



Australian Government

**GOVERNMENT RESPONSE TO THE REPORT BY THE
HOUSE OF REPRESENTATIVES STANDING
COMMITTEE ON ENVIRONMENT & HERITAGE:**

***‘EMPLOYMENT IN THE ENVIRONMENT SECTOR:
METHODS, MEASUREMENTS AND MESSAGES’***

September 2005

PREAMBLE

The Government welcomes the opportunity to respond to the report on the House of Representatives Standing Committee on Environment and Heritage (the Committee) inquiry into employment in the environment sector, titled *Employment in the Environment Sector: Methods, Measurements and Messages*.

The terms of reference for the inquiry were to inquire into:

- The current contribution of environmental goods and services to employment in Australia;
- The future potential growth, including barriers and opportunities for growth, of environmental goods and services, and impact on employment;
- Current status and future requirements for an appropriately skilled workforce;
- Appropriate policy measures that could encourage the further development of the environmental goods and services sector; and
- Information and reporting systems that would support the uptake of environmental goods and services to enhance overall business performance and development of the sector.

The report notes that the inquiry process became shorter than initially envisaged by the Committee as the Committee received little evidence suggesting that there were intractable problems concerning employment opportunities or growth in the environment sector. To the contrary, the report goes on to say that there is evidence of positive initiatives being implemented across a number of sectors.

The Government agrees with this assessment – since the inquiry commenced, and increasingly now, there has been a strong labour market. Additionally, the strong employment growth of recent years has seen the unemployment rate fall to 5.6 per cent, which is close to the previous lows of the past 25 years. The Committee, therefore, saw its role as consolidating and expanding the many initiatives in train.

The report emphasises ecologically sustainable development (ESD), as the inquiry found that future growth in environmental employment is likely to be through integrating ESD principles especially across industry and the Australian Government. In particular the inquiry found that there is a need for better methods for implementing ESD principles, more refined measuring tools and greater information dissemination to promote the messages of ESD.

The report discusses a wide range of issues including: definition and data issues for the environment sector; public reporting guidelines; socially responsible investment; standardised terminology and assistance to small to medium enterprises to put in practice triple bottom line environmental accounting; government procurement policies and reporting on ESD; marketing the environment sector; harnessing consumer awareness through eco-labelling; the renewable energy market and initiatives to improve market awareness and promote product disclosure; and the supply and demand needs for environmental training and certification.

The Government recognises that a sustainable environment contributes to the competitiveness of the entire Australian economy. The report makes some

recommendations which recognise that responding to environmental issues must be done in a way that is supportive of Australia's social and economic interests.

A number of the sixteen recommendations made by the Committee cover areas where the Australian Government has already made substantial progress.

The Government supports nine of the recommendations, however there are also some particular areas of disagreement.

Three of the recommendations have been overtaken by events – the review of the role and mandate of the Mandatory Renewable Energy Target, the creation of the Environmental Purchasing Guide, and the establishment of the Certified Environmental Practitioner Scheme.

Responsibilities at the federal level for the matters raised in the recommendations rests across several departments. For example, in relation to training and sustainability reporting, the Department of the Environment and Heritage is responsible for sustainability reporting, and the Department of Education, Science and Training is responsible for facilitating the acquisition of education and training that supports the environment industry and related employment sectors. Industry Skills Councils, working in consultation with industry and state and territory training authorities, are responsible for the content of vocational education and training.

Since the report was written, there have been changes in responsibilities. On 22 October 2004 the Prime Minister announced that as from 1 July 2005, the Australian National Training Authority will be abolished and its responsibilities transferred to the Department of Education, Science and Training.

The Government's response to the recommendations made by the Committee follows.

RESPONSE TO RECOMMENDATIONS

Recommendation 1

The Committee recommends that the Australian Government provide the additional funding required to enable the Australian Bureau of Statistics to collect and make available ongoing and trend data on the environment industry in Australia.

The Government supports this recommendation in principle.

Reasons:

The Government recognises the importance of data on the environment industry in Australia. In recent years, the Australian Bureau of Statistics has produced data on various environmental issues including water accounts and surveys of energy, salinity, water use, etc. On 10 May 2005, the Government announced that it has provided additional funding to the Australian Bureau of Statistics to increase the data available on environmental issues. This funding provides for biennial Natural Resource Management surveys, to commence in respect of 2004-05.

The collection of data on the environment industry will depend upon the relative priorities given to such data. This will be determined in the context of the Australian Bureau of Statistics's various activities and the Government's overall budget priorities more broadly.

Recommendation 2

The Committee recommends that the Australian Government establish a centralised site for collating and making available comparative company triple bottom line reports and environmental performance reports.

The Government supports this recommendation and work is already under way.

