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Presiding Commissioner  
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Dear Dr Byron

I refer to your letter of 21 September 1998 seeking input from the Primary Industries and Energy Portfolio in relation to the Productivity Commission Inquiry into Implementation of Ecologically Sustainable Development (ESD) by Commonwealth Departments and Agencies.

The attached submission focuses on the activities of the new Department of Agriculture, Fisheries and Forestry - Australia (AFFA) which has responsibility for resource management and industry development in the agriculture, fisheries and forests sectors previously under the former Department of Primary Industries and Energy.

The Department's submission consists of a short overview (Part A) which demonstrates how ESD is integrated into Portfolio business and a number of examples of key policies and programs structured along the lines of the questionnaire (Part B).

Key documents and reports referenced in the submission are provided in Part C.

Yours sincerely

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10 December 1998

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Submission to Productivity Commission Inquiry into  
Implementation of Ecologically Sustainable Development by  
Commonwealth Departments and Agencies

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Introduction

### *Recent Changes to Administrative Orders*

This submission to the Productivity Commission focuses on the activities of the new Department of Agriculture, Fisheries and Forestry - Australia (AFFA), which has responsibility for resource management and industry development in the agriculture, forests, and fisheries sectors previously under the former Department of Primary Industries and Energy (DPIE).

Before the changes to Administrative Orders, the Portfolio had commenced work on reporting under an outcomes/outputs system. This activity has been redefined having regard to the changes in administrative arrangements and is close to being finalised. Consequently the submission does not cover any of the information that the Commission is seeking in respect of outputs and outcomes. This material will be provided to the Commission when it becomes available.

### *Structure of the Submission*

The submission consists of a short overview (Part A) which demonstrates how ecologically sustainable development is integrated into Portfolio business, from its Vision and priorities down to the daily provision of basic services through policy advice, program delivery, economic and scientific research and analysis, and corporate management and administration.

Part B of the submission comprises a number of detailed examples of key policies and programs, structured along the lines of the Productivity Commission's questionnaire. This information describes, in detail, how the Portfolio contributes to the implementation of ecologically sustainable development.

To avoid unnecessary duplication within the report, the submission references key documents and reports (by footnote and at Part C). Copies of the most significant of these are provided.

## PART A: Overview

Australia's agriculture, fishing and forestry industries are significant contributors to the nation's economic welfare and continuing prosperity. The value of production in Portfolio industries has risen between 1990 and 1997 from 12 per cent to 14 per cent of the Australian economy. Rural sector production has increased from 14 to 24 billion dollars over the same period, while processed food and beverage production has increased in value from 32 to 42 billion dollars. Processed food and beverage production is increasing in value twice as quickly as the manufacturing sector average and comprises about one fifth of total Australian manufacturing output.

These Portfolio industries involve significant areas of Australia's land and ocean resources. As such, their wise management has the potential to make a substantial contribution to improving the state of our natural resources. Conversely, inadequate management may lead to increased environmental degradation and resource depletion.

### *Agriculture*

Agriculture still occupies an important place in the Australian economy, even though the number of agricultural establishments has been steadily declining in recent years. In particular, agriculture has a major influence on downstream economic activity and is a significant contributor to Australia's merchandise exports. It also occupies an important place in global rural trade, particularly in Asian countries, where many new markets have been forged recently for wheat, beef, fruit, sugar and dairy produce

### *Fisheries*

The Australian fishing and aquaculture industries are Australia's fifth most valuable rural industry. In 1996-97, these industries produced 210,000 tonnes of fisheries products with an estimated gross value of production (GYP) of about \$ 1.76 billion. Fisheries (wild-caught) production relies on high unit value species such as rock lobster, prawns, abalone and tuna. Aquaculture production accounted for around \$448 million.

Australia's most valuable seafood products, based on 1996/97 data, are rock lobster (\$409 million); other fin fish (347 million); prawns (\$343 million); pearls (\$199 million); abalone (\$140 million); and tuna (\$94 million)

### *Forestry*

Australia's forest and forest products sector is important to our economy, especially in terms of regional economic development and employment. In 1996-97, the forestry and forest products industries with an annual turnover of \$ 11 billion contributed 2.2 per cent of Gross National Product and directly employed 72 500 people.

