



12 December 2017

2018-19 Pre – Budget Submission to the Department of the Treasury.

## **Ongoing underinvestment in environmental protection puts all Australians at risk**

The health of our climate, rivers, reefs, forests and wildlife has profound and wide-ranging consequences for our lives and those around us. It underpins Australia's economic prosperity and the opportunities and livelihoods of our communities. But right now we are facing a pollution and extinction crisis.

Our government must make smart economic decisions that value and support the world we live in; our climate, the air we breathe and the water we drink. Further, it must deliver credible policies to abate climate pollution and safeguard against the climate change problems we are already experiencing, such as the increasing frequency of life-threatening bushfires, cyclones and floods.

Failing to properly invest in the protection and prosperity of our environment and climate puts every Australian at risk.

According to almost every indicator, Australia's environment is in decline. Despite these profound threats to our climate and the ecosystems that sustain us and our living world, the federal government continues to reduce its investment in our environment.

Federal investment in the environment has declined dramatically since 2013. During this time, Australia's climate pollution has continued to grow, species have been lost and native habitats destroyed. Since 2013, Australia has emitted over 2,000 MT of Carbon Dioxide,<sup>1</sup> while three known vertebrates (2 mammals, 1 reptile) have become extinct since 2009. Australia's environmental challenges are worsening and more investment, not less, is needed to tackle them.

If a business generates revenue by selling off assets, those changes are recorded on its balance sheet and considered by the market. But if Australia generates economic growth while damaging the environment, the decrease in our national balance sheet does not register in budget papers or quarterly economic reports.

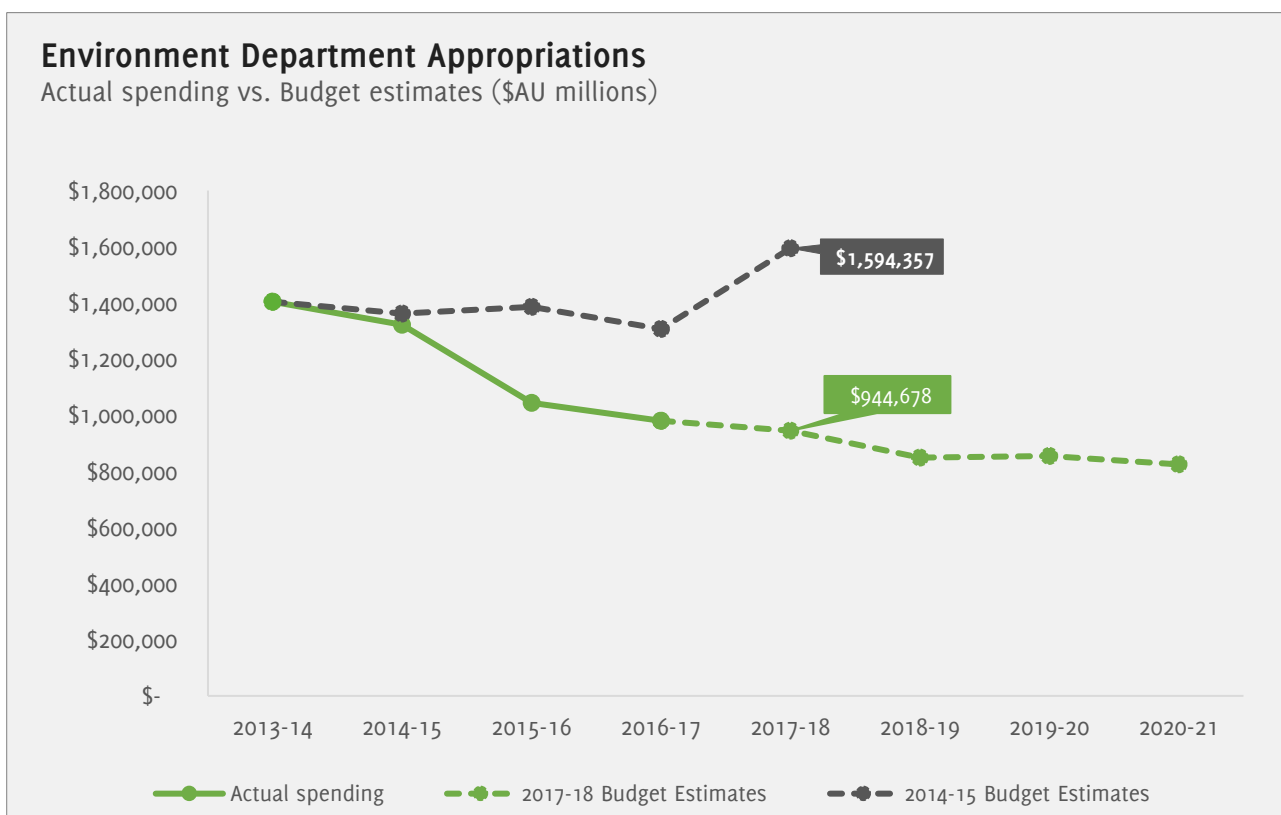
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<sup>1</sup> Australian Government, Department of the Environment and Energy, 'Quarterly Update of Australia's National Greenhouse Gas Inventory' <https://www.environment.gov.au/climate-change/climate-science-data/greenhouse-gas-measurement/publications#quarterly>; <http://www.abc.net.au/news/2015-08-19/fact-check-does-australia-have-one-of-the-highest-extinction/6691026>



During the Coalition's time in office there has been a decline in actual and forecasted environment investment. Chart 1 shows that in its first Budget (2014-15) the Government promised more environmental investment over the forward estimates than what it delivered. More troubling still, the 2017-18 budget also forecasted a continuing decline in environment investment over the current forward estimates period ostensibly 'locking in' this lower rate.

