
Overview

What is this inquiry about?

This inquiry is about progress in implementing ecologically sustainable development (ESD) by Commonwealth departments and agencies. The focus of the inquiry is on how departments and agencies apply ESD principles and objectives in policy making, and how they monitor, evaluate and report the implementation of ESD. As required under the terms of reference, and subject to the general policy guidelines that the Productivity Commission has under the *Productivity Commission Act 1998*, the inquiry has:

- reviewed existing mechanisms for incorporating ESD principles into government decision making, and for monitoring, evaluating and reporting the implementation of ESD by Commonwealth departments and agencies;
- evaluated how Commonwealth departments and agencies incorporate ESD principles into their policy development, by undertaking a number of case studies in priority areas;
- made recommendations to enhance integration of economic, environmental and social considerations in decision making; coordination; the information base; monitoring and feedback in ESD implementation; and commitment to ESD; and
- highlighted priorities for further implementing ESD.

This inquiry is mainly about processes in place in government to further the implementation of ESD.

What is ‘ecologically sustainable development’?

The concept of ‘ecologically sustainable development’ was brought to the fore following growing concern throughout the 1970s and 1980s about the current and future

	<p>environmental impact of prevailing patterns of economic growth and development. Since that time, policies addressing sustainability have become widespread. The World Bank recently found that over 100 countries had national strategies for sustainable development in place (World Bank 1997a).</p>
<p><i>ESD is about meeting the needs of the present without compromising the ability of future generations to meet their needs.</i></p>	<p>While this inquiry is not about ecologically sustainable development per se, any assessment of how effectively Commonwealth departments and agencies have implemented ESD requires an understanding of the underlying concepts. A commonly used definition of ‘sustainable development’ emerged from the 1987 World Commission on Environment and Development (the Brundtland Commission):</p> <p>... development that meets the needs of the present without compromising the ability of future generations to meet their own needs ... (WCED 1987, p. 8)</p>
<p><i>In Australia, the NSESD is the major ESD policy initiative.</i></p>	<p>In Australia, governments have adopted the term ‘ecologically sustainable development’ to address these considerations. The major relevant policy initiative is the National Strategy for Ecologically Sustainable Development (NSESD) (box 1).</p> <p>The case for government programs or policies specifically related to ESD rests on a number of market failures that may be associated with some sustainable development issues — such as public goods, externalities, open access resources with undefined property rights, and high scientific uncertainty. Under these conditions, market forces are unlikely to lead to socially optimal or economically efficient outcomes.</p>
<p><i>For some, ESD is thought to relate only to environmental matters but ESD is broader than the environment.</i></p>	<p>An important finding of this inquiry is that there is a lack of clarity regarding what ESD means for government policy. ESD is often equated with the environment. This is reflected in the view of some agencies which considered their core business was not related to environmental issues and hence which reported that they had not undertaken any ESD related activities. In these cases, there is some ambiguity about how, and how much, ESD principles and strategies apply to these agencies or their activities.</p>

Box 1 **National Strategy for Ecologically Sustainable Development**

The National Strategy for Ecologically Sustainable Development (NSED) was endorsed by all Australian Governments in 1992. The Strategy (CoA 1992b, p. 6) states that ecologically sustainable development:

... aims to meet the needs of Australians today, while conserving our ecosystems for the benefit of future generations.

Three core objectives are articulated in the NSED:

- enhance individual and community wellbeing and welfare by following a path of economic development that safeguards the welfare of future generations;
- provide for equity within, and between, generations; and
- protect biological diversity and maintain essential processes and life support systems.

The NSED outlines a number of guiding principles. Important among them are:

- the need for decision making processes to effectively integrate long term and short term economic, environmental and social considerations; and
- that a lack of full scientific certainty should not be used as a reason for postponing action — known as the precautionary principle.

The NSED also sets out the broad strategic and policy framework under which governments should pursue ESD. It acknowledges that governments need to change their institutional arrangements to ensure that ESD principles and objectives are taken into account in relevant policy making processes.

