

AESP Australians for an Ecologically Sustainable Population Inc.

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Productivity Commission

LB2 Collins St East

MELBOURNE VIC 8003

Dear Sir

19 March 1999

**IMPLEMENTATION OF ECOLOGICALLY SUSTAINABLE
DEVELOPMENT BY COMMONWEALTH DEPARTMENTS AND AGENCIES**

On 13 November 1998 I lodged with you by email our submission dated 13 November 1998 to the above inquiry.

Your staff have advised me that our submission did not reach you, and that problems with your email system at the time are the likely cause.

I therefore enclose a copy of that submission.

I will also be lodging a further submission by 2 April 1999 in response to your Draft Report.

Yours faithfully

Edwina Barton

National Director

AESP

Australians for an Ecologically Sustainable Population Inc.

submission dated

13 November 1998

to the

Productivity Commission

in connection with the Productivity Commission's inquiry into

*Implementation of
Ecologically Sustainable Development
by
Commonwealth Departments and Agencies*

Further information

For further information about this submission, please contact AESP's National Director, Edwina Barton, at AESP's National Office in Canberra - see below.

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Glossary and Abbreviations

- AESP Australians for an Ecologically Sustainable Population Inc.
- ASTEC Australian Science Technology and Engineering Council biodiversity biological diversity. The diversity of life forms, including of species, of ecosystems, and of the genes within species and within ecosystems. Life forms include all living things - not just plants and animals visible to the naked eye, but microscopic organisms such as algae, fungi, protozoa, bacteria and viruses.
- Commission Productivity Commission
- DIMA Department of Immigration and Multicultural Affairs
- ESD Ecologically Sustainable Development
- total population the total number of all persons in Australian territory at any given moment, regardless of their length of stay. Comprises permanent resident population, long-term resident population, and short-stay visitor population, but excludes Australians who are out of the country at that moment ('long-term' means for 12 months or more but not permanently; 'short-term' means for less than 12 months).

Introduction

This submission is made in response to a call by the Productivity Commission (‘the Commission’) for submissions to it by 13 November 1998 from organisations interested in participating in the Commission’s inquiry into Implementation of Ecologically Sustainable Development (‘ESD’) by Commonwealth Departments and Agencies.

This submission by Australians for an Ecologically Sustainable Population Inc. (‘AESP’) is made by AESP’s National Office.

AESP warmly welcomes this inquiry, whose aim and scope AESP regards as exceptionally important to Australia’s future.

AESP is an independent national community-based nature conservation organisation advocating action that will ensure that Australia -

- achieves ecological sustainability for its own population as quickly as possible
- provides maximum incentive and assistance to help other nations achieve ecological sustainability for their own populations as quickly as possible.

AESP advocates action on both population size and per capita ecological impact.

ESD - two key performance indicators

AESP notes the definition of ESD which the Commission’s September 1998 *Issues Paper* says the Commission will adopt in this inquiry, namely:

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

Consistent with that definition, AESP urges the Commission to give particular weight to two key goals (performance indicators) of ESD which AESP regards as fundamental

-
- achieving intergenerational equity (within Australia)
- achieving complete cessation of biodiversity loss caused, directly or indirectly, by the Australian population.

This submission focuses on the extent to which -

- Australia’s pursuit of population growth is actively preventing Australia from achieving those two goals
- two Commonwealth Departments - the Department of Immigration and Multicultural Affairs, and the Treasury - are failing to implement those ESD principles.

AESP does not suggest that those are the only two such departments or agencies, but has selected those two - using their 1997/98 Annual Reports to illustrate the point - as case studies to illustrate the seriousness and depth of the problem.

Population growth and intergenerational equity

All other things being equal, by growing its population, Australia reduces Australians' per capita 'share' of this continent's natural resources - of bushlands, grasslands, wetlands, fresh water, undamaged riverine, land and marine ecosystems, pristine beaches, sustainable fish catches, mineral resources and so forth.

