

CHAPTER 2: CROSS SECTORAL ACTIVITIES

KEY POINTS

- The Commonwealth has reached in-principle agreement with the States, Territories and local government on means to improve cooperation to protect the environment.
- The Government has commenced reform of Commonwealth environmental laws with the aim of improving the overall protection regime for the environment.
- Australia played an active role in international negotiations at Kyoto, Japan in December 1997, which resulted in an international agreement on steps to combat the threat of climate change.
- The National Pollutant Inventory was released on 27 February 1998 with the first reporting year commencing in July 1998.
- Funding estimated at \$165 million has been provided through the overseas aid programme for environment-related activities in 1997–98.

The Commonwealth's environmental objectives are being pursued directly and indirectly through a large number of cross sectoral and international activities which together have the capacity to significantly affect the environment. The Government continues to take opportunities to integrate environmental objectives into economic and social policies and programmes, and to make existing systems and processes more efficient and effective in delivering environmental outcomes. Table 2.1 details major examples of such environmental outlays.

EFFECTIVE FEDERALISM

The Commonwealth is committed to a revitalised partnership with State and local governments to protect the environment. This partnership will be based on a revised Commonwealth environmental law regime which gives effect to the outcomes of the COAG review of Commonwealth-State Roles and Responsibilities for the environment.

COAG's in-principle endorsement of the Heads of Agreement on Commonwealth-State Roles and Responsibilities for the Environment in November 1997 has provided the basis for strengthening implementation of the Intergovernmental Agreement on the Environment (IGAE). Importantly, the Commonwealth's role will now be focused on matters of national environmental significance. Commonwealth involvement should no longer be triggered in relation to matters of only local or State significance.

Table 2.1: Cross Sectoral Activities — Programmes and Tax Expenditure Estimates

Description	1997–98 \$m	1998–99 \$m	1999–00 \$m	2000–01 \$m	2001–02 \$m
PROGRAMME AND TAX EXPENDITURE ESTIMATES					
Effective Federalism					
Administration of EP (IP) Act (a)	0.2	na	na	na	na
Tax deduction for environmental assessment activities	<10	<10	<10	<10	<10
International Cooperation					
Environmental activities under the Aid Programme (b)	165.0	na	na	na	na
Global Environment Facility (c)	8.9	4.5	5.5	5.5	5.1
Montreal Protocol Multilateral Fund (d)	4.5	3.5	1.7	na	na
International Environment Commitments Programme	0.3	0.3	0.3	0.3	na
International Programme on Chemical Safety	0.1	0.1	0.1	0.1	0.1
International Forest Forum	0.1	na	na	na	na
Involving the Community					
Grants to Voluntary Conservation Organisations	1.7	1.7	1.7	1.7	1.7
Various tax concessions for environmental NGOs	na	na	na	na	na
Environmental Legal Services	0.6	0.6	0.6	0.6	0.6
Environmental Education and Information Programme	0.3	na	na	na	na
ATSIC Community Housing and Infrastructure	80.0	80.0	80.0	80.0	80.0
Expanding the Environmental Knowledge Base					
State of the environment reporting	1.2	1.2	1.2	1.3	1.5
ABS environment reporting activities	1.2	1.0	1.2	0.9	1.1
Environmental Resources Information Network	2.0	2.2	2.2	2.2	2.2
Topographic mapping and remote sensing	25.4	25.5	25.2	24.9	—
CSIRO (e)	81.6	92.7	92.7	na	na
ANSTO	8.0	8.1	9.4	5.1	na
Bureau of Meteorology (f)	8.6	8.6	8.5	8.4	8.3
ABARE	15.0	15.1	na	na	na
Land and Water Resources Research and Dev. Corp.	10.8	10.9	10.9	10.9	—
Cooperative Research Centres (g)	36.3	34.0	28.3	17.2	15.8
ARC/DEETYA Large Research Grants (h)	>1.7	na	na	na	na
Environmental Economics Research	0.7	0.7	0.6	0.6	0.6
Tax deduction for environmental R&D	na	na	na	na	na
Targeted Research and Scientific Development Programme (environmental projects)	1.7	—	—	—	—
Higher Education Innovation Programme (Indigenous Higher Education Centre)	0.1	0.1	—	—	—
Bureau of Transport and Communications Economics — Environmental Projects	0.1	0.1	—	—	—
Greening of Government					
Environmental impact studies for site selection of second Sydney airport	5.6	4.2	0.4	—	—
Department of Defence environmental work (c)	2.5	na	na	na	na
Territories Programme	0.5	0.5	0.5	0.5	0.5
Environment Resource Officer scheme	0.4	0.4	0.4	na	na
Local Government Development Programme	0.1	0.1	—	—	—