Reasons:

The uptake of sustainability reporting in Australia continues to grow, albeit from a fairly low base. A survey conducted on behalf of the Department of the Environment and Heritage in June 2004 showed that 116 of Australia's top 500 companies were publishing sustainability reports in 2004.

The Department of the Environment and Heritage has undertaken a number of initiatives to encourage businesses to voluntarily report, firstly their environmental, and now their sustainability, performance to the market since 2000. The Department has worked cooperatively with stakeholders to improve the level, quality and comparability of sustainability reporting. Central to the Department's work has been encouraging

discussion on the benefits to business from pursuing corporate sustainability strategies and producing sustainability reports.

Where businesses voluntarily choose to report publicly on their triple bottom line performance, a centralised website for making sustainability reports available will help deepen market understanding of the links between corporate sustainability and the long term financial performance of companies. It would be of benefit to both reporters and report users. For reporters it is a way to disseminate reports and demonstrate performance. For report users it makes information easy to find and review. Financial markets are increasingly recognising the importance of sustainability to company success over the long-term, and a central website will contribute to development of efficient and informed capital markets.

The Department of the Environment and Heritage manages the online Sustainability Reporting Library (www.deh.gov.au/SRL). The library hosts electronic copies of over 400 reports from 120 organisations operating in Australia. The library homepage receives around 1000 'hits' a month.

Recommendation 3

The Committee recommends that the Australian Government:

- **Develop, as part of the small to medium enterprises set of environmental tools, an adaptable software package that would facilitate assessment and reporting; and**
- **Develop a set of measuring tools, appropriate to small to medium enterprises, to introduce companies to basic environmental performance assessment and reporting.**

The Government supports in principle the recommendation that tools be developed to assist small to medium enterprises assess and, where appropriate, report their environmental performance, but notes that such tools are already being developed by other organisations with expertise in this field, such as the Global Reporting Initiative.

Reasons:

The Government agrees that the availability of information is important in assisting small and medium businesses better understand and manage their environmental impacts. However, the Government considers that better internal management rather than external reporting should be the key focus for this sector, and that there are already tools available for this purpose. The Australian Government is not convinced it should also become involved in developing reporting tools for small to medium enterprises.

The uptake and quality of sustainability reporting is highest amongst large companies where the sector has a relatively high direct environmental impact. However, the drivers for reporting are starting to extend to smaller companies and lower impact sectors. For example, large organisations are increasingly requiring companies within their supply chain to demonstrate how they meet prescribed environmental performance standards.

Many of the tools currently available to assist with sustainability reporting (for example the Global Reporting Initiative) are geared toward larger organisations where the resources and systems dedicated to environmental management and reporting are more extensive. However, as the pressure for smaller companies to report increases, organisations such as the Global Reporting Initiative are responding through the development of guides on how their reporting framework can be applied by small to medium enterprises.

The Government remains mindful of unnecessarily increasing reporting burdens on small to medium enterprises, and notes that a voluntary scheme means that businesses can utilise such tools if they wish and in response to market demands.

Recommendation 4

The Committee recommends that the Australian Securities and Investments Commission:

- **Develop standardised terminologies and methodologies, which can be used by the investment community and consumers, to measure and verify the claims made in relation to socially responsible investment;**
- **Undertake an awareness raising program to increase consumer understanding of the range of socially responsible investments, and the methodologies and terminologies associated with them; and**
- **Develop guidelines to assist industry in preparing product disclosure statements and to enhance consumer understanding of product disclosure statements.**

The Government supports the development of standardised terminologies and methodologies, as well as guidelines to assist the preparation and understanding of product disclosure statements. The Government does not support promoting one form of investment product over another.

The Government notes that the first two parts of the recommendation, as worded, involve activities that go beyond the Australian Securities and Investment Commission's (ASIC) mandate from Government and involve promotional activities that are not in accordance with existing ASIC policy.

The Government supports the third part of this recommendation and work is already under way to assist industry prepare product disclosure statements.

Reasons:

Capital markets are paying increasing attention to non-financial indicators of company performance such as sustainability performance and corporate governance practices and many capital market participants believe that corporate sustainability performance will eventually be part of mainstream investment analysis. At present consideration of sustainability criteria in investment analysis or mandates is called Socially Responsible Investment and attention to these issues is a result of the growing recognition that these factors can present risks and opportunities to company performance and investment returns.

Regarding the recommendation that ASIC should develop standardised terminologies and methodologies, which can be used by the investment community and consumers, to measure and verify the claims made in relation to socially responsible investment, this is a constantly evolving area that is receiving significant international attention from organisations such as the United Nations Global Reporting Initiative and the OECD. As such, there is still a need for international consensus on this issue. There is scope for ASIC to provide guidance as appropriate.

