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Dr Neil Byron  
Presiding Commissioner  
ESD Inquiry  
Productivity Commission  
Locked Bag 2  
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Dear Dr Byron

**Response to the Issues Paper:**

Implementation of Ecologically Sustainable Development by Commonwealth  
Departments and Agencies

Comments are confined to matters of broad principles and concepts, as opposed to detailed comments on policies and programs of the Commonwealth.

The general nature of our response is in the context of our willingness to contribute specific comments, information and feedback at later stages in the inquiry process.

This response is offered in the context of the National Strategy for Ecologically Sustainable Development of which South Australia is a signatory.

It is considered that Governments, industry and the community can point to many examples where ESD has led to a modification of policies and practices that result in outcomes that move toward sustainability. Such achievements are commendable and need to be further developed.

It is observed however, that there is significant scope for incorporating ESD within our institutional arrangements, economic development systems, politics, law and education systems.

There are still major challenges for ESD to be incorporated into all policies and decisions for economic development, employment, urban development, transport planning, population policy and resource development: economic, environmental and social systems which are mutually dependent.

Three aspects have been identified on which comment is provided in response to the paper:

the need for **leadership**,  
effective **partnerships** and  
the identification of the **practical drivers** for ESD adoption.

I stress that the need for *the opportunities for other than the environmental sector to be the primary drivers of ESD should be recognised and assume an increased focus.*

## **Leadership**

Within government, procurement/purchasing activities relating to goods and services are significant and have the potential for a wide range of impacts. This is especially true of infrastructure provision and management.

Scope exists for example to reduce waste associated with provision of infrastructure through better whole of life design, reduction in energy required to operate assets, less cost options regarding embodied energy used in materials and construction of alternative service delivery mechanisms for 'core' services including the exploration of non-asset or minimal physical resource options.

*There are opportunities and challenges for the Commonwealth to continue to show leadership by example in its policy setting and operational implementation.*

## **Partnerships**

If the ESD implementation strategy is to be effective, I believe it requires:

- The states and local governments to be willing and supportive participants.
- Well articulated roles, responsibilities, authorities and accountabilities for the various spheres of government.
- The Commonwealth to participate in partnerships with other governments and stakeholders.

The principles of "*co-operation; effectiveness; efficiency; seamlessness; simplicity; and transparency*" laid out by Heads of Agreement on Commonwealth/State Roles and Responsibilities for the Environment, agreed in principle by the Council of Australian Governments in November 1997, provided a sound basis for such partnerships.

A specific concern is that the Commonwealth's Environment Protection Bill did not reflect those principles agreed by the Heads of Governments.

### **Some Working Partnerships**

The Commission referred to the partnership arrangements that are fostering the implementation of ESD and are working in the right direction.

- Commonwealth and the State assessment agencies do cooperate to assess the environment, social and economic implications of development proposals that trigger both the Commonwealth Environment Protection (Impact of Proposals) Act 1974 and Major Development provisions of the SA Development Act 1993.
- The Inter-governmental Agreement on the Environment (1992) (IGAE) and the Basis for a National Agreement on Environmental Impact Assessment (ANZECC 1997) provides the framework for the cooperative processes undertaken to avoid duplication of assessment
- Changes toward sustainable environmental management are being **underpinned** by effective partnerships between the States and the Commonwealth under the Natural Heritage Trust (NHT). There is however some concern that the NHT will not deliver on ESD without a broader focus on more fundamental social and economic causes.

***Building effective partnerships is central to the implementation of ESD and means there will need to be a continuing emphasis on building partnerships.***

### **Practical Drivers**

There is concern that the tenor, if not the intent of the Issues Paper is limiting. While the background preamble and context building for the paper deals with the broad scope of environmental, social and economic matter, it is curious that the subsequent discussion and questions mostly relate to environmental management. ESD, while underpinned by sustainable resource use, is just as likely, or more appropriately driven, through social and economic instruments. There is concern that the inquiry and the questions raised may miss the fundamental points of the National Strategy for ESD.

Paradoxically ESD is of less relevance to the environmental sector than to the economic and social sectors, since it is not involved in major development. ESD needs to be regarded as a key determinant particularly of economic systems as these have the greatest potential to influence and degrade environmental systems. To achieve this requires mainstreaming of ESD beyond its environmental context into broader policy and decision making processes about economic development, employment, and the state of the economy.

