

## Governments crucial to take up of sustainability reporting

Date issued: 27 November 2008

Government action is the most important driver of the worldwide take up of sustainability reporting, according to new international research to be launched in Beijing today.

Professionals in the business and finance sectors in Australia, UK, Hong Kong and China identified regulatory initiatives ahead of competitive pressures and public expectations as the major factor in promoting the take up of sustainability reporting.

Commissioned by CPA Australia, one of the world's largest accounting bodies and a strong advocate of sustainability reporting, the research findings also revealed that costs and resources constraints, the global economic downturn and the absence of domestic regulatory mandating are regarded as major barriers to the adoption of sustainability reports.

The research reveals the importance of government leadership in ensuring that more organisations adopt sustainable practices and methods to accurately disclose their impact on the environment and local communities.

CPA Australia president, Alex Malley, said that good governance and long term management of corporate risk, issues addressed by sustainability reporting, are all the more significant in the current global financial and economic crisis.

'The current global economic upheaval should not deter governments, business, industry and the wider community from improving sustainability practices and developing a capacity to disclose their sustainability performance.

'The wider adoption of sustainability reporting, with good governance at its core, has never been more important as it will enhance transparency and accountability leading to better informed markets.

'Sustainability reporting will lead to better corporate conduct in the financial sector, for example, as it promotes a greater level of scrutiny of supply chains which encourages management to assess the inherent risks associated with their financial products.

'The survey also overwhelmingly identified the need for a universal approach to sustainability reporting, reinforcing the need for government leadership and international collaboration,' Mr Malley said.

Following analysis of the research, CPA Australia has recommended a three step action plan that can be implemented within the next two to five years:

- Positive initiative from Governments to engage with the business sector and various regulatory agencies to collectively determine the best way forward to facilitate in a non-prescriptive manner the uptake of sustainability reporting.
- Development by the accounting profession of a clear understanding and articulation of the complementary aspects of financial and non-financial reporting, and how, collectively, they build corporate performance and market confidence.
- A collective approach by the business community to develop understanding of the best and most efficient mediums through which business sustainability performance and risk are communicated to the market and users.

Stockbrokers, investment analysts, fund managers, auditors, institutional investors, and superannuation trustees were surveyed in November as part of CPA Australia's global sustainability reporting campaign.

CPA Australia has established a formal relationship with the Amsterdam-based Global Reporting Initiative (GRI) as part of its campaign. The GRI has pioneered the development of the world's most widely used sustainability reporting framework which sets out the principles and indicators that organisations can use to measure and report their economic, environmental, and social performance.

Accountants are fundamental to the development of sustainability reporting as they capture vital corporate information which is used as a basis for organisational decision making. As the principle source of assurance, accountants are also vital in promoting confidence in these emerging forms of disclosure. CPA Australia, through its 117,000 members located in 100 countries, aims to promote the take up of sustainability reporting and to mobilise the accounting profession to take a leading role.

### Media enquiries

Adam Blight  
Communications adviser

+61 3 9606 9697

0422 003 334

[View current media releases](#)

[Search archived media releases](#)

**This page is available online at:**

[http://www.cpaaustralia.com.au/cps/rde/xchg/cpa/hs.xsl/1019\\_31148\\_ENA\\_HTML.htm](http://www.cpaaustralia.com.au/cps/rde/xchg/cpa/hs.xsl/1019_31148_ENA_HTML.htm)

Page last updated: Thursday, 27 November 2008

© Copyright 1997-2008 CPA Australia