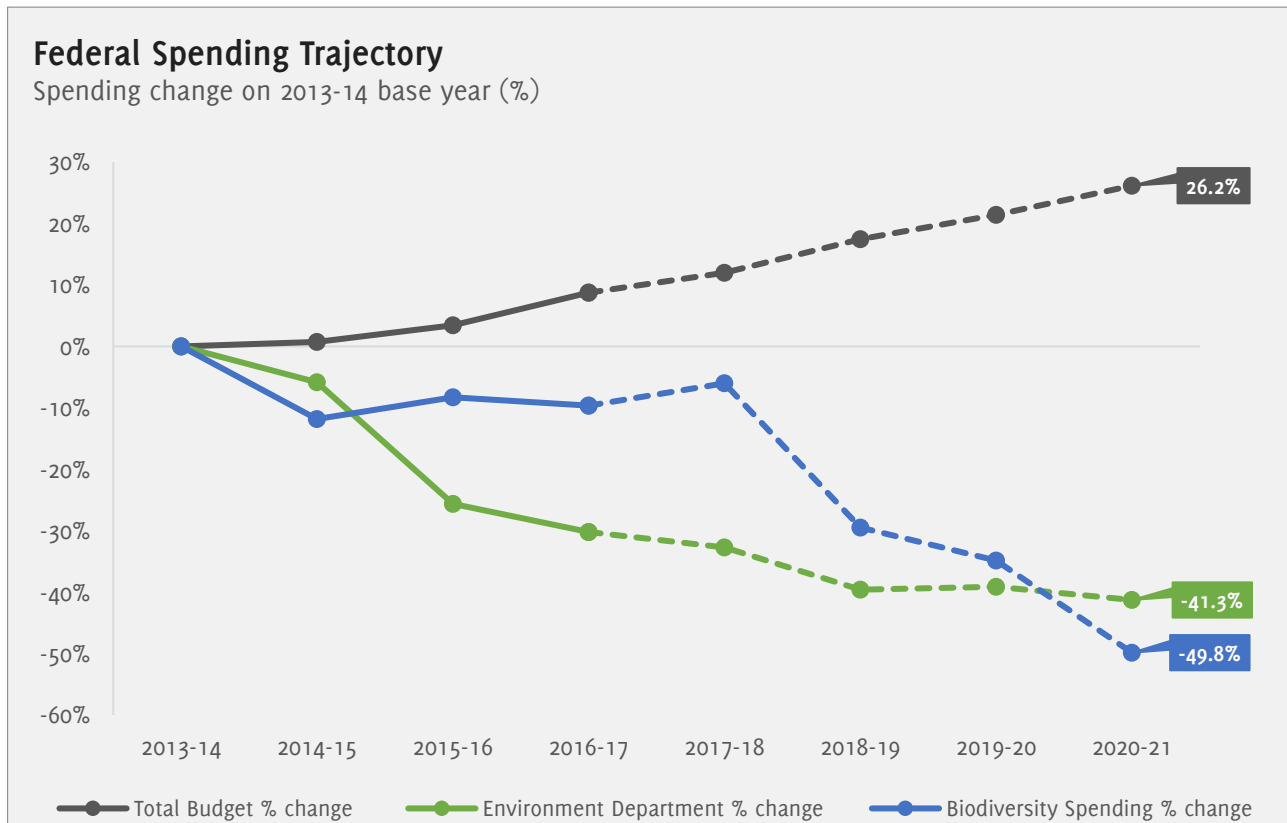
Chart 1 ↘ Decline in actual and forecasted Federal Environment Department appropriations



Per budget projections, the total Federal Budget in 2020-21 is projected to be 26% larger than it was in 2013-14. At the same time, environment and biodiversity spending is projected to be 41% and 50% lower respectively in 2020-21 than 2013-14 levels.



Chart 2 – Percentage change in spending based on 2013-14 budget levels



Government decisions today will shape the world of our children and grandchildren. Australia is already facing the consequences of climate change. For example, the number of days each year in which extreme fire weather conditions are experienced continues to increase each year. The government must provide leadership to reduce climate pollution while also providing funding to deal with the climate consequences we are already experiencing. That is why this submission is urging the government to increase funding to address bushfire risk and fund adaptation research.

The impact of bushfires across Australia is significant and often deadly. Since 1966, 379 Australians have lost their lives in bushfires.<sup>2</sup> The total insured private loss from bushfires in the same period is equivalent to \$5.6 billion, an average loss of approximately \$160 million a year.<sup>3</sup> The cost of Victoria’s ‘Black Saturday’ bushfires in February 2009 alone was estimated to be more

<sup>2</sup> <http://www.theaustralian.com.au/archive/news/a-history-of-fatal-bushfires/news-story/bf1a5409703ec155d8133070bcce08d6>; Victoria Police, Press conference: Bushfires death toll revised to 173, Release date: Mon 30 March 2009 [http://www.police.vic.gov.au/content.asp?Document\\_ID=20350](http://www.police.vic.gov.au/content.asp?Document_ID=20350)

<sup>3</sup> L. Hughes and W. Steffen, 2013, Be Prepared: Climate Change and the Australian Bushfire Threat, Climate Council, 9.



than \$4 billion by the subsequent Royal Commission. This figure does not include health and social costs, flow-on costs to business or environmental costs.<sup>4</sup>

These costs, as well as the risk to human life, will increase as global warming intensifies bushfire conditions in Australia. The average surface air temperature in Australia has increased by 0.9°C since 1910.<sup>5</sup> The number of days per year with extreme fire weather conditions has increased since 1973 due to a warmer and drier climate.<sup>6</sup> By 2050, compared with the climate of 1980 to 1999, the number of extreme fire-weather days is projected to grow in southern and eastern Australia by 10-50% for a low greenhouse gas emissions scenario and 100-300% under a high emissions scenario.<sup>7</sup>

Given the increasing danger bushfires and other natural disasters pose to Australians because of climate change, our government must increase its investment in efforts to reduce our contribution to global greenhouse gas emissions. Further, it must stop using public money to incentivise polluting activities such as coal mining that exacerbate the harmful impacts of climate change. Each year the federal government hands out roughly \$1 billion to coal mining companies in fuel tax credits alone. At the same time, the National Bushfire Mitigation Program, a federal grant program aimed boosting state and territory efforts to reduce long term bushfire risks within local communities, received a total of \$15 million over three years (2014-2017).

In light of these issues, ACF is calling on the federal government to act in the 2018-19 budget and implement the following among other measures:

- Double the funding to the National Bushfire Mitigation Program and invest in scientific research into long-term bushfire mitigation strategies
- Establish and resource an independent statutory authority to administer national environmental laws
- Create a dedicated National Environment Fund with annual investment of \$1.1 billion to:
  - Support the expansion and management of national parks, Indigenous Protected Areas and World Heritage Areas
  - Bolster threatened species recovery programs and protect critical habitats
  - Invest additional resources in water quality improvements along the Great Barrier Reef

The government has a duty to plan so Australians today and the generations that follow have the basic ingredients for a good life. It is therefore critical the federal government increase spending on

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<sup>4</sup> Australian Business Roundtable for Disaster Resilience and Safer Communities, 2013, White Paper Final Report: Building Our Nation's Resilience to Natural Disasters, 21.

