



GRI Reporting in Government Agencies



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ISBN number: 978-90-8866-033-7

Acknowledgement



The Global Reporting Initiative

The Global Reporting Initiative™ (GRI) is a multi-stakeholder non-profit organization that develops and publishes guidelines for reporting on economic, environmental, and social performance ('sustainability performance'). As the world's most widely-used sustainability reporting framework, the GRI Sustainability Reporting Guidelines are being used by organizations of all sizes and types, across sectors and regions. The Guidelines are developed through a unique multi-stakeholder consultative process involving representatives from reporting organizations and report information users from around the world. First published in 2000 and then revised in 2002, the guidelines have now entered their third generation, referred to as the GRI G3 Guidelines which were released in October 2006.

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Introduction

The Global Reporting Initiative's (GRI) vision is that reporting on economic, environmental, and social performance by all organizations is as routine and comparable as financial reporting. The GRI has pioneered the development of the world's most widely used sustainability reporting framework, the G3 Guidelines, and is committed to its continuous improvement and application worldwide. This framework sets out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance.

Some sectors face unique needs that require specialized guidance in addition to the universally applicable core Guidelines. Sector Supplements respond to these needs and are a key part of the Reporting Framework, designed to complement the Guidelines.

In 2005, GRI published the Pilot Version 1.0 of the Sector Supplement for Public Agencies to complement the Sustainability Reporting Guidelines, and to address the specificities of the sector. Since its release, public agencies from a variety of geographic regions have used the Supplement. In the light of a possible future revision, GRI conducted research to review the use of the Supplement. The purpose of this paper is to assess the level of reporting on the Supplement items.

This paper presents an overview of sustainability reporting by public agencies and an analysis of existing literature on the subject. This is followed by an examination of a sample of 10 sustainability reports by government agencies.

1. About the Sector Supplement for Public Agencies

The pilot version of the Public Agencies Sector Supplement was released in 2005 to provide reporting guidance on key aspects of sustainability performance relevant to government agencies. The Supplement was developed in accordance with the 2002 Guidelines and was designed to be used by public agencies from all tiers of government – including ministries, federal agencies, regional governing bodies, state agencies, city councils, departments, etc.

The overarching issues for the sector identified in the Supplement are: public policies and implementation measures, expenditures, procurement and administrative efficiency. New sector-specific indicators were developed to cover performance reporting on these aspects.

The Supplement identified three different types of information that reports by public agencies can include: 1. Organizational performance, 2. Public policies and implementation measures, and 3. Context or state of environment.

The content of the Supplement was developed in recognition of these three types of information, but remarked that the focus of the Supplement is to provide reporting guidance on the first and second type of information, as the third type of information is often included in other types of reports.

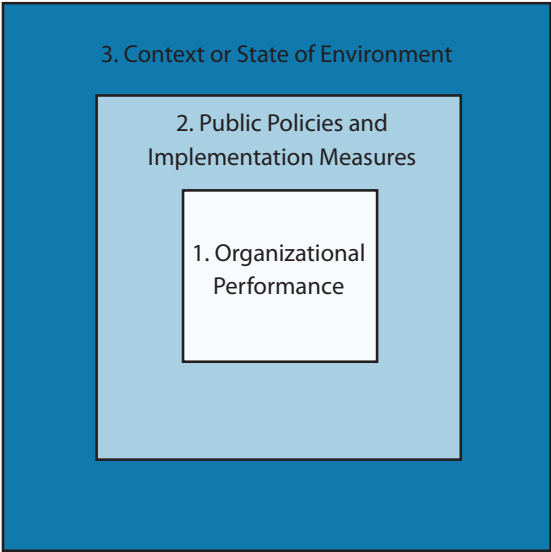


Figure 1: Types of information that reports by public agencies can include

2. Methodology

General research on sustainability reporting by public agencies was first conducted by gathering data on numbers of reports published, and by reviewing existing literature on the subject.

A comprehensive list of sustainability reports published to date by public agencies was then compiled. This first list included public agencies from all tiers of government, as well as government owned-companies.

From the initial list, a sample of 10 reports by government agencies was selected (see Annex 1). The criteria used to select between the reports by public agencies were: use of the GRI Guidelines and/or the Supplement, language, and publication year. The sample included several reporters from Oceania, as these matched the criteria used for selecting the reports.

The content of the 10 reports was analyzed to see how they reported on the Supplement items (explanatory commentary on GRI disclosures and new, sector-specific disclosures). Only new sector-specific disclosures were reviewed for this purpose.