Source: CoA (1992b).

For the purpose of this inquiry, the Commission has used the definition of ecologically sustainable development as set out in the NSED. This definition recognises that ESD is about short term and long term economic, social and environmental impacts. This implies an extremely broad policy agenda — one that is relevant to the activities of all Commonwealth departments and agencies.

The broad scope of the policy agenda associated with ESD implementation means that both the significance for policy, and the complexity of the problem for policy makers, varies widely. For some departments and agencies, ESD is a core policy concern, and decision making is considerably more complex relative to many other areas of public policy. Decisions may involve scientific uncertainty, difficult tradeoffs between the short and long term, and between

ESD is about all short and long term costs and benefits — economic, social and environmental.

objectives. However, ESD implementation will not always be this complex.

How well have departments incorporated ESD into their activities?

Governments are involved in different ways in ESD implementation.

The role of government in ESD implementation is multifaceted. Governments may be involved as participants, regulators and consumers. In all cases, government policy development processes need to be seen as leading to ESD consistent decisions.

At the departmental and agency level, the implementation of ESD may therefore be explicit (in the form of policies, programs or regulations with an ESD focus) or implied — taking account of ESD consequences as part of the regular policy making activities of departments and agencies.

Overall, progress on ESD implementation has been variable...

The extent to which departments and agencies have implemented programs and policies with an explicit ESD focus — as well as the extent to which ESD principles and objectives have been considered and applied in general policy development — varies widely across Commonwealth departments and agencies.

...with the best examples in the area of natural resource management.

In the area of natural resource management and environment protection, the integration of economic, environmental and social considerations has been seen as a core policy concern. These areas provide the best examples of ESD implementation. A common feature in these areas is the application of various forms of partnerships among key stakeholders to achieve mutually agreed, integrated ESD outcomes. However, in some cases (for example, development of the regional forest agreement process) action has been ‘crisis driven’ — only taken in response to a looming problem.

In other areas, sustainability objectives are contained in enabling legislation or high level operating guidelines (such as mission statements or corporate plans), and reflected in policies and programs. For other areas (for example industry, transport and health) sustainability objectives are sometimes seen as being too broad and are therefore not considered explicitly in the development of policies or programs.

In other areas, such as industry, transport and health, sustainability objectives are sometimes too broad or not explicit. There is greater success where problems are bounded.

While the focus of this inquiry is not about ESD outcomes per se, processes for implementing ESD appear to have been most effective where the ESD problem or concern has been bounded in some way — either by issue, by sector in the economy, or by geographical area. In these cases (for example, the Natural Resource Management Strategy covering the Murray Darling Basin) the strategies adopted have involved meeting the multiple objectives of a number of stakeholders, using partnership arrangements between stakeholders and aiming for integrated (or ESD consistent) long term outcomes.

Models of successful ESD implementation in policy making tend to offer high degrees of stakeholder involvement. Successful partnership frameworks tend to have a number of common characteristics. Several of these reflect elements of the basic ‘good practice’ policy making framework.

Successful models feature partnerships.

How have community behaviours changed as a result of ESD policies?

The Commission was asked to report on how effectively Commonwealth policies had changed corporate and community behaviours. Governments have an important leadership role in promoting ESD. Some Commonwealth programs and policies include mechanisms designed to increase general awareness of ESD principles — ultimately with a view to changing community and corporate behaviours. Examples exist in the management of fishery ecosystems, and voluntary greenhouse gas emission reduction initiatives.

There has been some success in changing community behaviours...

...and the Commonwealth can also learn from other levels of government and the wider community.

There is also scope for some Commonwealth departments and agencies to learn from the manner in which other levels of government (State and Local) and others in the community have implemented ESD. Participants argued that local government in particular plays a critical role in ‘on the ground’ implementation of ESD. There are also examples where industry has taken a lead role in developing and implementing strategies designed to further ESD.

What factors influence ESD implementation by departments?

There are numerous impediments to better implementation of ESD...