Regarding the recommendation that ASIC should undertake an awareness raising programme to increase consumer understanding of the range of socially responsible investments, and the methodologies and terminologies associated with them, ASIC does not promote any particular financial product, but does provide educational material to assist consumers understand financial services and products.

Regarding the recommendation that ASIC develop guidelines to assist industry in preparing product disclosure statements and to enhance consumer understanding of product disclosure statements, the *Financial Services Reform Act 2001* (FSRA), which commenced operation on 11 March 2002, introduced a uniform disclosure, conduct and licensing regime for all financial services providers. Existing industry participants were allowed two years to transition to the regime. The FSRA inserted a new Chapter 7 into the *Corporations Act 2001*.

Under the disclosure regime of the FSRA, before a financial product can be sold, the seller of the product must provide a product disclosure statement to the potential purchaser. The product disclosure statement outlines all important features of the financial product, as well as explaining some of the purchaser's rights, for example, cooling off periods.

Subsection 1013D(1)(l) of the Corporations Act provides that, where a financial product has an investment component, the product disclosure statement must explain "... the extent to which labour standards or environmental, social or ethical considerations are taken into account in the selection, retention or realisation of the investment".

Section 1013DA of the Corporations Act allows ASIC to "... develop guidelines that must be complied with where a Product Disclosure Statement makes any claim that labour standards or environmental, social or ethical considerations are taken into account in the selection, retention or realisation of the investment".

On 17 December 2003, ASIC released its section 1013DA disclosure guidelines. These guidelines are intended to assist industry prepare easily understandable product disclosure statements that adequately identify socially responsible investments.

The guidelines specify that, where an investment firm takes into account labour standards or environmental, social or ethical considerations, the product disclosure statement must show consumers exactly which matters were considered and how they were considered, so that consumers can clearly understand the investment approach of the firm. The product disclosure statement must also clearly state where the investment firm does not take such matters into account.

The ASIC guidelines are consistent with general financial services disclosure principles, and do not strictly mandate that product issuers use standardised methodologies or terminologies when outlining environmental, social or ethical considerations.

ASIC will review its guidelines in 2006. The 2006 review will allow ASIC to determine whether the disclosure of socially responsible investments is appropriate or whether enhanced guidance is required.

Since the end of the two year transition period, ASIC has confirmed that it will initially administer the new FSRA arrangements in a flexible, sensible and pragmatic manner. ASIC has stated that it expects the outcomes of FSRA to be delivered in a realistic manner which takes into consideration the fact that the requirements are new.

The Government and ASIC are working closely with industry to address remaining compliance issues, including the drafting of product disclosure statements, to improve consumer comprehension.

ASIC has and will be continuing its work with industry bodies to develop model disclosure documents and guidance. ASIC has provided assistance to bodies such as the Investment and Financial Services Association, the Financial Planning Association and the National Insurance Brokers' Association.

ASIC will also continue to engage in other activities and forums through industry representative bodies to address this issue, such as the joint workshops it conducts with the Financial Planning Association on communication and developing simpler documents.

Recommendation 5

The Committee recommends that:

- **The Australian Government commit to achieving full compliance for reporting on ecologically sustainable development from all Australian Government departments and agencies by 2005;**
- **The Australian Public Service Commission report annually on the ecologically sustainable development compliance and reporting levels of Australian Government departments and agencies; and**
- **Ecologically sustainable development performance and reporting compliance be a key performance indicator for Senior Commonwealth agency and department staff.**

The Government supports this recommendation with qualifications.

Reasons:

Regarding the recommendation that the Australian Government commit to achieving full compliance for reporting on ecologically sustainable development from all Australian Government departments and agencies by 2005, the Government supports reporting on ecologically sustainable development by all Australian Government departments.

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*

already requires that Australian Government departments and agencies report on their consideration of sustainability issues in their annual reports and there are guidelines for section 516A reporting available on the website of the Department of the Environment and Heritage. It is difficult, however, to determine what would constitute full compliance reporting (other than each reporting agency providing at least some 516A text). No mechanism exists for either assessing or enforcing compliance requirements other than agency self-regulation.

Regarding the recommendation that the Australian Public Service Commission report annually on the ecologically sustainable development compliance and reporting levels of Australian Government departments and agencies, an annual agency survey is already conducted to inform the Commissioner's annual State of the Service report to Parliament (as per section 44 of the PS Act). A consistent focus of all State of the Service reports has been to evaluate the extent to which the Australian Public Service incorporates and upholds the Australian Public Service Values and the Code of Conduct.

Recent State of the Service reports have also included particular themes and issues that have been topical or for which new evaluative material has become available. The State of the Service report 2003–04, for example, included discussion of capabilities and skills required for whole-of-government work, and the role of client feedback mechanisms and employee training in improving service delivery.