— denotes nil; na denotes not available; < denotes less than; > denotes greater than.

(a) These initiatives will be funded under the Environment Protection Programme (see Footnote (a) in Table 6.1 for further details)

(b) AusAID's environmental expenditure estimate includes projects directly linked to the environment, projects which have environment-related components and contributions to international organisations, including the Global Environment facility and the Montreal Protocol Multilateral Fund. Although detailed figures are not available for future years, Australia's overseas aid programme will continue to give high priority to supporting environmental activities in developing countries. More detailed information and examples of how Australia's aid programme is contributing to international actions on the environment are outlined in some of the following chapters.

(c) Figures for 1998–99 onwards do not include future replenishments as they have not yet been determined.

(d) Figures for 1999–2000 onwards do not include future replenishments as they have not yet been determined.

Table 2.1 Footnotes continued

- (e) Estimates of Commonwealth appropriation-based CSIRO expenditure directly on environmental research. CSIRO also expends about \$40 million each year from non-CSIRO sources for similar purposes. A considerable proportion of its \$440 million of production oriented expenditure also has environmental aspects. Some of this is included in estimates for CSIRO projects in other chapters.
- (f) Estimates of appropriation-based Bureau of Meteorology expenditure attributable to atmospheric, oceanographic and hydrological monitoring, research and service provision in support of environmental objectives.
- (g) Some individual Cooperative Research Centres are also covered in other chapters.
- (h) Grants with a specific environment focus.

In addition, the Commonwealth will give effect to its increased commitment to accreditation of State processes through bilateral agreements with States that allow for effective and efficient management of environmental matters. Bilateral agreements will help minimise any delay and intergovernmental duplication and will increase certainty for all stakeholders. These agreements will build on the innovative arrangements established under the Natural Heritage Trust of Australia.

The Australian and New Zealand Environment and Conservation Council (ANZECC) is the ministerial forum for cooperation and consultation between jurisdictions on environmental matters. The Council has endorsed a set of priority matters for consideration and action over the near term: water, marine, greenhouse, industry waste reduction and vegetation management.

Other areas of joint action have also been substantially progressed. The Commonwealth Government signed the Regional Forest Agreement for Tasmania with the Tasmanian Government on 8 November 1997, increasing Tasmania's total reserves to 2.7 million hectares, or some 40 per cent of the State's land area. The Regional Forest Agreement (RFA) for the Central Highlands was signed with the Victorian Government on 27 March 1998, increasing the region's total reserves by 116,000 hectares, a 64 per cent increase in reserve area. Legislation to underpin the RFA will be introduced into Parliament in June to provide certainty for governments, industry and conservation outcomes. These RFAs followed signature of the East Gippsland RFA by the Commonwealth and Victorian Governments on 3 February 1997 (see Chapter 3).

The Coasts and Clean Seas Memoranda of Understanding (MOUs) are the primary mechanisms for the delivery of Coasts and Clean Seas programmes and for outlining processes by which intergovernmental cooperation in relevant aspects of coastal and marine management can be achieved in each State and the Northern Territory. The MOUs are tripartite agreements between the Commonwealth, State/Territory and local government.

