27 June 2006

Mr Ian Dundas Committee Secretary Standing Committee on Environment and Heritage House of Representatives PO Box 6021 Parliament House CANBERRA ACT 2600

Inquiry into a Sustainability Charter

Dear Mr Dundas

The Minerals Council of Australia (MCA) welcomes the opportunity to provide a submission to the House of Representatives Standing Committee on Environment and Heritage Inquiry into a Sustainability Charter.

The Australian minerals industry has a strong track record of proactive actions to improve its contribution to sustainable development, a commitment that is underpinned by the ongoing implementation of *Enduring Value – the Australian Minerals Industry Framework for Sustainable Development*.

Enduring Value effectively translates international sustainable development principles into implementation guidance at the operational level. Developed with the involvement of over 900 stakeholders nationally, Enduring Value also provides for the public reporting of our social, environmental, and economic performance.

The MCA considers that, given the plethora of sustainable development initiatives and frameworks at the international level, that there is no obvious additional value to be gained through the development of a national sustainability charter.

The approach adopted by the minerals industry through Enduring Value will provide ongoing support for the implementation of sustainable development at the national level. Accordingly, the MCA considers that governments may achieve better performance outcomes through actively encouraging other industry sectors to adopt a similar approach.

Should you require clarification of any of the points raised in this submission, please do not hesitate to contact me directly or Mr Cormac Farrell – Policy Officer Environment, who has carriage of this matter in the Secretariat on (02) 6233 0600.

Yours sincerely

MITCHELL H HOOKE CHIEF EXECUTIVE



MINERALS COUNCIL OF AUSTRALIA INQUIRY INTO A SUSTAINABILITY CHARTER

JUNE 2006

TABLE OF CONTENTS

EXECUTIVE SUMMARYII		
1.	THE MINERALS COUNCIL OF AUSTRALIA	1
2.	SUSTAINABILITY FRAMEWORKS	1
2.2 En	HE WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT	2
2.3		
3.	REPORTING FRAMEWORKS	
3.1 3.1 3.1 3.4	 INTERNAL INDUSTRY REPORTING	4 4
4.	REDUCING THE INDUSTRY'S ECOLOGICAL FOOTPRINT	5
4. 4. 4.	2 WATER MANAGEMENT	6
5.	CONCLUSION	7

EXECUTIVE SUMMARY

The Minerals Council of Australia (MCA) welcomes the opportunity to provide a submission to the House of Representatives Standing Committee on Environment and Heritage Inquiry into a Sustainability Charter.

The approach to sustainability within the Australian Minerals industry over the past decade has been marked by a transformation in the way the industry approaches the environmental, social and economic aspects of its operations.

This transformation in both capacity and commitment commenced with the development of the Australian Minerals Industry Code for Environmental Management, which was focused primarily on improving the environmental performance of the industry. The Code also provided the first industry requirement to produce public environment reports, positioning the Australian minerals industry as a leader in this areas since 1996.

This Code has now been superseded by the development of *Enduring Value – the Australian Minerals Industry Framework for Sustainable Development*. Based on internationally accepted principles of sustainable development, Enduring Value provides a framework for implementing sustainability at site-level, while maintaining the flexibility required to meet the needs of a rapidly changing and innovative industry.

A key outcome of these initiatives has been a move from a strict compliance approach, in meeting the requirements prescribed in State and Federal regulations, towards a beyond compliance approach. This has created an atmosphere in which companies now compete with each other to demonstrate excellence and leading practices in sustainable development.

The MCA considers that there are a significant number of sustainability frameworks in existence internationally that could be applied at the national level, particularly the outcomes of the 2002 World Summit on Sustainable Development. Accordingly, the MCA questions the additional value to industry and the community through the adoption of a sustainability charter at the national level.

The development of a national sustainability charter should only commence if, after a comprehensive analysis of existing international sustainability frameworks, it is clear that there are not applicable in the Australian context.

However, should the Australian Government proceed with the development of a national sustainability charter, the MCA recommends that the charter should take the following form and approach:

- a principle-based framework for sustainability that includes a comprehensive treatment of environmental, social and economic factors, and informed by international sustainability frameworks;
- support for the development of sector-specific sustainability frameworks; and
- > a framework for annual reporting that is consistent with the Global Reporting Initiative Guidelines, but which still allow for flexibility to accommodate the needs of specific sectors.