This inquiry has identified a number of impediments or constraints which limit the extent and quality of ESD implementation by departments and agencies. These include factors within the control of departments and agencies, and some factors that are outside their control. For example, there is some uncertainty regarding what ESD means for policy, and this is related to a failure to follow ‘good practice’ policy making activities — a factor within the control of departments and agencies. In other cases, some ESD issues introduce greater complexity for policy makers.

...such as a lack of clarity regarding what constitutes ESD related policies.

There is a lack of clarity regarding what ESD actually means for government policy. An understanding that ESD relates to a wide range of issues is also important for accountability and improving incentives for implementation. The lack of clarity can mean that it is not apparent where the responsibility for ESD implementation lies.

A major impediment is a failure to follow ‘good practice’ policy making principles.

ESD implementation is largely about good practice policy making. To the extent that this involves consideration of the foreseeable costs and benefits — short term and long term, private and social — good practice policy making is consistent with achieving ESD objectives. Indeed, many of the observed shortcomings in the context of ESD implementation can be traced back to failures to follow general good practice policy making.

In some cases, existing tools for policy making are inadequate in integrating economic, environmental and social considerations in decision making. However, the issue is also related to departments' and agencies' degree of willingness to undertake even basic analysis of policy impacts. Departments and agencies do not always satisfactorily apply existing ex ante assessment mechanisms such as regulation impact statements and environmental impact assessments when they are formally required. The Commission has found previously that the level of compliance with these formal requirements is variable, and poor with respect to some policy instruments.

Sometimes, the existing tools are not helpful.

Performance monitoring is a critical element of any management system. It provides feedback to allow ongoing improvement, and offers a means of enhancing accountability which may also improve performance. Monitoring activities seem easy to forgo because the consequences of a failure to monitor are not immediately visible.

Monitoring is an important element of 'good practice' policy making...

Monitoring the effectiveness of policies and programs aimed at implementing ESD does not appear to be undertaken routinely by departments and agencies. Further, there appear to be even fewer examples where the results of monitoring activities are incorporated into policy or program revisions via feedback mechanisms.

...that does not appear to be done routinely.

A tendency to act on problems which are immediately visible, together with a shortage of required data and information on long term problems, means that departments and agencies can fail to give adequate consideration to issues likely to be a problem in the long term. This is related to, for example, a lack of commitment to gathering relevant information which is required for good practice policy making and evaluation.

There is also a lack of long term focus...

It is acknowledged that some aspects of ESD implementation are highly information and data intensive — particularly in relation to the environment. However, there appears to be little long term commitment to information gathering and reporting in relation to the environmental dimensions of ESD. Different agencies collect data and information, particularly in relation to the environment and natural

...and this shortcoming is exposed particularly with respect to the collection of data.

	resource management, and there is limited coordination between these agencies.
<i>However, some factors are outside the control of departments and agencies...</i>	Some issues related to implementation of ESD are not under the direct control of departments and agencies. External factors can sometimes influence the extent to which good practice policy making processes are adopted. For example, policy initiatives are influenced by budgetary constraints and electoral considerations.
<i>...and ESD issues are sometimes more complex than other areas of policy.</i>	In addition, the implementation of ESD related policies and programs can be more complex than other areas of policy. For example, measurement and estimation difficulties attributable to inter- and intra-generational equity considerations — while not unique to ESD — tend to occur more frequently with respect to ESD than other areas of policy. Similarly, the multidisciplinary scope of ESD can complicate implementation due to the demands of coordination between different levels of government, and between agencies.

What are the implications of integrating economic, environmental and social considerations?

As discussed, integration of the three elements of ESD has not occurred in some cases due to difficulties in identifying or assessing (and ultimately measuring) all the potentially significant impacts of new policies, programs or legislation.

<i>Reconciling multiple objectives can be an issue...</i>	Many participants in the inquiry noted a tension inherent in all policy making (but of greater significance with respect to more complex ESD issues) — meeting multiple objectives. This can be particularly problematic with respect to tradeoffs between short term and long term issues.
<i>...and there is limited guidance on how to deal with this.</i>	Existing policy making mechanisms do not provide straight forward guidance on how these multiple objectives and concerns are to be reconciled. Similarly, the NSESD provides only limited guidance on how decision makers are to

integrate economic, environmental and social considerations in developing policies and programs.