<sup>5</sup> The Climate Institute, *Facts and myths about bushfires and climate change*, February 2016, [http://climateinstitute.org.au/verve/resources/2016\\_Bushfire\\_Factsheet\\_-\\_FINAL.pdf](http://climateinstitute.org.au/verve/resources/2016_Bushfire_Factsheet_-_FINAL.pdf)

<sup>6</sup> CSIRO, 2015, Climate Change in Australia Technical Report, p 8.

<sup>7</sup> CSIRO and The Bureau of Meteorology, 2014, op cit., 15. [Low emissions scenario assumes strengthening global action to limit climate change, in line with the 2015 Paris Agreement. High emissions scenario assumes greater climate change due to higher levels of carbon pollution or a climate system more sensitive to greenhouse gases.]



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our environment to safeguard our living world and create the conditions for our people and planet to thrive.

There can be no more delay. Budgets are about choices. And the next budget could start Australia on a pathway to make our country better for everyone and every living thing.



## Budget priorities

Priorities	How to make it happen
<b>1. Cut Pollution</b>	<ul style="list-style-type: none"> <li>1.1 Set pollution targets to achieve net zero emissions before 2050</li> <li>1.2 Provide adequate international support</li> <li>1.3 Asia Pacific Rainforest Recovery Fund</li> <li>1.4 Clean up transport</li> </ul>
<b>2. Go 100% clean energy</b>	<ul style="list-style-type: none"> <li>2.1 Restore the funding cut to ARENA</li> <li>2.2 Establish a Renewable Energy Target for 2030</li> <li>2.3 Establish a Smart Energy Communities Program</li> <li>2.4 Bring down the cost of on-demand renewables and storage</li> <li>2.5 Double Australia's energy productivity</li> <li>2.6 Remove subsidies that entrench the use of fossil fuels.</li> </ul>
<b>3. Shift away from polluting coal</b>	<ul style="list-style-type: none"> <li>3.1 Rule out subsidising coal mines, including the Carmichael mine, and amend the investment mandate of the Northern Australia Infrastructure Fund</li> <li>3.2 Establish a national energy transition plan to phase out coal</li> </ul>
<b>4. Help communities and nature thrive.</b>	<ul style="list-style-type: none"> <li>4.1 Secure carbon in biodiverse landscapes</li> <li>4.2 Reinvest in National Climate Change Adaptation Research</li> <li>4.3 Double funding to the National Bushfire Mitigation Program</li> </ul>
<b>5. Be Nuclear Free</b>	<ul style="list-style-type: none"> <li>5.1 A clean and safe, not dirty and dangerous energy future</li> <li>5.2 More responsible approach to nuclear waste storage</li> <li>5.3 Australia's response to the United Nations Treaty on the Prohibition of Nuclear Weapons</li> </ul>
<b>6. Marine areas</b>	<ul style="list-style-type: none"> <li>6.1 Establish a comprehensive and adequate Marine Reserve system</li> </ul>
<b>7. Create strong laws to protect life</b>	<ul style="list-style-type: none"> <li>7.1 Establish and resource an independent statutory authority to administer national environmental law</li> </ul>
<b>8. Re-connect habitats</b>	<ul style="list-style-type: none"> <li>8.1 Create a national environment fund with an annual investment of \$1.1 billion</li> <li>8.2 Improve tax incentives for conservation</li> </ul>
<b>9. Help nature and culture thrive in the North</b>	<ul style="list-style-type: none"> <li>9.1 Invest \$30 million per year in Indigenous Protected Areas and increase the number of Indigenous Rangers to 5,000 by 2025.</li> <li>9.2 Ensure NAIF funds are used for projects that will build an environmentally sustainably and more resilient economy for people in the north</li> </ul>
<b>10. Keep the Murray flowing</b>	<ul style="list-style-type: none"> <li>10.1 Deliver basin plan on time and in full</li> <li>10.2 Reinvigorate national water reform</li> </ul>
<b>11. Value nature in government decision making</b>	<ul style="list-style-type: none"> <li>11.1 Environmental accounting</li> </ul>



## 1. Cut Pollution

### 1.1 Set pollution targets to achieve net zero emissions well before 2050

Central to the policies needed should be a mechanism that incentivises a cut in pollution across the whole economy, this could be market driven and/or regulatory. Further, it should be complemented by policy that incentivises investment in clean energy such as an extended Renewable Energy Target (as mentioned below), and reverse auctions that drive competition in the market and result in new clean energy facilities at lowest cost. Continuing as usual is not in the interest of Australia’s environmental, social or economic health.

### 1.2 Provide adequate international support

As a developed country, Australia has a role to play in assisting developing countries to ensure the success of the Paris Agreement. ACF, WWF and other organisations believe Australia should contribute at least AU\$3.2 billion per year by 2020 to the Green Climate Fund. This is a fair and reasonable share of the US\$100 billion per year goal set for developed nations. Funding to help developing nations reduce climate pollution and adapt to the unavoidable impacts of climate change is critical to the success of the Paris Climate Agreement.

Investments (\$million) – forward estimates

ITEM	2018-19	2019-20	2020-21	2021-22
<i>Australia’s contribution to the Green Climate Fund</i>	2,000	2,600	3,200	3,200

### 1.3 Asia Pacific Rainforest Recovery Fund

The Australian Government hosted the Asia-Pacific Rainforest Summit in Sydney on 11–12 November 2014 which included dialogues on the practical and technical aspects of monitoring forests, combating illegal logging, protecting biodiversity, community and indigenous groups in forest management and eliminating deforestation from global supply chains. Practical action is now required to help address these issues by allocating \$200 million over four years to establish an Asia-Pacific Rainforest Recovery Fund.

Investments (\$million) – forward estimates

ITEM	2018-19	2019-20	2020-21	2021-22
<i>Asia Pacific Rainforest Recovery Fund</i>	50	50	50	50

### 1.4 Clean up transport

The contribution of vehicle pollution to Australia’s overall pollution must be addressed. Transport is responsible for 17 per cent of Australia’s climate pollution, second only to electricity generation. Transport is also one of Australia’s fastest growing sectors for climate pollution with 16% growth



to 2030 currently projected. If not addressed, transport could become Australia's biggest source of climate pollution. ACF and WWF welcome the work on vehicle emission standards currently being undertaken by the Ministerial Forum on Vehicle Emissions however it is imperative that this work delivers new emission standards that bring Australia in line with other developed countries as quickly as possible.