Thus future generations - say, 27 million Australians in 2051 (which is where we are heading, on present settings) - will have a smaller per capita share of such resources than today's generation of 19 million Australians.

Australia is therefore, by its pursuit of population growth, committing itself to increasing - rather than reducing - intergenerational inequity in Australia.

It was once assumed that in societies like Australia, citizens were happy to have such natural resources traded off for financial gains - that more money in the pocket was the goal, and that citizens were content to see, say, high biodiversity bushland cleared to grow more wheat in the hope that this would translate into rising affluence and falling unemployment.

But three findings in recent decades have made those assumptions invalid.

First, Australians no longer define progress - their own or the nation's - in those terms. Work by researchers like CSIRO's Dr Richard Eckersley¹ and the Australia Institute's Dr Clive Hamilton² have shown that for Australians today, neither progress nor quality of life is primarily bound up with money. Australians value other things as highly or more highly, and many of those things are strongly connected to retention of the continent's natural resources and ecosystems. These findings contrast strongly with how Australia defined progress earlier this century (and indeed in the previous century), as documented by economist and historian William J Lines³.

Second, as economists like Sydney University's Professor Frank Stilwell⁴ have pointed out, Australia's true international comparative advantage (in economic terms) lies in Australia retaining the very things - biodiversity, and the high quality of life associated with it - that our population growth is destroying. In other words, Australia's ability to earn a living in the increasingly globalised world of the 21st century is dependent on us *not* growing our population. As Professor Stilwell puts it, far from being uneconomic, population stabilisation is Australia's 'best way forward in a challenging world'.

This view was very strongly endorsed by world renowned biodiversity expert and US President Bill Clinton's scientific advisor Dr Peter Raven when he visited Australia earlier this year. Dr Raven warned Australia that its economic future was crucially dependent on halting its biodiversity loss as a matter of urgency.

Asked during his Canberra address at the Australian Academy of Science whether Australia should halt its population growth in order to halt its biodiversity loss, Dr Raven replied that Australia was failing to manage its present population such as to halt biodiversity loss, and it should not contemplate growing its population any further.

Third, young Australians feel particularly strongly that population growth and the environmental destruction that it drives are completely inimical to their desired quality of life. Evidence of this is found in the detailed study⁵ by the Australian Science Technology and Engineering Council (ASTEC) of the views of Australians aged 15-24, who want -

'a population that stays constant or decreases to minimise harmful environmental consequences'.

In intergenerational equity matters, the views of the upcoming generations must be given particular weight. Otherwise, government departments and agencies are doomed to be always far behind the community's aspirations - on ESD, or anything else.

Population growth and biodiversity loss

No nation that is losing biodiversity can claim to have attained ESD.

Put another way, no development that causes biodiversity loss can claim to be 'ecologically sustainable' development. While ever the Australian population's activities (directly or indirectly) drive biodiversity loss, our population is not 'ecologically sustainable'.

Why is biodiversity loss such a key indicator of unsustainability?

First, because it is the stuff of evolution, it is what gives ecosystems and their constituent species the capacity to evolve and to adapt to changing circumstances.

As Environment Minister Robert Hill put it in his major policy statement⁶ on 20 August 1996 -

'The conservation of biodiversity underlies all environmental issues'.

Second, because Australia's inaugural national state of the environment report - *Australia: State of the Environment 1996*⁷, described by Senator Hill as 'the most comprehensive report card ever prepared on our environment'⁸ - identifies biodiversity loss as being perhaps Australia's 'most serious environmental problem'.

The report warns that that biodiversity loss is being driven by our own population growth (combined with our high and rising per capita environmental impact), and that the situation will continue to deteriorate if our population continues to grow.

Department of Immigration and Multicultural Affairs

The Department of Immigration and Multicultural Affairs' 1997/98 Annual Report states (p. 9) that:

The Department's role is to manage the movement of people into and out of Australia.

