

Towards 20/20 Environmental Policy Vision in Australia

Giorel Curran
Griffith University

Paper presented to the Institute of Public Administration Australia (IPAA)
Conference, Griffith University, 27 – 28 November, 2003

Abstract

Australian environmental policy has come a long way since environmental issues gained prominence in the 1960s and 1970s. There has been an accelerating social and political awareness of the urgency of many environmental problems. In response, the last 30 years has seen an enormous growth in institutional capacity for environmental policy. Despite such strides, three key and interrelated factors continue to complicate Australia's future capacity for effective environmental policy. First, while meta-policies such as ESD have helped to defuse the view that regard for the environment is won at the expense of economic development; a zero-sum game mentality continues to permeate the environmental policy debate. The 'national interest' continues to be defined and privileged in terms of economic growth and development. Second, as a net exporter of energy, Australia remains reliant on fossil fuels both for its export industries and for its industry generation. Australia's capacity to attract investment lies in part in its comparative advantage of plentiful, relatively inexpensive but highly polluting energy inputs. This problematises both its domestic and international environmental policy responses. Third, Australia's federal structure and the states jurisdictional sovereignty over state development and natural resources makes inter-governmental cooperation on environmental policy mandatory, particularly since federal environmental policies often require implementation at the state level. Political factors can retard this necessary cooperation and coordination.

This paper reviews the Australian environmental policy experience in terms of these three factors. Drawing on a broad range of examples to illustrate its discussion, the paper speculates on Australia's future capacity for responsive environmental policy. It argues that 20-20 vision on environmental policy still depends on robust political commitment to sustainability, achieved in partnership with business and a vigorous civil society.

Introduction

Australian environmental policy has come a long way since environmental issues gained prominence in the 1960s and 1970s. There has been an accelerating awareness of the urgency of many environmental problems. In response, the last 30 years has seen an enormous growth in institutional capacity for environmental policy. To this degree the Australian environmental policy experience has been commendable. At the same time, it has been a limited one. While the significant number of institutional and policy achievements over the past three decades is indeed commendable, many opportunities to increase environmental policy capacity have been sidestepped. According to the OECD (1994:8) environmental capacity refers to “a society’s ability to identify and solve environmental problems”. The term incorporates the contributions of social actors as well as more formal political and institutional capacity. Environmental capacity mirrors the concept of ‘integrated governance’ understood as “the structure of formal and informal relations to manage affairs through the collaborative (joined-up) approaches which may be between government agencies, or across levels of government (local, State and Commonwealth) and/or the non-government sector” (IPAA, 2002:1).

This paper reviews the Australian environmental policy experience in the light of some key factors identified as problematising Australia’s environmental policy capacity. It draws on some useful examples to illustrate its argument that there is still a considerable way to go before Australia achieves clarity in its 20-20 environmental policy vision. While, for stylistic reasons, these key factors are discussed quite separately, this should not undermine their interconnectedness and interrelationship. First, while meta-policies such as ESD have helped to defuse the view that regard for the environment is won at the expense of economic development; a zero-sum game mentality continues to permeate the environmental policy debate. The ‘national interest’ continues to be defined and privileged in terms of economic growth and development, despite the best intentions of the ESD framework to inject ‘triple bottom line’ thinking into policy design. The ecological modernisation view that investment in environmental protection represents a win-win for both business and society has enjoyed only limited penetration in Australian environmental policy design (Hajer, 1995; Mol, 2001; Young, 2000). This is reflected both politically and institutionally. The often dominant political commitment to economic goals vis-à-vis environmental ones manifests in a complex number of ways. This is illustrated in this paper through a comparison of two meta-policies, one economic and the other environmental, that uncovers a stronger political and institutional commitment to the former vis-à-vis the

latter. Ten years since the inception of ESD, and despite the best of intentions, there also remains limited incorporation of ESD principles into institutional design. The Productivity Commission's (1999) enquiry into the implementation of ESD by Commonwealth departments and agencies testifies to this. This is despite the requirement of the new EPBC (1999) Act that all Commonwealth departments report on progress towards the departmental incorporation of ESD principles and processes.