All 10 reports included in the sample used the G3 Guidelines, and 5 of them used the Supplement. The content indexes at the back of these 5 reports were referred to in order to determine which Supplement indicators were referenced in the reports. For the reports that did not use the Supplement, reporting on the Supplement items was identified through a detailed analysis of each report.

All reports included in the sample were written in English.

3. Overview: Sustainability Reporting by Public Agencies

Research findings showed that although there has been an overall increase in the number of reports published, sustainability reporting in the public sector is still emerging when compared to the corporate sector. This is evident in the number of GRI reports published by public agencies (1.7%), compared to the total number of listed GRI reports in 2009.

Sixty-nine GRI reports have been published since 2001 by 57 different public agencies, including government owned-companies. Chart 1 shows the number of GRI reports released by public agencies by year¹.

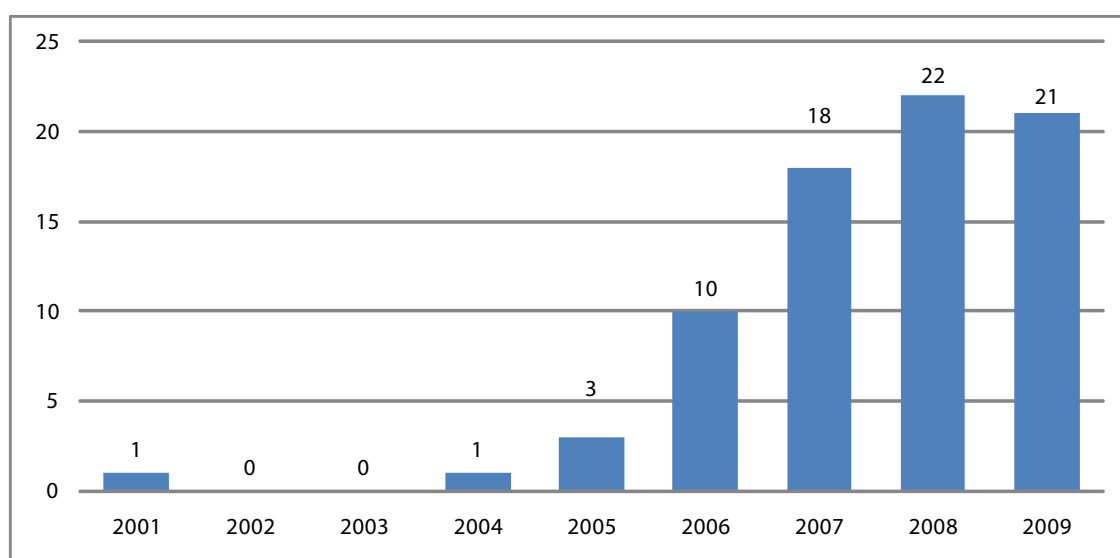


Chart 1: Number of GRI reports by public agencies from 2001 to 2009

¹ Data extracted from the GRI reports list: <http://www.globalreporting.org/GRIReports/GRIReportsList/>. Total number of GRI reports published in 2009 is 1227. The GRI reports list used for this research was last accessed on 13 January 2010.



Chart 2 shows the number of reports published that used the Supplement since its release in 2005. In total, 21 reports using the Supplement have been published by 12 different public agencies.

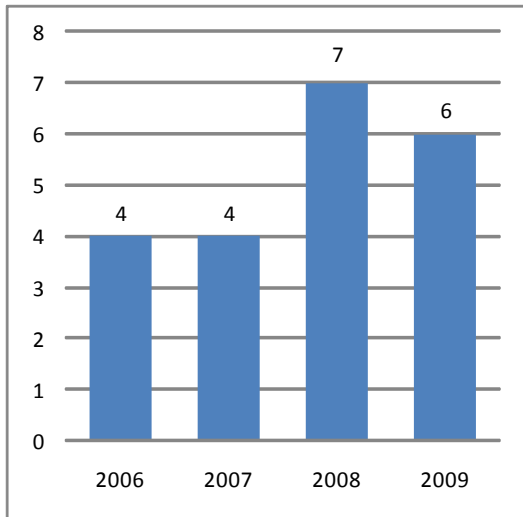


Chart 2: Number of GRI reports by public agencies that used the Sector Supplement from 2006 to 2009

Europe, Oceania and Asia are the regions with the highest level of engagement in sustainability reporting practices. Chart 3 shows geographic distribution of GRI reporters in the public sector between 2001 and 2009.

