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## CHAPTER 1: INTRODUCTION

Achieving ecologically sustainable development requires the integration of environmental considerations across the range of Commonwealth policies and programmes. This Commonwealth Environment Expenditure Statement describes the full range of Commonwealth environmental programmes and activities. It builds on the first such Statement that was issued with the Commonwealth Budget of 1997–98.

This Statement highlights new measures in the 1998–99 Budget, while giving a broad outline of environment programmes, and programmes and activities that contribute to better environmental outcomes, across all portfolios.

Financial information and descriptions of programmes represent the information currently available within Commonwealth reporting systems. Identification of what is environmental expenditure depends on the extent to which spending can be ascribed to environmental purposes or outcomes. This varies with programmes. Often environmental aspects are difficult to separate from other outcomes, being fully integrated into activities. While this is consistent with the principles of ecologically sustainable development it can restrict our ability to document all environment expenditure. Inevitably, some expenditure cannot be accurately recorded. For this reason it would not be meaningful to provide a total of all the programme expenditures identified in the tables in this Statement.

Estimates solely for that part of Commonwealth environmental expenditure covered by the environmental programmes undertaken by the Environment and the Primary Industries and Energy portfolios are given in Table 1.1.

**Table 1.1: Environmental Expenditures undertaken by the Environment and the Primary Industries and Energy portfolios**

Description	1997–98 \$m	1998–99 \$m	1999–00 \$m	2000–01 \$m	2001–02 \$m
<b>Environment Portfolio</b>					
Environment Programme	256.6	290.7	279.9	282.1	88.8
Environment-related Programmes:					
Antarctic	61.9	63.1	61.9	61.4	60.9
Meteorology (a)	8.6	8.6	8.5	8.4	8.3
<b>Primary Industries and Energy Portfolio</b>	298.6	290.9	269.2	210.4	23.8
	625.7	653.3	619.5	562.3	181.8

(a) This only includes funding directly related to environmental outcomes.

### NEW MEASURES

New measures announced since the last Budget and included in the 1998–99 Budget are summarised in Table 1.2

#### **Payments to the Tasmanian Government under the Tasmanian Regional Forests Agreement**

This measure provides funding to the Tasmanian Government for the signing of the Regional Forest Agreement (RFA) with the Commonwealth for plantation establishment and thinnings, infrastructure (including new roads), tourism facilities and private land conservation. The funding is to assist Tasmania to implement the RFA without significantly impacting adversely on the forest industry and economy.

#### **Payments to the Tasmanian Government under the Tasmanian Regional Forests Agreement — additional funding**

This measure provides funding of \$10 million to the Tasmanian Government for plantation establishment and forest intensification programmes under the terms of the existing Regional Forest Agreement (RFA)

with the Commonwealth. This amount is part of a total funding package of \$110 million to the Tasmanian Government to meet both the conservation and industry objectives of the Tasmanian Regional Forest Agreement, including plantation and infrastructure development, intensive forest management initiatives, tourism facilities, new reserve management and private land conservation. The \$110 million includes the \$80 million to the year 1999–2000 in the previous measure (including \$28.4 million in 1997-98), \$20 million from the Natural Heritage Trust and this \$10 million additional funding to the year 1999–2000.

**Table 1.2: New Measures**

Description of Measure	1998–99	1999–00	2000–01	2001–02
	\$m	\$m	\$m	\$m
Tasmanian Forests RFA	28.3	23.3	–	–
Tasmanian Forests RFA - additional funding	6.8	3.2	–	–
Continuation of Climate Change Programmes	3.9	4.0	–	–
Enhanced Greenhouse Package	34.1	38.9	41.1	29.3
Management of World Heritage Properties	5.0	5.1	5.2	5.3
Urgent capital works — Kakadu NP	0.9	–	–	–
Grant to Mawson’s Huts Foundation	0.3	–	–	–
GBRMPA funding offset	1.2	1.2	1.2	1.3
Capital Refurbishment — Aust. Institute of Marine Science	2.0	3.0	3.6	3.0
Totals	82.5	78.7	51.1	38.7

New measures are expressed in outturn prices and other expenditure and revenue figures are expressed in 1998–99 prices.