Second, as a net exporter of energy, Australia remains reliant on fossil fuels both for its export industries and for its industry generation. Australia's capacity to attract investment lies in part in its comparative advantage of plentiful, relatively inexpensive but highly polluting energy inputs, despite trends towards cleaner electricity generation. In its economic survey of Australia, the OECD noted that Australia's economic and export reliance on its natural resource endowments means that "Australian attitudes to global energy conservation are highly influenced by issues of natural comparative advantage as well as international competitiveness" (OECD, 2001). This problematizes both its domestic and international environmental policy responses and hampers Australia's commitment to innovative industry development, particularly in the areas of burgeoning green technologies. This tension is reflected in Australia's stance on the Kyoto Protocol on climate change. Finally, Australia's federal structure and the states jurisdictional sovereignty over state development and natural resources makes inter-governmental cooperation on environmental policy mandatory, particularly since federal environmental policies often require implementation at the state level. This is well illustrated in the recent standoff between the Commonwealth and Queensland governments over tree clearing in Queensland. Before discussing these three factors, it is important to review the state of the Australian environment.

State of the Australian Environment

The major environmental challenges facing Australia into the future include the potential impacts of climate change, the protection of unique biodiversity, the conservation and rehabilitation of land and water resources, and the overall reduction of air and water pollution (see UNEP, 2003). Land and water degradation remains one of Australia's major environmental problems, generating enormous costs to the Australian economy. The depletion of Australia's marine environment is particularly alarming. It threatens not only unique biodiversity but also many industries – tourism, fishing and aquaculture – that depend on ocean and coastal integrity. UNEP (2003)

estimates, for example, that land and water degradation costs up to “\$AUD3.5 billion per annum ... [with] at least 2.5 million hectares (5 per cent of cultivated land) in Australia currently affected by dryland salinity ... [and projected to] ... rise to 17 million hectares by 2050 if the problem is not addressed”. The impacts of salinity are widespread with “[d]ryland salinity adversely affect[ing] agricultural production and also damag[ing] infrastructure such as roads and buildings” (UNEP, 2003).

To its credit the Commonwealth government initiated a \$AUD1.4 billion National Action Plan for Salinity and Water Quality in 2000, as well as \$AUD1 billion, five-year extension to National Heritage Trust funding. An important and historic agreement on water reform between the Commonwealth and states was completed in September 2003. It seeks to restore health to Australia’s degraded river systems, including the Murray Darling Basin and the Snowy by introducing better water conservation practices and regulating water flows between the needs of the agricultural sector and the environment itself (Lewis et al, 2003:1). Acknowledged as an important step in the right direction for rescuing Australia’s ailing river system, time will tell if sufficient resources and funding have been devoted to the reversal of such a far-reaching problem, and – importantly – if implementation of the plan has been sufficiently rigorous. The history of water reform and attempts to address the accelerating degradation of Australia’s river systems has not, after all, been a successful or salutary one. Effective, coordinated policies have thus far been limited.

Recognised as one of only seventeen ‘mega-diverse’ countries in the world, the degradation and threats to Australia’s biodiversity becomes even more alarming (UNEP, 2003). The continuing very high levels of tree clearing is one of the biggest contributors to this accelerating loss of biodiversity. According to the *Australian Terrestrial Biodiversity Assessment Report 2002*, nearly 3000 bushland ecosystems are at risk and over 1595 animal and plant species threatened; mammal and bird populations are also threatened, even in areas considered relatively safe from the impacts of biodiversity loss such as the Northern Territory, Kadadu, Cape York and the Kimberleys (see Australian Conservation Foundation, 2003)

Integrating environmental and economic goals

In 1992, the Hawke-Keating Labor Government introduced the National Strategy for Ecologically Sustainable Development (NSES). The Strategy was the outcome of recommendations by a number of ESD workings groups tasked with finding policy solutions to the fractious environmental disputes that characterised the 1980s. It was

a bold policy experiment designed to forge negotiated settlements between ostensibly oppositional stakeholders such as environmentalists and industry. The Strategy was to take a whole-of-government approach to incorporating ESD principles and practices into various departments and agencies. It identified three core ESD objectives:

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

These core objectives were buttressed by important guiding principles, especially:

- The need for decision making processes to effectively integrate long term and short term economic, environmental and social considerations; and
- That a lack of full scientific certainty should not be used as a reason for postponing action – known as the precautionary principle (CoA, 1992).