The annual agency survey is not an appropriate vehicle to routinely collect information on agency compliance with, and reporting of, ecologically sustainable development. However, future State of the Service reports may include some analysis of related issues facing the Australian Public Service where this has been identified as a relevant theme in a particular year, and which may or may not be informed by results of the agency survey.

Regarding the recommendation that ecologically sustainable development performance and reporting compliance be a key performance indicator for Senior Australian Government agency and department staff, it is reasonable to assume that one of the measures of successful individual performance for Senior Executive Service employees in the Australian Public Service is how well the agency complies with its various statutory reporting responsibilities, for example, the submission of the annual report to the Parliament. However, an approach that involves singling out a particular reporting requirement as a key performance indicator for Senior Executive Service staff is not supported.

The Government believes that section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* is a more direct mechanism to report on an agency's ecologically sustainable development performance, especially as not all senior staff have responsibility for environmental reporting.

Recommendation 6

The Committee recommends that the Australian Government make mandatory the use of Environmental Purchasing Guidelines for the procurement decisions of all Australian Government departments and agencies.

The Government does not support this recommendation.

Reasons:

The Government considers that environmental sustainability in government purchasing decisions is important but believes that the existing arrangements, under which use of the Environmental Purchasing Guide is voluntary, should continue.

The Government has a range of objectives that can be advanced by use of its purchasing power. Increasing the complexity of government purchasing decisions could act as a barrier to small businesses supplying the Government. Industry associations have expressed strong reservations about the implications of green procurement arrangements becoming a barrier to the Government achieving its policy of sourcing 10 per cent of its purchases from small to medium enterprises.

The Environmental Purchasing Guide was created with the intention of providing voluntary guidance to assist Australian Government departments and agencies in making procurement decisions that are environmentally responsible. The voluntary guide will assist agencies in considering environmental performance as part of the overall value for money of a good or service in addition to meeting the current requirements of Australian Government procurement policy.

Recommendation 7

The Committee recommends that:

- **The Australian Government Departments of Environment and Heritage and Industry, Tourism and Resources work with industry groups, such as the Environment Industry Development Network, to establish a single online consolidated database of Australian environmental goods and services.**
- **The database should**
 - **include information on new technologies, tailored solutions and environmental innovations; and**
 - **incorporate appropriate filters (such as listing referees, examples of usage or warranty information) to verify the information listed; and**
- **The Australian Government Department of Industry Tourism and Resources establish an environmental technology verification program in Australia, to be run in conjunction with the online database of environmental goods and services.**

The Government does not support this recommendation.

Reasons:

Regarding the recommendation that the Australian Government Departments of the Environment and Heritage and Industry, Tourism and Resources work with industry groups, such as the Environment Industry Development Network to establish a single online consolidated database of Australian environmental goods and services, the establishment of a database of Australian environmental goods and services has been attempted in the past and has not proven feasible because:

- There is potential duplication of existing databases run by Austrade, which has been provided with financial resources to establish an online database to showcase Australian goods and services. The Austrade website (www.austrade.gov.au) includes companies providing environmental goods and services.
- A number of commercial databases organised by industry associations and private companies are currently available online. It is not appropriate for the Government to provide a subsidised service in competition with commercial providers.
- The Environment Industry Development Network is no longer an active organisation. In the current circumstances, and in the absence of financial resources for such a purpose, there is currently no interest among environment industry groups in establishing a single online database.

Regarding the recommendation that the Australian Government Department of Industry, Tourism and Resources establish an environmental technology verification programme in Australia, to be run in conjunction with the online database of environmental goods and services, the Government believes that the high cost of establishing and administering an Australian environmental technology verification programme would far outweigh the likely benefits in terms of increased sales of Australian environmental technology.

Without government subsidy for verification, an Australian environmental technology verification scheme is unlikely to have sufficient throughput to justify the costs of administration. Further, without mutual recognition of Australia's environmental technology verification scheme internationally, Australian verification will not be recognised in export markets with similar schemes. Australian technology exporters will have to pay the costs of re-certification in potential export markets.

Domestically, several state governments have expressed interest in the development of an environmental technology verification programme, but none have yet seen fit to establish such a scheme.

Recommendation 8

The Committee recommends that Standards Australia pursue with the International Standards Association the establishment of minimum benchmark standards across all areas of the ISO 14000 series.

The Government supports this recommendation.

Reasons:

Although ISO 14001 is a management systems standard, which by its very nature, does not specify performance outcomes, Standards Australia has committed to ask the appropriate Australian delegate to the ISO Technical Committee to review the recommendation for their thoughts on the likelihood of its implementation in the next revision period. The next edition is however not planned until 2008 and is the earliest time to anticipate the publications.