Through Enduring Value, the Australian minerals industry has made a landmark commitment to sustainable development, building on its strong track record of proactive actions to improve its environmental performance. Enduring Value will ensure that this excellence in environmental management is supported through similar excellence in managing the pressing social and economic aspects of sustainable development.

The MCA considers that government effort may be better placed in encouraging other industry sectors to adopt a similar approach.

1. THE MINERALS COUNCIL OF AUSTRALIA

The Minerals Council of Australia (MCA) represents Australia's exploration, mining and minerals processing industry, nationally and internationally, in its contribution to sustainable development and society. MCA member companies produce more than 85 per cent of Australia's annual mineral output.

The MCA's strategic objective is to advocate public policy and operational practice for a world-class industry that is safe, profitable, innovative, environmentally and socially responsible, attuned to community needs and expectations.

The MCA recognises that the future of the Australian minerals industry is inseparable from the global pursuit of sustainable development. Through the integration of economic progress, responsible social development and effective environmental management, the industry is committed to contributing to the sustained growth and prosperity of current and future generations.

2. SUSTAINABILITY FRAMEWORKS

2.1 Principles for the development of sustainability frameworks

The Australian minerals industry's concept of sustainability is founded in the outcomes of the United Nations Commission on Environment and Development (the Bruntland Commission), specifically that sustainable development is "development which meets the needs of the present without compromising the ability of future generations to meet their own needs". This definition has gained wide acceptance, leading to broad consistency in the understanding and application of sustainable development amongst stakeholders, and has been confirmed most recently at the World Summit on Sustainable Development.

The Discussion Paper supporting this inquiry highlights the continued relevance of these concepts in providing a sound basis for any discussion of the economic, social and environmental factors associated with development. The MCA considers that international sustainability frameworks developed as a consequence of the Bruntland Commission maintain primary status and relevance a both the international and national level, and may obviate the need for a national sustainability charter. The development of an Australia-specific sustainability charter in isolation runs the risk of both re-inventing existing principles and frameworks, and creating separate schemes that hinder the development of transparent reporting and benchmarking.

Should the Australian Government decide that there is merit in the development of a national Sustainability Charter, the MCA considers that the charter should be a principles-based document, and should also be:

- consistent with internationally agreed sustainability frameworks, while respecting the laws of sovereign governments and providing flexibility for national implementation;
- > based on the Bruntland definition of sustainable development and other universal principles;
- > focused on supporting continuous improvement and actions that go beyond compliance, rather than prescribed minimum performance standards;
- > developed through a broad program of stakeholder engagement;
- designed to provide opportunities for the development of industry specific, voluntary guidance for implementation; and
- > attached to a framework for transparency (including public reporting) and governance that emphasises voluntary conformance over compliance.

These principles will be discussed in more detail throughout this submission.

Recommendation

The MCA recommends that:

- > the Australian Government should ensure that considerations surrounding the development of a national sustainability charter are informed by a thorough analysis of the existing international principles for sustainable development.
- > the development of a Sustainability Charter for Australia should not proceed unless it is clear that these international principles do not provide an existing pathway for nationally consistent policy on sustainability.

The World Summit on Sustainable Development

The MCA supports the outcomes of the World Summit on Sustainable Development (WSSD), held in Johannesburg in 2002 as providing the most recent, comprehensive and internationally accepted set of principles on sustainable development. Building on the outcomes of the United Nations Summit on Environment and Development held in Rio de Janeiro in 1992, the WSSD was clearly focused on providing a pathway for implementing the outcomes of Agenda 21 and the Rio Declaration.

The outcomes of the WSSD are strongly focused on addressing the pressing issues facing developing countries, but at the same time provide a cohesive view of sustainable development that incorporates the full range of environmental, social and economic factors that should be incorporated into decision making. In particular, the strong role that private enterprise can play in developing equitable and sustainable communities is acknowledged, and has particular relevance within the Australian minerals industry.

One of the key documents arising from the WSSD is the Plan of Implementation, representing a distillation of the key outcomes of the discussions, and identifies the components of an effective sustainable development framework. In the Australian context, key components of a sustainability framework include the:

- implementation and maintenance of systems to ensure ethical practices and sound governance within government and industry;
- > integration of sustainable development considerations into decision-making systems;
- > protection of fundamental human rights, and respect for different cultures, customs and values;
- > implementation of risk management strategies based on valid data and sound science;
- > pursuit of continual improvement in safety and health performance;
- > pursuit of continual improvement in environmental performance;
- > contribution to the conservation of biodiversity and integrated approaches to land use planning;
- > facilitation of responsible design, use, re-use recycling and disposal of products;
- > social, economic and institutional development of communities; and
- > implementation of effective and transparent systems for engagement, communication and independently verified reporting with stakeholders.