The development of Australia's Oceans Policy commenced with the launch of a consultation paper by the Prime Minister in March 1997. A draft policy has recently been released for public comment with the final policy due for release mid-1998. Throughout the development process a cooperative approach between all spheres of government as well as with industry, non-government organisations and the wider community has been adopted.

Australia's Ocean Policy is framed to promote development of national partnerships between governments, recognising the respective roles of States, Territories and the Commonwealth across the jurisdictional boundaries of the coastal waters. To develop a

truly national policy, cooperation and sharing of responsibility across jurisdictional boundaries is essential, within a framework of integrated planning and management.

The National Environmental Protection Council is developing environment protection measures to apply across Australia. In February 1998 the National Pollution Inventory was finalised. Draft Environment Protection Measures covering Ambient Air Quality and Transboundary Movement of Hazardous Wastes have been released for public comment and will go to the Council for decision in June 1998.

Commonwealth-initiated Strategies and Processes

The Commonwealth continues to expand its activities to protect and enhance Australia's environment in response to both domestic and international priorities and responsibilities. The Commonwealth's environmental initiatives are guided by the National Strategy for Ecologically Sustainable Development which seeks, among other things, to integrate economic, environmental and social considerations in national strategies and processes. For example, in November 1997 the Prime Minister launched a major Commonwealth initiative on greenhouse response, including a package of measures with funding of \$177.9 million over five years (1998–99 to 2002–03) (see Chapter 7 for details).

Commonwealth Environmental Legislation and Legal Activities

A range of legal activities associated with the environment are performed for the Commonwealth by agencies such as the Attorney-General's Department and the Australian Government Solicitor. For example, the Department provides advice in relation to international environmental law and its implementation in Australia, as well as policy advice on the application of Commonwealth administrative law, including merits review of decisions made under Commonwealth environmental legislation.

The Australian Government Solicitor, when engaged by Environment Australia and other Commonwealth agencies and authorities, furnishes legal advice and provides advocacy services on environment-related matters, especially in areas of constitutional law, commercial law, administrative law, and litigation concerning contaminated land. Some of the above activities are included in functions which are funded directly from budget appropriations, while others are carried out on a fee-for-service basis.

REVIEW OF COMMONWEALTH/STATE ROLES AND RESPONSIBILITIES FOR THE ENVIRONMENT

The Government is committed to implementing the most efficient and effective means of achieving cooperation between the Commonwealth, State, Territory and local governments on environment matters. A significant achievement in this area is the Heads of Agreement on Commonwealth/States Roles and Responsibilities for the Environment, which was given in-principle endorsement by the Council of Australian Governments (COAG) on 7 November 1997.

The agreement will strengthen the implementation of the Intergovernmental Agreement on the Environment. It will lead to more streamlined and effective intergovernmental

arrangements to tackle contemporary environmental problems facing Australia and will promote better protection of the environment by all levels of government.

BOX 2.1: REFORM OF ENVIRONMENTAL LEGISLATION

The Commonwealth Government is committed to reforming Commonwealth environmental legislation to improve the protection of the environment, promote certainty for all stakeholders, reduce intergovernmental duplication and minimise delays in environmental assessment and approval processes. A consultation paper outlining the proposed legislative reforms was released in February 1998. Major reforms which are proposed in the paper include:

- developing new legislation covering environmental assessment and approval processes and biodiversity conservation, with new heritage legislation to be introduced following the development of a national heritage places strategy;
- providing a legislative basis for implementing ecologically sustainable development principles;
- replacing existing indirect triggers for Commonwealth environmental assessment and approval processes with direct triggers relating to significant impacts on matters of national environmental significance;
- reducing Commonwealth/State duplication through a transparent legislative process enabling greater Commonwealth accreditation of State environmental processes and, in appropriate cases, State decisions;
- streamlining the environmental assessment and approval process, with an early, binding decision on whether Commonwealth legislation is triggered and specific time frames within which decisions must be made;
- strengthening provisions relating to World Heritage properties, Ramsar wetlands, threatened species, migratory species, marine wildlife and off-reserve conservation; and
- declaring a whale sanctuary that will include all Commonwealth waters.