Recommendation 9

The Committee recommends that the Australian Government:

- **Develop a national policy for the environmental labelling of consumer goods;**
- **Ensure the establishment of a national environmental labelling program that is widely recognised, consistent and meaningful to both producers and consumers; and**
- **Undertake a national campaign to raise awareness of environmental labelling.**

The Government does not support a national policy for the environmental labelling of consumer goods as proposed. The Government does support labelling of specific goods where there is a clear benefit in doing so, such as the energy star rating system, and water efficiency labelling.

Reasons:

The Australian Government recognises the environmental benefits to be gained from labelling schemes which provide consumers with clear information on the specific environmental performance of a particular product, under operating conditions. In

cooperation with state and territory governments and business, the Government has mandated the use of such labels where there are clear economic and environmental benefits to be gained.

Australia has one of the most well established energy labelling programmes in existence in the world. It is now mandatory in all Australian states and territories for refrigerators, freezers, clothes washers, clothes dryers, dishwashers and single phase air-conditioners to carry the approved energy label when they are offered for sale. Fuel efficiency information for motor vehicles is also provided to consumers through the Australian Government's mandatory fuel consumption labelling scheme.

The Australian Government, in collaboration with the states and territories, is in the process of introducing a new Water Efficiency Labelling and Standards Scheme. This world-first scheme is expected to significantly reduce urban water consumption by introducing national mandatory water efficiency labelling on washing machines, dishwashers, showers, toilets, certain types of taps, and urinals. Whilst initially only for domestic water-using devices, the Water Efficiency Labelling and Standards Scheme may be expanded to cover commercial and industrial products over time.

In relation to a comprehensive life-cycle approach to environmental labelling, such as that proposed by the Committee, this proposal may be conceptually attractive, however, in practice the environmental benefits to be gained from the use of such labels is unclear. Such labelling schemes require too many assumptions to be made which are open to debate. For example, such schemes assume that the extent of environmental consequences of producing goods is the same regardless of where the goods are produced when, in fact, the magnitude of environmental problems (e.g. water, air quality, land degradation) often depends on site-specific factors.

Recommendation 10

The Committee recommends that the Australian Government:

- **Retain the Mandatory Renewable Energy Target;**
- **Substantially increase the Mandatory Renewable Energy Target as part of a multifaceted approach to increase market demand for and supply of renewable energy; and**
- **Implement a timely review of the Mandatory Renewable Energy Target for beyond 2010 with a view to furthering the uptake of renewable energy in Australia.**

The Government supports the first part of this recommendation to retain the Mandatory Renewable Energy Target. The Government does not support the second and third parts of this recommendation.

Reasons:

The Government has confirmed its commitment to the Mandatory Renewable Energy Target (MRET) at the current level of 9 500 gigawatt hours by 2010 and will move to improve the operational and administrative efficiency of the scheme.

The improvements to MRET will include enhancing market transparency, increasing opportunities for bioenergy and solar technologies, improving business certainty, and encouraging innovation through recognising emerging renewable electricity generation technologies.

The Government does not support increasing the MRET as this would impose a significant burden on the economy through increased electricity prices. The Government considers a better path is to directly promote the development and demonstration of a broader range of low emission technologies and address the impediments to the uptake of renewable energy.

The Government recently reviewed the role and mandate of the MRET. Its decisions on the future role of the scheme were announced in the Energy White Paper: *Securing Australia's Energy Future* (15 June 2004). New initiatives outlined in the paper include a \$500 million Low Emissions Technology Demonstration Fund, a \$100 million Renewable Energy Development Initiative, a \$75 million Solar Cities trial, \$20 million to support development of Advanced Electricity Storage Technologies, and up to \$14 million to improve Wind Forecasting Capability. The Government does not believe there is a need for a further review in 2010.

The Government remains committed to improving the operational and administrative efficiency of MRET and will continue to monitor the operation of the *Renewable Energy (Electricity) Act 2000*.

Recommendation 11

The Committee recommends that the Australian Government through the Mandatory Renewable Energy Target pursues the mandatory disclosure for all electricity retailers of:

- **Relative sources of supplied energy;**
- **Associated greenhouse gas emissions; and**
- **Advice on how consumers can increase their purchase of Green Power.**

The Government does not support this recommendation.

Reasons:

The Government recognises that it would be useful for electricity retailers to disclose information on supplied energy sources, greenhouse gas emissions, and advice on how consumers can increase their purchase of Green Power. However, the Government does not consider that the MRET is the appropriate vehicle to implement this recommendation.

MRET is a scheme to encourage additional generation of renewable energy. It was not the original policy intent of MRET to collect or disclose such information. To do so would require a change in policy on the purpose of MRET and amendments to the *Renewable Energy (Electricity) Act 2000*.