Like its international counterpart, Sustainable Development, the Australian version of ESD has successfully penetrated the Australian lexicon, both as a policy framework and as a ethical standard. Again like its counterpart, however, it runs the risk of rhetorical hollowness. Almost a decade later, the general assessment of the ESD strategy is that progress has been partial and implementation success limited.

In 1999 the Productivity Commission released an Inquiry Report on the *Implementation of Ecologically Sustainable Development by Commonwealth Departments and Agencies*. The Commission's main tasks were to explore progress towards the incorporation of ESD into policy and program development by the environment-related Commonwealth departments and agencies, along with a review of the mechanisms for monitoring and evaluating the implementation of ESD (Productivity Commission, 1999:v). The Report identified some of the key factors that contributed to ESD implementation deficits. These include the "lack of clarity regarding what constitutes ESD related policies"; "a failure to follow 'good practice' policy making principles"; "a tendency to act on problems which are immediately visible" and "a lack of long term focus" (1999:XXII-XXIII).

This confusion, or 'lack of clarity' about what ESD – or sustainability – means continues to complicate the environmental policy process in Australia. The term can

be interpreted benignly or pro-actively, depending on stakeholders' priorities and agendas. Generally speaking, environmentalists emphasise the ecological sustainability component of ESD while industry might equally emphasise the development component. This means 'all things to all people' aspect to sustainability helps explain both its appeal and its shortcomings as a policy tool. For many, ecological sustainability is seen to depend on economic sustainability – thus the claim is that focusing on the latter will invariably achieve the former. For example, in its 2001 – 02 Annual Report, the Commonwealth Department of Industry, Tourism and Resources states that:

Economic progress through improvements in the competitiveness of Australian industry contributes to Australia's ability to meet other social and environmental goals. Through the development of and delivery of industry programs and the provision of business information services, the Department promoted sustainable production growth in Australian industry and sustainable development of the Australian economy as a whole (DITR Annual Report, 2001-02)

Others not so convinced, argue that while economic development is an important goal, market criteria and market instruments are not always a panacea for environmental problems. This underscores the importance of an inclusive policy framework that incorporates the inputs of a wide variety of community stakeholders. This inclusivity also approximates the 'integrated governance' decision making framework that is gaining increasing currency in the policy making literature (see IPAA, 2002). Nonetheless, sustainable development remains an influential concept. Much of its appeal lies in its promise that "we can have it all: economic growth, environmental conservation, social justice" (Dryzek, 1997:132).

The Brundtland Report's (1987) definition of sustainable development continues to be the most utilised and widespread: it is development that "meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED, 1987:263). While this is now a standard definition, its generality means that it can be accommodated to meet very different agendas. In this way, business may put emphasis on the development part of the equation, environmentalists on ecological sustainability and governments on the pragmatic policy collaboration between the two. Less credited is the Brundland Report's further admonition that the success of sustainable development rests on political will and political leadership. The Report argues that "[p]ainful choices have to be made ...

[and that] in the final analysis, sustainable development must rest on political will” (WCED, 1987:263). To the “triple bottom line” of sustainable development – economic, social and ecological – there can thus be added a political fourth – political will or political leadership as a critical driver of sustainability. It is often this factor that is weakly represented in the trajectory of environmental policy in Australia.

Comparing economic and environmental meta-policies

The continued tension between development and environment goals, and the frequent privileging of the former at the expense of the latter, is exemplified well in the policy example of National Competition Policy (NCP). A comparison of a key economic meta-policy – National Competition Policy – with an environmental one – ESD – illuminates the relatively limited policy commitment to environmental vis-à-vis economic goals. It also helps pinpoint the kind of political commitment that strengthens policy penetration and success. The application to ESD of the kinds of policy development steps and funding measures that characterise NCP would go a considerable way towards strengthening both the commitment and outcomes of environmental policy capacity as a whole. In a comparative investigation of these two meta-policies it was noted that:

NCP has in short proved to be a powerful strategy for achieving considerable policy change in a relatively short period of time ... Its strength and success lies in part in the coherence of its structure and the powerful incentives attached to its implementation plan. ESD, on the other hand, was undermined by a relative lack of policy coherence, less effective implementation incentives and weaker political commitment. Indeed, what is interesting about the policy differences between ESD and NCP ... is the fact that ESD appeared to miss out on most of the components that contributed to NCP’s overall strength (Curran & Hollander, 2002:167).