### **Continuation of the Climate Change Programme**

This measure provides for the continuation of funding for the existing Climate Change Programme to be administered by the Australian Greenhouse Office. The Climate Change Programme provides a key focus for strategic policy development at both the national and international level and for the national coordination of a wide range of greenhouse mitigation measures. These include research and analysis, monitoring of progress in greenhouse abatement, and response activities related to climate change, particularly in key sectors of the economy, such as energy and agriculture.

### **Enhanced Greenhouse Response**

The Government has committed to an enhanced package of domestic greenhouse measures that builds on Australia’s existing ‘no-regrets’ domestic National Greenhouse Strategy (NGS). An expenditure package totalling \$177.9 million from 1998–99 to 2002–03 will comprise measures designed to reduce Australia’s greenhouse gas emissions in key sectors where emissions are high or projected to grow strongly. This expenditure will be on both new measures and substantially expanding existing programmes. The enhanced greenhouse package of measures addresses emissions across many sectors including residential, industry, transport, energy, agriculture, forestry and government operations. An Australian Greenhouse Office has been established within the Department of the Environment with responsibility for coordinating domestic climate change policy and delivery of greenhouse response programmes (see Chapter 7 for further detail).

### **Management of World Heritage Properties**

The purpose of this measure is to continue payments to State agencies for the management of Australia’s World Heritage properties. The payments to the States will contribute significantly to meeting Australia’s obligations under the World Heritage Convention and to implementing the Government’s commitment to improve the protection, conservation and presentation of Australia’s World Heritage properties.

### **Urgent capital works to repair flood damage at Kakadu National Park**

The Katherine district of the Northern Territory experienced record flood levels in early 1998 causing significant damage, which included damage to access roads in the Kakadu National Park. The funding

provided by this measure will enable the urgent repair of the main access roads to, and through, the Park and other damaged Park facilities.

#### **Grant to AAP Mawson's Huts Foundation for the restoration effort on Mawson's Huts**

This measure provides funding assistance to AAP Mawson's Huts Foundation for a monitoring and maintenance programme following conservation work on the huts and other relics used by Sir Douglas Mawson and his team at Cape Denison on Commonwealth Bay, Antarctica. The funding will also assist recovery of equipment abandoned in blizzard conditions when the team was uplifted after the work was completed and will assist with continuing research into the conservation of the historic precinct at Cape Denison.

#### **Great Barrier Reef Marine Park Authority**

This measure is to increase the base funding for the Authority to alleviate the reduction to its special appropriation resulting from the lowering of the Authority's Environment Management Charge.

#### **Capital Refurbishment — Australian Institute of Marine Science**

The Government has provided additional funding to the Australian Institute of Marine Science (AIMS) to assist with the refurbishment and upgrade of existing infrastructure and research vessels. AIMS' existing buildings and vessels, at Cape Ferguson in Queensland, have deteriorated from age and exposure to sea air in a tropical environment and require upgrading to keep pace with advances in marine science.

### **NATURAL HERITAGE TRUST PROGRESS**

The Natural Heritage Trust is now entering its third year. Following the 1998–99 Budget the Government decided that the Trust would operate for five years to 2000–01 as originally committed. The estimates for Trust programmes have been revised as shown in Table 1.3. The Natural Heritage Trust programmes are now fully underway and significant achievements have been made. The year 1998–99 will be an opportunity to build on the successes that have been achieved. The Government continues to be committed to ensuring that the Natural Heritage Trust meets the most pressing environmental challenges facing the nation and to ensuring that our environment and natural resources are managed in an ecologically sustainable way.

The Trust provides additional funding to some already existing programmes which will continue to exist with the Trust programme structure. When the funds attached to these programmes are added to those from the Trust, the total funds for these programme areas are as shown in Table 1.4.

*Natural Heritage Trust of Australia Act 1997* (Natural Heritage Trust Act) was proclaimed on 18 June 1997. It establishes the Natural Heritage Trust of Australia Reserve to conserve, repair and replenish Australia's natural capital infrastructure. It also establishes the Natural Heritage Ministerial Board, which comprises the Minister for the Environment and the Minister for Primary Industries and Energy. The Natural Heritage Trust Advisory Committee is an expert committee established by the Natural Heritage Trust Act to advise the Ministerial Board on the integration of the Trust's objectives and the effectiveness of the Partnership Agreements.