Under MRET, a liable party's compliance with the measure and support for additional renewable energy production is demonstrated by their acquisition of renewable energy certificates, not by the make up of the electricity they purchase.

Some areas of industry are currently required to provide information on energy use and emissions to a range of state and territory and Australian Government agencies. Some states, including Victoria and the Australian Capital Territory, already require all retailers to disclose information regarding greenhouse gas emissions associated with each consumer's electricity use. The Australian Government's Ministerial Council on Energy is currently developing a plan for integrating existing reporting requirements on energy use and emissions.

Green Power is a state initiative and the participants have determined that Green Power should be additional to MRET and have tried to avoid messages that may lead customers to confuse the two schemes. Green Power retailers currently use their own strategies to promote Green Power usage.

Recommendation 12

The Committee recommends that:

- **It be made mandatory for all Australian Government departments and agencies to purchase, where available, a minimum of 5 per cent Green Power by 2005; and**
- **This minimum is increased to 10 per cent Green Power by 2007.**

The Government does not support this recommendation.

Reasons:

The Australian Government is already purchasing an average of 8% Green Power through the whole-of-government ACT electricity (administered by the Department of Defence) contract for 53 Australian Government agencies across approximately 230 sites. (This constitutes approximately one third of all government electricity use excluding electricity used for Defence operations.)

The Australian Government is developing enhanced approaches to energy management for government agencies, which aim to achieve the twin goals of reducing energy use and emissions while also ensuring efficient expenditure on government operations. Green Power is an option that will be considered in this context. It is also considered that Green Power measures could be established as better practice targets as opposed to mandatory thresholds.

Recommendation 13

The Committee recommends that the Department of Education, Science and Training and the National Environmental Education Council:

- **Assess the extent to which specific training in environmental awareness and reporting is included in all business, commerce, management, administration and related degrees; and**
- **Undertake to achieve the inclusion of environmental awareness and training in all business management courses.**

The Government supports this recommendation and notes that there is some work already under way. However, the Government believes that course content is a matter for Universities, and therefore does not necessitate the direct involvement of the Department of Education, Science and Training.

Reasons:

The National Environmental Education Council in conjunction with the Department of the Environment and Heritage has been examining approaches to ensuring the integration of environment and sustainability issues into further and higher education courses. For this to be effective the Council has taken the view that change needs to happen within institutions themselves with support from the highest level, and to occur at the levels of curriculum, research, strategic planning and campus management. The Department of Education, Science and Training also contributes to the work of the Council through membership of its Further and Higher Education Working Group. At present, the Department's involvement is primarily from the higher education perspective.

In 2002, the Department of the Environment and Heritage funded the Action Research for Change Towards Sustainability project at Macquarie University, a pilot project working on the integration of sustainability into curricula at the post-graduate level. The project worked across a range of disciplines including accounting and finance, environment and life sciences and law. Recently completed, the project has been well received with other institutions adopting and developing the innovative model for themselves. The Council will be considering ways to ensure the findings continue to be widely available as a possible model for other institutions.

Under the newly established Australian Research Institute in Education for Sustainability, business schools in Australia and internationally were examined to identify education about and for sustainability in Master of Business Administration curricula and short courses. The first stage of the project involved the assessment of the sustainability content and teaching across 33 Australian business schools. The findings have led to a second stage involving five of Australia's leading business schools in a process to look at a range of issues including increasing the demand for new sustainability courses and strengthening the sustainability content in existing Master of Business Administration curricula. The project is generating interest from other institutions and a further group of business schools will have the opportunity to be involved and access funds as the project unfolds.

It should be noted that higher education institutions are both autonomous and self-accrediting, and as such, have primary responsibility for academic standards and curriculum. The Australian Government requires self-accrediting higher education institutions in receipt of public funding to have in place internal mechanisms to ensure quality outcomes.

A number of different groups will be influential in determining the inclusion of environmental awareness and training in all higher education business management courses. Professional associations play a significant role in determining curriculum through their accreditation of professional courses. The Australian Vice-Chancellors' Committee and the Australian Council of Business Deans will be instrumental in implementing the inclusion of environmental awareness and training in all higher education business management courses. The National Environmental Education Council's Further and Higher Education Working Group is currently considering ways of working with the Australian Vice-Chancellors' Committee on university sector engagement with the United Nations Decade of Education for Sustainable Development.

Prior to 30 June 2005, the Australian National Training Authority represented the vocational education and training sector on the National Environmental Education Council and its Further and Higher Education Working Group. However, the responsibilities of the Australian National Training Authority transfer to the Department of Education, Science and Training as from 1 July 2005. The Department of the Environment and Heritage is liaising with the Department of Education, Science and Training to ensure ongoing representation of the vocational education and training sector on the Council.