There were several policy components that reinforced NCP’s policy clout. The cross application of these components would benefit environmental policy considerably. These included the fact that NCP enjoyed political support at the highest levels – Prime Minister and Cabinet and Treasury – to a degree environmental policy can only envision. It is thus heartening to see the Prime Minister – through the auspices of Council Of Australian Governments – taking charge of recent water reform, although the success of this policy and on-going political commitment remains untested. Policy success also depends on the robustness of the policy monitoring and implementation regimes (Productivity Commission, 1999). ESD did not enjoy the

rigorous monitoring and compliance measures attached to NCP, nor was it privy to the fulsome financial compensation packages attached to NCP.

At the very outset, the strong commitment to meta-economic policy was indicated by the dedication of considerable funds to problem definition – that is, to investigating and reviewing the perceived problems. While there was reasonable funding commitment to ESD it paled against the determination of NCP to retrospectively uncover uncompetitive practices in extensive swathes of government legislation. To this end, 1800 pieces of legislation were reviewed in an effort to uncover uncompetitive elements. As Dovers (1997:80) observed “[n]o one concerned with sustainability would dare fantasise that the 1800 pieces of Australian statute law could ever be subjected to a review seeking ‘unsustainable elements’”. Such a review would, however, contribute considerably to a clearer conceptualisation of ESD and would assist the practical integration of sustainability principles into the policy mainstream and into institutional design. An overall explanation of NCP’s strength rests on the ideological coherence of the competition principle that underpinned it. Thus while the conceptualisation of sustainability was vague and fragmented, commitment to the economic principle of competition made much sense to a broad spectrum of political and administrative actors. In this way, “NCP was able to slot in far more comfortably into the dominant [economic liberal] policy framework – both theoretically and ideologically [than ESD]” (Curran & Hollander, 2002:167).

Incorporating sustainability principles into institutional design

The success of NCP relied on the robust integration of its operational principles into institutional design. Environmental policy and ESD has not enjoyed such comparative integration. The design of the new Environment Protection and Biodiversity Conservation Act (1999) claims to redress these integration deficits. The EPBC Act represents one of the most significant overhauls of environmental policy and legislation over the past 20 years. It collapses many disparate pieces of legislation into a single umbrella Act that sets the fundamental framework for environmental policy into the future. ESD principles frame the Act’s policy and program development. To assist the penetration of ESD into departmental business, section 516A of the EPBC Act now requires all Commonwealth departments and agencies to report on their contributions to ESD. This section of the Act responds to the NSESD’s observation that governments need to make changes to their “institutional arrangements to ensure that ESD principles and objectives are taken into consideration in relevant policy making processes” (NSESD, 1992:3). In assessing

such integration, it is useful to review the responses by Commonwealth departments to the requirements of the EPBC Act. The departmental reporting on their ESD activities provides an interesting – if partial – indicator of ESD commitment.

Curran (2003) reviewed Commonwealth Departments 2001 – 02 Annual Reports in an effort to uncover ESD-related data. Her findings, whilst in a different context, mirrored many of the findings of the Productivity Commission investigation of ESD referred to above. Generally speaking, ESD sections in the annual reports varied considerably in size and detail. Not unexpectedly, the specifically environment-related departments provided the most comprehensive reports. Most ESD reporting was confined to a one to two page appendix at the end of the report, however. Some departments specifically mentioned some ESD principles and related them, in some specific capacity or other, to related programs or processes. Others articulated the principles but provided little or no substantive detail. This echoes the susceptibility of sustainability principles to “rhetorical capture” and the consequent difficulty of determining levels of commitment from such general absorption of the language of sustainability. The data also highlights the limited information provided by the senior departments. This is an important finding, given that successful ESD integration relies on active political leadership at the most senior reaches of government.

The 2001-02 Annual Reports provided the first opportunity for most Commonwealth departments to report on their contributions to ESD as required by the EPBC (1999) Act. The cursory nature of most of these reports was thus disappointing. The reporting requirement exposed the widespread unfamiliarity – or even disinterestedness – of many departments with the ESD framework. This is despite the fact that the principles of ESD were embodied in the NSESD – the strategy which most governments endorsed in the early 1990s. Most Commonwealth departments would have been cognisant of the ESD framework even if the more specific reporting requirement is a recent legislative development.

