to capture more outcome (impact) related data; and
- formulate options for assurance.

GRI has compiled the feedback from the entire Structured Feedback Process (including the results of a questionnaire and desk research) into a final report. This information will contribute to the plans for the next phase of revisions to the Guidelines. The next version of the Guidelines will be published in 2006.

In November 2004 GRI published “High 5!” for small and medium size enterprises (SMEs) providing step-by-step guidance and practical how-to advice on using the GRI Sustainability Reporting Guidelines, “so that SMEs can easily and effectively create sustainability reports that bring value to their businesses and communications practices”.

GRI also prepares sector-specific guidance. It has released guidance for financial services, mining and metals, public agencies, tour operators, and telecommunications. Currently under development are sector specific guidance documents for the apparel and footwear, energy utilities, and logistics and transportation sector.

Internationally, 40 per cent of companies mention the use of the GRI in their sustainability reports, and 30 per cent of these provide additional detail on how the GRI was used (for example in the form of a GRI table) (KPMG 2005).

Verification of sustainability reports

External independent verification of sustainability reports is receiving heightened attention as part of the expanded public discussion on corporate governance, transparency and accountability. The term verification is used here to describe external assurance, audits and reviews of sustainability reports.

Verification and the GRI

GRI encourages the independent assurance of sustainability reports – one approach that a reporting organisation may select to enhance the credibility of its sustainability report. To address stakeholders' concerns about the credibility of reports on economic, environmental, and social performance, GRI recommends that reports include a statement of:

- the reporting organisation's policy and current practice with regard to providing independent assurance about the full report.

The GRI 2002 Guidelines provide guidance to reporting organisations on assurance provision (i.e. external verification) and related processes that enhance report quality and credibility (GRI 2002a). The GRI Guidelines give additional guidance on considerations that organisations should clarify with their assurance provider before the assurance process. These include the subject

matter of the assurance, and the assurance criteria and evidence. Guidance is also provided on the selection of assurance providers and on the content of the assurance statement.

The GRI has progressed with the formation of the Relationships and Harmonisation work stream of the GRI, which will assess the overall compatibility of the GRI with existing assurance standards.

AA1000

In March 2003 the UK based Institute of Social and Ethical Accountability (AccountAbility) published the AA1000 Assurance Standard for assurance on sustainability reports. AccountAbility used a phased multi-stakeholder process to develop the AA1000 standard.

The AA1000 draws from and builds on financial, environmental and quality-related assurance. It focuses on the materiality of subject matter to stakeholders, as well as its accuracy. The standard also provides guidance on the content of the assurance statements and on the selection of the assurance provider.

Australian Auditing Standards

Australian auditing standards can be applied to the audit and review of sustainability reports. AUS102.44 states that “Australian Auditing and Assurance Standards, while developed primarily in the context of financial report audits, are to be applied, adapted as necessary, to all audits of financial and non-financial information, to all other assurance engagements, and to all audit related services”.

The Audit Procedures listed and described in AUS 502 are also of relevance in designing audit programs. These are *inspection, observation, inquiry and confirmation, computation, and analytical procedures*.

Other Australian auditing standards that can be of assistance in auditing of sustainability reports are AUS 108: Assurance engagements, AUS 402: Risk assessments and internal controls, AUS 512: Analytical procedures, and AUS 514: Audit sampling and other selective testing procedures.

ISAE 3000

The International Standard on Assurance Engagements ISAE 3000 was published in December 2003 and available for the first time in 2004. This standard was issued by the International Federation of Accountants (IFAC) International Auditing and Assurance Standards Board (IAASB) (IAASB 2004). IFAC is the body responsible for issuing international accounting and auditing standards. ISAE 3000 is intended for assurance on non-financial information, and is applicable to assurance engagements on sustainability reports.

The ISAE 3000 standard has already received acceptance in Australia, and can for example be applied to the audit of greenhouse gas emissions under the NSW Greenhouse Gas Abatement

Scheme ¹. Greenhouse gas emissions are one of the core indicators recommended by the GRI Sustainability Reporting Guidelines.

The IAASB work on non-financial assurance and on assurance on sustainability reporting is ongoing.

Standards Australia

Standards Australia has published the Standard AS/NZS 5911 (Int): 2005: General Guidelines on the Verification, Validation and Assurance of Environmental and Sustainability Reports.

Work on this Standard was carried out by the joint Standards Australia and Standards New Zealand Committee QR-011 Environmental Management Systems. A marked difference between this Standard and the AA1000, AUS and ISAE 3000 standards is the definition and use of the terms verification and validation. AS/NZS 5911 (Int): 2005 has been issued as an Interim Standard for a period of two years, after which it will be reviewed.

Comparison of AA1000 and ISAE3000

To assist in comparing the AA1000 and ISAE3000 standards, AccountAbility and KPMG Netherlands published the report "Assurance Standards Briefing: AA1000 Assurance Standard and ISAE3000", in mid 2005. The main conclusions from this report are that AA1000AS and ISAE3000 are technically complementary and can be applied together in an assurance process, and that there is no underlying methodological conflict between the two standards. The report is available online at <http://www.accountability.org.uk>.

Awards for sustainability reporting

Good sustainability reporting is now recognised by awards in Australia and overseas.

The Australasian Reporting Awards (ARA) were established in 1951 to improve the standards of financial reporting in Australia. Over time the awards broadened their scope. Today, the ARA says its criteria for world's best practice parallel those included in the Global Reporting Initiative. ARA has a special category of awards for excellence in sustainability reporting, which was introduced in 1997. All entrants are provided with constructive criticism on the reports. The awards are presented annually in June.

The Association of Certified Chartered Accountants (ACCA) holds annual ACCA Sustainability Reporting Awards in over 20 countries around the world. The aim of the Awards is to identify and reward best practice in the communication of sustainability performance, independently of any comment on performance itself. The 2004 ACCA Awards for Australia and New Zealand received entrants from 34 reporting organisations, and the list of winners and other comments can be found in the Report of the Judges (Association of Certified Chartered Accountants [ACCA] 2005).

¹ Part 1(c) of the generic Audit Scope for audits conducted under the NSW Greenhouse Gas Abatement Scheme states "The scheme administrator is seeking a positive assurance audit to be conducted in accordance with an appropriate standard (AUS 108: Assurance engagements, ISAE 3000 etc)".

3. Project Methodology

The methodology used for this project builds on that used in the 2004 Report “The State of Sustainability Reporting in Australia 2004,” prepared for the Australian Government Department of Environment and Heritage. The aim is to obtain data that would allow trends to be followed over time.

This year’s report includes a number of improvements to the methodology used in prior reports. These include:

- Broadened examination of the benefits and impediments to independent external verification, to gain greater insight into this practice.
- Expanded comparison of Australian reporting with overseas reporting, based on the 2005 report by KPMG (KPMG 2005).
- Comparison of the performance of the S&P/ASX 300 companies with performance of the 500 largest companies as a whole.
- Tightening of the criteria for inclusion of reports from parent companies with Australian subsidiaries. This year these reports were counted only if they included Australian material.
- Collection of information on target audiences for sustainability reports.
- Elimination of survey questions about reporting in previous years, to eliminate confusion among respondents. This information is now compiled by the study team.

Basic company data

CAER obtained basic company data (name, revenue, address and ANZSIC classification) on the companies to be surveyed, using both its own database and information from IBIS World via KPMG. The companies covered included the S&P/ASX 300 companies, the top 100 private companies and top 100 unlisted public companies (the last two categories based on revenue).

Survey form

A draft version of the questionnaire for use in the survey was prepared by CAER and reviewed by the study team and DEH. Suggested revisions were incorporated into a final version.

A cover letter explained the nature and the purpose of the survey. It provided a brief explanation of sustainability reporting and described the criteria used for identifying a report as either stand-alone or a sustainability section.

The questionnaire used in the survey sought data on the following issues:

- production of sustainability report, either as a stand-alone report, annual report section or website section in current calendar or financial year;
- type of report/section produced;
- whether the sustainability report/section was produced by a global parent or Australian subsidiary (non-ASX listed companies only);

- independent verification of current year sustainability report/section;
- target audience for the sustainability report;
- preparation of sustainability report/section in accordance with GRI Guidelines;
- plans to produce sustainability report/section next year;
- plans to have proposed sustainability report/section independently verified;
- plans to produce sustainability report in the next three years;
- benefits of producing a sustainability report/section;
- impediments to producing sustainability report/section;
- benefits of independent external verification;
- impediments to independent external verification;
- contact details;
- willingness to have name included in study;
- agreement to send CAER a copy of sustainability report/section; and
- consent to be included on DEH website.

Sections of annual reports and websites

This report includes data on companies that are reporting via stand-alone sustainability reports as well as those companies reporting through sustainability sections in annual reports or websites.

Increasingly companies are including a sustainability section (e.g. Environment, Social, Occupational Health and Safety, Community section) within their annual report or on the company's website. Not all environment and social sections within an annual report or on a website constitute a sustainability section. To be recognised in the current study, a section must cover the whole company and meet at least three of the four indicators below. Sustainability sections that do not cover the entire global operations of the company must meet all four indicators.

Indicators	Example: Environment Section
Statement of policy	Provides environment policy
Description of main impacts/issues	Describes main impacts/issues in key areas: energy, emissions, waste, water etc
Quantitative data	Provides quantitative data (including year-on-year data) in all key areas, as graphs or tables
Performance measured against targets	Provides measure of performance against targets in key areas

Company sustainability report information

Survey forms were sent out to the companies, either by email or regular post. Email was used for the S&P/ASX 300 companies; either email or post was used for the top 100 private companies and top 100 unlisted public companies (depending on whether an appropriate email address was known).

Email reminders were sent to S&P/ASX 300 companies, and follow-up phone calls were made to top 100 private companies and top 100 unlisted public companies that did not respond by Monday 27 June.

We also checked the CAER database and the DEH website for the presence of sustainability reports to determine which companies were known to produce sustainability reports.