## **2. Go 100% clean energy**

### **2.1 Restore the funding cut from ARENA**

A critical element of Australia's contribution to pollution and climate change is our use of highly polluting energy like coal and gas. To transition Australia's energy mix, we must rapidly shift to clean energy to power our homes and businesses. There are technological barriers we need to overcome, which is why agencies such as the Australian Renewable Energy Agency that fund research and invest in new technology and innovation are so important. The cut of \$500 million in funding to ARENA should be reversed in the long-term interest of Australia's energy transition.

Investments (\$million) – forward estimates

<b>ITEM</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<i>Funding the Australian Renewable Energy Agency</i>	499.9	237.0	468.3	135

### **2.2 Establish a Renewable Energy Target for 2030**

The current growth trajectory for the large scale Renewable Energy Target (RET) scheme only runs until 2020, although the scheme will remain in operation until 2030. This puts pressure on companies to quickly deliver new projects to maximise their time under the RET umbrella, but only gives a limited investment horizon beyond this point. While the closure of coal-fired power stations will go some way to encouraging new investment, extending support for clean energy sources would provide stability for large scale infrastructure renewal. Incentives and strong, certain investment signals are needed while the old, outdated and excess capacity is being withdrawn to ensure ongoing investment.

### **2.3 Establish a Smart Energy Communities Program**

Energy efficiency, renewable energy and the smart grid are the new frontier, not only for local environmental conservation but also economic development and community empowerment. There are now over 80 community energy groups and over 50 operating community energy projects. 27% of the voting public now live under a solar roof.

However, red tape and an outdated energy market are holding back further rollout of smart energy. More than 35% of households - including renters and apartments - are not able to put solar on their roof. Community energy means they can still invest in our energy system, even without





their own rooftop. But to date projects have been hampered by outdated market rules and regulations that get in the way of innovative communities wanting energy independence.

With just \$140 million in federal funding over the forward estimates period the Government could unlock over \$2billion in investment in local smart energy projects, helping to create local job opportunities to reduce power bills while cutting greenhouse gas emissions.

The Smart Energy Communities program would leverage the efforts of existing volunteers, willing contributions from the private sector and community enthusiasm for renewables, to support all Australians to access innovative and emerging energy technologies.

Investments (\$million) – forward estimates

ITEM	2018-19	2019-20	2020-21	2021-22
<i>Smart Energy Communities Program</i>	40	40	30	30

## **2.4 Bring down the cost of on-demand renewables and storage**

The government should invest in a "Sunshot" style initiative, like the policies implemented in the United States, targeted at significantly driving down the cost of on-demand renewable energy and storage. This would include identifying and providing incentives for advanced research and development, domestic manufacturing and market transformation connected to concentrating solar thermal with storage, batteries, pumped hydro, sustainable bioenergy and renewable hydrogen.

Sunshot was initiated by the US Department of Energy to drive down the cost and spur innovation in solar technologies. It included providing incentives for advanced solar technology research and development (R&D), domestic manufacturing, and market transformation to achieve a \$0.06 per kilowatt-hour target and enable large-scale solar generated power to account for 15–18% of America's electricity generation by 2030. The target was met 3 years early and the initiative has been updated with a further goal to cut the levelized cost of electricity (LCOE) of photovoltaic solar by an additional 50% to \$0.03 per kWh for utility-scale and cut the LCOE of concentrating solar power to \$0.05 per kWh for baseload power plants, while also addressing grid integration challenges and addressing key market barriers to enable greater solar adoption.

## **2.5 Double Australia's energy productivity**

Australia's energy productivity ambition should be increased as an important part of cutting pollution and supporting Australia's competitiveness as many other countries pursue the benefits of a strong energy productivity agenda. The current target of a 40 per cent improvement by 2030 is unambitious. In December 2015 when this target and accompanying plan was announced, the plan identified several energy productivity measures, however Australia only needs to implement half



of them to achieve the 40 per cent target.<sup>8</sup> Research and modelling has demonstrated that Australia could double its energy productivity through modernisation of the electricity system and receive enormous benefits for doing so.<sup>9</sup>

## **2.6 Remove subsidies that entrench the use of fossil fuels**

The Government continues to subsidise fossil fuels, particularly through the Fuel Tax Credit scheme, and provides tax breaks for fossil fuel exploration, production and consumption. The Fuel Tax Credit scheme subsidises the cost of fuel and therefore subsidises pollution. This continuing budget support for the use of diesel fuel constitutes a barrier to innovation, established and maintained by government. It costs the Federal Budget over \$27 billion dollars over the forward estimates.<sup>10</sup> ACF and WWF propose two ways to end this subsidy, which are outlined below. It is to be noted that abolition of the subsidy does not prevent businesses who use fossil fuels from claiming a business deduction for the cost of those fuels from the income tax they pay.

Revenue from savings could be redirected to invest in the innovation, which Prime Minister Turnbull rightly views as critical to the nation's future. Savings from the Fuel Tax Credit scheme could be invested into research and development to reduce fuel use, lower environmental impacts and find new ways to use clean technology to make all businesses more energy efficient and accelerate the transition to clean energy.

ACF and WWF suggests two ways the Government could restructure the Fuel Tax Credits scheme.

- **Cap Fuel Tax Credit claims at \$20,000 per claimant.** Many industries take advantage of fuel tax credits. It is not ACF or WWF's intention to disadvantage users of the scheme that make small claims, such as farmers. Therefore, ACF and WWF propose a \$20,000 cap per claimant, so those making small claims would not be adversely affected. The cap would be phased in over a several years, starting with an \$80,000 cap and stepping down by \$20,000 a year until a final cap of \$20,000 is reached. This cap would ensure the vast majority of industries - including most claimants from the agriculture and tourism industries - are able to continue to receive credits as they do now.
- **Scrap the scheme and reinvest the money in research and development.** Removing the diesel subsidy would free up \$27 billion over the forward estimates that could be reinvested in research and development into reduced fuel use, clean technology, energy efficiency and lower environmental impact processes.

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<sup>8</sup> COAG Energy Council, National Energy Productivity Plan 2015-2030, December 2015, p. 13

<http://www.coagenergycouncil.gov.au/publications/national-energy-productivity-plan-2015-2030>

<sup>9</sup> ClimateWorks, Australia's Energy Productivity Potential, March 2015,

<http://climateworks.com.au/project/current-project/australias-energy-productivity-potential>

<sup>10</sup> The Treasury, Budget 2017-18, Budget Paper 1, Statement 6: Expenses and Net Capital Investment, Table 3.1: Top 20 Programmes by expenses in 2017-18.