In recognition that the WSSD outcomes provided both a comprehensive framework for sustainability and a strong focus on implementation, these formed the basis for both the Principles of Sustainable Development developed by the International Council on Mining and Metals and for *Enduring Value – The Australian Minerals Industry Framework for Sustainable Development.*

In addition to the symbolic weight that these frameworks lend to sustainability frameworks, drawing the principles for a Sustainability Charter from the WSSD outcomes would improve its compatibility with other frameworks drawn from these principles, including those developed by individual industry sectors.

2.2 Supporting continuous improvement in sustainable development

The MCA supports the view expressed in the Discussion Paper that sustainability is a journey rather than a destination, and advocates that any sustainability framework should be focused on supporting continuous improvement in preference to a compliance approach based on prescribed minimum performance standards.

The principal advantage in adopting a continual improvement focus is that it provides greater encouragement and support for voluntary actions and innovation amongst the 'leaders', which inevitably results in increased pressure over time, (from both regulators and communities) for the 'laggards' to adopt these practices. In contrast, attempting to set minimum standards runs the risk of establishing a compliance mentality, with little reward or pressure for innovation and leading practice.

In addition to the greater support for voluntary, beyond compliance actions by industry, a continuous improvement focus provides greater opportunities for differentiation between players in a given sector. In the context of the minerals industry, the degree to which companies adopt sustainable practices has a range of positive impacts on their business, ranging from a greater ability to attract investment as a result of lowered regulatory risk, to an enhanced ability to access land.

Recommendation:

Should a Sustainability Charter be developed for Australia, the MCA recommends that there should be a clear focus on supporting continuous improvement, rather than the development of prescribed minimum standards of performance.

Enduring Value - the Australian Minerals Industry Framework for Sustainable Development

A key concept underpinning the Australian minerals industry is that there is an unwritten contract between the minerals industry and the communities in which we operate, generally referred to as a social licence to operate. This licence goes beyond strict compliance with regulation, and requires companies to demonstrate a commitment to sustainable development throughout their operations. The community has a legitimate expectation that Australia's natural resources are managed in a way that delivers long-term benefits to society in general, and local communities in particular.

To provide a framework for articulation and implementation of the industry's commitment to sustainable development, the Minerals Council of Australia has developed *Enduring Value – The Australian Minerals Industry Framework for Sustainable Development*. Developed with the input of over 900 stakeholders, Enduring Value provides an operational framework for the integration of environmental, economic and social considerations into mining and minerals processing operations at the site level. Commitment to Enduring Value is a condition of membership of the MCA, however non-MCA companies are also eligible for signature to this framework.

Enduring Value comprises ten principles and forty six elements covering the key aspects of sustainable development in the Australian context. Additional support has been provided through the development of detailed guidance for implementation, outlining the key policies and actions that need to be applied at a company and site level.

Commitment to Enduring Value includes several obligations, including:

- > the progressive implementation of international principles of sustainable development;
- > public reporting of site-level performance, on a minimum annual basis, with reporting metrics self-selected from the Global Reporting Initiative (GRI), the GRI Mining and Metals Sector Supplement, or self developed; and
- > assessment of the systems used to manage key operational risks.

Enduring Value provides a comprehensive coverage of the sustainability issues facing the Australian minerals industry, building on the previous Australian Minerals Industry Code for Environmental Management. In providing a framework for integrating social and economic considerations into site level decision-making, Enduring Value represents a significant upgrade of this Code.

The development of Enduring Value has provided the industry with a principles based framework for implementing sustainable development through all aspects of operations, with a strong emphasis on supporting continual improvement. This framework provides a consistent, effective and transparent framework for meeting the expectations of the community for the economic, social and environmental performance of the Australian minerals industry.

2.3 Stakeholder involvement

The degree to which sustainability frameworks can attract support and up-take, both within the target audience (such as an industry sector) and with external stakeholders such as governments and local communities is one of the key indicators of their effectiveness. Including the views of a diverse range of stakeholders is therefore an essential component of the development of any sustainability initiative.

As noted above, the Enduring Value framework was developed with the assistance of over 900 stakeholders, including governments, industry representatives, environmental organisations, local communities and academia. The principal advantage of this extensive and diverse involvement of stakeholders during development is that Enduring Value now represents a distillation of those elements of sustainability that are most relevant to the Australian minerals industry and to the communities in which it operates.