From this perspective, there are lessons to be learnt from the Industry Commission's recently published report on the Inquiry into Ecologically Sustainable Land

Management (ESLM), entitled, "the Full Repairing Lease' which are relevant and important to this inquiry.

While the draft report points to 'poor implementation of policy' it does not offer a way of equipping policy makers with the courage necessary to develop and promote policy that transcends the communities "fight to remain the same". Instead it falls back on a rationale of economic instruments operating in a market place with assumptions that the market is driven by economic factors alone, and that 'altruism' will achieve the Government leadership needed to address required landscape changes.

The report demonstrates the pitfalls of allowing political pragmatism and a predominant ideology to bypass the opportunity to shape policy and thus by default, to widen the gap between the community's capacity (will) to change and early recognition of the need to change. This phenomenon is not confined to environmental issues and is similarly illustrated by current policies for employment, urban renewal and transport.

*To better reflect the intentions of, and to further implement ESD, it is essential that the principles be applied across the economic, social and environmental sectors,*

Some specific issues for consideration by the Commission are related to being able to measure our progress to implementing ESD and, of the effectiveness of inter-governmental bodies.

### **Environmental valuation**

While the value of natural resources has been recognised in a broad sense, incorporating those values into the decision-making processes of government, communities and individuals has been frustrated by a lack of accepted techniques for natural resource valuation.

There is an identified need for nationally developed frameworks to;

- value natural resources and the benefits they bestow in a consistent and accepted manner; and
- allow for the incorporation of those values into accounting systems and project assessment models;

### **ESD monitoring and evaluation**

Monitoring and evaluation of human activities relative to ESD is a difficult and diverse issue requiring multi-disciplinary, quantitative and qualitative analysis. A range of tools and techniques are required for application at all levels of decision making.

There are attempts to incorporate the value of natural resources and other non economic elements in some monitoring and evaluation programs. The National Collaborative Project of Sustainability Indicators for Sustainable Agriculture

(NCPISA) for example attempts to incorporate non-economic elements into natural resources accounting.

These initiatives assist broad policy setting at the national and state level, but fail to relate issues at the local or regional level where change occurs and tend to focus principally on resource management and utilisation, with little or no consideration of manufacturing industry or social communities. A paucity and limited relevance of data is also a major handicap.

*There is further scope for the nationally developed tools and resources to enable the collection of data to measure the implementation of ESD.*

## **Inter- governmental coordinating bodies**

The broad scope and inclusive nature of protocols agreed to by COAG in December 1992 do provide an opportunity to main stream the broad sweep of changes that may be required for the implementation of ESD. Those protocols were:

- A commitment to ensuring whole of government consideration of issues,
- The inclusion of the Australian Local Government Association; and
- Consultations with interest groups.

The South Australian Government values the Ministerial Councils as playing an increasingly pivotal role in defining directions of policies affecting Australia, and ESD needs to be integral to their considerations. One concern is, that while ARMCANZ, was formed in part to integrate water considerations with agriculture, water issues are inadequately considered.

More generally, there is a feeling that the resources available to coordinating bodies limit their effectiveness and that the political framework is not adequately supportive of decision making and implementation of policy. The strength of Agreements and the equity of partnership arrangements are at times questioned. A specific example of where Ministerial Council processes are stretched, is the short time frame in which papers and agendas are circulated. This makes it all the more difficult for issues to be given broad consideration.

***The infrastructure for inter-government coordination is in place, but the need remains for the instruments and agencies to be better resourced and empowered.***

## **Concluding remarks**

The complexity and fundamental dimension of the challenges presented by the ESD concept has resulted in a degree of public cynicism of the concept. This presents a continuing challenge for Commonwealth Departments and agencies through providing good leadership and maintaining effective partnerships.

There is scope for greater reference to, and use of the core objectives and guiding principles of ESD as a means of protecting and reinforcing the meaning and intent of ESD. If there were a requirement to be specific about the objectives and principles of ESD then this may foster a consistent use of ESD that will assist in the community's understanding and support for it.

Thank you for the opportunity to comment and I look forward to contributing to the review during its subsequent phases.

Yours sincerely

**Rob Kerin**

DEPUTY PREMIER

**MINISTER FOR PRIMARY INDUSTRIES,  
NATURAL RESOURCES AND REGIONAL DEVELOPMENT**