## The Savings

Using figures from the 2017-18 Budget, the \$20,000 cap proposal, would save an estimated \$13.1 billion over the forward estimates.

Savings (\$million) – forward estimates

ITEM	2018-19	2019-20	2020-21	2021-22	Total
<i>Fuel Tax Credits Scheme Budget Forecast</i>	6,514	6,884	7,349	7,678 <sup>11</sup>	28,425
<i>Fuel Tax Credit Scheme under \$20,000 Cap proposal<sup>12</sup></i>	3,881	3,888	3,878	3,633	15,280
<b><i>\$20,000 Fuel Tax Credit Scheme Cap - Savings</i></b>	<b>2,633</b>	<b>2,996</b>	<b>3,471</b>	<b>4,044</b>	<b>13,144</b>

## 3. Shift away from polluting coal

### 3.1 Rule out subsidising coal mines, including the Carmichael mine, and amend the investment mandate of the Northern Australia Infrastructure Fund

The Federal Government should not be subsidising coal mines or the construction of infrastructure associated with coal mines. This includes, but is not limited to, the use of the Northern Australia Infrastructure Facility (NAIF) to subsidise the Carmichael coal mine. To do so would be clearly inconsistent with the government's statements on the tight fiscal circumstances of the Budget, the Paris climate agreement and the worldwide energy transition to clean energy that is underway. It is not a sound economic or environmental investment for the government to be involved in. With these considerations in mind, the Federal government should amend the investment mandate of the NAIF to restrict funding to any future fossil fuel mining and related infrastructure projects.

### 3.2 Establish a national energy plan to phase out coal

There is overwhelming acceptance amongst the Australian community, including business, energy generators and unions, that Australia urgently needs a planned transition of Australia's energy sector from coal to clean energy – and this requires Federal government leadership. This change is inevitable and can be either chaotic and disruptive, or managed systematically. Inaction is not an option.

The government should make a financial commitment in the 2018-19 Budget to develop an energy transition plan in consultation with representatives from state/territory governments, the energy

<sup>11</sup> Estimate, based on average annual growth rate of the scheme between 2017-18 and 2020-21 using figures in the 2017-18 budget.

<sup>12</sup> Based on the latest fuel taxation statistics which are from the 2014-15 year. <https://data.gov.au/dataset/taxation-statistics-2012-13/resource/55aae12d-5c19-43d0-a445-4077a20865ba>



sector, investors, unions, environment groups, the welfare sector and other community organisations. The energy transition plan should include costed options so it is clear what investment is needed from federal and state governments to successfully implement the transition.

Investments (\$million) – forward estimates

ITEM	2018-19	2019-20	2020-21	2021-22
<i>Establishment and resourcing for Energy Transition Advisory Group</i>	2	-	-	-

## 4. Help communities and nature thrive

### 4.1 Secure carbon in biodiverse landscapes

There is enormous potential to store carbon in natural landscapes as well as protect and restore biodiversity across Australia. Using appropriate markets or regulatory mechanisms will be one of the most significant opportunities to protect biodiversity and address climate change with limited government funding. CSIRO modelling completed as part of the National Outlook Report indicates that policies promoting strong carbon abatement in native ecosystems could increase native habitats by 12 to 15 million hectares nationally and reduce the risk of species extinction by 10 per cent. Under very strong abatement settings this area of restored ecosystems could grow to 35 million hectares and reduce the risk of wildlife extinction by almost 20 percent.<sup>13</sup>

ACF and WWF supports this mechanism being used to maintain existing carbon stores and abate ‘locked-in’ pollution already in the atmosphere or unavoidable emissions. We do not support its use to offset pollution where it can be reduced or avoided through other climate policy, for example energy production switching from coal to clean energy.

### 4.2 Reinvest in National Climate Change Adaptation Research

Government should extend funding for climate change adaptation including through reinstating long-term funding for the National Climate Change Adaptation Research Facility (NCCARF). The importance of its work is growing as the unavoidable impacts of global warming become increasingly apparent and have growing impacts.

The NCCARF has an important role in helping decision makers in Australia prepare for projected impacts such as more frequent and intense heatwaves, an increased risk of flooding from rivers and the sea, and increased coastal erosion. The following functions require funding on an ongoing basis: managing climate science and information; adaptation research; generating information on climate risks, impacts and vulnerabilities; and tools to assist communities to adapt. This work

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<sup>13</sup> Australian National Outlook 2015 *Economic activity, resource use, environmental performance and living standards, 1970–2050*, October 2015 <http://www.csiro.au/nationaloutlook/>



requires multi-year efforts and is hampered by short-term or uncertain funding. The Government should pledge long term funding to this important work.

Investments (\$million) – forward estimates

ITEM	2018-19	2019-20	2020-21	2021-22
<i>Reinstate funding of the National Climate Change Adaption Research Facility</i>	3	3	3	3

#### 4.3 Double funding to the National Bushfire Mitigation Program

Australian average surface air temperature has increased by 0.9°C since 1910, and increasing greenhouse gases have contributed to the rise.<sup>14</sup> The number of extreme fire weather days have increased since 1973 due to warmer and drier conditions.<sup>15</sup> The risk of catastrophic bushfire events in Australia is increasing because of global warming. The federal government must do more to abate the growing risk of bushfires across the country. This includes reducing our total greenhouse gas emissions and increasing our commitment to bushfire hazard reduction.

The National Bushfire Mitigation Program (NBMP) is a federal spending program aimed at boosting state and territory efforts to reduce long term bushfire risks. The NMBP was originally worth \$15 million over three years (2014-2017). \$2.2 million was allocated to support the National Burning Project delivered by the Australasian Fire and Emergency Service Authorities Council. \$1.5 million was allocated to a mechanical fuel load reduction trial, overseen by the Department of Agriculture. The remaining funds were distributed to the states and territories to be issued as grant funding to organisations, government-bodies and community groups.

The NBMP is a sound policy that supports local groups mitigate the specific bushfire hazards facing their communities. Funding for the NRMP should be extended beyond 2017 and available grant funding should be doubled to \$10 million per year. Further, dedicated funding should be set aside for long-term scientific study into bushfire mitigation strategies, technology and innovation.