### *Implementation of ESD in the Agriculture, Fisheries and Forestry Sectors*

Since the adoption of the National Strategy on Ecological Sustainable Development (ESD) by Australian Governments in 1992, there has been an increasing recognition within the agriculture, fisheries and forestry sectors (involving governments, industries and other nongovernment organisations and primary industry communities) that environmental, economic, social and community aspects of natural resource management, primary production and manufacturing need to be appropriately integrated

Given the significance of the agriculture, forests and fisheries sectors to the national economy, the long-term sustainability of the agricultural, fisheries and forest industries and the resources upon which they are based, need to be assured. Consequently the Portfolio's activities in these sectors reflect a commitment to the goal of ecologically sustainable development and encompass many activities such as, economic and scientific research and analysis which flow through to supporting the provision of policy advice, program delivery, and management and administrative support services. Towards this end, the Portfolio's activities focus on the following three key roles:

understanding and maintaining the biological and physical resource base on which the agricultural, fisheries and forest sectors depend; ensuring domestic and world markets and economies operate efficiently and are unhindered by trade barriers, so that producers receive clear price signals and produce what is wanted by consumers; and addressing societal infrastructure issues, including the provision of a range of social and economic services and social welfare systems, arising from adverse economic/environmental conditions.

### *Incorporation of ESD into Corporate Planning and Reporting*

Ecologically sustainable development is an underlying theme in the Department's corporate planning processes. It is incorporated in its Vision which, as articulated in the 1997-98 Department of Primary Industries and Energy Corporate Plan, is one of

*securing rising national prosperity and quality of life through competitive and sustainable..., agriculture, fisheries, forest,... and processing industries<sup>1</sup>*

The Corporate Plan establishes Key Result Areas and Top Priority Projects which drive operational planning processes across the Department. Sustainability has been identified as a Key Result Area in its own right (i.e. KRA5). A copy of the Corporate Plan is at Part C. 1.

Reports against the Key Result Areas and Top Priority Projects are published in the Department's Annual Report<sup>2</sup>. Corporate performance is reviewed on quarterly or annual cycles against the Key Result Areas. The performance assessment process specifically requires sustainability to be addressed for each of the Department's sub-programs.<sup>3</sup> The

<sup>1</sup>1997/98 Corporate Plan, page 11 (copy provided in Part C.1)  
<sup>2</sup>1997/98 Annual Report (Part C.2)  
<sup>3</sup>1997/98 Annual Report, page 155 & Corporate Plan, page 22 & 23

Department will continue to improve its strategic assessment of its performance and accountability mechanisms through the shift to accrual accounting, which will see a strong focus on the definition of outputs and outcomes.

Other opportunities for review and reporting on the Department's achievements against its objectives (including sustainability objectives) arise from strategic evaluations of programs and policies undertaken by the work areas themselves and in relation to the specific inquiries by external bodies such as the imminent Australian National Audit Office (ANAO) review of Planning and Reporting by Statutory Authorities, the 1997 Industry Commission Inquiry into Ecologically Sustainable Land Management, the Mortimer Review of Business Programs and Professor Nairn's review of quarantine.

The Department also regularly reports its activities in regard to the achievement of ecologically sustainable development as part of Australia's commitment to international obligations, such as for the United Nations Commission on Sustainable Development and as part of other Government portfolio's reporting processes such as those for the National Strategy for the Conservation of Australia's Biological Diversity.

### *Significant Portfolio Approaches*

The Portfolio promotes sustainable management of Australia's agricultural, fishery and forest resources through a range of policies and programs for which sustainable natural resource management is a central theme. Sustainable natural resource management is crucial to the long term export potential and competitiveness of Portfolio industries and to improving the quality of the environment on which future activities depend.

Reflecting the link between sustainable natural resource management and social and economic objectives, a number of integrated approaches to the development and implementation of ecologically sustainable development policy and programs have emerged within the Portfolio. Overviews of some of these key approaches are provided below and demonstrate the Portfolio's approach to ecologically sustainable agriculture, fisheries and forestry and integrated natural resource management, including water resources management, quarantine and rural policy.

### *Integrated Rural Policies*

Because of the need to develop internationally competitive rural industries, a major focus in recent years has been the reform of the rural sector. The Portfolio's role is one of facilitating adjustment in a manner which is efficient and, at the same time, sensitive to the social concerns of primary producers and rural Australia.