To supplement the responses received and to verify information in the responses, CAER and KPMG visited websites of all companies surveyed, looking at both stand-alone reports and sections within annual reports. Other sources referenced include the Corporate Register website and internal research material compiled by KPMG.

As information about prior year reports is already in the CAER's database from previous surveys, there was no need to ask again about these reports.

4. Project Participation

Companies contacted

The survey questionnaire was sent to 495 companies². The list of companies contacted is shown in Appendix B. Of these, several had multiple subsidiaries covered by the same global sustainability report; these subsidiaries have been grouped together, making a total of 486 distinct companies. The breakdown of the companies by ANZSIC classification is shown in Table 1. Table 2 shows the breakdown of the 486 companies by company type.

Table 1. Companies covered by the research, by ANZSIC classification

ANZSIC Classification	No. of companies in ANZSIC Classification	Classification representation in total list (%)
Accommodation, Cafes & Restaurants	2	0.4
Agriculture, Forestry and Fishing	3	0.6
Communication Services	7	1.4
Construction	15	3.1
Cultural and Recreational Services	12	2.5
Electricity, Gas and Water Supply	18	3.7
Finance and Insurance	64	13.2
Health and Community Services	12	2.5
Manufacturing	115	23.7
Mining	62	12.8
Personal and Other Services	1	0.2
Property and Business Services	76	15.6
Retail Trade	24	4.9
Transport and Storage	19	3.9
Wholesale Trade	56	11.5
TOTAL	486	100

² The survey sample size is 495 rather than 500 because the S&P/ASX 300 list actually comprises only 295 companies.

Table 2. Companies covered by the research, by company type

Company type	No. of companies of company type	Proportion of companies of company type (%)
Listed company	295	60.7
Proprietary company – Australian	29	6.0
Proprietary company – foreign-owned	68	14.0
Public non-listed company – Australian	26	5.3
Public non-listed company – foreign-owned	68	14.0
TOTAL	486	100

Companies providing information to the project

A total of 76 companies provided information on their sustainability reporting activities. This amounts to 16 per cent of the companies contacted.

The breakdown of companies responding by ANZSIC classification and company type is shown in Tables 3 and Table 4. The ANZSIC classifications with the largest number of companies providing information are: Manufacturing and Finance and Insurance.

Table 3. Companies providing information to the project, by ANZSIC classification

ANZSIC Classification	No. of companies providing information by ANZSIC Classification	Companies providing information within each ANZSIC Classification (%)
Accommodation, Cafes & Restaurants	1	50
Agriculture, Forestry and Fishing	0	0
Communication Services	1	14
Construction	1	7
Cultural and Recreational Services	1	8
Electricity, Gas and Water Supply	7	39
Finance and Insurance	13	20
Health and Community Services	0	0
Manufacturing	23	20
Mining	9	15
Personal and Other Services	0	0
Property and Business Services	8	11
Retail Trade	1	4
Transport and Storage	2	11
Wholesale Trade	9	16
TOTAL	76	

Table 4. Companies providing information to the project, by company type

Company type	No. of companies	Companies providing information within each company type (%)
Listed company	30	10
Proprietary company – Australian	3	10
Proprietary company – foreign-owned	14	21
Public non-listed company – Australian	12	46
Public non-listed company – foreign-owned	17	25
TOTAL	76	

Companies declining to provide information

Sixty-two of the companies contacted for this project chose not to provide any information on their sustainability reporting activities. Some of them cited reasons for their position. The most common reasons cited were:

- shortage of time/resources to participate;
- not applicable to company; and
- company policy of not participating in surveys.

Project response rate

The 76 companies providing information to the project and the 62 companies declining to do so are all considered to have responded to the survey. The total of 138 companies constitutes a response rate of 28 per cent.

5. Sustainability Report Production and Verification

Companies producing sustainability reports

A total of 119 companies among the 486 covered by this project are producing sustainability reports (or sections of annual reports or websites). It is reasonable to assume that the remaining companies are not producing a sustainability report, because none appears on their websites. Some private companies failing to respond to the request for information do not have websites, but it is not likely that such companies have produced a sustainability report.

A total of 61 per cent of the 76 companies that provided information are producing a sustainability report, compared with 24 per cent of the entire 486 companies covered by the survey. It is probably not surprising that the proportion of companies producing sustainability reports is considerably higher among companies providing information than among the total list of 486 companies, because companies with sustainability reports are more informed about the subject and likely to be more interested in it.

Figure 2 shows the proportions of different types of reports produced.

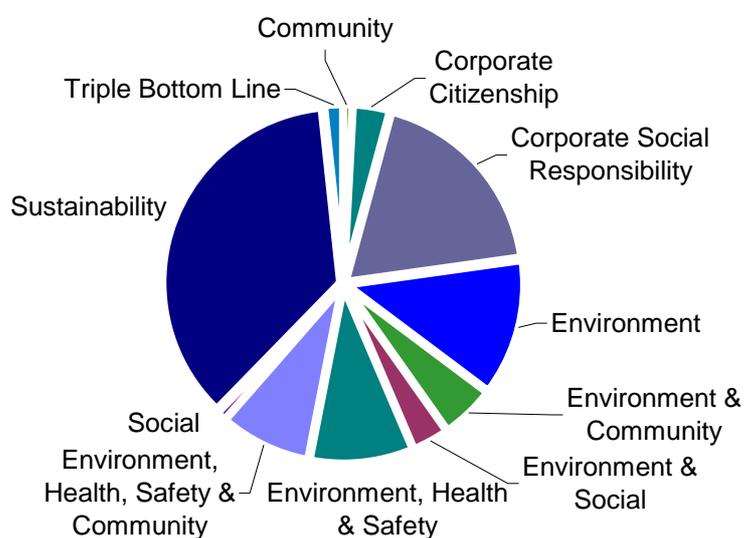


Figure 2. Types of Sustainability Reports – 2004

This year's survey showed substantial change since last year in the types of reports produced. Sustainability reports now dominate the field of reporting (increasing from 26 per cent to 37 per cent) and corporate social responsibility reports also showed a considerable increase (from 9 to 18 per cent). Two new types of reports were identified this year: Community reports and environment and community reports. The proportions of environment, health and safety reports remained the same as last year, and proportions of all other types of reports decreased.

Sustainability reports are also the most common type of report in other countries. Internationally, 48 per cent of reports are of this type, based on a sample of the top 100 public listed companies in 16 countries. The next most common types of reports are environmental and social reports, followed by environmental, health and safety reports (KPMG 2005).

As noted earlier in this report, this project looked at production of stand-alone sustainability reports as well as sections of annual reports and websites. Figure 2 shows that the majority of the reports produced were stand-alone.

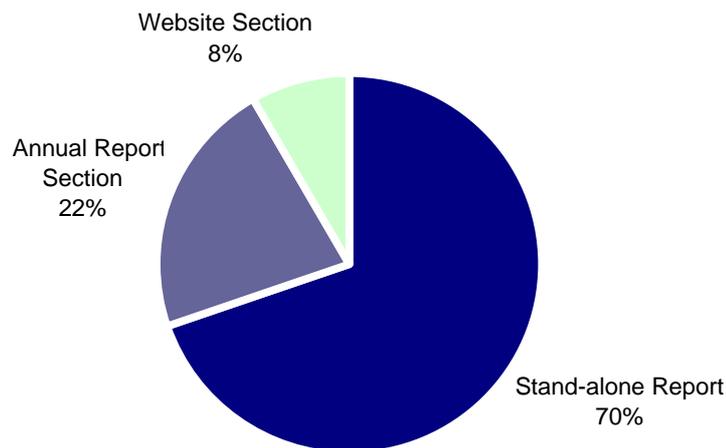


Figure 3. Sustainability Reports covering 2004 by format

Figure 4 and Table 5 show the number of companies within each ANZSIC classification producing sustainability reports.

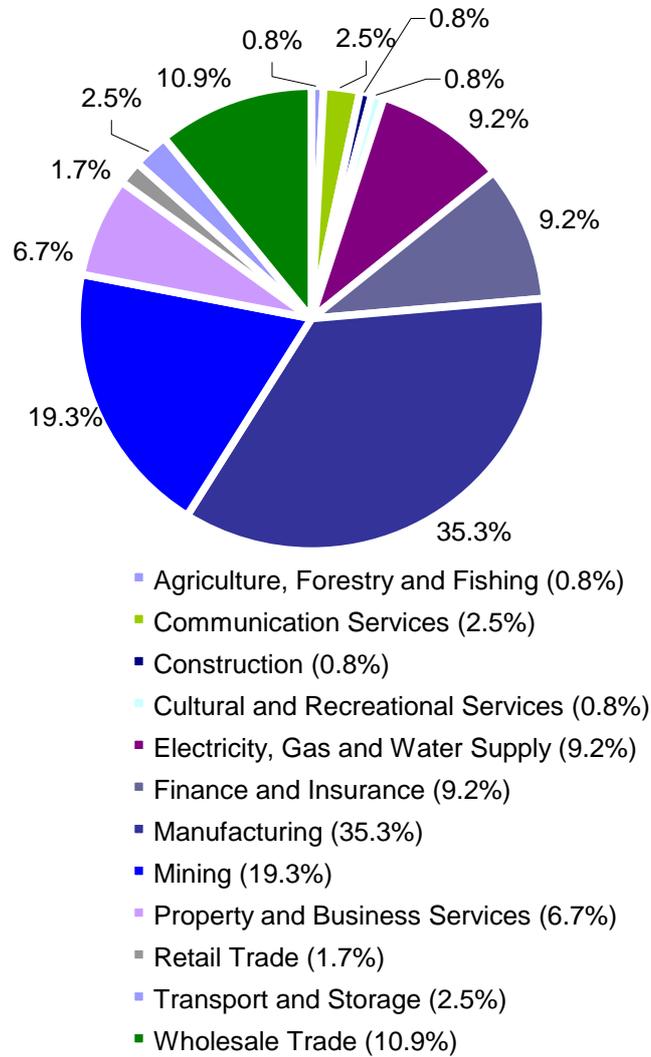


Figure 4. Breakdown of 119 Companies Reporting by ANZSIC Classification

Table 5. Companies producing sustainability reports by ANZSIC Classification

ANZSIC Classification	Companies producing sustainability reports
Agriculture, Forestry and Fishing	1
Communication Services	3
Construction	1
Cultural and Recreational Services	1
Electricity, Gas and Water Supply	11
Finance and Insurance	11
Manufacturing	42
Mining	23
Property and Business Services	8
Retail Trade	2
Transport and Storage	3
Wholesale Trade	13
TOTAL	119

As shown in Table 5, the largest numbers of companies producing sustainability reports are in the mining and manufacturing sectors. Of the 119 companies producing sustainability reports, 65 are in these sectors, which is 55 per cent of the companies producing reports. In a number of sectors, no companies have prepared a sustainability report. These sectors include Accommodation, Cafes and Restaurants, Health and Community Services, and Personal and Other Services.