It is related also to the traditional advocacy role implied by the portfolio structure of governments, where certain departments and agencies have taken a lead role in emphasising particular policy objectives — often economic *or* environmental — or representing particular interest groups.

The Commission's recommendations focus on improving policy development processes at the departmental level, and between departments and jurisdictions. Transparency of the decision making process — including a clear statement of objectives, consideration of alternative policy options, assessment of the potential impacts of preferred options, and wide consultation — will help decision makers achieve integrated policy outcomes.

The Commission's recommendations are aimed at improving policy development processes.

This necessarily involves the consideration of all costs and benefits (short term and long term economic, environmental and social) which may not always be consistent with an advocacy role.

Improving ESD implementation

The Commission's recommendations seek to address the impediments to ESD implementation outlined above. Specifically, they are designed to:

The recommendations are an integrated package...

- improve the practices of policy making within departments and agencies;
- improve coordination between Commonwealth agencies, and between Commonwealth agencies and other stakeholders;
- require regular monitoring and review of policy initiatives;
- encourage longer term strategic thinking; and

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- develop a longer term commitment to monitoring environmental indicators (comparable to the existing commitment for economic and social trends).

These components represent an integrated package of improved frameworks and processes aimed at further enhancing the implementation of ESD by departments and agencies. The success of each component would depend on how effectively the other components are implemented. For example, effective monitoring of environmental factors is crucial for broad policy setting, and for evaluating and reporting the effectiveness of departments and agencies in implementing ESD.

...that seeks to improve policy development processes.

The key to improving ESD implementation by departments and agencies is improving policy development processes and explicitly accounting for the economic, environmental and social consequences of proposed policies and programs.

The elements of good practice policy making have already been formally recognised by governments in Australia and internationally. In Australia, these are reflected in a number of Commonwealth Government guidelines and requirements — such as the guidelines for regulation impact statements. The key elements of good practice policy making include:

- clear identification of the problem, including whether government action is warranted, and if so, why;
- specific and clear statement of objectives;
- consideration of alternative policy mechanisms;
- comprehensive identification and assessment of impacts — for ESD, these include short term and long term economic, environmental and social impacts;
- integrated decision making;
- consultation with stakeholders;
- monitoring and evaluation; and
- ongoing review.

The ‘action of analysis’ is critical...

The transparency associated with explicitly considering the impact of proposals will improve policy, program and

regulation making. While it will not always be possible to quantify the implications of every policy, program or regulatory proposal, it is the action of analysis that is important. The OECD (1995, p. 11) has noted:

... experience makes it clear that the most important contribution to quality decisions is not the precision of calculations, but the action of analysis — questioning, understanding real world impacts, exploring assumptions ...

FINDING 6.1

Evidence gained as part of this inquiry suggests that a significant impediment to improved ESD policy making practices is a failure to undertake the action of analysis — meaning that significant potential short and long term costs and benefits are not considered. To ensure consistency with ESD principles, as part of their policy development process, Commonwealth departments and agencies should take all reasonable and practical steps to consider explicitly the short term and long term economic, environmental and social implications of their program, policy and regulatory initiatives. Standard good practice policy making principles, such as those outlined in the regulation impact statement guidelines, should be followed routinely, regardless of whether a regulation impact statement is formally required. Adherence to good practice should be demonstrable and documented.

RECOMMENDATION 6.1

Guidelines of existing policy development and evaluation mechanisms (such as regulation impact statement guidelines and environmental impact assessment guidelines) should include specific reference to assessing the likely social, economic and environmental costs and benefits of proposals, in both the short term and long term.

The analysis of policy, program, and regulatory proposals would be improved by complementing existing policy development guidelines with supporting instruments.

...and would be assisted by supporting instruments.