The integration of ESD principles into established departmental practices thus has a considerable way to go. Effective integration is often hampered by political and administrative settings dominated by economic rationalities, often at the expense of socio-ecological ones. Curran’s (2003) preliminary investigation of ESD reporting demonstrated a limited preparedness to grapple with the challenge of sustainability. Despite the Productivity Commission’s 1999 recommendation that there be more direct integration of ESD principles into policy and program design, few of the departments referred to planned changes to their decision-making processes to

promote more robust sustainability outcomes. Certainly there was no talk of systematic review of departmental practices, programs or policies with a view to identifying 'unsustainable elements'.

Australia's resource base and policy innovation

The Kyoto Protocol on climate change was, and continues to be, a contentious international political development for Australia. This is because it goes to the heart of one of Australia's fundamental environmental policy complications: that is, the reliance on a greenhouse gas intensive natural resource base for economic and export advantage. The protocol's eventual outcome committed participating developed countries to reducing their GHG emissions by 5 per cent below 1990 levels by between 2008 – 2012. While this was well below the levels recommended by the International Panel on Climate Change to stabilise climate change, the 5 per cent reduction was a much contested and divisive target. There was vigorous disagreement over whether there should be fixed percentage reduction targets or differentiated targets. Australia was ultimately successful in arguing for a differentiated target – that is, an 8 per cent increase above 1990 levels and the capacity to factor land clearing abatement measures in its calculations. Australia was thus successful in convincing the international community that, as an energy intensive economy and a net exporter of energy, a 5 per cent reduction target would unfairly disadvantage it economically, especially in comparison to most other developed countries.

Climate change policies are complex and problematic. The Howard Government claims that as an energy intensive country and net energy exporter, Australia would suffer from "carbon leakage" – that is, the shift of energy and emissions intensive industries to non-Protocol countries – unless developing countries are included as Protocol parties. The government is thus reluctant to ratify a Protocol that excludes the developing countries. In any case, Australia considers that without the participation and inclusion of the US, the Protocol is critically weakened.

While Australia is not a party to the Kyoto Protocol it continues to strive for the negotiated target. To this end it has developed specific policies, programs and agencies tasked with reducing greenhouse gas emissions. Foremost among these developments is the Australian Greenhouse Office – one of the world's first dedicated greenhouse agencies – which develops and administers a broad range of programs in partnership with business and the community in general. The Greenhouse Office's

primary task is the sponsorship of cost-effective abatement strategies as well as the promotion of renewable energy alternatives. The Greenhouse Office has achieved some important objectives, and introduced some important new environmental policy instruments. For example, the Greenhouse Challenge, established in 1995, encouraged business to achieve efficiency gains through reducing their greenhouse gas emissions. Reliance on largely voluntary measures limited the gains achieved from such innovative measures. This reflects business' limited enthusiasm for investment in greenhouse abatement technologies as well the fact that voluntary self-regulation efforts have achieved minimal emission reductions. Thus despite government commitment to achieving the Kyoto target of +8 per cent of 1990 levels, latest figures indicate a considerable shortfall. Recent figures show that while national greenhouse gas emissions decreased in 2001, Australia's emissions in 2010 will still be 2 per cent higher than the Protocol negotiated level of +8 per cent (Peatling, 2003:3). Significantly, the figures demonstrated that, despite the overall decrease in 2001, emissions from the energy and transport sectors increased considerably: for example, the emissions from road transport increased by 24.2 per cent from 1990 levels, with the energy sector as a whole contributing 68 per cent – an increase of 29 per cent (Peatling, 2003:3).

The Howard Government argues that as an energy intensive country and net energy exporter, unless developing countries are included as Protocol parties, Australia would suffer from "carbon leakage" – that is, the shift of energy and emissions intensive industries to non-Protocol countries. The United States has used similar arguments to defend its refusal to be a party to the Protocol. The consequences of non-ratification of Kyoto Protocol can outweigh ratification, however, especially if Australia is denied an opportunity to participate in international emissions trading. An inability to participate in technology transfers or Clean Development Mechanisms could lead to potential loss of export earnings, as well as a missed opportunity to invest in cleaner green technologies, projected to grow significantly in the future.