Companies in the mining and manufacturing sectors may have been more inclined to undertake sustainability reporting because of the greater level of environmental controversy and public scrutiny of their activities. Another contributing factor may be the industry codes of the Plastics and Chemical Industry Association (PACIA) and the Minerals Council of Australia, which encourage reporting.

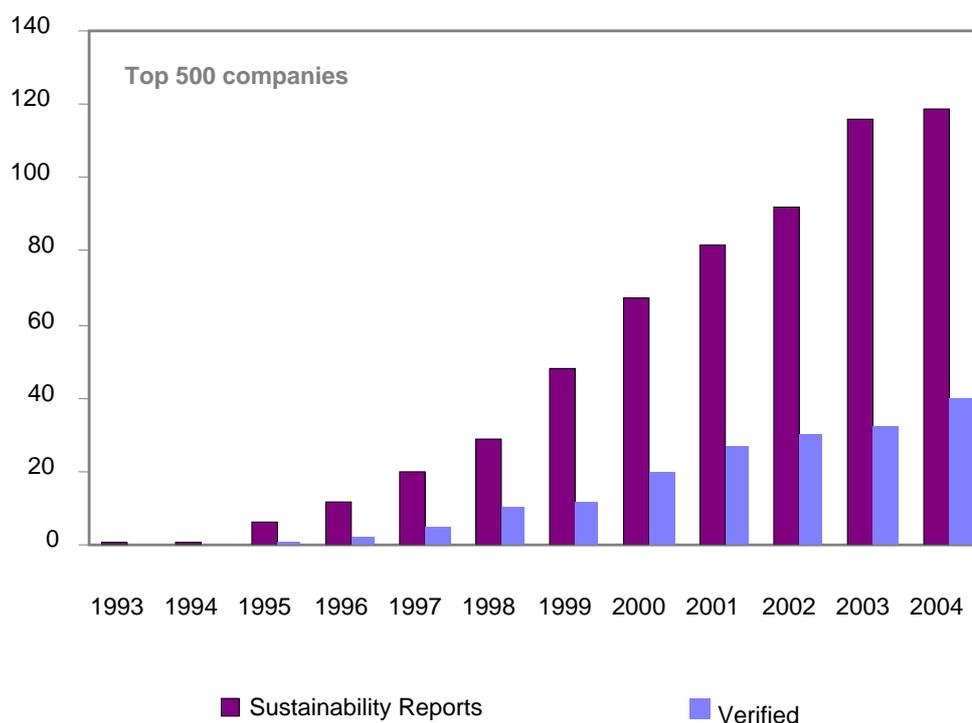


Figure 5. Number of sustainability reports from the top 500 companies

Figure 5 shows the growth in sustainability report/section production since 1993. Some companies have been producing reports for several years; others have only recently begun. The figures for 2004 include nine companies whose reports are in the process of preparation and have not yet been released.

It should be noted that the companies included within the top 500 in Australia vary from year to year. The group of companies covered by this year's report differs somewhat from the group covered last year.

The results shown in Figure 5 are conservative. When considering the inclusion of sustainability reports prepared by the parent of a company operating in Australia, the study team has only considered global reports where specific mention is made of Australian data or operations.

The study team this year looked at the difference in performance of the S&P/ASX 300 companies compared with the total sample covered by the survey. Figure 6 shows the growth in sustainability reports in the S&P/ASX 300 since 1993. The S&P/ASX 300 companies this year demonstrated a larger increase in reporting than the overall 500 companies. The number of companies producing sustainability reports within the S&P/ASX 300 increased from 42 last year to 52 this year. The rate of production of sustainability reports among this group is, however, substantially lower than the rate for all companies surveyed (18 per cent compared to 24 per cent), and only about half the rate of the public and private non-listed companies (18 per cent compared to 35 per cent). The increase over the past year among the S&P/ASX 300 companies may indicate that Australian

listed companies are being influenced by the activities overseas and by foreign-owned companies in Australia.

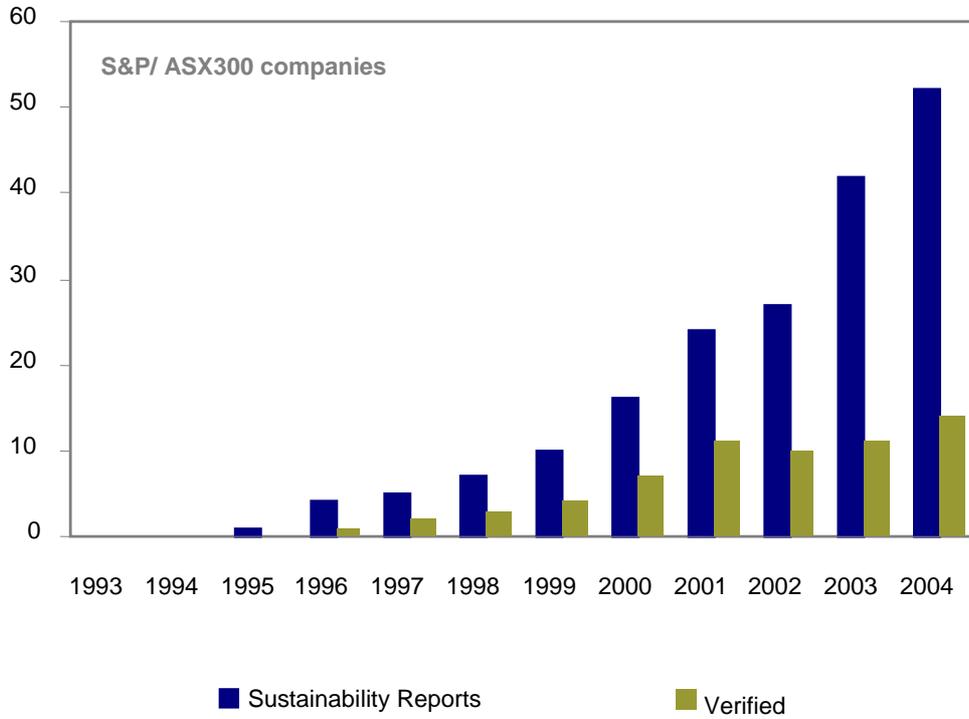


Figure 6. Number of sustainability reports from S&P/ASX300 companies

Table 6 shows companies in each ANZSIC classification producing sustainability reports.

Table 6. Companies in ANZSIC classifications producing sustainability reports

ANZSIC Classification	No. of companies in ANZSIC Classification	Proportion producing report/section (%)
Accommodation, Cafes & Restaurants	2	0
Agriculture, Forestry and Fishing	3	33
Communication Services	7	43
Construction	15	7
Cultural and Recreational Services	12	8
Electricity, Gas and Water Supply	18	61
Finance and Insurance	64	17
Health and Community Services	12	0
Manufacturing	115	37
Mining	62	37
Personal and Other Services	1	0
Property and Business Services	76	11
Retail Trade	24	8
Transport and Storage	19	16
Wholesale Trade	56	23
TOTAL	486	

In most sectors where reports are produced, the proportions of companies producing reports are generally still relatively low, although they have been growing over the past decade.

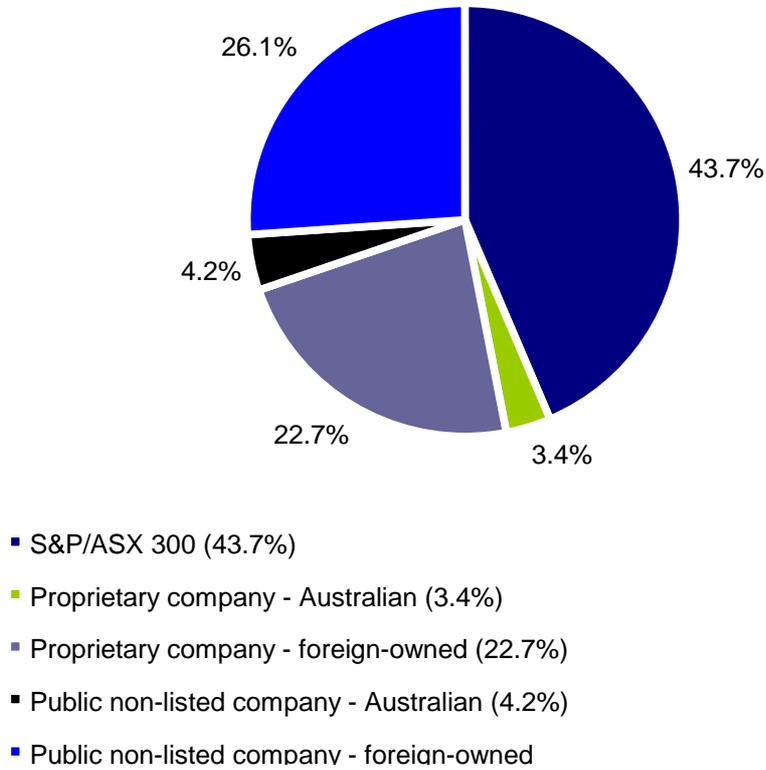


Figure 7. Breakdown of 119 Companies Reporting, by Company Type

The number and proportion of companies of each company type producing a report/section are shown in Figure 6 and Table 7.