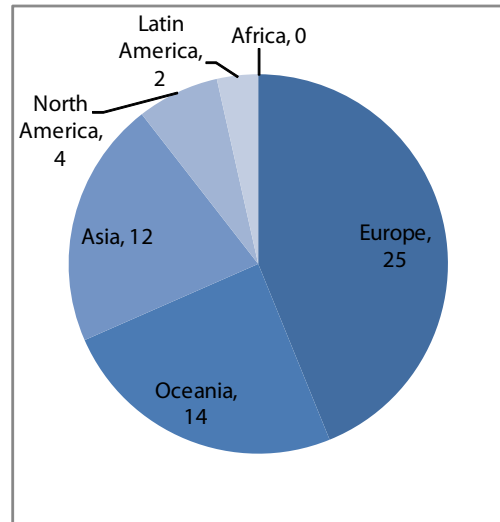


Chart 3: Geographic distribution of reports by public agencies between 2001 and 2009

4. Literature Review

Existing literature on the Supplement and on sustainability reporting by public agencies was reviewed (see Annex 2).

The literature reviewed pointed out that both the scope of reporting outlined by the Supplement, and the term 'public agency' needed more clarification. Part of the discussion revolved around whether or not this term should include government owned enterprises; since some of them have identified themselves as public agencies and have noted that the Supplement is meaningful to them.

It was considered that the Supplement was too generic for the complex array of organizational types and levels of government existing in the public sector, and that it did not include sufficient sector-specific variables.

Several drawbacks and difficulties were also associated with the use of the GRI Framework. Some of the G3 indicators and the wording of the guidelines were considered not applicable to the public sector.

5. Key Findings

A sample of 10 sustainability reports published by public agencies was analyzed to assess the level of reporting on the Supplement items. The sample included reports which used the Supplement, as well as reports that did not.

The sample of reports revealed that the use of the Supplement was fragmented and public agencies that used the Supplement chose to report on only some of the indicators. It was also found that the public agencies provided very diverse reporting on some of the indicators.

The information reported on public policies was included throughout the report and was found to be predominantly descriptive, with little quantitative data, which made it difficult to compare performance over time and between public agencies.

Public Agencies reporting on Sector Supplement Indicators

Reporting on procurement and administrative efficiency was less advanced than that on public policies. Little or no information was reported on procurement practices related to sustainability or on assessment of the efficiency and effectiveness of the services provided by the public agency.

When analyzing the type of information included in the reports, it was found that 2 reports covered only the first type of information described in the Supplement (organizational performance), with little or no reference to public policies. One of these reports did use the Supplement, but chose not to report on the public policies and implementation measures indicators.

It was also found that city councils were more likely to include information of the third type (context or state of environment), than other types of public agencies.

Stakeholder engagement is a key subject in the Public Agency sector. Reporters provided narrative disclosure on general stakeholder engagement, but did not provide detailed information with respect to the items disclosed in indicator PA6.

The following table shows the common disclosure provided by the public agencies included in the sample in relation to the Supplement indicators.

Sector Supplement Indicator	Common Disclosure
Organizational Profile	
PA1. Describe the relationship to other governments or public authorities and the position of the agency within its immediate governmental structures.	Low level of reporting. Narrative disclosure with little reference to the indicator.
Public Policies and Implementation Measures	
PA2. State the definition of sustainable development used by the public agency, and identify any statements or principles adopted to guide sustainable development policies.	No definition was provided by the reporters included in the sample, and very few identified the principles adopted to guide sustainable development policies.
PA3. Identify the aspects for which the organization has established sustainable development policies.	Reporters identified key strategies and priorities of the public agency; however, these were not necessarily related to sustainable development aspects. Reporters did not follow sequence PA3-PA4-PA6-PA7.