As a result, the Principles, Elements and Implementation Guidance contained in Enduring Value provides essential support for the Australian minerals industry when incorporating sustainable development considerations into company decision making, policies and on-ground operations. Without this broad program of stakeholder

engagement, Enduring Value would not be able to effectively support the on-ground implementation of sustainable development, nor be credible in the eyes of industry and the community.

Recommendation:

Should a Sustainability Charter be developed for Australia, there should be a comprehensive program of community engagement during its development. This engagement program should seek to include as many stakeholder groups as possible to ensure that any charter reflects the expectations and understanding of the broader community.

3. **REPORTING FRAMEWORKS**

3.1 Public reporting under Enduring Value

An important component of sustainability frameworks is the inclusion of credible and transparent reporting of performance. Accordingly, the MCA requires that all signatories report their ongoing implementation of Enduring Value on a minimum annual basis, with reporting metrics self-selected from the Global Reporting Initiative (GRI), the GRI Mining and Metals Sector Supplement, or self developed.

The provision of transparent, credible sustainability reporting within a framework, that allows for comparison between companies in the same (and sometimes different) industry group, can create significant reputational capital with local communities. There is a clear business case within the minerals industry for the provision of this information, with the ability of a company to access new land for its operations increasingly dependent on the approval of local communities that can and often do check a company's past performance.

In addition to the use of sustainability reports by local communities, this information is increasingly being used by financial markets to differentiate company performance and exposure to regulatory risks. With commitment to sustainable development increasingly being seen as an indicator of both good management and a lowered risk profile for companies, credible and transparent reporting has an increasing potential to become a significant factor in the ability of companies to attract investment.

The Australian minerals industry has been recognised as a leader in public reporting since 1996, and MCA is actively involved in an ongoing program of work to improve the capacity of the industry to undertake sustainability reporting.

However, as noted above there are now several different audiences for sustainability reporting, from local communities that wish to assess the past performance of a company against its peers to ethical investment funds that wish to benchmark both within and between industries.

Due to the diversity of audiences that sustainability reporting may need to be tailored to, Enduring Value has been designed to be compatible with the GRI, but does not prescribe the reporting system to be used. This provides companies with the support they need to quickly establish a reporting framework, but allows them the freedom to develop metrics to meet the specific needs of their audiences. The MCA recommends that a similar approach should be adopted during the development of a Sustainability Charter.

3.2 Internal Industry reporting

During the development of Enduring Value, it was recognised that companies would require a range of tools to assist in the implementation of sustainable development principles. The most important tool is the Guidance for Implementation. The Guidance does not prescribe particular management systems or standards for sites, but rather suggests tools, management approaches and systems that might be useful from an operational perspective.

The MCA is also developing a set of self-assessment tools to provide additional detailed support, preferably in the form of a questionnaire that can be downloaded from the MCA web site. Development of this tool is still underway, and is expected to be completed by the end of 2006. The principal objective of this work is to support the voluntary assessment within companies of their conformance to Enduring Value, providing internal benchmarks to measure continual improvement.

3.3 Global Reporting Initiative

The MCA supports the use of the Global Reporting Initiative (GRI) as a credible, transparent and comprehensive framework for reporting performance against Enduring Value, and considers that the reporting under a national Sustainability Charter should be compatible with this initiative. The GRI was established in 1997 with the aim of providing globally applicable sustainability reporting guidelines and metrics. An independent organisation since 2002, the GRI guidelines have been developed through a multi-stakeholder process that includes comprehensive

treatment of the economic, environmental and social aspects of company operations. In addition, the global nature of these guidelines allows for some limited cross-sectoral and cross-country comparisons, particularly in key areas such as water and energy usage.

The GRI guidelines support the reporting of sustainability through:

- reporting principles and specific content to guide the preparation of organisation-level sustainability reports;
- > assistance for organisations in presenting a balanced and reasonable picture of their economic, environmental and social performance;
- > the promotion of comparability in sustainability reports, while taking into account the practical considerations related to disclosing information across a diverse range of organisations, many of whom have extensive and geographically dispersed operations;
- > support for the benchmarking and assessment of sustainability performance with respect to codes, performance standards, and voluntary initiatives; and
- > support for enhanced stakeholder engagement.

