

MINERALS COUNCIL OF AUSTRALIA

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18 November 1998

Dr Neil Byron
Presiding Commissioner
Productivity, Commission
LB2 Collins St East
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Dear Dr Byron

RE: ISSUES PAPER: IMPLEMENTATION OF ECOLOGICALLY SUSTAINABLE
DEVELOPMENT (ESD) BY COMMONWEALTH DEPARTMENTS AND
AGENCIES

The Minerals Council of Australia welcomes the opportunity to provide input to the inquiry into implementation of ESD by Commonwealth departments and agencies.

The Council notes the Productivity Commission's discussion paper uses the National Strategy for Ecologically Sustainable Development definition of ESD, ie *"development which aims to meet the needs of Australians today, while conserving our ecosystems for the benefit of future generations"*. While recognising that this uniquely Australian definition was negotiated in 1992, it differs significantly from the original Brundtland, and the most widely accepted definition, ie sustainable development is *"development that meets the needs of the present without compromising the ability of future generations to meet their own needs"*.

The *"overarching objective of sustainable development is to maximise human welfare, and provide a sound economic, social and environmental base for both present and future generations"*. Accordingly, the three 'pillars' of sustainability are interdependent and should be accorded equal consideration in both philosophical terms and practical implementation of policies and practices.

It follows that, as currently arranged, a broad spectrum of government agencies have an interest in, and should have some responsibility for development and

implementation of policies, plans and programs consistent with the objective of sustainable development. This approach is, to a large extent, recognised in the aims of the National Strategy for Ecologically Sustainable Development which are to:

· improve the efficiency and effectiveness of the development, implementation and integration of ESD-related policies;

- clearly define the roles and responsibilities of each level of government;
- avoid duplication of functions between governments and agencies; and
- establish effective processes for cooperation between governments.

However, it can be argued that the emphasis placed on the conservation of ecosystems, and inclusion of the term '*ecologically*' in Australia's definition, narrows the concept of sustainable development, and potentially places environment above the economic and social considerations in policy development. This compromises the objective of effectively and efficiently balancing the integration of the economic, social and environmental dimensions across government and maximising the gains to the Australian community.

The effect of placing greater emphasis on any one aspect of the sustainable development agenda is clearly seen in the context of Governmental decision-making. The Council considers that since the release of the National Strategy in 1992 the Commonwealth Government has been largely unsuccessful in fully implementing the principles of sustainable development in areas of critical importance to the minerals industry. A significant contributing factor to these difficulties has been the lack of a coordinated whole-of-government approach to implementing sustainable development and, in many cases, inappropriate control of sustainable development management by particular sectors of government. Three examples are discussed below.

National Environment Protection Measures

The Council strongly supports the goal of National Environment Protection Measures (NEPMs) to provide equivalent standards of environment for all Australians.

However, NEPM development processes to date have not:

- integrated economic and environmental considerations in impact assessments; considered impacts on international competitiveness;

provided sufficient technical analysis to constitute a "*proper examination of matters which significantly affect the environment*"; and

- used a risk-based approach to balance economic and environmental objectives in the most cost-effective way.

These weaknesses are, in part, due to a failure to recognise the full breadth of environmental, economic and social considerations associated with NEPMs. To date, NEPM development has focussed strongly on environmental issues. This is reflected through the inclusion only of Ministers from environment portfolios on the NEPC which does not represent a sufficiently broad decision-making platform to ensure that principles of sustainable development are properly implemented in NEPMs.

By way of example, consideration should therefore be given to broadening the membership of NEPC to include representation from industry, primary industry or energy portfolios to ensure that whole-of-government positions are properly considered.

Reform of Commonwealth Environment Legislation

The Minerals Council welcomes the reform of the Commonwealth's environment legislation as an opportunity to implement the principles of sustainable development. There is significant potential within the framework proposed in the Environment Protection and Biodiversity Conservation Bill to reduce duplication between the Commonwealth and States and streamline project approvals. The proposed accreditation of State processes and the codification of matters of national environmental significance could be a substantial step forward in the implementation of the IGAE and move towards sustainable development.

However, aspects of the drafting and major weaknesses within the Bill may seriously impede the Bill achieving its sustainable development objectives (see Industry submission to Senate Inquiry on the Bill enclosed).