Its mission is to contribute to Australia's economic, social and international interests through programs directed to the:

- lawful and orderly entry and stay of people
- settlement of migrants and refugees and their acquisition of citizenship, and
- appreciation of the advantages of cultural diversity within a framework of national unity.

Despite the fact that DIMA's actions have a dramatic effect on ESD by very strongly influencing the ultimate size of Australia's total human population - including not only Australia's permanent resident population, but also its long-term resident and short-stay visitor population - DIMA clearly does not conceive its role in this way.

This is evidenced by the reference above to Australia's *'economic, social and international* interests but *not* to its environmental or ecological sustainability interests.

DIMA's mission statement and vision is thus fatally flawed, affecting the department's whole approach - or, more accurately, lack of approach - to ESD.

As further evidence of this, the above-mentioned Annual Report has no section, not even an appendix, dealing with ESD. Nor can AESP find any discussion in any other section of the Annual Report of the impact of DIMA's role on ESD or on biodiversity loss or on environmental issues generally.

AESP can only conclude that at senior management level, DIMA sees itself as a department whose activities have no relevance whatsoever to ESD. Whereas in fact DIMA's activities have a very large impact on ESD.

This AESP regards as a very serious failure indeed of DIMA's senior management.

One can understand that decades ago DIMA may not have seen its role as impacting on ESD. As William J Lines' work¹⁰ documents, the Immigration portfolio's vision in the first half of the 20th Century was firmly linked to the notion that for Australia, 'progress' was defined as endless growth - growth in population, consumption, economic activity and in the conquest of nature.

But in the last three years in particular DIMA has been made directly aware - including by AESP, in repeated written submissions and most recently in a submission dated 13 February 1998 - of a series of scientific reports warning that Australia's population growth is a key factor driving biodiversity loss (and a range of other environmental problems) on this continent. *Australia: State of the Environment* (mentioned above) is one such report.

Moreover, DIMA is - or should be - aware of the emerging view by many economists that Australia's pursuit of population growth is not enhancing the economic welfare of its citizens and is in many ways impeding economic progress by destroying the very things upon which long-term economic success depends. Again, AESP has submitted to DIMA in writing on this, including in AESP's 13 February 1998 submission.

If DIMA was serious about its mission to '*contribute to Australia's social interests*' it would also be aware that the work of Eckersley, Hamilton and ASTEC (all mentioned above) indicates that for Australian society in the 1990s, considerations such as progress and quality of life are strongly dependent on retaining the very natural resources and ecosystems that population growth is destroying.

DIMA's portfolio responsibilities impact directly on what will (on current settings), over the next 52 years, constitute over 60 per cent¹¹ of Australia's total population growth over that period, namely net overseas movements (permanent, long-term and short-term) to and from Australia.

Since Australia's population, on current settings, will grow by 40 per cent over the next 52 years - from 18.8 million to at least 26.3 million - and since matters within DIMA's control will account for over 60 per cent of that increase, this means that DIMA's portfolio responsibilities will directly account for an increase of nearly 25 per cent in the size of the Australian population over that period.

Put another way, all other factors being equal, DIMA (and DIMA's Minister) has the power to influence the total environmental impact of Australia's population on Australian ecosystems by 25 per cent either way.

This is a quite extraordinarily large influence for any one department or agency to have on ESD outcomes. For this degree of influence on ESD outcomes to be held by a department that chooses not to see itself as relevant to ESD outcomes is bizarre.

This is particularly troubling in view of the fact that DIMA is (as AESP understands it) well aware of CSIRO's views, as highlighted by the Jones inquiry¹², specifically linking the addition of human numbers with ecological decline -

*CSIRO believes Australia can carry its present population - or a higher one - in an economically, environmentally and socially sustainable way **only** if the nation is prepared to change the way it does things. Australia lacks the necessary knowledge and understanding to manage effective/y its **current** population at current living standards. Every extra person and every unit increase in consumption increase the need to rectify this situation. [emphasis added]*

AESP conclusion about DIMA

AESP submits that, in the words of the Productivity Commission's terms of reference for this inquiry, DIMA is a Commonwealth department

- 'whose activities have significant consequences for, and which directly impact on, the achievement of ESD'
- which has failed to 'incorporate ESD and environmental considerations into its policy formulation, its decision-making processes (including its economic and social decision making), and programs'
- which has failed to 'show leadership in the processes by which economic, social and environmental goals are integrated'.