The current mix of rural programs necessarily reflects an emphasis on cross-sectoral policies and strategies such as structural adjustment, quarantine, sustainable natural resource management, training and skills development, telecommunications and social and economic development. While a number of programs have a particular focus, complementarily exists between programs within a wider sustainability framework with principles that:

- integrate economic, environmental and social factors through a systems view of ESD,
- focus on outcomes and achieving changes in practices and policies;
- use integrated packages of mutually supportive measures, rather than stand-alone projects implemented in isolation of other related projects or measures;
- address the causes of environmental and resource degradation, rather than the symptoms, and the use of management solutions;
- ensure funding and action in line with the responsibilities and obligations of all stakeholders;
- enhance the long term productivity of Australia's natural resources
- promote community, industry and government partnerships in the management of natural resources;
- establish institutional arrangements which will encourage sustainable resource use; and
- develop approaches which help resolve conflict over access to resources.

In line with these principles, the Department has developed, and/or substantially contributed to, the following key Government initiatives:

- Agriculture - Advancing Australia;
- Supermarket to Asia Strategy;
- the National Forest Policy Statement;
- the Natural Heritage Trust;
- Rural Communities Program;
- Farmbis;
- Rural Plan; Understanding Rural Australia Program.

The development of an Action Plan for Australian Agriculture (under Agriculture Advancing Australia), the Natural Heritage Trust programs and the development of a national strategy for rangeland management are examples of processes which have been used to foster a greater understanding of the need to develop sustainable agricultural systems<sup>4</sup> which have a long term future.

The Natural Heritage Trust provides funding for a number of programs which encourage sustainable natural resource management, such the National Landcare Program, the National Vegetation Initiative (Bushcare), the Murray-Darling 2001 initiative, and the National Rivercare Program. These programs promote the adoption



of sustainable practices, through assistance with on-ground works, demonstration of best-practice farming techniques, or of improved farm management decision-making, through training in property management planning.

<sup>4</sup>Sustainable agriculture is strongly related to sustainable natural resource management and refers to the use of farming practices and systems which maintain or enhance the economic viability of agricultural production, the natural resource base and other ecosystems which are influenced by agricultural activities.

Another example of a mechanism to address complex resource management issues is the current program of Regional Forest Agreements (RFAs) under the National Forest Policy Statement (NFPS). The RFAs seek to promote the well being of rural and regional communities with a strong dependence on forest based commercial activities in an integrated way which addresses the diverse range of uses and priorities attached to that resource by the communities (refer to further information in Part B. 1).

The management of agricultural and veterinary chemicals is also an area in which the Commonwealth has recently taken on an enhanced role. The registration of agricultural and veterinary chemicals is now a responsibility shared between the Commonwealth, States and Territories through the National Registration Scheme, which became fully operational on 15 March 1995 and replaced pre-existing State and Territory systems. This new structure ensures that agricultural and veterinary chemicals are assessed for the risks they pose towards the environment, health, occupational health and safety and trade before they are approved for use in Australia. The Department played a key role in the establishment of the scheme and the National Registration Authority for Agricultural and Veterinary Chemicals, which administers the scheme, is part of the Agriculture, Fisheries and Forestry Portfolio.

Beyond registration, the Agricultural and Resource Management Council of Australia and New Zealand (ARMCANZ) has this year endorsed the National Strategy for Agricultural and Veterinary Chemicals. This Strategy is being advanced by both the Commonwealth and the States and provides a framework for working towards a shared vision which includes sustainable agriculture as one of its planks:

*ie. The use of agricultural and veterinary chemicals in a way which:*

- *minimises the risks to health, the environment and trade;*
- *ensures the long-term sustainability of agricultural productivity;*
- *and best contributes to national prosperity.*<sup>5</sup>

The implementation program for the Strategy is currently being developed.

## Water Resources Management

The National Water Quality Management Strategy (NWQMS), a joint initiative of ARMCANZ and the Australian and New Zealand Environment and Conservation Council (ANZECC), is an example of a whole systems approach to water resources management and follows the guiding principles set out in the National Strategy for Ecologically Sustainable Development. As the Portfolio Minister is the Chair of ARMCANZ, the Portfolio takes a lead role in the development of the NWQMS. The principal objective of the NWQMS is to achieve the sustainable use of the Nation's water resources by protecting and enhancing their quality while maintaining social and economic development. This objective is pursued through a strategy based on the development of high-status national guidelines that are implemented locally. The adoption of nationally consistent guidelines provides a shared national objective while

local implementation allows for flexibility to respond to differences at regional and local levels, such as differing political, social and natural conditions.

