

Sustainability Advantage Program Evaluation 2017-2022

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Executive summary

This evaluation examines the design and delivery of the NSW Government's Sustainability Advantage (SA) program between July 2017 and June 2022.

SA is the NSW Government's business support program partnering with large and medium organisations to nurture and create leaders in sustainability, assisting the transition to net zero emissions and a circular economy. A membership-based program, it is designed to work with high impact stakeholders to increase commitment, raise ambition and accelerate sustainability action.

The evaluation methodology includes a desktop review of independent evaluations, reports and feedback surveys, 12 semi-structured interviews with program stakeholders, 2 focus groups and meetings with the SA team to address data gaps. Case studies of program activities have been developed to support the analysis.

Effectiveness and appropriateness of program design

The evaluation finds that the design of SA is effective and appropriate to support its members to deliver resource efficiencies, achieve cost savings and to better manage current and emerging sustainability challenges.

Key characteristics of program design contributing to the achievement of positive sustainability outcomes for NSW businesses include:

- SA Advisors build trusted collaborative relationships with members.
- Members have access to a 'pre-screened' panel of experts.
- Regular events inform members of the latest national and global developments in sustainability and provide networking opportunities.
- Capacity building initiatives develop technical and leadership skills.
- Industry and regional collaboration projects address sustainability challenges that individual members cannot solve on their own.
- 'Pilots' of government initiatives build member capability while informing and enhancing government program design and delivery.
- A recognition scheme provides members with a framework for continuous improvement.

The program maintains relevance by working with members, experts and other stakeholders to identify and act on current and emerging sustainability issues, including but not limited to climate change. It is this flexible and adaptive approach that enables SA to inform organisations and the NSW Government of the most significant sustainability developments and global megatrends. The program builds member resilience, effectiveness and competitiveness in challenging times and supports NSW's reputation as an innovative, connected and competitive place to do business.

Program benefits and outcomes

Sustainability Advantage influences ‘systems-level’ change by delivering outcomes at four levels.

1. Working with individual businesses to transform operations and drive positive change

Through SA, members are better equipped to manage the risks and opportunities of sustainability by developing:

- Internal awareness and support for sustainability.
- Sustainability goals and targets.
- Evidence-based plans.
- The capability of managers to influence change within and external to their organisation through their leadership.

As shown in the following table, the cost savings and resource efficiencies achieved by members have been substantial.

Average annual cost savings and resource efficiencies achieved by members between 2017 and 2020¹

Electricity savings	229,000 MWh/year
Gas savings	351,107 GJ/year
Water savings	102,000 ML/year
Waste savings	1,238,801 tonnes/year
Cost savings	\$120 million/year
GHG emissions savings	359,000 tonnes CO2e-

Members have also increased their investment in key areas such as reducing GHG emissions. A survey involving 22 member organisations participating in net zero support initiatives during 2021-22 revealed significant financial commitments with 56% of participants reporting they are investing more than \$1 million each in projects specifically aimed at reducing GHG emissions.²

2. Working pre-competitively through industry collaboration projects to transform whole-of-sector practices

SA extends its influence and impact by developing and facilitating industry collaboration projects that help to address sustainability challenges that members cannot solve on their own. For example, by establishing the Responsible Construction Leadership Group (RCLG) that led to the formation of the Materials & Embodied Carbon Leaders’ Alliance³ (MECLA) in the construction sector.

¹ Sourced from Climate Change Fund public reports (2017 to 2020)

² Internal document: Independent evaluation by Clear Horizon 2023. *Evaluation of Sustainability Advantage Net Zero Emissions Support.*

³ <https://mecla.org.au/>

3. Facilitating 'place-based' initiatives in regional areas to create local solutions and benefits

Place based solutions present unique opportunities for organisations to work together to create sustainability solutions. For example, SA has played a central role in seeding and managing three major initiatives in the Hunter Central Coast Region - the Hunter Circular Economy Facilitators Group, the Hunter SDG Task Force and Net Zero Hunter.

4. Working with multi-sectoral stakeholder partners to create and transform markets for new products and services.

Collaboration at this level creates a positive feedback loop for members and supports systemic change. For example, by partnering with WWF through the Sustainability Advantage Impact Challenge, SA assisted organisations such as Second Life Solar (a solar panel reuse and recycling start up business⁴) to access the networks, funding and support needed to create successful markets for new business models and services. Another example is SA's work with Soft Landing (a mattress recycling non-for-profit organisation⁵) that assisted its transformation from a local recycler of mattresses to a national voluntary, industry-led product stewardship scheme.

SA's influence at each of these levels helps to mobilise private investment. This in turn supports economy-wide outcomes and benefits.

For the NSW Government the benefits of the program include:

- Program outcomes contribute to the objectives of related government sustainability policies including the NSW Net Zero Plan Stage 1 and the NSW Waste and Sustainable Materials Strategy.
- Frameworks and capacity building initiatives developed by SA are utilised by other NSW Government programs, such as Sustainable Government and Sustainable Councils and applied across government agencies.
- The program supports the development of complementary government programs by fast-tracking engagement of member organisations in pilot programs and evaluations.

Other beneficiaries of SA are:

- Service providers on the SA Expert Panel that work with members, learn from pilot projects and, in many cases, continue to work with SA members outside of the program itself to assist them with sustainability initiatives.
- NGOs through partnering initiatives which help them to progress sustainability initiatives that they have identified but have not been able to resource and fund.
- Members who implement sustainability initiatives conducted with SA support in NSW to facilities across Australia and globally.

⁴ <https://www.energy.nsw.gov.au/business-and-industry/stories-success-business/second-life-solar>

⁵ <https://softlanding.com.au>

Recommendations

The evaluation has identified four key areas in which SA can improve its efficiency and impact.

1. Integrate pilot projects into core service offerings

Throughout the evaluation period SA designed and piloted new service offerings in collaboration with members. Independent evaluations of these pilots demonstrated their value and effectiveness. Now that they are proven service offerings, the Net Zero Emissions Leadership Accelerator and Pathways pilot projects should be integrated into the program as core service offerings. Given the significant benefits they offer members, a co-contribution could be considered. The methodology of these new service offerings could also be applied to other sustainability focus areas in the SA program including Value Chain (Scope 3) Emissions, Circular Economy and Nature Positive.

2. Develop and implement a more structured and consistent approach to monitoring and tracking member projects and activities

To help showcase program effectiveness and inform evidence-based decision making a more structured and consistent approach to monitoring and tracking member projects and activities should be implemented. This will help to identify collaboration opportunities, inform program design, support member retention and recruitment and assist with program reporting and evaluation.

3. Explore and modify models of stakeholder engagement to further enhance the scale and impact of the program

SA's member and collaboration projects are complex and characterised by multiple interdependencies across a broad range of stakeholders including members, strategic partners and other government teams. It is recommended that SA review its approach to stakeholder engagement at the program level with a focus on strategic collaborations to enhance the scale and impact of SA.

4. Continue to adapt the program to address emerging sustainability issues

SA has been instrumental in providing a unique and integrated suite of service offerings to its members. However, as the sustainability landscape continues to evolve SA will need to continue to adapt and innovate – as it has done so over the period covered by this evaluation.

In conclusion, the program's ability to adapt, innovate, and maintain relevance will determine its long-term success. SA has demonstrated that its ability to embrace change and remain proactive has enabled it to serve its members effectively and to have significant impact across sectors and markets.