Investments (\$million) – forward estimates

ITEM	2018-19	2019-20	2020-21	2021-22
<i>Extend and increase funding to National Bushfire Mitigation Programme</i>	10	10	10	10
<i>Resource scientific research into long-term bushfire mitigation strategies and innovation</i>	2	2	2	2

<sup>14</sup> The Climate Institute, *Facts and myths about bushfires and climate change*, February 2016, [http://climateinstitute.org.au/verve/resources/2016\\_Bushfire\\_Factsheet\\_-\\_FINAL.pdf](http://climateinstitute.org.au/verve/resources/2016_Bushfire_Factsheet_-_FINAL.pdf)

<sup>15</sup> CSIRO, 2015, *Climate Change in Australia Technical Report*, p 8.



## 5. Be Nuclear Free

### 5.1 A clean and safe, not dirty and dangerous energy future

Australia is well placed to transition from being a major supplier of uranium to becoming a world leader in the large-scale deployment of clean and safe renewable energy. Uranium mining and export is the first stage in the unsafe and unsustainable nuclear fuel chain. Nuclear power is – at best - a dangerous distraction from the changes we need to make to address uncontrolled climate change.

The fracturing of the Non-Proliferation Treaty threatens a new international nuclear arms race. The international safeguards regime is under-resourced, under pressure and under-performing. Providing more uranium fuel to more nuclear reactors means more highly radioactive materials, more waste and more chance of nuclear weapons proliferation. The Federal government should convene an independent inquiry into the domestic and international impacts and implications of Australia’s uranium sector. Such a position is consistent with Australia’s unrealised obligations arising from the recommendations of a UN system wide review of the Fukushima nuclear crisis in 2011.

Investments (\$million) – forward estimates

ITEM	2018-19	2019-20	2020-21	2021-22
<i>Convene an independent Inquiry into the domestic and international impacts and implications of Australia’s uranium sector.</i>	2	2	-	-

### 5.2 A more responsible approach to radioactive waste storage

Nuclear power produces highly dangerous, very long lived nuclear waste. Seventy years after the start of the nuclear experiment no country is yet able to establish a final disposal facility for high level nuclear waste. Globally, there are more than 250,000 tonnes of high level nuclear waste in stockpiles – many of them unsafe. Waste management is a growing global challenge. To stop fuelling this intractable problem Australia must phase out uranium mining and export and not be blinded by short term financial lures to turn our country into a permanent high level radioactive waste dump.

Nothing about radioactive waste is simple or clear – but it can be far better managed. Successive Federal governments have tried to force through the creation of a remote central waste dump to deal with our national radioactive waste stockpile. This approach has been characterised by secretive and top down decision making. A new approach is needed, based on extended interim Federal storage coupled with enhanced transparency scientific evidence and international best practice to assess the full range of options to advance responsible radioactive waste management.





This should involve the establishment of an independent inquiry into the responsible management of Australia’s domestic radioactive waste in Australia.

Investments (\$million) – forward estimates

ITEM	2018-19	2019-20	2020-21	2021-22
<i>Establish an independent National Commission into responsible management of Australia’s domestic radioactive waste in Australia.</i>	4	4	-	-

### **5.3 Australia’s response to the United Nations Treaty on the Prohibition of Nuclear Weapons**

Australian civil society group ICAN has successfully advanced an international initiative seeking a legal prohibition on nuclear weapons – formerly known as the Treaty on the Prohibition of Nuclear Weapons. It prohibits nations from developing, testing, producing, manufacturing, transferring, possessing, stockpiling, using or threatening to use nuclear weapons, or allowing nuclear weapons to be stationed on their territory. It also prohibits them from assisting, encouraging or inducing anyone to engage in any of these activities.

This international instrument is progressing towards becoming international law – this will happen three months after 50 nations sign and ratify the prohibition Treaty. 50 nations have already signed, and ratifications are happening. Within 8-18 months the Treaty will be law and require an Australian response.

Sufficient funding is required for DFAT in association with relevant stakeholders to identify compliance and implementation issues and pathways to ensure that a future Australian government acts in a manner consistent with national and international expectation and legal obligation.

## **6. Marine areas**

### **6.1 Establish a comprehensive and adequate Marine Reserve system**

A comprehensive, adequate and representative Australian marine reserve system should satisfy (at the very least) minimum standards of protection for 2,420 marine ecosystems and 177 marine species of national environmental significance. As well as the conservation of Australia’s extraordinary marine biodiversity, a comprehensive, adequate and representative marine reserve system would moderate climate and impact of extreme events by healthy reef and mangrove ecosystems, provide cultural and recreational benefits including swimming, diving and recreational fishing, and significant financial benefits: the Great Barrier Reef (in the Great Barrier



Reef Marine Park), for example, contributes approximately \$5.7 billion to the Australian economy and supports an FTE workforce of 69,000.<sup>16</sup>

Completing the comprehensive, adequate and representative Australian marine reserve system will require an additional 15.8% of Australian waters, 137 million hectares, to be included in highly protected areas, in addition to the 13.4% highly protected now.<sup>17</sup> This would cost \$247 million in fisheries adjustment assistance, while leaving over two thirds of Australia’s marine jurisdiction open to commercial resource use outside of marine parks and reserves or in the multiple use zones of existing marine parks.

Investments (\$million) – forward estimates

ITEM	2018-19	2019-20	2020-21	2021-22
<i>A comprehensive, adequate and representative marine reserve system</i>	50	50	50	50

## 7. Create strong laws to protect life

### 7.1 Establish and resource an independent statutory authority to administer national environmental law

The federal government has historically played an important role in protecting the places and wildlife Australians love, but indicators show the biodiversity and health of our environment continues to decline. Our national environment laws need to be strengthened and improved, not weakened and degraded. Evidence shows that economic savings attributed to the failed one stop shop for environmental approvals have been wildly and simplistically over-estimated by government to date.

Developing a robust set of national laws and programs is a critical step to safeguarding our future. Specifically, a new generation of national environment laws must:

- protect our climate;
- regulate large scale land clearing;
- protect our system of national parks and nature reserves; and
- ensure clean and healthy rivers and groundwater.

Coupled with this state and territory governments should deliver nature protection objectives under an enhanced national legislative framework.

<sup>16</sup> Deloitte Access Economics (2013). Economic contribution of the Great Barrier Reef, Great Barrier Reef Marine Park Authority, Townsville.

<sup>17</sup> Taylor MFJ, Fitzsimmons JA, Sattler PS (2014). Building Nature’s Safety Net 2014: A decade of protected area achievements in Australia. WWF-Australia, Sydney, pages 13-15; 77-80.