In the vocational education and training sector, there is currently scope for all training packages to incorporate units of competency that relate to relevant environmental issues and legislation. For example, the BSB01 Business Services Training Package contains qualifications in Management ranging from Certificate I to Certificate IV levels, Diploma and Advanced Diploma. For each of those qualifications a separate environmental unit (e.g. *BSBCMN413A Implement and Monitor Environmental Policies*) has been developed as part of the common pool of management units. The National Centre for Sustainability, Swinburne has developed Guideline Standards for Sustainability, which are currently with the National Training Qualifications Council for 'noting'. These will then be referred to in the review and development of all new training packages.

Recommendation 14

The Committee recommends that the Australian Government Department of Education, Science and Training, in association with the National Environmental Education Council:

- **Undertake a review to assess current environmental skills and broad industry needs in relation to environment training, and workforce entry opportunities; and**
- **Develop a set of actions to ensure an adequately skilled future workforce and appropriate training facilities to meet future needs.**

The Government supports this recommendation in principle. Work is already under way and there is possible further scope in future, subject to work priorities of the Department of Education, Science and Training.

Reasons:

The former Minister for Science, the Hon Peter McGauran MP, announced on 16 August 2004 that a skills audit will be undertaken by the Australian Government in collaboration with the CSIRO, universities and industry groups, to address areas of scientific skills shortage in Australia.

The skills audit will evaluate the supply and demand of graduates from the major scientific disciplines, as well as reporting on skills shortages in sub disciplines such as organic chemistry, horticulture, statistics, applied physics, power engineering and entomology. It will enable government, industry and research organisations to address more effectively these skills needs. Although environmental skills were not specifically included in the announcement, there may be scope to include them in the audit.

The assessment of skills needs in the vocational education and training sector is the responsibility of the Australian National Training Authority – endorsed Industry Skills Councils. Ultimately there will be ten such Councils. To date, nine of these have been established, replacing the former National Industry Training Advisory Bodies. One of their major roles is to assist industries, enterprises and their workforces to integrate skills development with business goals and to support accurate industry intelligence on future directions. This includes the provision of strategic advice on industry skills and training needs. It should be noted that although the Australian National Training Authority did not determine the content of training packages, it supported the inclusion of environmental competencies into industry training packages where appropriate. This oversight function will continue under the guidance of the Department of Education, Science and Training beyond July 2005.

Substantial Australian Government funding (over \$1.13 billion in 2004, including indexation) was allocated to states and territories to support their efforts towards the development of a national vocational education and training system. The funds were allocated through the Australian National Training Authority and supplement those provided by state and territory governments, which are responsible for all aspects of their

training systems, including organisation and delivery. However, the Australian Government has had no capacity to direct states and territories to provide particular training facilities or offer numbers of places in particular programmes.

In May 2004 the Department of the Environment and Heritage provided funding of \$31 000 from the Environmental Education Grants Programme to the School of Social Science and Planning, Royal Melbourne Institute of Technology University for the project *Careers in the Environment in Australia: A Guide to Environmental Jobs*.

The project involves a survey of Australian employers to ascertain the range of environmental jobs and scope of environmental careers. The project will result in a report on environmental career opportunities. Case studies on environmental career paths in each employment sector will also be developed. A sample of employers will be identified and contacted from a variety of sources.

A summary report of results will be disseminated to schools and tertiary institutions, and interested industry and government organisations. The School of Social Science and Planning at the Royal Melbourne Institute of Technology manages the project in partnership with the Environmental Jobs Network and the Environment Institute of Australia and New Zealand.

In addition, the research project *Education for and about Sustainability in Australian Business Schools*, being conducted by the Australian Research Institute in Education for Sustainability, has also identified the need for greater understanding of industry needs in the area of environmental expertise. Phase two of the project is beginning to address this issue in terms of Master of Business Administration curricula.

In relation to training and workforce entry opportunities, the Department of Employment and Workplace Relations (DEWR) currently provides published and on-line relevant occupational information. It is contributing to an occupational classification with improved capacity to deal with new and emerging occupations.

Forward-looking and detailed occupational labour market information for some 400 occupations, including a number of occupations relevant to the environmental sector, is currently available in Job Outlook on the Australian Workplace (www.workplace.gov.au), the Australian Government's employment portal maintained by DEWR.

Job Outlook provides information on such areas as employment size and trends, age profile, gender, weekly earnings and job prospects. Job Outlook has links that allow users to move easily between vacancies (Australian JobSearch), education or training course information (Australian Training) or to explore occupational skills, knowledge and abilities (Job Explorer) for specific occupations.

To complement the suite of online services, DEWR produces the annual Job Outlook publication. This report provides information about occupations and industry trends, with a focus on jobs and skills in demand in the future. The Job Outlook report covers some issues not available on the Australian Careers site, such as projected industry growth, graduate outcomes, and the impact of qualification level on unemployment.