Table 7. Companies producing sustainability reports, by company type

Company type	Number of companies	Proportion producing reports within each company type (%)
Listed company	295	18
Proprietary company – Australian	29	14
Proprietary company – foreign-owned	68	40
Public non-listed company – Australian	26	19
Public non-listed company – foreign-owned	68	46
TOTAL	486	

As can be seen from Table 7, only 18 per cent of Australia’s 300 largest listed companies are producing sustainability reports. (This has increased from 14 per cent last year.) The highest rate of report/section production (46 per cent) occurs among foreign-owned public non-listed companies. This figure is unchanged since last year.

Verification of sustainability reports

Of the 119 companies producing a sustainability report/section in Australia in 2004, 40 have had or will have their report independently verified, representing 34 per cent of reports. This is an increase from the 28 per cent of companies that had reports independently verified last year.

The increasing number of reporting entities obtaining external verification indicates a growing recognition of the value provided by external assurance. This is supported by the finding of the Institute of Social and Ethical Accountability (AccountAbility) that reporting organisations and their stakeholders are coming to accept the premise that robust external assurance is a key means of increasing the credibility and effectiveness of their reporting and, ultimately, their performance (AccountAbility 2003).

Tables 8 and 9 show the breakdown of companies with verified sustainability reports by ANZSIC classification and company type.

Table 8: Companies with verified sustainability reports, by ANZSIC classification

ANZSIC Classification	Companies with verified sustainability reports	Proportion of sustainability reports verified (%)
Agriculture, Forestry and Fishing	0	0
Communication Services	0	0
Construction	1	100
Cultural and Recreational Services	0	0
Electricity, Gas and Water Supply	5	45
Finance and Insurance	8	73
Manufacturing	10	24
Mining	9	39
Property and Business Services	1	13
Retail Trade	0	0
Transport and Storage	3	100
Wholesale Trade	3	23
TOTAL	40	

Table 9: Companies with verified sustainability reports, by company type

Company type	Companies with verified sustainability reports	Proportion of sustainability reports verified (%)
Listed company	14	27
Proprietary company – Australian	1	25
Proprietary company – foreign-owned	8	30
Public non-listed company – Australian	3	60
Public non-listed company – foreign-owned	14	45
TOTAL	40	

About two-thirds of companies with verified reports used technical or environmental consulting firms or other organisations such as university departments for verification. The remaining one-third relied on major accounting and management consulting firms.

This proportion differs from trends in verification in other countries. Internationally, 58 per cent of companies with verified sustainability reports obtained verification from the major accounting firms (KPMG 2005).

The proportion of sustainability reports that are verified varies widely with country. In the USA, less than 5 per cent of reports are verified, compared with 54 per cent in the UK, based on the top

100 publicly listed companies in each country. The average rate of verification across a sample of 16 countries, based on the top 100 publicly listed companies in each country, is 33 per cent (KPMG 2005), similar to the rate in Australia.

6. Target Audiences for Sustainability Reports

This year for the first time, the survey asked companies about the target audiences for their sustainability reports. They were given a list of possible target audiences but were able to identify others beyond those listed. Understanding who is intended to be the audience for a report can provide some insight into the reasons why a company prepares a sustainability report and clarifies who they would like to inform about their activities. Thirty-nine companies provided responses to the question about target audiences. Their responses are shown in Table 10.

Table 10. Target audiences for sustainability reports

Target audience	No. of companies citing the target audience	Proportion of companies citing the target audience (%)
Employees	34	87
Shareholders	29	74
Customers	31	79
Local community	26	67
Institutional investors	21	54
Suppliers	23	59
Analysts	20	51
Other	11	28

Among the Other category, the most frequently cited target audiences were Government and NGOs. Although it is not surprising that large proportions of companies aim their reports at their shareholders and customers, it is perhaps a bit unexpected that the largest number of companies identified their own employees as a target audience. This may relate to the need for attracting and retaining good employees. It may also reflect the fact that a significant proportion of the companies preparing sustainability reports are very large companies, often multi-national, so there is a need to inform employees about company activities outside their immediate employment area.

7. Benefits of Producing Sustainability Reports

Companies were asked about the benefits that resulted from producing a sustainability report and the impediments to producing a sustainability report. Responses to questions on key benefits and impediments were matched against lists of possible answers, based on lists of reasons in “A Framework for Public Environmental Reporting” and “Triple Bottom Line Reporting in Australia - A Guide to Reporting Against Environmental Indicators.” The cited benefits are shown in Table 11.

Table 11. Perceived benefits of producing a sustainability report

	No. citing benefit	% citing benefit
Ability to benchmark performance	52	68
Operational and management improvements	49	64
Reputation enhancement	65	86
Capacity to recruit and retain excellent staff	36	47
Improved management of risks	47	62
Creation of market opportunities	28	37
Greater control of environmental disclosure	30	39
Satisfying a mandatory or signatory reporting need	21	28
Gain confidence of investors, insurers and financial institutions	45	59

Important additional benefits cited by several companies are communication with stakeholders and engaging staff.

The perceived benefits changed quite significantly since last year, although ‘reputation enhancement’ was the most frequently cited benefit both last year and this year. ‘Ability to benchmark performance’ was cited much more frequently this year - last year 48 per cent of companies identified this benefit, compared to 68 per cent this year. The only benefit cited less often this year was ‘gain confidence of investors, insurers and financial institutions’.

Internationally, companies cited that they are motivated by ‘economic considerations’ (74 per cent) above ‘ethical considerations’ (53 per cent) when producing a sustainability report. Other benefits cited overseas for producing a sustainability report include (in order of priority) innovation and learning, employee motivation, risk management/ risk reduction, access to capital/ increased shareholder value, and reputation and branding (KPMG 2005).

8. Impediments to Producing Sustainability Reports

Companies were asked about the impediments to producing a sustainability report. Responses to questions on impediments were matched against lists of possible key impediments, based on the lists of reasons cited in “A Framework for Public Environmental Reporting”. When information requests were sent to companies, the lists of possible key impediments were included on the questionnaire form. Table 12 shows the impediments identified.

Table 12. Perceived impediments to producing a sustainability report

Key impediment cited	No. citing impediment	% citing impediment
Cost and resource constraints	59	78
Additional resources required initially to develop a framework for measuring and reporting	41	54
Availability of indicators	28	37
The need to report openly once committed	13	17
Management and public affairs/legal affairs approval	12	16
Costs of external verification	31	41

‘Cost and resource constraints’ and ‘additional resources required initially’ were cited more frequently than other impediments. Some companies are switching from stand-alone reports to annual report sections and website reporting, probably to reduce the costs and resources involved in sustainability report production.

9. Benefits and Impediments to Independent External Verification

This year's survey for the first time asked companies about the benefits and impediments to use of independent external verification. The results show that a significant majority of responders can identify benefits to independent verification, even if they are not yet employing it for their own report. Table 13 shows the main benefits identified.

Table 13. Perceived benefits of independent, external verification

	No. citing benefit	% citing benefit
Addresses risk of publishing incorrect information	43	57
Enhances reputation/credibility	63	83
Identifies improvement opportunities	34	45
Improves performance in investor rankings/indices	16	21
More reliable data for internal management	34	45

A substantial number of companies identified impediments to use of independent external verification.

The primary impediment to independent external verification cited by survey respondents is cost and resource constraints. This impediment was cited by 70 per cent of respondents. Other impediments cited included the small selection of credible, professional specialist companies available to conduct the independent audit and the lack of this expertise in Australia. A few companies questioned the value of verification.

10. Use of Global Reporting Initiative (GRI) Guidelines

As discussed earlier in this report, the GRI is attempting to promote international harmonisation in reporting relevant and credible corporate economic, environmental, and social performance information to enhance responsible decision-making.

Six companies in the study group for this project are producing or covered by sustainability reports that are 'in accordance' with the GRI Sustainability Reporting Guidelines. (The requirements for stating that a sustainability report is 'in accordance' with GRI Guidelines are outlined in the section on sustainability report activities overseas earlier in this report.) These companies are:

- ABN AMRO Australia Limited
- BHP Billiton Limited
- BP Regional Australasia Holdings Pty Limited
- Diageo Australia Limited
- Newmont Australia Limited
- Xstrata Queensland Limited

A number of other companies indicated that their reports have been prepared with reference to the GRI Guidelines. These companies are shown in Table 14.

The numbers of companies producing reports 'in accordance with' or 'with reference to' GRI Guidelines has increased substantially in the past year. Reports produced 'in accordance with' GRI Guidelines increased from five to six, and reports produced 'with reference to' GRI Guidelines increased from 35 to 61. This indicates a growing recognition of GRI as the *de facto* standard for sustainability reporting. About 60 per cent of the companies producing reports either in accordance with or with reference to GRI Guidelines are internationally owned.