These environmental reforms will not affect any arrangements entered into as part of a Regional Forest Agreement.

The Agreement provides for:

- Commonwealth Government responsibilities and interests being focused on matters of national environmental significance such as World Heritage properties, nationally listed endangered species, internationally protected wetlands, places of national heritage significance, migratory species, nuclear activities and Commonwealth waters;

- significant streamlining, greater transparency and certainty in relation to environmental assessment and approval processes involving Commonwealth and State/Territory governments;
- rationalisation of existing intergovernmental arrangements for the management and protection of places of heritage significance through the development of a cooperative national heritage places strategy;
- improved compliance by the Commonwealth Government with State and Territory governments' environment and planning legislation; and
- establishment of more effective and efficient delivery mechanisms and accountability regimes for national environmental programmes of shared interest.

INTERNATIONAL COOPERATION

Australia continues to seek to influence environment outcomes at the global and regional levels in line with Australia's national interests. Australia is a party to a number of international treaties on the environment, engages key trading partners on environment issues and contributes to dialogue on the environment in a range of international organisations.

Australia has much to offer and much to gain from international relationships. Australian capabilities in environmental management are well recognised overseas but need to be converted to productive commercial relationships that will benefit the environment. Australia gains substantially from cooperative efforts for nature conservation and environment protection. Examples are the Convention on International Trade in Endangered Species which aims to regulate international trade and reduce illegal trafficking in wild animals and plants so as to protect them from extinction. Work by the Organisation for Economic Cooperation and Development (OECD) provides data on chemicals that Australia could not afford to develop and enables the management of both domestic and international trade in existing and new chemicals that are potentially dangerous to humans and the environment.

International organisations

In the United Nations system the Commonwealth is actively seeking to reinvigorate the United Nations Environment Programme (UNEP), based in Nairobi, Kenya. Australia has put forward an initiative on freshwater environment management that the Government hopes will see UNEP member governments draw on their expertise and experience to identify best-practice management for specific freshwater environmental problems in a range of circumstances.

Australia will continue to make a substantial contribution to the work of the UN Commission on Sustainable Development, the body which oversees integration of the economic, social and environmental elements of development in the UN system.

The Government will be doing substantial work to follow-up the outcome of the Conference of the Parties to the United Nations Framework Convention on Climate Change in Kyoto in December 1997.

Another example of Australia's role in UN forums is a commitment to the International Programme on Chemical Safety (see Chapter 6), a body set up by the UN General Assembly to improve the environmentally sound management of chemicals at both international and national levels through:

- risk evaluation of chemicals;
- prevention and treatment of chemical poisonings;
- international hazard assessment of dangerous chemicals; and
- training and support for national programmes in the control of dangerous chemicals.

The Government will be convening, jointly with the OECD, an important workshop to explore industrialised countries' approaches to ecoefficiency — reducing the use of ecological resources per unit of economic production (see Chapter 6). This will complement a workshop sponsored by Australia and the OECD in 1997 on sustainable consumption and production patterns. The Commonwealth contributed over \$100,000 to the Secretariat for the International Forestry Forum as part of a programme of ongoing support.

International Treaties and Educational programmes

A National Interest Analysis is currently being undertaken on the Desertification Convention. This analysis will help to inform the Government's view on whether to ratify the Convention. Australia has contributed to the development of a global treaty on 'prior informed consent' which aims to protect human health and the environment against potentially harmful impacts from certain hazardous chemicals in international trade. Agreement was reached in March 1998 on the new treaty, which will be opened for signature later this year. The Government will also consider signature of the Kyoto Protocol to the United Nations Framework Convention on Climate Change. The Kyoto Protocol strengthens commitments under the Framework Convention on Climate Change, requiring developed countries as a whole to reduce their greenhouse gas emissions by at least five per cent by 2008–2012.

International Year of the Ocean

The United Nations has declared 1998 as the International Year of the Ocean (IYO). With Australia now claiming sovereign rights over one of the largest declared exclusive economic zones in the world, an area larger than the Australian land mass, the IYO presents an opportunity to encourage the broader Australian community to play a greater role in caring for the ocean.