FINDING 6.2

Where appropriate, the use of regulation impact statements and environmental impact assessments should be complemented by other tools such as social impact assessments and health impact analyses. This would assist in the identification of impacts and increase the transparency of decision making.

Output based management might improve the links between policy design and outcomes.

Failure to follow good practice policy making also distorts incentives to improve ESD outcomes by reducing accountability. Mechanisms such as output based management may define more clearly the links between policy design and outcomes, and therefore may improve accountability. Adoption of such mechanisms is consistent with the Commonwealth Government's plans to implement an accrual based outcomes and output framework for budget purposes.

FINDING 6.3

Consistent with current government policy, the principles of output based management should be used as an additional tool to assist departments and agencies develop, monitor and coordinate policies designed to achieve ESD objectives.

Improving coordination is also important, and...

Improving coordination between, and within, levels of government is desirable as a means of integrating viewpoints and information, and avoiding duplication. The requirements for effective coordination and stakeholder input are completely consistent with good practice policy making objectives.

FINDING 7.1

Good practice principles facilitating effective coordination and stakeholder input should be followed routinely as part of the decision making process for policies, programs and regulations likely to have significant ESD impacts. These principles include:

- *comprehensive identification of stakeholders;*
- *opportunity for input;*

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- *opportunity for negotiation;*
 - *feedback to participants on decisions taken;*
 - *access to information; and*
 - *institutionalised processes.*

Existing structures could be used more effectively to ensure that there is coordination between, and within, governments and that other stakeholders are involved, where relevant, in ESD implementation. Because any particular ESD related issue will almost invariably cross portfolio responsibilities, this should occur at a high level — for example, ministerial council level.

The five major ministerial councils relevant to this area — the Australian and New Zealand Environment and Conservation Council, the National Environment Protection Council, the Agricultural and Resource Management Council of Australia and New Zealand, the Australian and New Zealand Minerals and Energy Council and the Ministerial Council on Forestry, Fisheries and Aquaculture — have a crucial responsibility in this regard.

...relevant ministerial councils have an important role in this regard.

RECOMMENDATION 7.1

The relevant ministerial councils should routinely, and as a matter of course, inform each other of ESD issues likely to have relevance and implications for other councils.

RECOMMENDATION 7.2

Recognising that all levels of Government have responsibility for ESD outcomes, Commonwealth, State and Territory governments should seek to improve the efficiency and effectiveness of the processes of these ministerial councils with respect to ESD implementation. In particular, the individual councils might ensure they have clearly specified objectives with respect to ESD implementation, and that they are meeting them.

A key finding of the inquiry is that ESD implementation is constrained by inadequate information. There are two important aspects of this.

Improving the information base is also critical...

...in terms of
monitoring program
and policy
performance...

First, for the most part there is no regular long term monitoring and review of the performance of policies and programs with respect to the achievement of ESD objectives. Regular feedback can assist in addressing the uncertainties which can surround ESD related policies — uncertainties regarding environmental impacts and uncertainties related to the interactions between economic, environmental and social factors.

Monitoring is important as a means of:

- providing feedback on policy or program performance;
- facilitating whole of government reviews of ESD performance;
- improving the accountability of policy makers, and therefore the incentives to implement appropriate policies;
- dealing with uncertainty by providing a regular opportunity to update and improve policies in light of experience; and
- increasing awareness of particular ESD issues.

RECOMMENDATION 7.4

Consistent with the principles of good practice policy making, departments and agencies should regularly, and as a matter of course, monitor the efficiency and effectiveness of their ESD related policies, programs and regulations. As such, the development of performance indicators against clearly stated objectives should occur early in the policy development phase.

In this regard the current processes and the framework of the National Land and Water Resources Audit should be used as a model. A similar framework should be developed to cover areas such as air quality, fisheries, chemicals in the environment, and marine systems. Funding arrangements should reflect the fact that these activities must occur over long timeframes.