A recent report by the US Pew Centre has explored the potential implications for US companies of Kyoto's entry into force without the US (in *Australian Financial Review*, 2002:26). These findings can, to a significant degree, be extrapolated to Australia. First, the report raises the possibility of the targeting of non-Kyoto parties from gaining unfair competitive advantages through WTO – potentially threatening trade measures against US and Australia. Second, the report considers the potential of consumer boycotts towards non-parties as well as the potential for trade measures by Kyoto parties against non-parties. Finally, a preferential trading regime between

Kyoto parties to the exclusion of non-parties is also considered. The Report concludes that:

Some commentators argue that Kyoto will produce benefits rather than costs, by inducing innovation and giving industry in Europe and Japan a head start in developing new technologies to cut emissions. In the long run, they argue, climate change will require the adoption of emission-reducing technologies and 'first movers' will gain advantage in this technological transformation. Similarly, Kyoto could spur Kyoto-impacted companies to establish a business presence in developing countries in order to undertake CDM (clean development mechanism) projects, which could ultimately result in better access to developing country markets (*Australian Financial Review*, 2002:26).

Beside commitment to the national and international effort on containment of global warming, greenhouse abatement strategies also highlight a country's commitment to industry and research innovation. In this way, the refusal to ratify the Kyoto Protocol represents a lost opportunity for Australia to place itself at the forefront of research and investment innovation in the burgeoning pollution abatement and renewable energy technologies. Lamenting these lost opportunities, the Australian Auditor-General of a decade ago commented that there was 'significant untapped potential in Australia to save money and resources on energy use, as well as ... contribute to our industrial competitiveness, greater economic prosperity and improved quality of life' (Auditor-General 1993). A decade on, much of this potential remains untapped.

Environmental policy coordination in a federal state

Most of the issues raised above are further problematised by Australian federalism and its impact on the capacity for cooperative and coordinated environmental policy making. The states retain important jurisdictional power over environment-related areas such as land, water and energy resources. In addition the states rely on the revenue and employment generated by resource development. While certain constitutional provisions such as the external affairs power has enabled the Commonwealth an opportunity to assert considerable environmental decision-making power in the past, such decisions were often political rather than constitutional, with governments of late choosing a decidedly non-confrontational path. Addressing transboundary issues such as degradation and salinity of the cross-state Murray Darling Basin nonetheless requires coordinated and cooperative state strategies overseen by the Commonwealth. While little direct environmental power is conferred the Commonwealth, the new EPBC Act does grant the Commonwealth jurisdictional

powers over areas of national environmental significance including international environmental treaties and the protection of biodiversity. There is thus considerable scope for Commonwealth leadership on national environmental policy.

The critical issue of tree clearing highlights the political and institutional difficulties confronting comprehensive environmental policy making in a federal state. It also represents an area where coordinated and cooperative federal policy is imperative. While the states have primary constitutional jurisdiction over land clearing regimes in their territories, the effective addressing of the Commonwealth's environmental policy responsibilities – such as the protection of biodiversity – demands a coordinated policy response. This is a politically fractious requirement, impacting not only on federal-state relations but also on the Commonwealth's other major environmental objectives such as greenhouse gas mitigation, to which tree clearing contributes significantly. Land clearing is now acknowledged as one of the largest contributors to biodiversity loss in Australia, as well as a contributor to dryland salinity and soil and water degradation. Indeed, Australia is claimed to have the highest tree clearing rate of the developed nations, with two thirds of this clearing taking place in Queensland (ACF, 2003). The OECD (2001) notes the paradox that sees the states clearing large tracts of native vegetation while the Commonwealth seeks to protect other tracts of this native vegetation through its Bushcare programs. It concludes that “this inconsistency [largely] reflects an institutional problem, as states have primary constitutional responsibility for tree clearing regimes, while the Commonwealth has been financing the Bushcare Programme ... illustrating the difficulties of policy co-ordination in a federal country”.

The Queensland example is a useful and representative one. One of the factors that has stymied the effort to introduce tree clearing mitigation legislation in Queensland has been the issue of compensation. The Queensland Government has been caught in a political wrangle with the Commonwealth over adequate financial compensation packages that would duly compensate Queensland farmers for both the economic loss that would ensue from tree clearing, and the transitional stages towards more sustainable land management practices. Such compensation would also acknowledge the contributions of the state and the farmers' to the national environmental goal of biodiversity protection and greenhouse gas mitigation. In May 2003, with the support of the Commonwealth, the Queensland government announced a moratorium on new applications for land clearing permits, allowing time for further negotiations with affected stakeholders as well as the refinement of compensation procedures.