18 November 1998

By way of example, a large range of actions and decisions, including the decision on final project approval, are taken by the Commonwealth Environment Minister, alone and without appeal. The Council considers that the focus of environmental assessment should be to assess the environmental implications of proposals, identify alternatives/options to minimise environmental impacts and provide the basis for setting environmental conditions. Accordingly, environmental assessment and decisions on environmental acceptability are but one of a large number of relevant impacts that require assessment in decisions relating to approval of development proposals. The Council considers it is inappropriate for the Environment Minister to take sole decisions about project approval. A whole-of-government approach to such decision making should be adopted to accommodate environmental, economic, social and other factors, and thereby contribute to implementation of the principles of sustainable development.

Greenhouse Gas Emissions Abatement Policy

The Council has consistently encouraged governments to ensure that domestic greenhouse gas abatement policy development and implementation:

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is integrated to ensure the strategic and effective identification of policy and implementation options which will deliver abatement of greenhouse gas emissions whilst protecting the international competitiveness of Australian industry and Australian jobs and therefore, wealth; and

incorporates effective consultation processes with stakeholders that reflect the direct significance of greenhouse issues, policies and measures to those stakeholders.

Until the establishment of the Australian Greenhouse Office the Commonwealth Government approached greenhouse gas emissions abatement policy in a non-strategic manner. This was characterised by an ad hoc assemblage of 'portfolio' focussed abatement/reduction measures biased towards targets that are most easily achievable, and developed without adherence to the national principle of protecting the competitiveness of Australian industry, and without consideration of the impact this would have on the wealth of the country.

Establishment of the Australian Greenhouse Office (AGO), under the collective responsibility of the environment, industry and resources Ministries moves some way towards integrating issues across portfolio's and providing a whole-of-government approach to greenhouse matters. Unfortunately, while the AGO has been established as a separate agency from the Environment Portfolio, it is still located within the Environment department, and has developed a perception within industry that it lacks a comprehensive strategic framework for policy development.

Consultation with stakeholders on a range of environment based issues, not just greenhouse, has been highly variable, and often piecemeal and ad hoc. Too often consultation occurs too late in the process to allow issues raised by stakeholders to be incorporated in the policy processes. Consultation time is often too short for stakeholders to give full and adequate consideration to issues. As noted, this situation is not unique to greenhouse policy; consultative processes for NEPMs and reform of

environmental legislation have also been inadequate and, in part, have contributed to the unsatisfactory nature of many of these policies.

A New Model for ESD Implementation

The Council considers that the Productivity Commission should develop for their inquiry and analysis, conceptual frameworks and evaluation mechanisms which

recognise the broader concept of sustainable development and give equal weighting to its environmental, social, and economic dimensions.

It is clear that current administrative arrangements within the Commonwealth Government are inadequate to ensure that the three pillars of sustainable development are fully integrated by Commonwealth departments and agencies in policy development and the implementation of legislation affecting economic development.

The implementation of ESD needs to be undertaken on a whole-of government basis to ensure that the full breadth of portfolios with a responsibility for ESD issues have a role in the decision-making process. Co-ordination of ESD issues across government needs to be improved to maximise efficiency and to ensure that specific portfolios with specific responsibilities for ESD have the appropriate influence on decision-making.

Two potential approaches to the effective implementation of the principles of ESD would be the creation of a Cabinet rank sustainable development department. The Cabinet could establish a committee under the chairmanship of the minister responsible for this department to oversee inter-departmental co-operation on government-wide issues of ESD, including greenhouse gas emissions abatement measures, matters of national environmental significance under Commonwealth environmental legislation and NEPMs. AS an alternative, a specific Cabinet Committee comprising the relevant ministers could review submissions put forward by Portfolio Ministers prior to the Cabinet making final decisions.

The Council would welcome future opportunities to provide input to the inquiry into implementation of ESD by Commonwealth departments and agencies.

Thank you again for the opportunity to provide comment on the discussion paper. Please contact Mr Paul Marsh at the Minerals Council on (02) 6279 3627 to discuss further.

Yours sincerely

Barry Vellnagel
ACTING EXECUTIVE DIRECTOR

Enclosure: Submission to the Senate Legislative Committee inquiring into the Environment Protection and Biodiversity Conservation Bill
(This document is difficult to scan. A copy can be inspected at both our Melbourne and Canberra office libraries.)