It is important to note that the GRI guidelines are not in themselves a code of conduct, performance standard or a management system, although the standardised collection of data that they facilitate can assist in the development of these initiatives.

In recognition that the GRI guidelines may not capture the full range of issues within a particular sector, a range of supplementary guidelines have been developed that are tailored for individual sectors. For the minerals sector, the GRI has worked in conjunction with the international minerals industry and a range of other stakeholders to develop the GRI Mining and Metals Sector Supplement. The GRI Mining and Metals Supplement includes an abridged version of the GRI Guidelines, along with aspects of sustainable development that have specific relevance to the minerals industry.

Recommendation

The MCA recommends that should the Australian Government decide to develop a Sustainability Charter, that the reporting systems supporting implementation should be compatible with the Global Reporting Initiative while allowing for flexibility in reporting, including the use of self-developed metrics.

3.4 State of the Environment Reporting

The MCA supports the development of State of the Environment (SoE) reports, and considers that these reports provide a comprehensive benchmark of key environmental issues, including the key areas of the build environment, water, energy, transport and ecological footprint identified in the report from the recent *Sustainable Cities* inquiry.

The most recent SoE report recognised the significant progress that has been made within the Australian minerals industry in improving the sustainability of its operations. This improvement has been in the environmental performance of the industry through initiatives such as the Australian Minerals Industry Code for Environmental Management (now superseded with the development of Enduring Value) and through improved relations with indigenous Australians.

The MCA notes that the Discussion Paper for this inquiry raises the question of whether a sustainability charter could be incorporated into SoE reporting. As outlined above, the MCA believes that should a sustainability charter be developed for Australia, that this should be a principles based document that supports continual improvement. In this scenario, SoE reporting would not seek to integrate a sustainability charter, but would rather be a key indicator as to whether condition of key aspects of the environment were improving or declining. This information could be used to further refine any principles and proposed actions under the charter.

Recommendation

The MCA recommends that should the Australian Government decide to develop a Sustainability Charter, that the reporting systems should be aligned to current government data collection through State of Environment and reporting and relevant government agencies such as the Australian Bureau of Statistics. This would reduce compliance costs on business yet enable companies to continue to report information relevant to driving business improvements and meeting the information needs of the community.

4. REDUCING THE INDUSTRY'S ECOLOGICAL FOOTPRINT

The Australian minerals industry is committed to ensuring that the ecological footprint of the industry – the amount of land, water, energy and other resources that the industry consumes – does not compromise the ability of future generations to meet their needs. The MCA notes that this concept of an ecological footprint, and the need to ensure that it is sustainable, is also included in the Discussion paper produced for this Inquiry. It is proposed in the Discussion paper that reducing the ecological footprint of Australia's major cities could form one of the major, overarching and measurable objectives of the charter.

While some of the factors that contribute to the overall ecological footprint of a society, such as the amount of land required to produce food, are not directly relevant to the minerals industry, three of the key inputs into this concept, land, water, and energy are of critical importance to the industry and will be discussed in more detail

4.1 Managing land disturbance

The level of land required by the Australian minerals industry is relatively minor compared to other land uses – around 0.01% of the total Australian land mass, or roughly equivalent to the amount of land covered by the car parks of Australian hotels. However, the localised impacts of mining can be significant, often requiring the complete removal of soils and vegetation covering an ore body. As a result of this high level of disturbance, the minerals industry is one of the most heavily regulated industries, requiring comprehensive environmental impact assessment, offsetting arrangements for unavoidable impacts and a commitment to fully rehabilitate disturbed areas, often backed by financial surety mechanisms such as bonds.

In addition to regulatory requirements, the Australian minerals industry has committed to a range of beyondcompliance activities through its commitment to Enduring Value. Enduring Value requires signatories to "Design and plan all operations so that adequate resources are available to meet the closure requirements of all operations". In order to better support this objective, the MCA is working with the Australian Government to develop a series of booklets on leading practice in the minerals industry under the Leading Practice Sustainable Development Program for the Minerals Industry. A key focus of two of the initial booklets in this series is the identification and communication of leading practice approaches to mine closure and mine site rehabilitation. Over time, this series of booklets will be expanded to provide a comprehensive coverage of the key sustainability

4.2 Water Management

The MCA notes that the management of water was a significant focus of the Sustainable Cities Report, particularly the options for re-use and recycling of water to reduce the reliance on existing water sources. The MCA has a strong focus on improving the efficiency, effectiveness and sustainability of water use in the Australian minerals industry, a commitment that is reflected in *Enduring Value*, and in the ongoing work to develop joint approaches to water management with government.