Second, comprehensive datasets facilitating monitoring of the environment and sustainable development are lacking. In some cases, data are not collected for significant issues likely to affect ESD. In others, collection efforts are fragmented. For example, there is no statutory requirement to report on the state of the environment at the Commonwealth level, and it occurs only in an ad hoc way. In contrast, data collection activities facilitating the monitoring of social and economic trends are well established, regular and frequent. Submissions to the inquiry highlighted the fragmented nature of existing data collection efforts, the lack of performance indicators (in particular environmental performance indicators) and the lack of a long term focus in policy formulation.

...and the collection of data where this is not done currently or where it is fragmented.

However, there are some positive developments. For instance, the ABS is currently developing a system of environmental accounts for some natural resources and is considering indicators of sustainability. Spatial information produced by the Australian Surveying and Land Information Group includes base mapping of the whole continent, and the Commonwealth Spatial Data Committee is facilitating coordination of the collection and management of spatial data.

RECOMMENDATION 7.3

In recognition of the importance of establishing a consistent data series on key environmental attributes, the Commonwealth Government should commit to producing a state of the environment report on a regular basis (for example, every five years).

Through the appropriate ministerial council — such as the Australian and New Zealand Environment and Conservation Council — consideration should be given to involving the States and Territories in this activity drawing on the mechanisms already in place requiring the production of state of the environment reports in some States and Territories.

RECOMMENDATION 7.5

Data collection relating to ESD issues should be rationalised to avoid duplication of effort in some areas and gaps in coverage in others.

In the areas of the environment, natural resource management and sustainable development, primary responsibility for data collection and the development of environmental and sustainability indicators should remain with the custodian or lead agencies which have relevant expertise, such as Environment Australia, CSIRO, Bureau of Rural Sciences, Australian Geological Survey Organisation, Australian Surveying and Land Information Group, and relevant State and Territory agencies.

The ABS, should work with relevant custodian or lead agencies to develop standard classifications and consistent measurement protocols for the collection of data and information relating to the environment, natural resource management and sustainable development. The collection and dissemination of these data and information should be conducted on an ongoing basis.

The ABS should also have the major coordinating role among the custodian or lead agencies involved in data collection in these areas. In addition, the ABS should have key responsibility for dissemination of data and information collected by itself and other agencies. As such, it would provide a ‘one-stop’ access point for external users of such data and information.

The current work of the ABS in this area should be given higher priority which may require additional resources.

A related issue is performance measurement of ESD policies and programs...

An important finding in this inquiry is that performance measurement with respect to ESD related policies and programs — while not uniform across Commonwealth departments and agencies — is generally poor. There are two important implications of poor performance measurement:

- it is difficult to assess the efficiency and effectiveness of particular policies and programs against their objectives; and
- it is difficult to assess the relative efficiency and effectiveness of comparable policies and programs.

There is no systematic measurement of policies and programs in core ESD policy areas, unlike other areas of government activity and service provision. The Commission believes there is considerable potential for the systematic collection of data and development of indicators related to government — Commonwealth, State and Local — activities and expenditures in specific ESD related areas, such as the environment and natural resource management.

...similar to what occurs elsewhere in government.

Four steps should be followed when developing a comparative performance measurement exercise:

This would involve several steps.

- participating jurisdictions need to agree on a common set of objectives for the programs being assessed;
- a framework for performance measurement needs to be developed;
- an understanding of contextual factors likely to affect performance is required; and
- relevant data needs to be identified and collected for reporting against indicators to assess jurisdictions' performance in achieving program objectives.

RECOMMENDATION 8.1

The Commonwealth Government, in cooperation with State and Territory Governments, should develop a framework to facilitate performance measurement and enable comparisons of the effectiveness and efficiency of Commonwealth, State and Territory policies and programs in ESD related areas such as the environment and natural resource management. Development of this new process should take into account the experiences and institutional and analytical frameworks of the Steering Committee for the Review of Commonwealth/State Service Provision.

Having developed a framework, Commonwealth, State and Territory Governments should jointly determine priority areas for the performance measurement exercise.