Australia needs an independent national environmental agency to administer national environment laws. Such an agency must be free from political interference and partisan decision making, be defined in law and have sufficient capacity, resources and systems to regulate, monitor and implement environmental legislation. Such a body must also play a central role in coordinating programs and processes with state and territory governments to ensure efficient administration of environment law. Resourcing for such an agency would in part be funded through re-profiling \$120 million out of Outcome 1.5 and 1.6 of the Department of Environment and Energy to resource such an agency, with additional appropriation of \$80 million per year over forward estimates to provide sufficient resources.

Investments (\$million) – forward estimates

ITEM	2018-19	2019-20	2020-21	2021-22
<i>Additional funding for an independent national environment agency*</i>	20	20	20	20

\*Total appropriation would be \$140 million per year, part funded through re-profiling \$120 million out of Outcome 1.5 and 1.6 of the Department of Environment and Energy.

## 8 Reconnect Habitats

### 8.1 Create a national environment fund with an annual investment of \$1.1 billion

Australia has one of the world’s worst records on species loss and extinction. At no time in history has our natural environment been more degraded or threatened through unsustainable land use, over extraction, invasive species, and the rising threat of global warming. Reconnecting important natural places gives wildlife safe places to feed, breed and migrate.

Large-scale nature conservation is a first-order priority for the mitigation of and adaptation to climate change. Places like the Great Dividing Range, a 3,600 kilometre-long forested mountainous corridor stretching from the tropical rainforests of Cape York in far north Queensland to the temperate woodlands of the Grampians in western Victoria, is one of the critical landscapes in Australia under threat. The range provides water to close to 11 million people, sequesters huge stores of carbon in its tall temperate and subtropical forests and will be one of Australia’s most critical corridors and climate refugees as species and ecosystems are forced to adapt to the impacts of global warming.

Australia needs well designed and targeted programs that connect key biodiversity areas across the country, engaging and empowering local communities and partners to restore and protect critical habitats and implement recovery actions for our most threatened species.

The Federal government should create a dedicated National Environment Fund with an annual investment of \$1.1 billion to:



- Establish a national program to support the expansion and management of national parks, Indigenous Protected Areas, private landholder covenants and World Heritage Areas (\$170 million);
- Establish a Threatened Species Recovery Programme to implement threatened species recovery plans and protect critical habitats (\$250 million);
- Building on historic and future investments through reef programs (including Reef Rescue and the Reef Trust) invest additional resources in water quality improvements in key catchments along the Great Barrier Reef (\$475 million)
- Invest in invasive species control programs, including dedicated funding for threat abatement plans and a National Invasive Species Action Plan (\$140 million)
- Protect and restore catchments, habitats and climate refugees across tenures nationally through targeted spending and regional NRM programs; (\$90 million)

**1.1 billion is approximately 0.28% of the Australian Budget.**

Investments (\$million) – forward estimates

ITEM	2018-19	2019-20	2020-21	2021-22
<i>National Environment Fund:</i>				
- National Reserve Program	170	170	170	170
- Threatened Species Program	250	250	250	250
- Reef Water Quality Program	475	475	475	475
- Invasive Species Action Plan	140	140	140	140
- NRM Resilience and Adaption	90	90	90	90
<b>Total</b>	<b>1125</b>	<b>1125</b>	<b>1125</b>	<b>1125</b>

## 8.2 Improve tax incentives for conservation

Our tax system can be greatly improved to give property owners an incentive to protect biodiversity on their land. More than 80 per cent of Australia’s land mass is outside of the protected area estate. Programs that encourage better stewardship of biodiversity on private land will have enormous long-term benefits for the public, the environment and landholders.

Potential improvements in the tax system that would better incentivise conservation investment include:

- reviewing ‘Landcare operations’ deductions to broaden the availability of concessions to include ‘ecological management and restoration’;
- enabling conservation and ecosystem service investments to be a tax-deductible input, especially for productive lands;
- exempting private land conservation acquisitions from the GST; and
- clarifying and distinguishing private and public interest dimensions to revenues on private lands of conservation value, as well as allowing for ecological ‘gifting’.



## 9 Help nature and culture thrive in the North

### 9.1 Invest \$30 million per year in Indigenous Protected Areas and increase the number of indigenous Rangers to 5,000 by 2025

A better future for people and nature in our beautiful north starts with supporting the goals of Indigenous people to sustainably manage their country and its resources. On Cape York Peninsula, the successful land tenure resolution program has now returned over three million hectares of country to Traditional Owners and created, with their informed consent, a network of more than 1.5 million hectares of jointly managed national parks and nature refuges across the landscape. This stretches over an area equivalent to the distance between Melbourne and Sydney.

In the Kimberley, Traditional Owners are beginning to see the rewards of the 2011 declaration of National Heritage and of Indigenous Protected Areas over vast areas of the West Kimberley with new business opportunities emerging in carbon abatement and fee-for-service land management, including monitoring of biosecurity threats.

These successes need to be consolidated with long term investments to help Indigenous organisations manage their land and maintain its conservation values and address key threats to halt the spread of invasive species and destructive fires – both fuelled by accelerating global warming.

The budget can further these goals with secure long-term funding for Indigenous Protected Areas and Indigenous Rangers through the Working on Country program. ACF calls for the government to provide long term funding certainty to existing Indigenous Rangers and to double the number of Indigenous rangers over the next four years. The government should also aim to increase the number of Indigenous land managers to 5,000 within 10 years.

A report released in November 2015, found that despite the relatively low level of spending on Indigenous Protected Areas and Indigenous Rangers, there are almost 800 full time and a total of 1,423 people employed through the initiative. Retention rates are over 80 per cent and there are positive economic flow-on effects in communities where Indigenous Rangers live and work.<sup>18</sup>

ACF and WWF welcome the extra funding and program certainty announced by the Government in May 2017. However, considering the social and environmental benefits we are calling for expansion of the program.<sup>19</sup>

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<sup>18</sup> The Pew Charitable Trusts and Synergies Economic Consulting, *Working for Our Country: A review of the economic and social benefits of Indigenous Land and Sea Management*, 1 November 2015, p. 3-4

<sup>19</sup> <https://ministers.pmc.gov.au/scullion/2017/extra-30m-provide-compliance-training-indigenous-rangers>



Long term investments must include increased funding for Indigenous Protected Areas up to \$30m per annum by 2020 as part of National Environment Fund spending. And increase the number of Indigenous Rangers to 5,000 by 2025.