Access to water is one of the most critical business imperatives for the minerals industry, arguably second only to land access in term of the natural resource requirements for some projects. While the minerals industry is a small user compared to other sectors, at around 2% of Australia's total annual water use, the industry can be a significant user of water in some catchments (particularly for groundwater reserves) and requires a high level of security for its water supply.

The MCA's engagement in water management covers three main areas:

- > improving the capacity of the industry to sustainably manage and report its water use through the ongoing implementation of *Enduring Value*;
- > the development of a Strategic Framework for Water Management at Mine Sites, which is a joint industry/government initiative supporting the uptake of leading practice in water management approaches; and
- > undertaking a joint industry/government study into the future water needs of the minerals industry, and the development of principles for managing these needs in the context of National Water Reform.

The Discussion Paper prepared for this inquiry poses the question of whether the focus of targets for water use should be on reducing consumption, increasing water re-use, or both. The focus of the MCA's engagement on water supports both of these areas, with the aim of ensuring that the Australian minerals industry maintains its' reputation as an innovative and efficient user of water.

4.3 Energy usage

The Australian minerals industry recognises that it is a significant user of energy, and has made a clear commitment through the Enduring Value framework to regularly review energy usage within the minerals industry with the aim of improving efficiency. In particular, Element 8.2 of Enduring Value requires signatories to "Conduct or support research and innovation that promotes the use of products and technologies that are safe and efficient

in their use of energy, natural resources and other materials. The more detailed implementation guidance for this element includes requirements to:

- > identify opportunities to reduce energy consumption;
- > use renewable resources; and
- > reduce production of greenhouse gasses and other emissions.

The minerals industry also recognises that its energy usage also represents a significant release of greenhouse gas. The industry has taken the greenhouse issue seriously for many years, having a high level of participation in public reporting and abatement schemes such as the Greenhouse Challenge Plus program run by the Australian Government. Other energy efficiency initiatives within the industry have included:

- > energy auditing and improvements to energy efficiency;
- > reduction of haulage distances in mines through equipment relocation, such as crushers, and rationalisation of heavy vehicle fleets;
- > use of solar energy for remote equipment such as lighting, pumps, and pollution monitoring;
- > upgrading of mine compressed air and pumping systems, burners and burner controls; and
- > reduction in double handling of ores and concentrates.

As for the other key areas that comprise the industry's ecological footprint, the improvements in environmental performance have also included significant cost savings to businesses, providing a strong business case for ongoing refinement and implementation of leading practice approaches.

5. CONCLUSION

The MCA considers that there are already a significant number of international sustainability frameworks that could be applied in the Australian context, particularly the outcomes of the 2002 World Summit on Sustainable Development. The development of a national sustainability charter should only commence if, after a comprehensive analysis of existing international sustainability frameworks, it is clear that these are not applicable in the Australian context.

The Australian minerals industry has a strong track record of proactive actions to improve its contribution to sustainable development, a commitment that is set to continue with the ongoing implementation of the Enduring Value framework. Accordingly the MCA considers that government should actively encourage other industry sectors to follow this approach.

Recommendations:

- > the Australian Government should ensure that considerations surrounding the development of a national sustainability charter are informed by a thorough analysis of the existing international principles for sustainable development;
- > the development of a Sustainability Charter for Australia should not proceed unless it is clear that these international principles do not provide an existing pathway for nationally consistent policy on sustainability;

However, should the Australian Government decide that there is merit in the development of a national sustainability charter, the MCA recommends that:

- > any charter should be a principle-based framework that includes a comprehensive treatment of environmental, social and economic factors, and informed by international sustainability frameworks;
- > there should be support for the development of sector-specific sustainability frameworks;
- > there should be a clear focus on supporting continuous improvement, rather than the development of prescribed minimum standards of performance;
- > there should be a comprehensive program of community engagement during development of any charter. This engagement program should seek to include as many stakeholder groups as possible to ensure that any charter reflects the expectations and understanding of the broader community; and

- > the reporting systems supporting implementation should be compatible with the Global Reporting Initiative while allowing for flexibility in reporting, including the use of self-developed metrics.
- > the reporting systems should be aligned to current government data collection through State of Environment and reporting and relevant government agencies such as the Australian Bureau of Statistics. This would reduce compliance costs on business yet enable companies to continue to report information relevant to driving business improvements and meeting the information needs of the community.