AESP recommendations re DIMA

AESP recommends that this situation can only be turned around through direct leadership action by DIMA's departmental head (and DIMA's top management), working in partnership with several of Australia's leading biological scientists with expertise on the relationship between human population size and environmental impact on the Australian continent, particularly biodiversity loss (since that is Australia's most serious environmental problem).

AESP suggests the following two scientists -

- **Professor Ian Lowe** - Professor Lowe is Head of the School of Science at Griffith University in Queensland. As Chair of the State of Environment Advisory Council, he oversaw the preparation of Australia's first national state of the environment report, *Australia: State of the Environment 1996*
- **Professor Harry Recher** - Professor Recher is Chair of the National Biodiversity Council, and Foundation Professor of Environmental Management at Edith Cowan University in WA

- to whom AESP is forwarding a copy of this submission.

That action should include -

- re-writing DIMA's mission statement
- including in all DIMA's future Annual Reports an account of how environmental issues associated with its programs and policies were considered in its decision making process - in accordance with Clause 3.4 (i) of the Intergovernmental Agreement on the Environment - and a report on the relevant research which was commissioned during the reporting period
- staff education within DIMA on ESD and on the connection between human population growth and biodiversity loss in particular.

AESP suggests that, at an absolute minimum, DIMA's mission statement be rewritten along the following lines (suggested changes are in bold) -

The Department's role is to manage the movement of people into and out of Australia.

Its mission is to contribute to Australia's environmental, economic, social and International interests through programs directed to the:

- *lawful and orderly entry, stay and departure of people, such that those movements do not contribute to Australia's total population size exceeding an ecologically sustainable level*
- *settlement of migrants and refugees and their acquisition of citizenship, and*
- *appreciation of the advantages of cultural diversity within a framework of national unity.*

The Jones inquiry recommended that the Australian Government should adopt a population policy, establish a Cabinet Committee on Population chaired by the Prime Minister, and separate responsibility for population and immigration. But since this has not happened, de facto responsibility for population remains with DIMA. As long as this situation remains, it is absolutely essential that DIMA be required to fully incorporate ESD principles into every aspect of its work that affects population.

The Treasury

Treasury's 1997/98 Annual Report provides an interesting comparison with DIMA's. .

Unlike DIMA, Treasury's senior management has clearly taken on board some of the general principles of ESD. For example Treasury's Annual Report says that -

- *in carrying out its Mission (to improve the wellbeing of the Australian people), Treasury has regard to the following objective: promotion of ... **sustainable** use of resources (p. 11, emphasis added)*
- *the following values and principles govern Treasury's approach: Living standards should be assessed in the broadest way taking onto account social, cultural and **environmental values**, as well as material wealth (p. 14, emphasis added).*

These are welcome statements.

However Treasury has failed to apply these principles to its work - they remain statements of principle only, whose implications seem not to have been understood or accepted by Treasury.

AESP's conclusion is based on an examination of the Annual Report's approach - and thus Treasury's approach - to economic growth.

Mortimer report - Going for Growth

To explain AESP's concern about Treasury's approach to economic growth, it is necessary to briefly outline some of the key findings of a report presented to the (then) Minister for Industry, Science and Tourism, the Hon John Moore, on 30 June 1997 (and commissioned by him) by David Mortimer.

The report was a Review of Business Programs entitled *Going for Growth: Business Programs for Investment, Innovation and Export*¹³.