Significantly, the Commonwealth and Queensland governments agreed on a joint and coordinated proposal to phase out broad-scale land clearing in an effort to protect threatened biodiversity. Once again, the newness of the proposal means that it remains untested. It is nonetheless an important cooperative intergovernmental step towards coordinated environmental policy. Furthermore, compensation precedents in other areas do exist. For example, a generous financial compensation package was critical to achieving state governments' support for the policy overhaul that constituted National Competition Policy. This compensation package was pivotal to realising the goals of Competition policy Australia wide, demonstrating the Commonwealth's capacity to commit to nationwide economic reform. A similar demonstration of Commonwealth commitment to environmental reform on tree clearing would see the Commonwealth replacing its hesitant stance with a more fulsome one, knowing full well that an attractive compensation package is very successful in dragging previously recalcitrant states to the table of national policy reform. It is hoped that the recent May 2003 moratorium on tree clearing in Queensland heralds a shift away from the previous Commonwealth view that insisted that Queensland was adequately resourced through the National Heritage Trust to forge its own tree clearing policy regime and further Commonwealth involvement was not warranted.

Conclusions

These are of course complex problems for which there are no easy solutions. There have also been some significant policy and institutional achievements over the past few decades that have pointed environmental policy making in a positive direction. Nonetheless, this paper argues that Australian environmental policy can be strengthened considerably by more adequate problem definition and a refocusing of the environmental policy process. On an institutional level, stronger environmental policy can be assisted by the more practical integration of sustainability principles into institutional design. One way of doing this is through the establishment of 'ESD units' within each department (Dovers, 1997, Dovers, 2001, Yenchken 2000). These units could be tasked with embedding ESD principles into a range of departmental policies and processes, as well as taking responsibility for comprehensive annual ESD reporting against clearly determined benchmarks. This would complement the Productivity Commission's recommendation that:

Consistent with the principles of good practice policy making, departments and agencies should regularly, and as a matter of course, monitor the efficiency and effectiveness of their ESD related policies, programs and regulations. As such, the development of performance indicators against clearly stated objectives should occur early in the policy development phase (1999:xxx).

As noted throughout our discussion, effective political leadership – at both a Commonwealth and state level – is pivotal to environmental policy success into the future. The coordinated Queensland-Commonwealth moratorium on tree clearing is an important step in this direction. At a Commonwealth level, central departments such as Prime Minister and Cabinet, Treasury and Finance and Administration are well positioned to undertake and model this strong ESD leadership role.

Policy and industry innovation is also central to environmental policy capacity. While this discussion acknowledges the complexity of introducing radical greenhouse gas abatement measures in a nation that relies heavily on greenhouse gas intensive resource industries for both economic and employment growth, there is nonetheless significant room for a more focused engagement with the economic and employment opportunities generated by climate change. Some European countries – Germany in particular – have been at the forefront of forging highly profitable green technologies – technologies often predicted to herald a new economic growth frontier. As Yencken (2000:27) noted, there is “significant opportunity to combine environmental, industry and employment policies to achieve multiple policy objectives”. This includes the active support for new green industries such as energy efficiency and renewable energy industries, waste management and clean production and ecotourism, to name a few (Yencken, 2000:28). In this way, the current win-loss ‘no regrets’ stance on greenhouse gas abatement policy in Australia could be transformed to the win-win of environmental protection and economic gain. At the same time, the OECD (2001) noted that while climate change policy in Australia was complicated by Australia’s resource base, “a relatively high share of Australian greenhouse gas emissions in 1990 was related to changes in land-use, providing more scope here for reduction compared with other OECD countries”. This provides considerable scope for the effective marrying of changes to land management practices with the broader national goal of greenhouse gas abatement.

Overall, there have been significant achievements in environmental policy and institutional design over the three decades (see Papadakis, 2002). To the current government’s credit, institutional innovations such as the Natural Heritage Trust and

the Australian Greenhouse Office are important accomplishments. Even so, “these reforms have failed to achieve their full potential” because of limited institutional and funding commitments to achieving sustainability goals (Christoff, 2002:11). 20-20 vision on environmental policy still depends on robust political commitment to sustainability, achieved in partnership with business and a vigorous civil society.