The aims of the IYO in Australia are to:

- highlight that Australia has responsibility for a huge area of the world's oceans;
- achieve widespread recognition that the ocean is not infinite, as a food source or as a garbage dump; and

- create awareness and obtain commitments from the public, governments and other decision makers to take action, provide resources and give priority to managing and protecting Australia's oceans.

Environment Australia has contracted the Marine and Coastal Community Network to undertake IYO activities in the first half of 1998.

The International Coral Reef Initiative

The International Coral Reef Initiative (ICRI) is a partnership of government organisations and other groups seeking to draw attention to the plight of coral reefs and promote action to halt reef degradation. Australia is one of the eight founding partners of ICRI and currently provides the Secretariat to ICRI. Australia's hosting of the Secretariat concludes at the end of 1998.

Activities in which the Secretariat has been involved during Australia's period as host include:

- preparing and hosting meetings of the ICRI Coordinating and Planning Committee to coordinate ICRI activities;
- facilitating the 1997 Middle East Seas Regional workshop;
- facilitating preparations for a regional capacity building programme in South Asia;
- developing the ICRI Secretariat Internet Homepage as a principal tool of inter-regional communication; and
- preparation for the inaugural International Tropical Marine Ecosystems Management Symposium.

In November 1998, the ICRI Secretariat will host the inaugural International Tropical Marine Ecosystems Management Symposium. The symposium will serve as a major opportunity for coral reef managers from around the world to share management experience, build international capacity for future work on successful coral reef management, and put in place an action statement that will form the basis of continuing ICRI activity into the next century.

Whales

Australia will continue to push for a truly global whale sanctuary in the International Whaling commission and other fora. Australia's objective is to ensure a permanent international ban on commercial whaling. As a first step toward that goal, Australia and New Zealand are jointly exploring options for the creation of a South Pacific Whale Sanctuary.

Asia-Pacific Region

The Government will be looking to build on Australian relationships in the Asia-Pacific Region. The Government will be seeking to consolidate close cooperation with

Indonesia and to maintain progress on the environment following the regional financial crises.

In APEC, Australia will be supporting early voluntary liberalisation of trade and investment in the environmental goods and services sector and seeking to consolidate existing initiatives in the areas of the marine environment, cleaner production and urban management. Australia will continue to participate in the APEC Marine Resources Conservation Working Group (MRCWG). This is an important forum for facilitating regional cooperation on sustainable management of the marine environment.

The Government will utilise its revised international programme structure, which now comprises two programmes, the International Conservation Programme (ICP) and the International Environment Protection Programme (IEPP), to support initiatives and undertake activities relating to international nature conservation and international environmental protection issues, particularly in the Asia-Pacific region. The ICP and IEPP will support development of the freshwater initiative for the UN Environment Programme, a workshop with ASEAN governments on development and implementation of ambient air and river water quality goals, including looking at air quality issues associated with forest fires, species management in Indonesia, wetland policy expertise in China, migratory shorebird conservation in Korea, Java Hawk-Eagle conservation in Indonesia, working with Indonesia on land and ship-based marine pollution, and the holding of the Second Asia Pacific Roundtable on Cleaner Production.

Australia will continue to use the Australia-Indonesia Government Sector Linkages Programme (GSLP, a component of the Australian Aid Programme) to undertake bilateral activities with Indonesia. The Environment Portfolio received funding of nearly \$500,000 under the first two rounds of the GSLP to undertake activities consistent with Australia's MOUs and the Australia Indonesia Ministerial Forum objectives.

Funding has been granted for assistance under the APEC Support Programme (ASP) for the adaptation and implementation of the Asia-Pacific Code of Forest Harvesting in selected Asia Pacific Countries, including Indonesia, the Philippines, China and Vietnam.