<sup>5</sup>National Strategy for Agricultural and Veterinary Chemicals (copy provided at Part C.9)

The strategy proposes the adoption of a complementary package of regulatory and marketbased measures to take advantage of the strengths of both approaches. Pricing and allocation reform would be a key element of a package which could also include improved institutional arrangements, clarification of property rights and measures to increase community awareness and acceptance of improved practices for water use and the need to adopt an integrated approach to the management of natural resources.

The proposed management approach explicitly recognises the importance of community involvement in the process of identifying the preferred uses of local water bodies. Community involvement is equally important if genuine community acceptance is to be developed in relation to the costs associated with improved water quality. The costs and benefits associated with the proposed water use options can be made explicit when scientifically based water quality criteria for each protected value are identified. The NWQMS forms an integral part of the water reform framework agreed to by the Council of Australian Governments (COAG) in 1994. Further information on the COAG Strategic Water Industry Reforms is included in Part B.2.

The Murray Darling Basin (MDB) Ministerial Council, of which this Portfolio's Minister is Chair, made an historic decision to introduce a permanent cap on water diversions from the MDB Basin from 1 July 1997. This is an example of a balance being struck between consumptive and instream uses of waters in the Basin. The implementation of the cap on water diversions was a recognition that recent increasing extractions of water were unsustainable. The cap is a fundamental element in establishing a basis for the long term sustainability of water use in the Basin.

### Forest Resources Management

The Commonwealth Government is responsible for coordinating a national approach to environmental and industry development matters and for Australia's participation in international forest initiatives. It has an interest in achieving the efficient and effective management of the nation's resources, including a national approach to forest issues. In order to achieve these ends the Commonwealth, State and Territory Governments, with the exception of Tasmania, agreed on a National Forest Policy in December 1992. Tasmania endorsed the National Forest Policy Statement (NFPS) in April 1996. The NFPS sets out broad conservation and industry goals for the cooperative management of Australia's forest estate.

The Governments are committed to the implementation of the NFPS (copy attached at Part C.3) to ensure national goals for the forest estate are pursued within a regionally based planning framework that integrates environmental and commercial objectives so that, as far as possible, provision is made for all forest values. The Governments are working in partnership to:

- ensure the ecologically sustainable management of Australia's entire forest estate;
- establish a comprehensive, adequate and representative forest reserve system;
- develop competitive and sustainable forest-based industries;
- expand Australia's plantation and

farm forestry estate; and increase Australia's forest research to expand and integrate knowledge about native forests, plantations, forest management, conservation and forest product development.

The focus of the Department towards sustainable forest management is principally through the Regional Forest Agreement process and through the promotion of farm forestry (refer to Part B.3), plantation establishment and industry development. The Commonwealth is negotiating Regional Forest Agreements (RFA) with the States to help achieve the above goals. The 20year RFAs now in place for Victoria's East Gippsland and Central Highlands and for the State of Tasmania have achieved outcomes which harmonise the economic, social, environmental and heritage values identified during comprehensive assessments of each of region.

The Department continues to promote the development of sustainable forest management in international fore such as the Food and Agriculture Organisation (FAO) (particularly through the Asia-Pacific Regional Commission), International Tropical Timber Organisation (ITTO), the Intergovernmental Forum on Forests (IFE;), the Montreal Process and through the provision of development funds.

The RFA process and other initiatives for achieving ecologically sustainable forest management are discussed in further detail in Part B of this submission.

### Sustainable Fisheries Management

AFFA has responsibility to ensure the long term sustainability of fisheries in the marine environment. It does this, in part, by monitoring the performance of, and developing sustainable fisheries management policies in conjunction with, the Australian Fisheries Management Authority (AFMA). The Commonwealth's fisheries management objectives are set out in the *Fisheries Management Act 1991*. A specific "ESD objective" was incorporated into the Act in 1997:

*ensuring that the exploitation of fisheries resources and the carrying on of any related activities are conducted in a manner consistent with the principles of ecologically sustainable development, in particular the need to have regard to the impact of fishing activities on non-target species and the marine environment.*

Fisheries management must ensure, through proper conservation and management measures, that the living resources of the Australian Fishing Zone (AFZ) are not endangered by overexploitation; and achieving optimum utilisation of the living resources of the AFZ.