PA4. Identify the specific goals of the organization for the each aspects listed in PA3.	Reporters identified the goals that the public agency had set; however, these were not necessarily related to the strategies and priorities identified in PA3.
PA5. Describe the process by which the aspects and goals in both PA3 and PA4 were set.	Reporters identified those responsible for decision-making, but did not describe the process by which aspects and goals in PA3 and PA4 were set.
PA6. For each goal, provide the following information: Implementation measures; Results of relevant assessments of the effectiveness of those measures before they are implemented; State targets and key indicators used to monitor progress, with a focus on outcomes; Description of progress with respect to goals and targets in the reporting periods, including results of key indicators; Actions to ensure continuous improvement towards reaching the public agency's goals and targets; and Post-implementation assessment and targets for next time period.	<p>Reporters identified implementation measures, targets, key indicators used to monitor progress, outcomes, and targets for next time period for some public policies.</p> <p>The following information was poorly reported on or not reported at all: Results of relevant assessments of the effectiveness of those measures before they are implemented; actions to ensure continuous improvement towards reaching the public agency's goals and targets; and post-implementation assessment.</p> <p>The presentation of this information varied by reporter. Some reporters provided only narrative/descriptive information, while others provided quantitative data as well.</p> <p>Some of the reporters, who reported on this item, stated in the content index that this information was included throughout the report.</p>
PA7. Describe the role of and engagement with stakeholders with respect to the items disclosed in PA6.	Reporters provided narrative disclosure on general stakeholder engagement.
Expenditures	
PA8. Gross expenditures broken down by type of payment.	High level of reporting.
PA9. Gross expenditures broken down by financial classification.	Not reported.
PA10. Capital expenditures by financial classification.	Low level of reporting. Reporters, who reported on this item, provided total capital expenditure only.
PA11. Describe procurement policy of the public agency as relates to sustainable development.	Low level of reporting. Reporters, who reported on this item, provided a brief narrative disclosure on procurement policy with little reference to sustainable development.
PA12. Describe economic, environmental, and social criteria that apply to expenditures and financial commitments.	Low level of reporting. Only one public agency reported on this indicator by identifying environmental criteria that apply to concession-granting.
Procurement	
PA13. Describe linkages between the public agency's procurement practices and its public policy priorities.	Not reported.
PA14. Percentage of the total value of goods purchased that were registered with voluntary environmental or social labels and/or certification programs, broken down by type.	Low level of reporting. Only one public agency reported on this indicator.
Administrative Efficiency	
Describe the results of assessments of the efficiency and effectiveness of services provided by the public agency, including the actions taken to achieve improvements in service delivery.	Not reported.

Table 1: Content analysis of sampled sustainability reports by public agencies

6. Conclusions

Sustainability reporting in the public sector is still in its infancy compared to other sectors (only 1.7%¹ of GRI reports published in 2009 are from public agencies).

Research has shown that reporting by public agencies is not evenly widespread in all regions. Europe, Oceania and Asia are the regions producing the most sustainability reports in the sector.

The analysis of GRI reports by public agencies has revealed that reporting on the Sector Supplement items was fragmented and that the types of disclosures provided by the different public agencies were very diverse and predominantly narrative/descriptive, with little quantitative performance data.

When reviewing the reports and existing literature on the subject, the scope of the Supplement and the apparent private sector foundation of the G3 Guidelines were identified as points of discussion for the future work on the Supplement.

GRI is exploring opportunities to progress the pilot version of the Supplement to a final version and will convene a multi-stakeholder Working Group for this purpose. A final version of the Public Agency Sector Supplement should encourage improved sustainability reporting by governmental agencies and should invite a high number of agencies to communicate their sustainability performance.

For more information, please contact GRI: guidelines@globalreporting.org

¹ Data extracted from the GRI reports list: <http://www.globalreporting.org/GRIReports/GRIReportsList/>. Total number of GRI reports published in 2009 is 1227. The GRI reports list used for this research was last accessed on 13 January 2010.

Annexes

Annex 1. Sample of 10 Public Agency Reporters' Profiles.

Public Agency	Reporters' Profiles					
	Country	Guidelines	Sector Supplement	Working Group Member	Application Level	Year
Architectural Services Department	China	G3	Yes	No	Undeclared	2008
Auckland City Council	New Zealand	G3	No	No	Undeclared	2008/2009
City of Melbourne	Australia	G3	Yes	Yes	C+	2009
Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)	Australia	G3	Yes	No	Undeclared	2007/2008
Department of Sustainability and Environment (DSE)	Australia	G3	Yes	No	Undeclared	2008
Electrical and Mechanical Services Department, Government of Hong Kong	China	G3	No	No	Undeclared	2007/2008
Environment Agency Abu Dhabi (EAD)	United Arab Emirates	G3	Yes	No	A	2008
Gold Coast City Council	Australia	G3	No	No	Undeclared	2007/2008
Penrith City Council	Australia	G3	No	No	C	2007/2008
Waitakere City Council	New Zealand	G3	No	No	B	2008/2009

Annex 2. Literature Review

- Guthrie, J., Farneti F., (2008), GRI Sustainability reporting by Australian public sector organizations, *Public Money and Management*, Vol. 28, No. 6, pp. 361-366.
- Farneti F., Guthrie, J., (2009), Sustainability reporting by Australian public sector organisations: Why they report?“, *Accounting Forum*, Vol. 33 pp. 89-98.
- Sustainability reporting by public agencies: International uptake, forms and practice (CPASR), 2005



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