International Development Cooperation

The Australian aid programme is administered by the Australian Agency for International Development (AusAID, part of the Foreign Affairs and Trade Portfolio) and has the Asia-Pacific region as its major geographic focus. Assistance is also provided to countries in Africa and elsewhere on the basis of need. Significant levels of aid funding are also channelled through global and regional development institutions.

Following consideration of the 1997 Simons' review of Australia's aid programme, the Government's restated objective for Australia's aid programme is to advance Australia's national interest by assisting developing countries to reduce poverty and achieve sustainable development.

The Australian Government recognises that environmental programmes and activities contribute to poverty reduction and sustainable development in both direct and indirect

ways. Preventing environmental degradation is essential to the alleviation of poverty and ensuring development is sustainable.

Australia's aid programme has a two-pronged approach to environmental issues. The first is to ensure that the possible impact on the environment is considered in the design and implementation of all aid activities. Second is the building of a portfolio of projects that directly target environmental issues. The aid programme invests in sustainable agricultural practices, improved sanitation, clean water and better management of natural resources. In 1997–98 \$165 million was spent on environment-related projects and activities.

The aid programme also plays a key role in addressing global environmental issues. These issues are critical to the alleviation of poverty. For example, the preservation of biological diversity through projects funded by Australian contributions to the Global Environment Facility can have far-reaching implications for sustainable food production. Considerable funds are also being channelled into reducing greenhouse gas emissions and managing the effects of global warming (\$47 million in 1996–97).

Table 2.2: Australian Contributions to International Organisations with Environmental Objectives

Recipient Body or Programme	1997–98 \$m	1998–99 \$m	1999–00 \$m	2000–01 \$m	2001–02 \$m
United Nations Environment Programme	0.5	0.5	na	na	na
World Bank (a)	123.0	117.0	na	na	na
Asian Development Bank	107.8	113.8	na	na	na
International Tropical Timber Organisation	0.2	0.2	na	na	na
Global Environment Facility (b)	8.9	4.5	5.5	5.5	5.1
Montreal Protocol Multilateral Fund (c)	4.5	3.5	1.7	na	na
United Nations International Programme on Chemical Safety (d)	0.1	0.1	0.1	0.1	0.1
World Meteorological Organization	1.0	1.0	1.0	1.0	1.0

na denotes not available.

(a) Includes IDA and IFAD.

(b) Figures for 1998–99 onwards do not include future replenishments as they have not yet been determined.

(c) The figure for 1999–00 does not include future replenishments as they have not yet been determined.

(d) See Chapter 6 for further detail.

AusAID is committed to a thorough consideration of environmental issues in project development and implementation. Environmental assessment procedures include the application of the Australian *Environment Protection (Impact of Proposals) Act 1974*, environmental audits and sectoral reviews. AusAID draws on international donor best practice, including the use of the sector guidelines in the World Bank's Environmental Assessment Sourcebook.

MICROECONOMIC REFORM AND DEREGULATION

The Commonwealth has made significant gains in regulatory and microeconomic reform across the economy. Some reforms are directly in the area of environmental management, but many advances in other sectors also provide environmental benefits.

Microeconomic reform supports environmental objectives by encouraging more responsible use of natural and economic resources through pricing that reflects costs, and by increasing employment and wealth generation which can provide resources for environmental protection.

Microeconomic reform can involve structural change, more efficient access regimes and corporatisation. Such changes can often facilitate environmental improvements by eliminating subsidies to resource use and cross subsidies within organisations, or by establishing new supply regimes that are responsive to markets and incorporate full costs.

The National Competition Policy provides a key framework for reform in many areas, including water, gas and electricity.

In the water sector, implementation of the COAG framework will provide the twin outcomes of improved economic efficiency and environmental sustainability in the water industry. The major elements of the COAG framework include cost recovery and pricing, institutional reform, the introduction of water allocations including allocations for the environment as a legitimate user of water, trading of water allocations and entitlements within social, physical and ecological constraints, water quality issues and public consultation and education. The framework requires these reforms to be fully implemented by 2001.