The Job Outlook publication is distributed widely, with copies sent to every secondary school, Job Network member, Centrelink office and Area Consultative Committees, as well as to university and TAFE career services and federal parliamentarians.

The current occupational classification, the *Australian Standard Classification of Occupations, Second Edition*, is to be replaced by a new occupational classification in time for the next Census of Population and Housing in 2006. The new occupational classification is being developed as a joint project between Australia and New Zealand, with the project team consisting of the Australian Bureau of Statistics, Statistics New Zealand, and DEWR.

The objective of the new classification, the *Australian and New Zealand Standard Classification of Occupations*, is to provide an up-to-date classification of occupations, including skill levels and descriptions of tasks for all levels of the classification down to unit groups (the four digit level of the classification) and a brief description of each occupation, to meet statistical requirements. The classification will not only be used in the Census but also in a range of official statistical surveys, including the Labour Force Survey.

As part of its commitment to the *Australian and New Zealand Standard Classification of Occupations*, DEWR is providing project funding for the development of occupational descriptions for new, emerging and transformed occupations. Among the areas to be researched are environmental occupations. The research will include liaising with appropriate industry bodies, investigating training packages and sourcing relevant information.

Recommendation 15

The Committee recommends that the Australian National Training Authority develop a program of environmental apprenticeships or traineeships to provide follow-on opportunities for youth completing the Green Corps or similar program.

The Government supports this recommendation in principle, noting however that state and territory training authorities, and not the Australian National Training Authority, have responsibility for the development of apprenticeships and traineeships.

Reasons:

The Government sees the value of specific environmentally focused apprenticeships and traineeships for young people, including those engaged in Green Corps and other similar programmes, however, the responsibility for such programme development and implementation lies with the states, while the administration of the New Apprenticeships Incentives Programme is a Australian Government responsibility. Any increased Australian Government involvement will need to be considered in the budget context and will be a matter for negotiation between the Australian Government and a state or territory.

State and territory governments allocate funding for New Apprenticeships qualifications on the basis of criteria such as state strategic priorities, expected industry demand, budgetary capacity and identified skill shortages. Therefore, while a range of qualifications is available in training packages, not all will be selected by every state and territory government for funding under the New Apprenticeships system.

The New Apprenticeships pathway and existing training packages offer many follow-on opportunities for youth completing Green Corps or similar activities. Nationally recognised training packages in the areas of amenity horticulture, conservation and land management, forest and forest products, local government and rural production may be drawn upon to provide relevant employment and training opportunities for young people.

Most of these packages are structured at the Certificate II, III and IV level, which takes account of the full range of interests and abilities. There are also specialist state training programmes, such as Certificate II in land conservation and restoration, which fit within the New Apprenticeships pathway.

The New Apprenticeships Incentives Programme provides financial incentives to employers who take on New Apprentices undertaking Certificate II-IV qualifications. The rules relating to prior qualifications are structured so that young people attaining qualifications under mutual obligation requirements or similar arrangements are not penalised for attracting employer incentives for later qualifications through a New Apprenticeships pathway.

The Government supports job-oriented training and recognises the valuable contribution that such programmes offer to Australia's long term labour needs, however, the Government also would like the Committee to recognise the importance of more generic training, including traditional apprenticeships to meet the skill needs of environmental enterprises and environmental activity within more general enterprises.

Recommendation 16

The Committee recommends that the Australian Government departments of Education, Science and Training, and Environment and Heritage:

- **Work with the Environment Institute of Australia and New Zealand to establish a certification scheme for environmental professionals; and**
- **Assist the Environment Institute of Australia and New Zealand to identify Commonwealth grant programs.**

This recommendation has been overtaken as a certification scheme for environmental professionals (the Certified Environmental Practitioner Scheme) has already been established and information on Australian Government grant programmes is currently available through Australian Government departmental web sites.

Reasons:

The Certified Environmental Practitioner Scheme is an accreditation system, which provides evidence of professional environmental competence. The Scheme is expected to assist the Australian Government and its state and territory counterparts in their initiatives

to establish a nationally consistent professional standards regime. The Environment Institute of Australia and New Zealand manages the certification scheme. The Certified Environmental Practitioner Scheme was officially launched in 2004 by the Environment Institute of Australia and New Zealand and applicants are invited to visit the website at <http://www.eianz.org/certupdate.html>.

Australian Government grant programmes are available through Australian Government departmental web sites. The URLs below provide information on a range of government grants:

Australian Government Grants link:

<http://www.grantslink.gov.au>

Department of the Environment and Heritage Grants page:

<http://www.deh.gov.au/programs/index.html>

Department of Education, Science and Training

www.dest.gov.au.