The challenge in fisheries management is to develop these industries while at the same time ensuring the sustainability of the marine ecosystem and respecting the rights of other users. Commonwealth-managed fisheries are subject either to formal fisheries management plans (as defined under the Act) or other management arrangements which establish the management framework for the fishery. The basic philosophy behind Commonwealth fisheries management is limited entry, with species-specific quotas used wherever practicable.

By world standards, Australia has a good record and reputation on fisheries management. There are, however, a number of ongoing ESD issues in Commonwealth-managed fisheries that are being addressed by AFFA and AFMA. These include specific concerns at the ESD status of Commonwealth-managed fisheries: the environmental impact of the commercial fishing, aquaculture and recreational sectors; the level of unwanted bycatch in commercial fisheries; and excess fishing capacity in certain domestic fisheries. Strategies are being implemented to address the first two of these issues through integration into normal fisheries.

management processes; the final issue is being addressed through implementation of specific structural adjustment programs.

Ensuring ESD also is a fundamental in the AFFA involvement in initiatives driven by other Portfolios, such as the draft Oceans Policy, the National Representative System of Marine Protected Areas, and action under the *Endangered Species Protection Act 1992* to deal with protected wildlife-fisheries interactions such as the *Threat Abatement Plan for the Incidental Catch (or By-catch) of Seabirds during Oceanic Longline Fishing Operations*. Similarly, international developments influencing the implementation of ESD in fisheries management include the FAO Code of Conduct for Responsible Fisheries (concluded in 1995), which is being implemented by all fisheries jurisdictions in Australia, and the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1992 Relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks.

Information on the Fisheries Action Program is provided in Part B.4

#### Quarantine Policies and Procedures

Agricultural policies and programs are augmented by quarantine arrangements designed to protect the health of Australia's resource base, particularly agricultural production systems and the environment. This role is undertaken by AFFA, through the Australian Quarantine and Inspection Service (AQIS).

Australia's quarantine regime contributes to ESD by facilitating the flow of people and goods from overseas, while providing appropriate security against the entry of unwanted pests and diseases which could threaten the viability of agricultural production systems as well as have deleterious effects on natural ecosystems. This is achieved through the development of policies (via an Import Risk Analysis (IRA) process) for the importation of animals, plants and their products into Australia, and procedures to ensure those policies are effectively carried out at the border.

Australia's international rights and obligations have been taken into account in developing these policies and procedures. These rights and obligations derive principally from the World Trade Organization (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement). Other WTO Agreements, including the Agreement on Technical Barriers to Trade (TBT Agreement), may also be relevant in certain circumstances. Specific international guidelines on risk analysis developed under the International Plant Protection Convention (IPPC) and by the Office International des Epizooties (OIE), the world organisation for animal health, are also relevant.

The SPS Agreement defines the basic rights and obligations of WTO member countries to use measures necessary to protect human, animal or plant life or health, including measures to test, diagnose, isolate, control or eradicate pests and diseases. In



conducting import risk analyses, WTO Members are required to take into account available scientific evidence; relevant processes and production methods; relevant inspection, sampling and testing methods; prevalence of specific diseases and pests; existence of disease/pest free areas; relevant ecological and environmental conditions; and quarantine or other treatments.

The AQIS IRA process is designed to ensure that:

risks of entry, establishment and spread of pests and diseases, and their potential impacts are fully evaluated; importation is only permitted when such risks can be managed in a manner consistent with Australia's very conservative approach to acceptance of pest and disease risk; and stakeholders are fully informed of the process followed and understand the basis for decisions.

### Information Base for Sustainability

The contribution of natural resource based production systems to Australia's wealth and wellbeing is based increasingly on innovation, supported by research and development. In the longer term, the twin aims for industry of competitiveness and sustainability can only be achieved if:

- there is an adequate fundamental research base to improve our understanding of sustainability processes; and
- there is adequate, well targeted strategic and applied R&D that result in improvements to natural resource management and production systems and that are broadly adopted

The Agriculture, Fisheries and Forestry Portfolio, together with other institutions, has a responsibility to ensure that these supporting activities are appropriately resourced and meet the required outcomes.

Integrated research conducted within Portfolio agencies contributes to an information base for sustainability which will enable the development of policies and the implementation of programs that, for example, encourage management practices aimed at preventing or reversing degradation of land and water resources.