Table 14. Companies reporting with reference to the GRI, *includes subsidiaries covered by parent company report.*

Reporting Company	Reporting Company
ABB Group Holdings Pty Limited	Mitsui & Co (Australia) Limited
ABN AMRO Australia Limited	National Australia Bank Limited
Alumina Limited	Newcrest Mining Limited
Amtcor Limited	Newmont Australia Limited
Anglo Coal Holdings Australia Pty Limited	Nokia Australia Pty Limited
Aurora Energy Pty Limited	Norske Skog Industries Australia Limited
Australia & New Zealand Banking Group Limited	Origin Energy Limited
Australian Gas Light Company (The)	Oxiana Limited
BHP Billiton Limited	P&O Australia Limited

Reporting Company	Reporting Company
BP Regional Australasia Holdings Pty Limited	Panasonic Australia Pty Limited
British American Tobacco (Australasia Holdings) Pty Limited	Pechiney Pacific Pty Limited
Bunnings Warehouse Property Trust	Placer Dome Asia Pacific Limited
Canon Australia Pty Limited	Powercor Australia Limited
Citibank Pty Limited	Pratt Holdings Pty Limited
DaimlerChrysler Australia/Pacific Holding Pty Limited	Rio Tinto Limited
Deutsche Australia Limited	Santos Limited
Diageo Australia Limited	Siemens Limited
EDS (Australia) Pty Limited	Singtel Optus Pty Limited
Electrolux Home Products Pty Limited	Sydney Water Corporation Limited
Ergon Energy Corporation Limited	Tarong Energy Corporation Limited
Hewlett-Packard Australia Pty Limited	Telstra Corporation Limited
Holden Limited	TNT Australia Pty Limited
HSBC Bank Australia Limited	Toyota Motor Corporation Australia Limited
Iluka Resources Limited	Transfield Services Limited
ING Australia Limited	TRUenergy Australia Pty Limited
Insurance Australia Group Limited	Unilever Australia (Holdings) Pty Limited
Johnson & Johnson Pty Limited	Wesfarmers Limited
Kingsgate Consolidated Limited	Westpac Banking Corporation
Leighton Holdings Limited	Xstrata Queensland Limited
Marubeni Australia Limited	
McDonald's Australia Holdings Limited	
Mitsubishi Australia Limited	

Internationally, 40 per cent of companies mention the use of the GRI in their sustainability reports, and 30 per cent of these provide additional detail on how the GRI was used (for example in the form of a GRI table) (KPMG 2005).

11. Plans for Future Sustainability Reports

The questionnaire asked companies whether they were planning to produce a sustainability report next year or within the next three years. It also asked whether they intended to have any reports they produced externally verified. Sixty-nine companies responded to this question. Their responses are shown in Table 15.

Table 15. Plans for future sustainability reports

Proposed action	No. of companies responding YES	Proportion of companies responding YES
Produce sustainability report next year	49	71
Plan to seek external verification of next year's report	20	29
Produce sustainability report in next three years	52	75

There is likely to be a bias in these results towards production of sustainability reports because companies interested in sustainability reporting, even if not currently reporting, would probably be more inclined to complete the survey. The proportion of companies indicating that they plan to verify next year's report is similar to the proportion that verified the current year's report.

12. Conclusions

This study provides a clear picture of sustainability reporting in Australia today. In an area as dynamic as sustainability reporting, an annual review can identify the many changes that are occurring and thus provide valuable input to the development of programs and policies aimed at encouraging best practice.

One of the important findings of the study is that there is a clear difference in the reporting performance of the S&P/ASX 300 compared to the sample as a whole. For the total sample surveyed, there was a slight increase in the number of sustainability reports produced compared with the number reported in 2004. This reflects the growth in reporting, a slightly different survey group (as a result of turnover in the top 500 companies) and a tightening of the criteria to only include global parent reports if they contain Australian information. The number of companies reporting in each sector remained relatively unchanged.

The picture is quite different for the sub-group of the S&P/ASX 300 – the increase in the reporting rate is significantly larger than for the total sample, although the rate of reporting in this sub-group is substantially lower than that of the total sample. The increase in reporting may indicate that Australian listed companies are being influenced to report by the actions of companies overseas and foreign-owned companies in Australia. The 200 smallest companies in the S&P/ASX 300 have an even lower rate of sustainability report preparation (8 per cent), indicating the need for greater focus on assistance and encouragement of sustainability reporting within these companies.

The proportion of companies producing sustainability reports in Australia is still very low, and is considerably lower than among large companies overseas. Foreign-owned companies operating in Australia (both proprietary and public non-listed companies) have a considerably higher rate of production of sustainability reports than Australian companies. In a recent article directed at CFOs, the London-based director of the Association of Chartered Certified Accountants (ACCA) stated that sustainability reporting in other countries has reached a point where Australia's half-hearted acceptance of the practice is becoming noticeable, and that a "grudging approach" may lead to questions being asked of Australian companies' long-term strategy for meeting their regulatory and corporate governance responsibilities (Kellerman 2005).

Perhaps surprisingly the most common target audience for sustainability reports is employees of the company preparing the report. Shareholders and customers are the next most frequently cited audiences.

The primary benefit companies identify from publishing a sustainability report is enhancement of their reputation. Companies are beginning to recognise substantial operational benefits from producing a sustainability report. The most commonly cited impediment to producing a sustainability report is the resources required, compared to the perceived benefit.

There is a worldwide trend toward greater use of sustainability reports instead of other types of reports (such as environment reports), and this is also evident in the Australian results.

Verification and external assurance of reports is receiving increased attention locally and overseas, with the launch of the AA1000 and ISAE3000 standards on assurance overseas, and increasing numbers of companies seeking assurance locally. In Australia, about 34 per cent of the reports produced include external assurance or verification. Nearly all the verified reports are stand-alone documents; few companies obtain verification of annual report sustainability sections or website sections.

Preparation of sustainability reports using the GRI Guidelines has grown considerably since last year: the number of reports prepared in accordance with GRI Guidelines grew from five to six and the number prepared with reference to the Guidelines grew from 35 to 61. Foreign-owned companies and government-owned corporations are more likely than Australian-owned companies to use the GRI Guidelines.

The results of this study indicate that despite the growth in reporting this past year, Australian companies are still lagging behind their overseas counterparts. This indicates a need for maintaining efforts to encourage sustainability reporting by Australian companies, to reduce the risk of Australian companies falling behind international expectations, and for continued monitoring of sustainability reporting to shape the encouragement and assistance in ways that meet company needs.

13. Recommendations

The 2004 report on Sustainability Reporting in Australia made a number of recommendations for future studies. Some of the suggestions that have been adopted in the current report are:

- Asking only about current reporting and intentions to report, and not asking about previous reports. This year the study team compiled the information on previous reports manually from existing records from the previous surveys, and by reviewing company web sites and other public sources.
- Asking about benefits and impediments to verification of sustainability reports, in addition to simply asking if the company is undertaking the verification process. This question produced some interesting results.

The following recommendations have arisen from the work conducted this year, and can be considered for coverage in the next report or as suggestions for future research in this area conducted by other organisations.

Styles of reporting

Recommendation 1: The study team recommends that future research in this area collects data capturing the full breadth of sustainability reporting in Australia, at the same time as allowing for examination of the types of reporting taking place.

Other research that has been done on sustainability reporting has applied more restrictive definitions of a 'sustainability report', and these definitions can have as much effect on the results obtained as the variations in the levels of reporting overall.

The study team is aware that the methodology in this study uses broader definitions of sustainability reporting than other research. We believe that this approach generates results that provide more complete information of the extent to which companies are making public disclosure about the non-financial impacts of their activities.

This approach has been implemented in practice by setting criteria (as outlined in the Project Methodology section of this report) based on the quality and coverage of reporting, rather than the type of report the company is producing ('Sustainability' report or 'Community and Social' report, or whether it is a stand-alone report, on the web site or part of an annual report). We recommend that this approach be maintained in future studies.

We also recommend that the results continue to be presented in a format that shows the relative prevalence of the different types of reports. This provides complete information on the state of sustainability reporting in Australia. It also allows specific links and trends to be identified, for example between the style of reporting and whether or not the report is verified (Stand-alone reports are more likely to be verified, web site disclosure tends not to be).

Reporting frameworks

Recommendation 2. The study team recommends future research consider the range of frameworks available for sustainability reporters in Australia, with particular reference to the use of GRI among reporting companies in Australia.

This report has noted steps that have been taken internationally by governments and investment industry bodies to encourage or mandate environmental and non-financial and risk-related disclosure by listed companies.

The GRI is generally regarded as the benchmark for sustainability report structure throughout the world, yet it has so far only achieved a limited take-up amongst Australian-owned companies. Only about 20 per cent of the sustainability reports produced by Australian owned companies are produced in accordance with or with reference to the GRI, compared with 40 per cent internationally. Overall in Australia, including both foreign- and Australian-owned companies, about 50 per cent of reports are produced in accordance with or with reference to the GRI, a higher rate than is achieved internationally, but this level is attained only because of the particularly high rate of use by international companies operating in Australia.

Based on these observations, the study team recommends that further work be done to evaluate the benefits and impediments relating to use of GRI in Australia, in particular to increase its uptake within Australian-owned companies and to contribute towards consistency with reporting internationally.

Sustainability reporting and employee attraction and retention

Recommendation 3. The study team recommends that further research into sustainability reporting evaluate the full breadth of sustainability reporting, taking into account issues beyond the environment such as community and employee relations.

One of the more surprising results to come out of this year's survey was that companies' employees were the most commonly cited target audience for sustainability reporting. Over the last 12 months the labour market in Australia has tightened, and as a result companies are likely facing increased competition to attract and retain the best employees.

This trend, together with the finding that employees are the most commonly cited target audience for sustainability reports, could result in increased incentives for companies to produce a sustainability report. This can also be tied to other benefits identified for sustainability reporting such as reputation enhancement.

To allow for the continued identification and development of such links between sustainability reporting and societal trends, the study team recommends that research in this area continue to evaluate the full breadth of sustainability reporting, taking into account issues beyond the environment such as community and employee relations.

Costs of reporting

Recommendation 4. The study team recommends that initiatives be developed that reduce costs for sustainability reporters in Australia.

For the last three years companies have been consistent in their identification of cost and resource constraints as the key impediment to sustainability reporting.

The study team has already commented on the importance of promoting the use of the GRI Guidelines to maintain consistency, but using the GRI would also promote efficiency in the reporting process. The GRI offers a standard set of questions that can be used as an initial template for constructing a sustainability report, and as such should make it considerably easier for new reporters to conceptualise the steps of the reporting process.