Investments (\$million) – forward estimates

ITEM	2018-19	2019-20	2020-21	2021-22
<i>Indigenous Rangers Program</i>	140	140	140	140
<i>Indigenous Protected Areas (included in National Environment Fund)</i>	25	30	30	30

## **9.2 Ensure NAIF funds are used for projects that will build an environmentally sustainable and more resilient economy for people in the north**

Governments need to focus on investing in environmentally sustainable infrastructure for a wider variety of business sectors with long-term social benefits; such as tourism, renewable energy, sustainable agriculture, education and training. This would include investments to improve communication services, small scale renewable energy for remote communities, and in all-weather roads and bridges to cope with severe weather events. The result would be greatly improved access to basic services and the lifting of community wellbeing for people living in the north. The use of 20 per cent of the Northern Australia Infrastructure Facility for one coal mining project with severe environmental consequences is an irresponsible and reckless use of the Federal Budget.

## **10. Keep the Murray Flowing**

### **10.1 Deliver the Basin Plan on time and in full**

The Basin Plan promises to return water to the ecosystems of the Murray-Darling Basin to protect farming, rural and urban communities that rely on the Basin. For the Murray-Darling to return to health, the Basin Plan must be implemented, in full and on time, including the delivery of 3,200 gigalitres of water for the environment. Governments must guarantee this and adequately fund and resource the full recovery of 450 gigalitres of water through the adjustment mechanism through the Water for the Environment special account.

The Government must also lift the cap on buybacks to enable water to be recovered through the most effective and efficient means.

Significant investment has gone into building the Commonwealth Environmental Water portfolio. There must be a stronger emphasis on programs to deliver incentives that reward private landholders for managing floodplains for the agricultural and the environmental benefits they provide. These programs should maximise the benefits of the Constraints Management Strategy to address key issues in delivering of water across different land tenures.



The MDBA must be provided additional resources for compliance and enforcement in light of recent scandals and allegation of water theft across the basin. Creating a standalone compliance unit within the MDBA is needed to strengthen compliance and re-build community trust, alongside the establishment of an independent EPA (see above).

Investments (\$million) – forward estimates

ITEM	2018-19	2019-20	2020-21	2021-22
<i>MDBA compliance resource</i>	5	5	5	5

## 10.2 Reinvigorate national water reform

Australia needs to reinvigorate national water reform, promote healthy catchments and make sure we do not repeat the mistakes of the past in the over-allocation of surface and groundwater. Specifically, political leaders should commit to:

- a national process to assess and approve catchment water resource plans outside the Murray-Darling Basin, especially in Northern Australia, to ensure there is equitable access to water resources across different users; and
- develop and implement a formal road-map for the recognition of equitable water rights for Indigenous communities across Australia.

## 11. Value nature in Government decision making

### 11.1 Environmental accounting

If a business generates revenue by selling off assets, those changes are recorded on its balance sheet and considered by the market. But if Australia as a nation generates economic growth by running down the environment, the decrease in our national balance sheet does not register in budget papers or quarterly economic reports.

It does not have to remain this way. Australia has world class institutions and practices in place that could be adapted and further invested in to ensure the environment is properly considered in government decision making. The Australian Bureau of Statistics has knowledge of and capability in the System of Environmental-Economic Accounting. A small investment would allow them to expand the scope of their work and ensure the system can be implemented across the federal bureaucracy.

For a relatively modest allocation of \$20 million per year, publication of a full SEEA account and ongoing data collection for Australia is feasible. It would provide decision-makers at all levels of government and in the private sector with vital information about our natural assets.



Investments (\$million) – forward estimates

<b>ITEM</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<i>Implement the System of Environmental – Economic Accounting across Government</i>	20	20	20	20



Priorities	Initiative	2018-19 (\$m)	2019-20 (\$m)	2020-21 (\$m)	2021-22 (\$m)
1. Cut Pollution	<i>Australia's contribution to the Green Climate Fund</i>	2,000	2,600	3,200	3,200
	<i>Asia Pacific Rainforest Recovery Fund</i>	50	50	50	50
2. Go 100% clean energy	<i>Funding the Australian Renewable Energy Agency</i>	499.9	237.0	468.3	135
	<i>Smart Energy Communities Program</i>	40	40	30	30
	<b><i>\$20,000 Fuel Tax Credit Scheme Cap - Savings</i></b>	<b>2,633</b>	<b>2,996</b>	<b>3,471</b>	<b>4,044</b>
3. Shift away from polluting coal	<i>Establishment and resourcing for Energy Transition Advisory Group</i>	2	-	-	-
4. Help communities and nature thrive.	<i>Reinstate funding of the National Climate Change Adaption Research Facility</i>	3	3	3	3
	<i>Double funding to the National Bushfire Mitigation Program</i>	10	10	10	10
	<i>Fund scientific research into long-term bushfire mitigation strategies</i>	2	2	2	2
5. Be Nuclear Free	<i>Convene an independent Inquiry into the domestic and international impacts and implications of Australia's uranium sector.</i>	2	2	-	-
	<i>Establish an independent National Commission into responsible management of Australia's domestic radioactive waste in Australia.</i>	4	4	-	-
6. Marine areas	<i>A comprehensive, adequate and representative marine reserve system</i>	50	50	50	50
7. Create strong laws to protect life	<i>Additional funding for an independent national environment agency</i>	140	140	140	140
	<b><i>Re-profiling \$120 million out of Outcome 1.5 and 1.6 of the Department of Environment and Energy - Savings</i></b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>
8. Re-connect habitats	National Environment Fund	<i>National Reserve Program</i>	170	170	170
		<i>Threatened Species Program</i>	250	250	250
		<i>Reef Water Quality Program</i>	475	475	475
		<i>Invasive Species Action Plan</i>	140	140	140
		<i>NRM Resilience and Adaptation</i>	90	90	90
		<b>Total</b>	<b>1125</b>	<b>1125</b>	<b>1125</b>
9. Help nature and culture thrive in the North	<i>Indigenous Rangers Program</i>	140	140	140	140
	<i>Indigenous Protected Areas (included in National Environment Fund)</i>	25	30	30	30
10. Keep the Murray flowing	<i>MDBA compliance resource</i>	5	5	5	5
11. Value nature in government decision making	<i>Implement the System of Environmental – Economic Accounting across Government</i>	20	20	20	20
<b>TOTAL</b>	<b>Spending</b>	<b>(5,243)</b>	<b>(5,583)</b>	<b>(6,398)</b>	<b>(6,065)</b>
	<b>Savings</b>	<b>2,753</b>	<b>3,116</b>	<b>3,591</b>	<b>4,164</b>
<b>OVERALL (Spending)</b>		<b>2,490</b>	<b>2,467</b>	<b>2,807</b>	<b>1,901</b>