Partnership Agreements, which implement the requirements of the Natural Heritage Trust Act, have been developed with each State and Territory to establish the terms and conditions under which financial assistance is provided from the Trust and to establish a framework for cooperation in environmental protection, natural resource management and sustainable agriculture. Partnership Agreements are the central means of integration and delivery of the Natural Heritage Trust. The Commonwealth is working through the Partnership Agreements to ensure that policies and guidelines for environmental protection and sustainable development are consistent with national strategies and priorities. Partnership Agreements have generally

been signed by the Prime Minister and each State Premier and the Territories' Chief Ministers, and are endorsed by the State and Territory Cabinets. During 1997, Partnership Agreements were signed by all States and Territories.

Many of the Trust programmes are delivered through a One-Stop-Shop which involves local communities and regional organisations in the Natural Heritage Trust and incorporates relevant Commonwealth and State and Territory programmes, a single assessment process, single payments, and a single monitoring and evaluation process as articulated in the Environment Budget Statement in 1997–98. Announcements of funding during 1997–98 for about 3,400 projects worth almost \$200 million have taken place in all States.

**Table 1.3: Natural Heritage Trust Funding**

Description	1996–97 \$m	1997–98 \$m	1998–99 \$m	1999–00 \$m	2000–01 \$m	Total \$m
<b>Vegetation</b>						
Bushcare: the National Vegetation Initiative	3.7	27.1	63.1	93.4	112.1	299.3
Farm Forestry	–	3.1	9.8	14.1	14.0	41.0
<b>Inland Waters</b>						
Murray-Darling Basin 2001	3.8	29.5	38.4	43.6	47.7	163.0
National Rivercare Programme	–	7.0	18.6	25.7	21.7	73.0
Tasmanian Water Quality	1.8	3.5	3.5	–	–	8.8
National River Health	0.1	3.0	3.3	3.6	3.5	13.6
Waterwatch Australia	0.2	2.4	2.6	2.6	2.7	10.4
National Wetlands Programme	0.5	1.8	3.3	2.9	2.5	11.0
<b>Biodiversity</b>						
National System of Reserves	0.4	11.0	22.6	21.0	25.0	80.0
Endangered Species Programme	2.0	4.3	4.2	5.5	–	16.0
<b>Land Resources</b>						
National Land & Water Resources Audit	1.3	7.7	7.0	10.5	10.5	37.0
National Feral Animals Control Prog.	3.7	4.5	2.7	2.9	2.3	16.0
National Weeds Programme	2.1	5.4	5.0	6.1	5.5	24.0
National Landcare Programme (including landcare tax measures)	10.2	35.3	64.3	80.3	78.3	268.3
Rural Adjustment Scheme — Advanced Property Management Planning	0.4	3.0	3.0	4.3	4.3	15.0
<b>Coasts and Oceans</b>						
Coasts and Clean Seas	–	21.3	26.3	26.3	26.1	100.0
Coasts and Clean Seas (Fisheries Action Programme)	–	1.4	1.4	2.4	1.4	6.7
<b>Environment Protection</b>						
Waste Management Awareness Prog.	0.2	2.0	2.3	0.5	–	5.0
<b>Atmosphere</b>						
Air Pollution in Major Cities	1.3	3.5	3.7	4.0	3.5	16.0
<b>Australian Heritage</b>						
World Heritage Area management and upkeep	4.7	11.7	9.5	9.5	9.5	45.0
	36.3	188.3	294.5	359.2	370.6	1249.0

– denotes nil.

Due to rounding some columns and rows may not add exactly to totals.

NHT estimates may vary in the future within overall totals.

To further implement the Commonwealth's aim of a One-Stop-Shop, the Guidelines for 1998–99 consolidate ten programmes into one readily accessible Guideline booklet. The closing date for applications for 1998–99 was 6 March 1998 and processing of applications is already underway.