The *Bureau of Resource Sciences (BRS)* is involved in numerous projects of relevance to ESD, including the development and use of computer modeling and scientific visualisation technologies to assist understanding of ESD. Of note is the Revaluing Rural Australia Project which is examining 5 and 25 year trends in the gross value of agriculture at the regional level and correlating this with various biophysical and socioeconomic indicators to determine what factors good (and bad) regions have in common. This study will lead into a further investigation of the effects of various policy options, management practices and climate change scenarios at the individual farm level for a particular community.

In a project funded by the Fisheries Resource Research Fund' BRS has developed a framework for assessing fisheries with respect to Ecologically Sustainable Development, and currently is engaged in a project "ground truthing" that framework against Commonwealth managed fisheries.

BRS is also involved in projects related to climate variability; multiple and sequential land and marine use; land and water resources management; fisheries management;

forest management and weed and pest issues. These projects are documented more fully in the BRS Work Program for 1998-99 attached at Part C.4.

The *National Land and Water Resources Audit* has been established with funding from the Natural Heritage Trust. It will provide assessments of land, water and vegetation resources that will assist in the sustainable development of these resources. The primary focus for audit activity is on the information needs of the Commonwealth, State and Territory agencies. The Audit aims to support natural resource management outcomes by assessing the use of resources, management trends and changes in their condition, and to support sustainable production outcomes by providing information to support decision making for the ecologically sustainable use of Australia's resources. BRS is heavily involved in the research work of the Audit and will be the repository of all Audit data products.

The *Australian Bureau of Agricultural and Resource Economics (ABARE)* conducts economic research into all aspects of natural resource and environmental management covering minerals, forestry, fishing, land and water use, agriculture, energy efficiency and global climate change. The focus of ABARE's research is to identify ways in which the economic efficiency of natural resource use can be improved through better use of market incentives and improved pricing and regulatory policies.

Much of ABARE's research is directed at influencing and informing Commonwealth government policy and programs to achieve improved ESD outcomes. ABARE's research into forestry has directly supported AFFA's role in conducting Comprehensive Regional Assessments of alternative reserve options for native forests, a process designed to lead to long term economically and ecologically sustainable forest use. ABARE's research into policy options for managing global climate change has directly influenced Australia's negotiating position in international negotiations, as well as the outcome of those negotiations. ABARE also makes extensive submissions to a wide variety of Commonwealth government inquiries designed to lead to a better balance between economic and conservation values in contentious land allocation decisions.

ABARE's research extends beyond issues that are the direct concern of Commonwealth policies. For example, research into dryland salinity, fisheries management issues, and multiple use management of natural resources concerns issues that are largely state or regional level responsibilities. Further examples of ABARE's research related to ESD issues is provided at Part C.5.

## Research and Development

Concepts of ecologically sustainable development are embodied in *the Primary Industries and Energy Research and Development Act 1989*, the objects of which are to:

*make provision for the funding and administration of research and development relating to primary industries with a view to:*

- *increasing the economic, environmental and social benefits to members of primary industries and to the community in general by improving the production,*

*processing, storage, transport or marketing of the products of primary industries;  
and achieving the sustainable use and sustainable management of natural  
resources;*

- *making more effective use of the resources and skills of the community in general and the scientific community in particular;*
- *and improving accountability for expenditure upon research and development activities in relation to primary industries.*

In the Act the definition of "primary industry" includes any field of endeavour whose objective is "the conservation and the sustainable use and management of a natural resource".

The Research and Development (R&D) Corporation model represents an alliance between industry and Government to advance the R&D interests of industry and the wider public. The Rural R&D Program supports the activities of fifteen rural RDCs, investing approximately \$300 million per annum in projects spanning from fundamental research into biological processes, through to sustainability, on-farm production, consumer safety and marketing issues. Funding for the program comes from the Government matching (to varying degrees) industry contributions.

The RDC arrangements address not only commodity specific sustainable issues, but also broader issues of sustainable natural resource management and particularly the management of land and water resources on which commodity production depends. Through the Land and Water Resources Research and Development Corporation, research is undertaken to improve the long-term productive capacity, sustainable use, management and conservation of Australia's land, water and vegetation resources. The Corporation thus has an important role in developing further and contributing to ecologically sustainable development through natural resource management.