Although commissioned by the Minister for Industry, Science and Tourism, the review was to be a comprehensive review across all relevant portfolios and one of its key purposes was to help 'meet the challenges of an increasingly competitive global marketplace'. The report looked at major government and societal objectives such as reducing unemployment.

The report's major recommendation was that the Commonwealth Government should set itself the target of doubling Australia's per capita income growth.

In reaching that conclusion, the report analysed Australia's performance on two measures -

- growth in total (aggregate) economic activity
- growth in economic activity per head of population

- and drew the following very important distinction between the two, a distinction which AESP is concerned Treasury has chosen to disregard:

*Moving Australia from a low growth to a high growth economy, per head of population, is the single most important thing the Government can do to address the nation's most pressing problem: high unemployment. For example, the Review estimates that Australia's unemployment rate could be reduced by a **third to around 5%** after five to seven years of rapid growth.(p. 7)*

*The Review strongly believes Australia should target a growth rate **per head of population**. All focus currently is on total growth. By that measure Australia's performance has been strong. But this strong performance has been driven by high population growth. If our main goal is to reduce unemployment through wealth creation, we should focus on our growth per head of population. By this measure Australia's growth performance is not particularly strong. (p. 7) - -*

While our growth seems high, population growth distorts this view. Australia's high rate of economic growth has historically seemed high by OECD standards, but not high enough to make significant inroads into unemployment. In the 25 years since 1970 the Australian economy has grown at an average of 3.2% per annum, which exceeds the OECD average of 2.8%. (p. 26)

However if we are interested in addressing unemployment the focus should be on Australia's growth per head of population. Simple comparisons of economic growth see Australia's position favoured by its high rate of population growth, driven by its immigration program. For instance, Australia's population grew at around 1.5% during the 1970s and 1980s, and is growing at over 1% per annum in the 1990s. (p. 26)

Our per capita growth rate is low. Per head of population Australia's past growth performance has been relatively poor. (p. 26)

Charts accompanying those sections of the report highlight 'Australia's apparent strong growth performance artificially driven by high population growth' - note the words 'apparent' and 'artificially' (p. 26).

Reading Treasury's 1997/98 Annual Report, AESP had hoped to see this vital distinction between total (aggregate) economic growth and per capita economic growth brought out clearly. After all, what Mortimer was saying is not new - if merely increasing the total size of a nation's economy delivered improved economic welfare for the nation's citizens, then merely by merging with New Zealand, Australians would be better off economically.

But AESP found just the opposite. The Annual Report seemed to suggest that Treasury believes that part of its role is to deliver growth in the **total** size of the Australian economy.

For instance the Annual Report states that the following is one of the 'values and principles' that 'govern Treasury's approach' -

*The maintenance of stable macroeconomic conditions with low inflation and adequate national savings is essential for a well-functioning and **growing economy*** (p. 14, emphasis added)

In an effort to ensure that we were not misunderstanding Treasury on this point, AESP telephoned Treasury to ask whether AESP was correct in assuming that references by Treasury throughout the Annual Report to 'economic growth' or 'GDP growth' were, unless stated otherwise, intended to be construed as references to total - rather than per capita - economic growth. AESP was advised that its assumption seemed to be correct.

AESP was further advised that whereas some years back Treasury had tended to report economic outcomes generally in both per capita and total terms, reporting in per capita terms had faded away in recent years. AESP was advised that it was perhaps understandable that, given the choice of two reporting methods, government might tend to favour the method which produced - seemingly - the 'best' set of numbers, and that this inclination was particularly strong in a nation which had high population growth and considerable political investment in immigration.

This diplomatic but very honest answer by a Treasury staffer sums up AESP's concern, which is that Treasury's professionalism and commitment to ESD may have given way to pressure (real or perceived) to deliver a 'beautiful set of numbers'.