References

Auditor-General, 1993, *Efficiency Audit: Implementation of an Interim Greenhouse Response*, Audit Report No.32, Australian Government Publishing Service, Canberra.

Australian Conservation Foundation, 2003, *Land Clearing in Queensland: The Problem and the Solution*, www.acfonline.org.au/

Brundtland Commission, 1987, *Our Common Future*, World Commission on Environment and Development.

Christoff, P. 2002, “In reverse: how far has Australia advanced in its environmental efforts since the first WSSD in 1992?”, *Habitat Australia*, Vol.30, No.5, October, pp.10 – 13.

Commonwealth of Australia, 1992, *National Strategy for Ecologically Sustainable Development*, www.ea.gov.au/esd/national/nsepd/strategy/

Commonwealth of Australia, 1999, *Environment Protection and Biodiversity Conservation Act*, www.ea.gov.au/epbc/

Commonwealth of Australia, 2001 – 02, Department of Industry, Tourism and Resources, *Annual Report*.

Australian Journal of Environmental Management, Vol.9, No.3, pp.158 – 168.

Curran, G. & Hollander, R. 2002, “Comparing Policy Mindsets: ESD and NCP Compared”, *Australian Journal of Environmental Management*, Vol.9, No.3, pp.158 – 168.

Curran, G. 2003, “Conceptualising and institutionalising sustainability: ESD views from the departments”. Paper presented to the Australasian Political Science Association (APSA) Conference: University of Tasmania, 29th September – 1st October.

Dovers, S. 1997, “ESD and NCP: parity or primacy?”, in Carter, M. (ed) *Public Interest in the National Competition Policy: Implementation Issues – getting it right*, PSRC Seminar Paper No.23, Kensington: UNSW Press.

Dovers, S. 2001, “Institutions for Sustainability”, *Tela Papers*, Australian Conservation Foundation, www.acfonline.org.au/publications

Dryzek, J. 1997, *The Politics of the Earth: Environmental Discourses*, Oxford: Oxford University Press.

Hajer, M. 1995, *The Politics of Environmental Discourse: Ecological Modernisation and the Policy Process*, New York: Oxford University Press.

Institute of Public Administration Australia (IPAA), 2002, *Working Together: Integrated Governance*, IPAA National.

Janicke, M. 2002, "The Political System's Capacity for Environmental Policy: The Framework for Comparison", in Weidner, H. & Janicke, M. (eds) *Capacity Building in National Environmental Policy*, Berlin: Springer.

Lewis, S., Karvelas, P. & Walquist, A. 2003, "Water deal to rescue rivers", in *The Weekend Australian*, 30-31 August, p.1

Mol, A. 2001, *Globalisation and Environmental Reform: The Ecological Modernisation of the Global Economy*, Cambridge, Mass: MIT Press.

National Land & Water Resources Audit, 2002, *The Australian Terrestrial Biodiversity Assessment Report 2002*, available from <http://www.acfonline.org.au/asp/pages/document.asp?ldDoc=1286>)

OECD Economic Surveys – Australia, August 2001, *Enhancing environmentally sustainable growth*, Paris: OECD Publications.

OECD, 1994, *Capacity Development in Environment*, Paris: OECD Publications.

Papadakis, E. 2002, "Environmental Capacity Building in Australia", in Weidner, H. & Janicke, M. (eds) *Capacity Building in National Environmental Policy*, Berlin: Springer.

Peatling, S., 2003, "Greenhouse Gases Decrease", in *Sydney Morning Herald*, 19th September, p.3.

Productivity Commission, 1999, *Inquiry Report on Implementation of ESD by Commonwealth Departments and Agencies*, AusInfo, Canberra.

United Nations Environment Programme (UNEP), 2003, <http://www.unep.net/profile/index.cfm?countrycode=AU>

US Pew Centre on Global Climate Change Report: *Implications for US companies of Kyoto's entry into force without the US (2002)*. in *Australian Financial Review*, Feb 23-24, 2002:26

Yencken, D. 2000, "Sustainable Australia: Refocusing Government", *Tela Papers*, Australian Conservation Foundation, www.acfonline.org.au/publications

Young, S. (ed), 2000, *The Emergence of Ecological Modernisation: Integrating the Economy and the Environment?*, London: Routledge.