It is recommended that initiatives be developed that will reduce the cost of sustainability reporting, and that such initiatives should remain consistent with the GRI.

Impediments to verification

Recommendation 5. The study team recommends that further research be conducted into the topic of verification or assurance.

A finding of this year's survey was that a number of companies expressed concerns about the availability and credibility of verification or assurance providers in Australia. A variety of different providers were identified in this survey, ranging from community-based NGO's to professional auditing firms. Previous research has noted that different companies use different sorts of groups for verification. The survey also identified a variety of available assurance standards, and a variety of different approaches to verification or assurance.

Inconsistency in the use of the terms verification and assurance was also observed, as well as overlap between the functions of stakeholder consultation, external commentary, verification and assurance. The study team recommends that the topic of verification or assurance be explored in more detail in future surveys, including for example the links between assurance on financial reports and assurance on sustainability reports.

GRI sector supplements

Recommendation 6. The study team recommends that relevant stakeholders consider participating in GRI Sector Supplement stakeholder consultations, or consider what other support can be provided to this process.

In response to calls from industry groups around the world for reporting guidelines that offer frameworks and metrics specific to particular industries, the Global Reporting Initiative has

developed a number of 'Sector Supplements' for sectors such as public entities, mining, finance and tourism.

These Supplements are developed with input from stakeholders around the world. There would be value in more Australian involvement in the consultation process, given the potential importance of sector supplements to reporting in Australia, and the level of knowledge that industry and government has accumulated in sustainability reporting over the last few years.

Industry-based reporting

Recommendation 7. The study team recommends that a broad range of sustainability indicators be promoted in industry-based reporting, and consider encouraging industry bodies preparing sector-wide reports to present their data in a manner that enables monitoring of individual company performance.

A feature of sustainability reporting in Australia is the level of participation of specific industry bodies. As an example, the Plastics and Chemicals Industries Association is involved in promoting reporting from their members through National Packaging Covenant Progress Reports, The Minerals Council of Australia (MCA) also promotes reporting.

Some reports that emerge from this process only disclose data on specific issues, and in some sector-wide reports the activities of industry participants are consolidated to generate figures for the industry as a whole, rather than on a per company basis.

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Appendix A – Survey Questionnaire

Third Annual Survey of Sustainability Reporting in Australia

Dear Sir/Madam,

I am writing to invite you to participate in the Department of the Environment and Heritage's third annual survey of sustainability reporting. The survey findings form a key part of a report on the status of sustainability reporting in Australia.

The Centre for Australian Ethical Research (CAER) in collaboration with KPMG and Deni Greene Consulting Services conducts this research on behalf of the Department.

The research covers Australia's top 500 companies: the S&P/ASX 300, the 100 largest private companies, and the 100 largest unlisted public companies.

The survey helps us identify the number of companies producing sustainability reports (stand-alone reports or sustainability sections within an Annual Report). It also canvasses your views on key issues such as the benefits and impediments associated with reporting, the Global Reporting Initiative, and report verification.

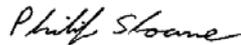
Your individual survey responses will not be made available to the public but aggregated for the final report which will be available in early September 2005. The two previous reports are available at www.deh.gov.au/industry/corporate/reporting/publications.html

The 2004 report showed that 116 of the top 500 companies produced a sustainability report. Growing pressure on companies to report on their non-financial performance suggests that this number will rise in 2005.

On behalf of the Department of the Environment and Heritage, I thank you in advance for taking the time to complete this survey and ask that you return it to me by **Friday 1 July 2005** at p.sloane@caer.org.au.

The survey will take about 10 minutes to complete. Please note that we recognise the impact of survey fatigue and are attempting to reduce this by coordinating our research with others.

Yours sincerely,



Philip Sloane

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Website: www.caer.org.au

Some Frequently Asked Questions (FAQs)

Who is CAER?

The Centre for Australian Ethical Research (CAER) was established in January 2000, and offers ethical research services on a broad range of environmental and social criteria. CAER’s database covers the S&P/ASX 300, smaller listed companies of interest to research clients, and selected New Zealand and Pacific companies. CAER was launched as an independent, not-for-profit research institution in October 2002. CAER provides research to Ethical Investment Research Services Limited (EIRIS), a global leader in corporate sustainability and responsibility research. Our research is also used in the high-profile FTSE4Good index. For further information on CAER, please visit our web site: www.caer.org.au.

What is Sustainability Reporting?

For the purposes of this study, the term “Sustainability Reporting” encompasses all forms of social and environmental reporting, including, but not limited to: Sustainability Reports; Triple Bottom Line Reports; Corporate Social Responsibility Reports; Environment, Health and Safety Reports; Public Environment Reports, Social Reports, and Community Reports. Reports include stand-alone reports as well as sections within a company’s Annual Report or on its website. The Department of the Environment and Heritage (DEH) has a comprehensive library of sustainability, environmental and social performance reports on its web site: www.deh.gov.au/srl.

What is a Sustainability Section?

Increasingly CAER is seeing sustainability sections (e.g. environment, social, OH&S, community section) included within the Annual Report or on a company’s website. To distinguish these “Sustainability Sections” from “Stand-alone Sustainability Reports” CAER has created a separate category titled “Sustainability Section”. However, not all environment and social sections within an Annual Report or on a website constitute a “Sustainability Section”. To be recognised in the current study, a “Sustainability Section” must cover the whole company and meet at least three of the four criteria below. Sustainability Sections that do not cover the entire global operations of the company must meet all four criteria.

Report component	Criteria: Example - Environment Section
<ul style="list-style-type: none"> • Statement of policy 	<ul style="list-style-type: none"> • Provides environment policy
<ul style="list-style-type: none"> • Description of main impacts/issues 	<ul style="list-style-type: none"> • Describes main impacts/issues in key areas – energy, emissions, waste, water etc
<ul style="list-style-type: none"> • Quantitative data 	<ul style="list-style-type: none"> • Provides quantitative data (including year-on-year data) in all key areas, as graphs or tables
<ul style="list-style-type: none"> • Performance measured against targets 	<ul style="list-style-type: none"> • Provides measure of performance against targets in key areas

Study on the Uptake of Sustainability Reporting in Australia 2005

No.	Question	Answer – Click box where appropriate (Use arrows to move through survey)
1.	Company Name	
<i>Sustainability Reporting</i>		
2.	Has the Company produced a Sustainability Report/Section covering the <i>2003/2004 Financial Year</i> or <i>2004 Calendar Year</i> ?	<input type="checkbox"/> Yes <input type="checkbox"/> No [Go to Q8] [If Yes] Primary report format (please check only one box): <input type="checkbox"/> Stand-alone Report <input type="checkbox"/> Annual Report Section <input type="checkbox"/> Website Section Covering the: <input type="checkbox"/> 2003/2004 Financial Year <input type="checkbox"/> 2004 Calendar Year
3.	Please indicate the type of Report/Section produced. (Please check only one box)	<input type="checkbox"/> Sustainability Report/Section <input type="checkbox"/> Triple Bottom Line Report/Section <input type="checkbox"/> Corporate Social Responsibility Report/Section <input type="checkbox"/> Environment, Health, Safety & Community Report/Section <input type="checkbox"/> Environment, Health & Safety Report/Section <input type="checkbox"/> Environment & Social Report/Section <input type="checkbox"/> Environment Report/Section <input type="checkbox"/> Social Report/Section <input type="checkbox"/> Community Report/Section <input type="checkbox"/> Other:
4.	For non-ASX listed companies only: Was the Sustainability Report/Section produced by a global parent or Australian subsidiary company?	<input type="checkbox"/> Global parent <input type="checkbox"/> Australian subsidiary
5.	Was the Report/Section verified by an independent, external party?	<input type="checkbox"/> Yes <input type="checkbox"/> No [If Yes] Who provided the independent verification? Name:

No.	Question	Answer – Click box where appropriate
6.	Who is the Sustainability Report/Section's target audience? (You may check more than one box)	<input type="checkbox"/> Shareholders <input type="checkbox"/> Employees <input type="checkbox"/> Customers <input type="checkbox"/> Suppliers <input type="checkbox"/> Local community <input type="checkbox"/> Institutional investor <input type="checkbox"/> Analysts <input type="checkbox"/> Other:
7.	Was the Report/Section produced using/in accordance with Global Reporting Initiative (GRI) guidelines?	Uses GRI guidelines <input type="checkbox"/> Yes <input type="checkbox"/> No 'In accordance' with GRI guidelines <input type="checkbox"/> Yes <input type="checkbox"/> No
8.	Is the Company planning to produce a Sustainability Report/Section covering the 2004/2005 Financial Year or 2005 Calendar Year?	<input type="checkbox"/> Yes <input type="checkbox"/> No [Go to Q10] <input type="checkbox"/> Undecided [If Yes] Primary report format (please check only one box): <input type="checkbox"/> Stand-alone Report <input type="checkbox"/> Annual Report Section <input type="checkbox"/> Website Section Covering the: <input type="checkbox"/> 2004/2005 Financial Year <input type="checkbox"/> 2005 Calendar Year
9.	Do you plan to have this Report/Section verified by an independent, external party?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Undecided [If Yes] Who will provide the independent verification? Name:
10.	Is the Company planning to produce a Sustainability Report/Section in the next three years?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Undecided [If Yes] Primary report format (please check only one box): <input type="checkbox"/> Stand-alone Report <input type="checkbox"/> Annual Report Section <input type="checkbox"/> Website Section