AESP conclusion about Treasury

The effect of this is that, by aiming for (and reporting on) total rather than per capita economic growth, Treasury is (perhaps inadvertently) impeding progress towards ESD by effectively encouraging the nation to pursue population growth in order to maximise growth in the total size of the Australian economy.

AESP recommendations re Treasury

AESP recommends that Treasury do three things -

- in all its work (not just its Annual Reports) refocus its efforts and its reporting on per capita measures, particularly where economic growth is concerned. Where total measures are reported, these should be - and be seen to be, including by the media - subsidiary to per capita measures. In other words, make per capita outcomes 'the main game'.

- take on board and publicly endorse Mortimer's *Going for Growth* warning that Australia has essentially been aiming for the wrong target by pursuing total rather than per capita economic growth, and that to the extent that total economic growth is attributable to population growth, it is illusory and does not contribute to reducing unemployment
- commission research to establish how Australia can best protect and enhance the long term economic welfare of its citizens without growing its population. In other words, provide leadership on the transition to a 'steady-state' Australia of stable, ecologically sustainable population size - a transition which is absolutely essential for ESD outcomes, and on which Treasury is outstandingly placed to provide superb independent economic guidance to the Australian Government and to the entire Australian community.

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These initiatives should be publicly announced, and reported on in Treasury's Annual Report.

In the same way as for DIMA, all Treasury's future Annual Reports should include an account of how environmental issues associated with its programs and policies were considered in its decision making process - in accordance with Clause 3.4 (i) of the Intergovernmental Agreement on the Environment - and a report on the relevant research which was commissioned during the reporting period. -

Endnotes

- ¹ Eckersley, Richard (Editor) - *Measuring Progress: Is life getting better?*, CSIRO Publishing, 1998
- ² Hamilton, Dr Clive - see for instance keynote address titled *Growth, Development and Well-being* delivered 9 November 1998 to Australian Local Government Association conference in Canberra
- ³ Lines, William J - see *False Economy: Australia in the Twentieth Century*, Fremantle Arts Centre Press, 1998; and *Taming the Great South Land: A History of the Conquest of Nature in Australia*, Allen & Unwin, 1991
- ⁴ Stilwell, Associate Professor Frank - address 30 August 1997 to AESP National Conference, Sydney
- ⁵ Australian Science and Technology Council - *Having our Say about the Future: Young people's Dreams and Expectations for Australia in 2010 and the Role of Science and Technology*, AGPS (Catalogue No. 95 1413 9), 1996, see page 24
- ⁶ Hill, Senator The Honourable Robert, Minister for the Environment, statement 20 August 1996 entitled *Investing in Our Natural Heritage*, AGPS, 1996, see page 5
- ⁷ *Australia: State of the Environment 1996*, CSIRO Publishing, 1996
- ⁸ Hill, Senator The Honourable Robert, Minister for the Environment, statement 20 August 1996 by - *Investing in Our Natural Heritage*, AGPS, 1996, see page 11
- ⁹ See endnote 7 above. See full report pages ES-8, ES-13, ES-14, and 4-7, or separately published Executive Summary pages 13, 22 and 25.
- ¹⁰ See endnote 3 above, especially *False Economy*
- ¹¹ The remainder, just under 40 per cent (over the next 52 years), will be natural increase - the excess of births over deaths - which falls technically outside DIMA's portfolio responsibilities. However DIMA of course has power to recommend to other departments that they act to curb natural increase by, for example, suggesting that the Health Department heavily subsidise contraception to reduce unintended pregnancies, as New Zealand is doing and as AESP had urged Australia to do. Nonetheless, for the purposes of this submission, AESP raises with the Commission only the issue of DIMA's failure to see its role in overseas movements as an ESD issue.

- ¹² House of Representatives Standing Committee for Long Term Strategies, *Australia's population 'carrying capacity': one nation - two ecologies*, AGPS, 1994, see page 137, pare 7.101
- ¹³ Mortimer, David - *Going for Growth: Business Programs for Investment, Innovation and Export*, Commonwealth of Australia, 1997