The programs' outcomes often have significant implications for other Departmental programs and contribute to the well-being and wealth of the general community by advancing the prosperity and sustainability of Australia's primary, secondary and service industries. By way of example, the Forest and Wood Products Research and Development Corporation (FWPRDC)'s promotes effective R&D which advances an internationally competitive, sustainable and environmentally responsible forest and wood products industry in Australia. Ecological implications are an important consideration in the evaluation of general research applications by the FWPRDC against the following criteria:

- potential to meet FWPRDC objectives;
- potential benefit to the industry;
- technical merit and feasibility;
- time to commercial availability;
- contribution towards sustainability; and
- efficiency.

The FWPRDC operates five core programs, one of which, the "Sustainability and Environmental Management - Resource Improvement Program", specifically aims to

improve the wood resource base of the industry and, from that, the development of a competitive and sustainable wood products industry. It also aims to develop the tools which the industry can use to demonstrate that its wood products come from a resource that is managed in a sustainable and environmentally responsible manner.

The Fisheries Research and Development Corporation (FRDC) is one of the key agencies which determine national research priorities at a strategic level. It has established a network of Fisheries Research Advisory Bodies (FRABs) located at the Commonwealth level and in each State and the Northern Territory. The role of FRABs is to set R&D priorities, commission R&D applications to address those priorities, identify funding sources and advise FRDC on the priority and appropriateness of applications. Among others, FRDC has funded projects examining the definition of robust harvest strategies, performance indicators and monitoring strategies for the South East Fishery; risk analysis and sustainability indicators for prawn stocks in the Northern Prawn Fishery; mesh selectivity in the NSW demersal trap fishery; and an extensive effects-of-trawling subprogram which has included habitat changes, and the fates and consequences for a marine ecosystem of prawn trawl discards.

Further information on the operation of research and development corporations is provided in Part B.5.

### *Institutional Arrangements supporting implementation of ESD*

The role of ministerial councils in implementing ESD

Portfolio Ministers chair the Agricultural and Resource Management Council of Australia and New Zealand (ARMCANZ) and the Ministerial Council on Forestry, Fisheries Aquaculture (MCFFA). The Department provides secretariat functions to both Ministerial Councils and their Standing Committees. In addition, the Department is represented on and active in the Standing Committees. The Ministerial Councils enable development of coordinated national policies and approaches to Portfolio issues.

In the past five years, the following major cooperative ESD related achievements have been coordinated through Portfolio Ministerial Councils either wholly, or jointly with similar mechanisms for other Ministerial Councils:

#### ARMCANZ

- the COAG water reform process;
- the National Water Quality Management Strategy;
- an increased focus on catchment management;
- an emphasis on property management planning with a major focus on strategic business planning;
- development of sustainability indicators for agriculture;
- integration of sustainable resource management and rural area development;
- the Draft National Strategy for the Management of Acid Sulfate Soils;
- Principles and Guidelines for Rangelands Management;
- the National Landcare Program and more recently the Natural Heritage Trust;
- management of vertebrate pests, in particular the rabbit;



- commercial use of wildlife, in particular kangaroos;
- a National Weeds Strategy;
- an Agricultural and Veterinary Chemicals Management Strategy; and
- an increased focus on education and skills development of farmers.

## MCA (Forests)

- criteria and indicators for sustainable forest management;
- involvement in the State of the Forest Report;
- development of criteria for the establishment of a forest reserve system;
- management of exotic forest pests and diseases;
- national principles for plantations
- Regional Forest Agreements process;
- Certification and labelling;
- Environmental management system - endorsement of ISO 14001.

## MCFFA/Standing Committee on Fisheries and Aquaculture (SCFA)

- development of national principles and guidelines on fisheries sustainability;
- development of fisheries sustainability indicators, including the trial of an initial "report card" approach;
- development of a national set of guidelines for the assessment of ESD in fisheries management
- identification of genetic sustainability indicators and advice on their application;
- the National Fishcare Program (a precursor to the Fisheries Action Program - see Part B);
- a project on a national fisheries adjustment scheme;
- responses to introduced exotic fish diseases;
- a strategic national strategy to limit illegal fish trafficking;
- the Aboriginal and Torres Strait Islander Fishing Strategy,
- resource access and allocation issues in fisheries;
- the use of global catch controls for species subject to fishing in more than one jurisdiction;
- policies for the management and control of translocation of aquatic organisms, particularly with a view to controlling spread of pests and disease.