Once priority areas are identified, performance measurement and comparison should be carried out on an ongoing basis, focussing on indicators of program efficiency (including resources used (inputs) and program

or policy results (outputs)) in the short to medium term, and indicators of effectiveness — program or policy impacts (outcomes) against the longer term environmental and sustainability objectives.

Expenditure is one criterion for establishing priority areas for measuring and comparing performance. However, there are others. For example, priority areas could be identified according to the likely impact of a particular activity on economic, environmental or social objectives.

Improving the framework for implementation of ESD

Participants argued for reforms to better institutionalise ESD into policy development.

The recommendations outlined above are designed to improve progress in implementing ESD. A number of participants argued for institutional reforms such as a voluntary code of conduct for ESD implementation by departments and agencies, an independent Commission for ESD, a duty of care for ESD, and a non-government council or expert advisory group on ESD. A common theme among submissions was the need to better institutionalise ESD as part of the policy mainstream.

The Commission's recommendations are consistent with the notion that ESD should be considered a mainstream policy issue. They are designed to improve the way departments and agencies implement policies and programs which shape the long term economic, social and environmental face of Australia. They address some of the shortcomings relating to the information base, and are designed to make existing structures and processes work more effectively. The Commission also considered the need for any changes to the current institutional framework, including those proposed by participants to the inquiry.

These options were examined according to their likely effectiveness in furthering ESD implementation. For example, the Commission considered the advantages and disadvantages of a duty of care for ESD in policy development. It concluded that key issues to be resolved

related to compliance and enforcement, and that these presented significant practical difficulties that were likely to inhibit this option's effectiveness.

The Commission believes that an existing body — the Prime Minister's Science, Engineering and Innovation Council (PMSEIC) — is well placed within government to take a leadership role on ESD, and to better institutionalise ESD as part of the policy development process. PMSEIC is chaired by the Prime Minister, with membership including other key cabinet ministers.

The Commission considers this is best achieved by an existing body.

Currently, PMSEIC's terms of reference requires PMSEIC to 'advise on important issues in science, technology, engineering and relevant aspects of education and training' including as they relate to factors such as 'economic growth and the sustainable development of resources'. In recent times, PMSEIC has considered issues such as the impact of dryland salinity on rural industry and the landscape, and aspects of greenhouse science in Australia.

RECOMMENDATION 9.1

The Prime Minister's Science, Engineering and Innovation Council (PMSEIC) has recently demonstrated leadership in such areas as dryland salinity and greenhouse science. PMSEIC could consider further emphasis of the ESD dimensions of issues before it. For example, PMSEIC could:

- *provide advice on strategic matters relating to long term sustainable development;*
- *facilitate interaction between leading experts and relevant ministers on ESD issues; and*
- *report (on a triennial basis) on matters relating to further implementation of ESD with a longer term strategic focus.*

Priorities for the further implementation of ESD

There is an ongoing challenge for governments to translate the principles of ESD into specific actions and outcomes.

This inquiry has noted that there are examples where progress has been made in recent times — such as the natural resource management programs of the Department of Agriculture, Fisheries and Forestry and the draft sustainable transport policy of the Department of Transport and Regional Services.

Several priority areas are identified.

However, a key issue for the future is furthering ESD in other areas — such as ESD in the context of industry policy, and important sustainable development issues with significant economic and social implications, such as dryland salinity and water reforms.

Participants in this inquiry suggested several institutional frameworks for assisting in the development of future directions for ESD and for raising awareness of the issues. In considering priorities for the future, the Commission has drawn on factors that appear to have been successful in the past for identifying important ESD issues and for developing policy and program responses.

FINDING 9.1

The development of policies and programs — such as the National Natural Resources Management Policy Statement and the Australian Transport and Sustainable Development policy — which seek to further ESD considerations by developing specific policies should be encouraged. Other important and priority areas for the future include dryland salinity and water management more generally.

In the development of new priority areas for ESD implementation, good practice decision making processes should be followed by departments and agencies. These include considerations such as clearly defining ESD objectives, involving stakeholders; and developing appropriate institutional frameworks and mechanisms.