The procedures established in the Partnership Agreements for selecting members of State and Regional Assessment Panels recognise the broadening of the Natural Heritage Trust processes to better reflect a partnership between the Commonwealth and the States in delivering biodiversity conservation and sustainable agriculture objectives. The Commonwealth and the States have worked together to put in place assessment panels which encompass a broad constituency with appropriate skills or experience to provide

advice to State and Territory Ministers who then recommend proposals for funding to the Natural Heritage Ministerial Board.

**Table 1.4: Total Expenditure Estimates for Trust-related Programmes**

Description	1996–97 \$m	1997–98 \$m	1998–99 \$m	1999–00 \$m	2000–01 \$m	Total \$m
Vegetation	21.7	46.6	90.9	121.6	134.0	414.8
Rivers	10.8	48.3	69.3	77.2	77.0	282.6
Biodiversity	7.9	17.7	29.4	27.7	26.3	109.0
Land Resources	108.8	125.8	134.9	137.1	133.8	640.4
Coasts and Oceans	9.2	27.4	27.7	28.7	27.5	120.5
Environment Protection	0.5	2.0	2.0	0.5	–	5.0
Atmosphere	1.3	3.5	3.7	4.0	3.5	16.0
Australian Heritage	16.7	23.2	14.5	14.5	14.5	83.4
	176.9	294.5	372.4	411.3	416.6	1671.7

– denotes nil.

Coasts and Clean Seas Programmes funded from the Natural Heritage Trust are being delivered through trilateral Coasts and Clean Seas Memoranda of Understanding between the Commonwealth, States and Territories, and local government. The MOUs are consistent with the Partnership Agreements. The National Land and Water Resources Audit, the World Heritage Area Management and Upkeep, the Air Pollution in Major Cities and the Waste Management Awareness programmes are not covered under the Partnership Agreements. These programmes are delivered through discrete arrangements and are not part of the Natural Heritage Trust One-Stop-Shop. More detail about the programmes of the Trust can be found in Chapters 3 to 9.

## COMMONWEALTH ENVIRONMENT ACTIVITIES

The Commonwealth’s environmental activities go well beyond programmes targeted directly at environmental issues. Commonwealth programmes concerned with resource and industry sectors, economic growth, microeconomic reform, social goals and international cooperation and development aim to integrate environmental considerations with economic and social considerations. Also, internal management practices in areas such as government administration and Defence are moving to environmental best practice (see Table 1.5).

**Table 1.5: Environmental activities by Portfolio**

Portfolios	Major environmental activities
<b>Attorney-General’s</b>	Funding of Community-based environmental legal services and provision of environment-related legal advice.
<b>Communications and the Arts</b>	Responsible for a range of heritage programmes and radiofrequency and electromagnetic energy research and information.
<b>Defence</b>	Management of the environmental and heritage attributes of the defence estate, particularly training areas.
<b>Employment, Education, Training and Youth Affairs</b>	Green corps and other programmes which provide youth training, skills and work experience in environmental conservation and heritage activities. Provision of environmental education materials and professional development to teachers.