Further information on roles of ARMCANZ and MCFFA is provided in Part B.6

### *Implementation of ESD in the workplace*

In addition to the incorporation of ESD principles in its policies and programs, AFFA has attempted to foster an awareness of ESD in the workplace. A number of administrative procedures are in place which encourage environmental awareness, efficient use of resources and energy saving in the Department's day to day operations

### Recycling

The Department has implemented a recycling program which facilitates collection of paper, cardboard, glass and metals for recycling.



## Energy Saving Measures

The Edmund Barton Building was refurbished between 1988 and 1991. Following representations from the Department, an energy saving light switching system was installed in all office areas of the building during this refurbishment. The lighting for each individual office or pair of work points in open areas can be separately switched on or off by a pull cord control. In addition, most general office lighting can be switched off by the Building Management System (BMS). The BMS has been set to switch most lighting off at 12:30 pm and hourly from 6 pm. Lighting at each work point can then be switched on by staff if needed via the pull cord lighting controls.

Effort is also made to reuse building components when changing building fit outs. The department has been able to achieve reuse levels of about 90% for plasterboard and other wall components. Screens, glazing and electrical components are 100% reused.

## Purchasing

Departmental purchasing activities must be conducted in accordance with the Chief Executive's Instruction (CEI) No. 4 on Procurement of Goods and Services. The CEI requires that "Commonwealth policies relating to environmentally friendly purchasing....must be observed when undertaking all purchasing activities". The Commonwealth's environmental purchasing policy is detailed in the *Commonwealth Procurement Guidelines* issued by the Department of Finance and Administration.

## Conclusion

The ESD process has been very effective in raising the profile of environmental issues into this portfolio's industry policy and decision making processes - environmental issues are now an integral part of the policy mainstream for this portfolio, and for the government at large. In the course of this integration process, there have been instances where environmental issues may have shaped the policy process to a greater extent than might otherwise be expected. With the integration process almost completed, one of the challenges for this portfolio in implementing ESD in the future will be to maintain the dynamic balance between social, economic and environmental considerations, so that no one set of consideration dominates policy process.

This Portfolio is currently developing the National Natural Resource Management (NRM) Policy Statement. This statement will be an important tool for balancing the social, economic and environmental considerations in the future, so that ESD continues to be implemented effectively in portfolio business.

The NRM Policy Statement is a reflection of the centrepiece that ESD and sustainability is a focus of the Portfolio's corporate planning and is an initiative that articulates a long-term vision and policy framework for sustainable natural resource management and use for the next 10-15 years: integrating natural resource

management with the economic, environmental and social dimension of rural and regional Australia.

The Statement is to provide strategic policy directions for the sustainable management and use of soils, water and vegetation resources, and with reference to environmental and landscape values, in order to protect the natural resource base and ecosystems that underpin a healthy environment and sustainable rural industries, as means to progress government economic, environmental and social objectives for rural and regional Australia.

The Statement is to build on the ESD principles by incorporating the social dimension of natural resource management and use.

The National NRM Statement will clarify roles and responsibilities for NRM across governments and managers of the natural resource base, and be the basis for decisions on government funding for NRM programs post the Decade of Landcare and the Natural Heritage Trust.

The Statement will also establish a framework for sustainable rural industries by linking NRM objectives and activities to other national strategic statements, policies and programs (including drought, water reform, forests, rangelands, coastal zone management, agricultural and veterinary chemicals, weeds, feral animals, biodiversity, Agriculture - Advancing Australia, Action Plan for Australian Agriculture, genetically modified organisms etc). It will reinforce Australia's trade position as a "clean and green" agricultural producer, with sustainable production systems and practices. It will also address community expectations on the need for sustainable agricultural practices and strengthen public sentiment for the ongoing sustainable productive use of Australia's natural resources, including where issues of land, water and vegetation management have raised public concerns.

The Statement, being collaboratively developed with the States, Territories as a whole-of-governments process, and in consultation with external stakeholders, is to provide the enabling framework for policies, programs, and other initiatives to accelerate the adoption of sound NRM practices by all natural resource managers in rural Australia.

The Statement is to be developed over the next twelve months, and is expected to be submitted to governments for consideration and endorsement towards the end of 1999.

PLEASE NOTE: Items listed in Part B and Part C of the Overview have not been provided on the internet. Items in Part B are photocopier and can be provided on request. Items in Part C are publications which are held in the ESD Inquiry Team Library. If anyone wishes to see any of these items contact Vicki Thompson on (03) 9653 2214 during business hours.