No.	Question	Answer – Click box where appropriate	
Benefits and Impediments of Reporting			
11.	What do you see as the benefits of producing a Sustainability Report/Section? (You may check more than one box)	<input type="checkbox"/> Ability to benchmark performance <input type="checkbox"/> Operational and management improvements <input type="checkbox"/> Reputation enhancement <input type="checkbox"/> Capacity to recruit and retain excellent staff <input type="checkbox"/> Improved management of risks <input type="checkbox"/> Creation of market opportunities <input type="checkbox"/> Greater control of environmental disclosure <input type="checkbox"/> Satisfying a mandatory or signatory reporting need <input type="checkbox"/> Gain confidence of investors, insurers and financial institutions <input type="checkbox"/> Other:	
12.	What do you see as impediments to producing a Sustainability Report/Section? (You may check more than one box)	<input type="checkbox"/> Cost and resource constraints <input type="checkbox"/> Additional resources required initially to develop a framework for measuring and reporting <input type="checkbox"/> Availability of indicators <input type="checkbox"/> The need to report openly once committed <input type="checkbox"/> Management and public affairs/legal affairs approval <input type="checkbox"/> Costs of external verification <input type="checkbox"/> Other:	
Benefits and Impediments of independent, external verification			
13.	What do you see as the benefits of independent, external verification? (You may check more than one box)	<input type="checkbox"/> Addresses the risk of publishing incorrect information <input type="checkbox"/> Enhances reputation/ credibility <input type="checkbox"/> Identifies improvement opportunities <input type="checkbox"/> Improves performance in investor rankings/ indices <input type="checkbox"/> More reliable data for internal management (eg: energy and greenhouse emissions) <input type="checkbox"/> Other:	
14.	What do you see as impediments to independent, external verification? (You may check more than one box)	<input type="checkbox"/> Cost and resource constraints <input type="checkbox"/> Other:	
15.	Contact details (for Sustainability issues)	Title:	
		Name:	
		Position:	
		Address:	
		Phone:	
		Fax:	
		Email:	
16.	Does the Company wish to have its name included in a list of survey participants?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

**DEPARTMENT OF THE ENVIRONMENT AND HERITAGE
SUSTAINABILITY REPORTING LIBRARY**

CONSENT FORM

The Department of the Environment and Heritage (DEH) has a comprehensive library (400 reports from 120 organisations) of sustainability, environmental and social performance reports on its web site: www.deh.gov.au/srl. If you would like your company's reports (or Annual Report/website sustainability sections) to be included on the site, please check the box below and supply a PDF copy to Philip Sloane at p.sloane@caer.org.au.

If reports are not available in PDF format, please indicate in the space below the full web links to the report's location on your website.

Consent to host Reports/Sections on DEH website:

Please provide the appropriate contact details for listing on the web site, so users can get information on the reports/sections and about your company.

Appendix B – Companies Contacted

S&P ASX 300 Companies

AAV Ltd
 ABC Learning Centres Ltd
 Adelaide Bank Ltd
 Adelaide Brighton Ltd
 Adsteam Marine Ltd
 Agenix Ltd
 ALE Property Group
 Alesco Corporation Ltd
 Alinta Ltd
 Alumina Ltd
 Amcor Ltd
 AMP Ltd
 Ansell Ltd
 Antares Energy Ltd
 APN News & Media Ltd
 Aquarius Platinum
 Arc Energy Ltd
 Aristocrat Leisure Ltd
 Atlas Group Holdings Ltd
 Auspine Ltd
 Austal Ltd
 Austereo Group Ltd
 Australand Property Group
 Australia & New Zealand Banking Group Ltd
 Australian Agricultural Company Ltd
 Australian Education Trust
 Australian Gas Light Company (The)
 Australian Infrastructure Fund
 Australian Pharmaceutical Industries Ltd
 Australian Pipeline Trust
 Australian Stock Exchange Ltd
 Australian Wealth Management Ltd
 Australian Worldwide Exploration Ltd
 AV Jennings Homes Ltd
 AWB Ltd
 AXA Asia Pacific Holdings Ltd
 Babcock & Brown
 Ballarat Goldfields NL
 Bank of Queensland Ltd
 Baycorp Advantage Ltd
 Beach Petroleum Ltd
 Bendigo Bank Ltd
 Bendigo Mining Limited
 BHP Billiton Ltd
 Billabong International Ltd

S&P ASX 300 Companies

Bluescope Steel Ltd
 Bolnisi Gold NL
 Boom Logistics Ltd
 Boral Ltd
 Bradken Ltd
 Brambles Industries Ltd
 Brazin Ltd
 Bunnings Warehouse Property Trust
 Burns, Philp & Company Ltd
 Cabcharge Australia Ltd
 Calliden Group Ltd
 Caltex Australia Ltd
 Capral Aluminium Ltd
 Cellestis Ltd
 Centennial Coal Company Ltd
 Centro Properties Group
 CFS Gandel Retail Trust
 Challenger Financial Services Group Ltd
 Chemeq Ltd
 Circadian Technologies Ltd
 City Pacific Ltd
 Clough Ltd
 Coates Hire Ltd
 Coca Cola Amatil Ltd
 Cochlear Ltd
 Coffey International Ltd
 Coles Myer Ltd
 Collection House
 Colorado Group Ltd
 Commander Communications Ltd
 Commonwealth Bank of Australia
 Commonwealth Property Office Fund
 Computershare Ltd
 Connecteast Group
 Consolidated Minerals Ltd
 Corporate Express Australia Ltd
 Crane Group Ltd
 Croesus Mining NL
 CSL Ltd
 CSR Ltd
 David Jones Ltd
 DB RREEF Trust
 DCA Group Ltd
 Diversified Utility and Energy Trusts
 Downer EDI Ltd

S&P ASX 300 Companies

Dragon Mining NL
Energy Developments Ltd
Envestra Ltd
Equigold NL
ERG Ltd
Excel Coal Ltd
Fairfax (John) Holdings Ltd
FKP Ltd
Fleetwood Corp. Ltd
Flight Centre Ltd
Foodland Associated Ltd
Fortescue Metals Group Ltd
Foster's Group Ltd
Funtastic Ltd
Futuris Corporation Ltd
Galileo Shopping America Trust
Gallery Gold Ltd
Gasnet Australia Group
General Property Trust
Genetic Technologies Ltd
Giants Reef Mining Ltd
Globe International Ltd
Gloucester Coal Ltd
Grand Hotel Group
GRD Ltd
Great Southern Plantations Ltd
GUD Holdings Ltd
Gunns Ltd
GWA International Ltd
Hardman Resources Ltd
Harvey Norman Holdings Ltd
Hastings Diversified Utilities Fund
Healthscope Ltd
HHG PLC
Highlands Pacific Ltd
Hills Industries Ltd
Housewares International Ltd
Hpal Ltd
IBA Health Ltd
IINET Ltd
Iluka Resources Ltd
Independence Group NL
Infomedia Ltd
ING Industrial Fund
ING Office Fund
Institute of Drug Technology Australia Ltd
Insurance Australia Group Ltd
Integrated Group Ltd

S&P ASX 300 Companies

Investa Property Group
InvoCare Ltd
IOOF Holdings Ltd
Iress Market Technology Ltd
James Hardie Industries N.V.
JB Hi-Fi Ltd
Jubilee Mines NL
Just Group Ltd
Kagara Zinc Ltd
Keycorp Ltd
Kimberley Diamond Company NL
Kingsgate Consolidated Ltd
Kresta Holdings Ltd
Leighton Holdings Ltd
Lend Lease Corporation Ltd
Lihir Gold Ltd
Lion Nathan Ltd
Lion Selection Group Ltd
Macarthur Coal Ltd
Macmahon Holdings Ltd
Macquarie Airports
Macquarie Bank Ltd
Macquarie Communications Infrastructure Group
Macquarie CountryWide Trust
Macquarie DDR Trust
Macquarie Goodman Group
Macquarie Infrastructure Group
Macquarie Leisure Trust
Macquarie Office Trust
Macquarie Prologis Trust
Maxitans Industries Ltd
Mayne Group Ltd
McGuigan Simeon Wines Ltd
McPherson's Ltd
Metabolic Pharmaceuticals Ltd
Metcash Trading
Miller's Retail Ltd
Minara Resources Ltd
Mincor Resources
Mirvac Group
Mosaic Oil NL
Multiplex Group
MYOB Ltd
National Australia Bank Ltd
National Foods Ltd
Newcrest Mining Ltd
News Corporation, Inc

S&P ASX 300 Companies

Norwood Abbey Ltd
 Novogen Ltd
 Nufarm Ltd
 Nylex Ltd
 Oamps Ltd
 Oceana Gold Ltd
 Oil Search Ltd
 Onesteel Ltd
 Orica Ltd
 Origin Energy Ltd
 Oxiana Ltd
 Pacific Brands Ltd
 Pacific Hydro Ltd
 Pacifica Group Ltd
 Paladin Resources Ltd
 Pan Australian Resources Ltd
 PaperlinX Ltd
 Patrick Corporation Ltd
 Peptech Ltd
 Perilya Ltd
 Perpetual Trustees Australia Ltd
 Perseverance Corporation Ltd
 Petsec Energy Ltd
 Platinum Capital Ltd
 PMP Ltd
 Prime Infrastructure Group
 Primelife Corporation Ltd
 Progen Industries Ltd
 Programmed Maintenance Services Ltd
 Promina Group Ltd
 pSivida Ltd
 Publishing and Broadcasting Ltd
 Qantas Airways Ltd
 QBE Insurance Group Ltd
 Ramsay Health Care
 Rebel Sport Ltd
 Record Investments Ltd
 Redflex Holdings
 Repco Corporation Ltd
 Resmed Inc
 Resolute Mining Ltd
 Ridley Corporation Ltd
 Rinker Group Ltd
 Rio Tinto Ltd
 Roc Oil Company Ltd
 SAI Global Ltd
 Sally Malay Mining Ltd
 Salmat Ltd