**Table 1.5: Environmental activities by Portfolio continued**

<b>Environment</b>	Primarily responsible for environmental policy, with a broad range of environmental programmes.
Antarctic Division	Research on matters of oceans and marine life, atmosphere, climate change and protection of the Antarctic environment.
Bureau of Meteorology	Atmospheric, oceanographic and hydrological monitoring, research and service provision.
<b>Finance and Administration</b>	Monitors Commonwealth environmental spending and contributes to environment policy. Provision of various environmental services and green purchasing guidelines. Acquires and processes satellite imagery which is used to support environmental management.
<b>Foreign Affairs and Trade</b>	Seeks to promote solutions to international environmental issues consistent with Australia's economic and environmental interests.
AusAID	Overseas aid programme supporting Australia's national interests through environmental activities in developing countries.
<b>Health and Family Services</b>	Undertakes a range of environmental health activities and contributes to chemical assessments.
<b>Industry, Science and Tourism</b>	Major funder of environmental research particularly through CSIRO, CRCs, the Australian Institute of Marine Science, and the Australian Nuclear Science and Technology Organisation. Renewable energy industry assistance. Monitoring, protecting and enhancing the environment in relation to tourism through policy advice on tourism in World Heritage Areas and funding support for projects.
Australian Customs Service	Border operations to control potentially environmentally damaging imports and exports.
<b>Prime Minister and Cabinet</b>	Provision of general environmental advice; coordination of the government's forest policy activities.
Aboriginal and Torres Strait Islander Commission	Land management and Aboriginal heritage programmes.
<b>Primary Industries and Energy</b>	Primarily responsible for natural resource management policy integrating environmental considerations, with a broad range of environment-related programmes.
Australian Quarantine and Inspection Service	Responsible for quarantine services to prevent entry of exotic pests and diseases and for inspecting and certifying export goods prescribed under the Export Control Act.
<b>Transport and Regional Development</b>	Primarily responsible for transport policy integrating environmental considerations.
<b>Treasury</b>	Contributes to the development of environment policy.
Australian Bureau of Statistics	Development of environmental accounts and reporting of environment statistics.
Productivity Commission	Addresses environmental issues in its public inquiries and research.
Australian Taxation Office	Administers a range of environment-related taxes, levies, deductions and rebates.
<b>Workplace Relations and Small Business</b>	Administers the national industrial chemicals notification and assessment scheme; protection of the marine and coastal environment through the Australian Maritime Safety Authority.

## GUIDE FOR READERS

This Statement attempts to cover all Commonwealth activities and programmes that have environmental benefit as either a primary or a secondary goal. Environmental benefit has been defined as:

- the prevention, reduction or elimination of waste, pollution or other degradation of the environment; and/or
- the conservation, rehabilitation, restoration or enhancement of the environment.

In practice there is no clear definition of an environmental programme and judgement is needed on what to include. The aim is not strict definition, but to show the broad range of programmes that now have an identifiable environmental element.

The expenditure figures do not include general purpose payments to the States and Territories that may then be applied to environmental spending. Nor do figures include general funding to tertiary educational bodies that may be applied to environmental research or training.

Running costs are only included where they are directly attributable to environmental programmes. Environmental expenditure associated with everyday good practice operations, and expenses on some large projects, such as disposals of Defence properties, may not appear as separate line items in departmental budgets. For these reasons the figures provided underestimate total Commonwealth spending.

The figures provided for tax expenditures (tax concessions) are the cost to revenue estimated by the Australian Taxation Office and the Treasury.

## **Structure**

Activities are presented according to their objective, not by the department or agency that undertakes them. Chapter 2 deals with activities that cut across sectors or are not dealt with under other chapters. Chapters 3 to 9 covers aspects of the environment following broadly the approach in the report *Australia: State of the Environment 1996*. Many activities cover more than one sector. In this case, activities are located in the chapter to which the majority of their activities are relevant. Cross references are provided to other chapters where necessary.

## **Style Conventions**

This Statement follows many of the style conventions of the Budget papers. However, there are some important differences.

Although new measures are expressed in outturn prices consistent with other budget statements, unless otherwise indicated, expenditure and revenue figures are expressed in 1998–99 prices rather than indexed or otherwise adjusted for expected cost increases.

Expenditure figures in the text relating to the full five years of the enhanced Climate Change package announced in November 1997 are expressed in 1998–99 prices consistent with the Prime Minister’s Statement ‘Safeguarding the Future: Australia’s Response to Climate Change’.

There are some significant gaps in the figures for outyears. Often this reflects the fact that the document is reporting components of larger programmes and that decisions about how these programme funds will be deployed in future years have not yet been made.

Figures are also often not available where they cannot be separately identified from larger programme funds into which they are closely integrated.

Not all dollar figures in the text are included in the tables of new measures and programme and tax expenditure estimates. For instance, those dollar figures that are only broadly indicative, are provided as illustrations of particular projects, and/or are partially funded from Commonwealth outlays, are excluded.

Tables of new measures and programme and tax expenditure estimates are broken into two sections. The first section includes new measures announced in the current Budget. The second section has total programme and tax expenditure estimates including the effects of the new measures.

All dollar figures are rounded to the nearest \$100,000. This means that figures in tables may not add up to totals given in tables or in the text. Forward estimates from 1999–2000 onwards are only estimates and are subject to normal budgetary procedures.