S&P ASX 300 Companies

Santos Ltd
 Schaffer Corporation Ltd
 SDI Ltd
 Seven Network Ltd
 SFE Corporation Ltd
 Sigma Company Ltd
 Silex Systems Ltd
 Sims Group Ltd
 Sino Gold Ltd
 Sirtex Medical Ltd
 Skilled Group Ltd
 Smorgon Steel Group Ltd
 SMS Management and Technology Ltd
 Sonic Healthcare Ltd
 Southcorp Ltd
 Southern Cross Broadcasting (Australia) Ltd
 SP Telemedia Ltd
 Spotless Group Ltd
 St George Bank Ltd
 Stockland
 STW Communications Group Ltd
 Suncorp-Metway Ltd
 Sunland Group Ltd
 Super Cheap Auto Group Ltd
 Sydney Gas Ltd
 Symex Holdings Ltd
 Tabcorp Holdings Ltd
 Tap Oil NL
 Technology One Ltd
 Telecom Corporation of New Zealand Ltd
 Telstra Corporation Ltd
 Ten Network Holdings Ltd
 Thakral Holdings Group
 Timbercorp Ltd
 Tishman Speyer Office Fund
 Toll Holdings Ltd
 Tower Ltd
 Transfield Services Ltd
 Transurban Group
 UNiTAB Ltd
 United Group Ltd
 UXC Ltd
 Valad Property Group
 Ventracor Ltd
 Villa World Ltd
 Village Life Ltd
 Village Roadshow Ltd
 Virotec International Ltd

S&P ASX 300 Companies

Vision Group Holdings Ltd
Vision Systems Ltd
Volante Group Ltd
Wattyl Ltd
Wesfarmers Ltd
West Australian Newspapers Holdings Ltd
Western Areas NL
Westfield Group Ltd
Westpac Banking Corporation
WMC Resources Ltd
Woodside Petroleum Ltd
Woolworths Ltd
WorleyParsons Ltd
Zinifex Ltd

Public Non-listed Companies - Foreign

Abigroup Ltd
ABN AMRO Australia Ltd
ACE Insurance Ltd
Affinity Health Ltd
Alcoa of Australia Ltd
Allianz Australia Ltd
ALSTOM Australia Ltd
Alusuisse of Australia Ltd
Anglo Coal Holdings Australia Ltd
Apache Energy Ltd
Aviva Australia Holdings Ltd
BAE SYSTEMS Australia Holdings Ltd
Bank of Western Australia Ltd
Barclay Mowlem Ltd
Barrick Gold of Australia Ltd
Bidvest Australia Ltd
BMW Australia Ltd
BOC Ltd
BOS International (Australia) Ltd
Cadbury Schweppes Australia Ltd
Cargill Australia Ltd
Chamberlain Holdings Ltd
Chubb Security Holdings Australia Ltd
Contact Energy Ltd
Deutsche Australia Ltd
Diageo Australia Ltd
Ford Credit Australia Ltd
Ford Motor Company of Australia Ltd
General Reinsurance Australia Ltd

Public Non-listed Companies - Foreign

George Weston Foods Ltd
Hannover Life Re of Australasia Ltd
Hardy Wine Company Ltd
Heinz Wattie's Ltd
Holden Ltd
HSBC Bank Australia Ltd
IBM Australia Ltd
Inchcape Motors Australia Ltd
ING Australia Holdings Ltd
ING Australia Ltd
ING Bank (Australia) Ltd
ING Life Ltd
ITOCHU Australia Ltd
Kraft Foods (Australia) Ltd
Lease Plan Australia Ltd
Marubeni Australia Ltd
McDonald's Australia Holdings Ltd
Metal Manufactures Ltd
Mitsubishi Australia Ltd
Mitsubishi Motors Australia Ltd
Mitsui & Co (Australia) Ltd
Munich Reinsurance Company of Australasia Ltd
Nestle Australia Ltd
Newmont Australia Ltd
Norske Skog Industries Australia Ltd
ORIX Australia Corporation Ltd
P&O Australia Ltd
Philip Morris (Australia) Ltd
Pilkington Australasia Ltd
Placer Dome Asia Pacific Ltd
Queensland Alumina Ltd
SG Australia Holdings Ltd
Shell Australia Ltd
Shell Energy Holdings Australia Ltd
Siemens Ltd
Sony Australia Ltd
Sumitomo Australia Ltd
Swiss Re Australia Ltd
Tower Australia Ltd
Toyota Motor Corporation Australia Ltd
UBS Capital Markets Australia Holdings Ltd
Vodafone Australia Ltd
WALTER Construction Group Ltd
Xstrata Queensland Ltd
Zurich Financial Services Australia Ltd

Public Non-listed Companies

ADI Ltd
 Australian Rail Track Corporation Ltd
 Berri Ltd
 Bonlac Foods Ltd
 Colonial Mutual Life Assurance Society Ltd
 CS Energy Ltd
 ENERGEX Ltd
 Ergon Energy Corporation Ltd
 Esanda Finance Corporation Ltd
 Grain Growers Association Ltd
 Hospitals Contribution Fund of Australia Ltd
 Macquarie Life Ltd
 MBF Australia Ltd
 Medibank Private Ltd
 Mitre 10 Australia Ltd
 Murray Goulburn Co-operative Co Ltd
 News Holdings Ltd
 NIB Health Funds Ltd
 Queensland Sugar Ltd
 Sisters of Charity Health Service Ltd
 Southern Cross Airports Corporation Holdings Ltd
 SPC Ardmona Ltd
 Sydney Water Corporation Ltd
 Tarong Energy Corporation Ltd
 Tyre Marketers (Australia) Ltd
 Westpac Life Insurance Services Ltd

Proprietary Companies - Foreign

A W Boulderstone Holdings Pty Ltd
 ABB Australia Pty Ltd
 Adecco Holdings Pty Ltd
 Alcoa Australia Rolled Products Pty Ltd
 Amatek Industries Pty Ltd
 Arnotts Biscuits Holdings Pty Ltd
 AstraZeneca Pty Ltd
 Australia Meat Holdings Pty Ltd
 Bechtel Australia Pty Ltd
 BP Regional Australasia Holdings Pty Ltd
 British American Tobacco (Australasia Holdings) Pty Ltd
 BUPA Australia Health Pty Ltd
 Canon Australia Pty Ltd
 Carter Holt Harvey Australia Pty Ltd
 Cisco Systems Australia Pty Ltd
 Citibank Pty Ltd

Proprietary Companies - Foreign

CITIC Australia Pty Ltd
 Citigroup Global Markets Australia Holdings Pty Ltd
 CKI/HEI Electricity Distribution Holdings (Australia) Pty Ltd
 CNH Australia Pty Ltd
 Compass Group (Australia) Pty Ltd
 CSC Australia Pty Ltd
 DaimlerChrysler Australia/Pacific Holding Pty Ltd
 Dimension Data Australia Pty Ltd
 EDS (Australia) Pty Ltd
 Effem Foods Pty Ltd
 Electrolux Home Products Pty Ltd
 Ericsson Australia Pty Ltd
 ExxonMobil Australia Pty Ltd
 Franklins Supermarkets Pty Ltd
 GE Capital Finance Australasia Pty Ltd
 GlaxoSmithKline Holdings Pty Ltd
 Hagemeyer Asia Pacific Pty Ltd
 Hanson Australia (Holdings) Pty Ltd
 Hewlett-Packard Australia Pty Ltd
 Honda Australia Pty Ltd
 Hyundai Motor Company Australia Pty Ltd
 Johnson & Johnson Pty Ltd
 Kimberly-Clark Pacific Holdings Pty Ltd
 Kodak (Australasia) Pty Ltd
 Komatsu Australia Pty Ltd
 LG Electronics Australia Pty Ltd
 Mazda Australia Pty Ltd
 Merck Sharp & Dohme (Australia) Pty Ltd
 Mitsubishi Development Pty Ltd
 New Zealand Milk (Australasia) Pty Ltd
 Nippon Meat Packers Australia Pty Ltd
 Nissan Motor Co (Australia) Pty Ltd
 Nokia Australia Pty Ltd
 Noza Holdings Pty Ltd
 Orlando Wyndham Group Pty Ltd
 Owens-Illinois (Australia) Pty Ltd
 Pall Filtration and Separations Pty Ltd
 Panasonic Australia Pty Ltd
 Parmalat Pacific Holdings Pty Ltd
 Pechiney Pacific Pty Ltd
 Pfizer Australia Pty Ltd
 RJV Australia Pty Ltd
 Robert Bosch (Australia) Pty Ltd
 Simplot Australia (Holdings) Pty Ltd
 Singtel Optus Pty Ltd

Proprietary Companies - Foreign

Summit Investment Australia Pty Ltd
TCNZ Australia Investments Pty Ltd
Techpac Holdings (Australia) Pty Ltd
Time Warner Entertainment Australia Pty Ltd
TNT Australia Pty Ltd
TXU Australia Group Pty Ltd
Tyco International Pty Ltd
Unilever Australia (Holdings) Pty Ltd
Xstrata Coal Investments Australia Pty Ltd
Yum! Restaurants Australia Pty Ltd

Proprietary Companies

A C McGrath & Co Pty Ltd
Advance Petroleum Pty Ltd
Aurora Energy Pty Ltd
Australian Capital Equity Pty Ltd
Balverona Pty Ltd
Bartter Holdings Pty Ltd
BGC (Australia) Pty Ltd
Consolidated Travel Pty Ltd
Distributorship JV Pty Ltd
Gardner Smith (Holdings) Pty Ltd
Grocon Pty Ltd
Independent Print Media Group Pty Ltd
Inghams Enterprises Pty Ltd
JGL Investments Pty
Liberty Oil Holdings Pty Ltd
Linfox Pty Ltd
Luconin Pty Ltd
Meriton Apartments Pty Ltd
Pacific National Pty Ltd
Pratt Holdings Pty Ltd
Qenos Holdings Pty Ltd
Queensland Press Pty Ltd
Sensis Pty Ltd
Spotlight Stores Pty Ltd
Suttons Motors Pty Ltd
Tenix Pty Ltd
Teys Bros (Holdings) Pty Ltd
Transfield Holdings Pty Ltd
United Energy Distribution Pty Ltd