In addition, the framework outlines a number of achievements required by 1998. These include in urban areas, the adoption of charging arrangements comprising access and usage components, and for rural areas, to have in place comprehensive systems of water entitlements including allocations for the environment for rivers deemed to be stressed and arrangements that facilitate cross border water trading. The framework also states that investment in new irrigation schemes, or extensions to existing schemes, are to be undertaken only after appraisal indicates it is both economically and ecologically sustainable.

The National Competition Council will be analysing progress made by jurisdictions in implementing the COAG water reforms later this year in the context of the second tranche of competition payments provided under the National Competition Policy.

Reform of arrangements for energy supply have continued with a national access regime agreed by all jurisdictions for the supply of natural gas, with enabling legislation to be introduced to all parliaments by the middle of 1998. The national electricity market reforms have also progressed with the National Electricity Code approved in December 1997. These reforms to the energy market arrangements will encourage more appropriate technologies, better use of resources and innovative energy products. The Prime Minister's climate change statement (November 1997) committed the Government to accelerated energy market reforms, which will assist in achieving better greenhouse outcomes.

In addition, as part of the Regional Forest Agreement (RFA) process, the pricing and allocation policies of State forest agencies are being examined. Consistent with national competition policies, reviews are being undertaken on the efficiency and the returns to

the community from State native forests. As part of the Tasmanian RFA, the final report on native log pricing and allocation was completed in April 1998.

Performance-based Regulation and Performance Measurement

The Commonwealth supports a performance-based approach to regulation so that:

- innovative solutions can be more readily applied to environmental problems, leading to greater acceptance of environmental regulation by industry and economically sustainable outcomes; and
- flexibility in design is encouraged, leading to reduced resource use.

An example of improved environmental performance through regulatory flexibility is the recent acceptance by all States of the performance-based provisions of the Australian Building Code, which encourages innovative design solutions to difficult environmental problems.

The Commonwealth supports the increased use of economic incentives to achieve environmental outcomes. These incentives include the use of tradeable permits, performance bonds, load-based licensing fees and effluent charges to alter price signals to modify behaviour. During 1997 the Minister for the Environment convened a Round Table on the use of economic instruments to achieve ecologically sustainable outcomes. The discussion involved various experts and focused on current issues as well as the future potential for economic instruments in the areas of fisheries, energy, waste water, water allocation and biodiversity. The papers and discussion are available in a proceedings report.

The Commonwealth undertakes various activities to monitor the economic performance of its agencies and programmes, and the progress of its reforms.

In 1997, the Commonwealth Departments of the Environment and Primary Industries and Energy undertook Performance Information Reviews (PIRs) which will lead to strategies for improved measurement of the impact of environment-related programmes. The PIRs arose from concern about the overall quality of performance information in annual reports and involved all Departments and selected agencies, jointly with the Department of Finance and Administration, in reviewing the quality and clarity of existing objectives and performance information. The Government subsequently decided to 'roll-in' the third and final year of the PIR to the work required to specify outcomes and outputs as part of the move to the first accrual-based budget in 1999.

The 'Good Practice Principles for Performance Management' issued by the Minister for Finance and Administration will form the basic framework for these Departments to assess the success of environment-related programmes on an ongoing basis. The first set of these principles were issued in October 1997. They mark a move away from the former mandatory requirements to a principle-based, good-practice approach to performance management. The move towards a good-practice approach will enable Secretaries and heads of agencies to take charge of performance management in their organisation.

The Industry Commission has frequently addressed environmental issues in its public inquiries and research reports. Some have environmental issues as the key or a major issue. For example, the inquiry into Ecologically Sustainable Land Management has examined the long-term viability of the land and its associated natural resources. Also, under the general policy guidelines for the new Productivity Commission it must in the performance of its functions, have regard to the Commonwealth's desire to recognise the social and environmental consequences of any measures it proposes.

INVOLVING THE COMMUNITY

The Commonwealth is committed to involving the community in its environmental programmes, through a range of consultative and other processes.

Environmental Legal Services

The Commonwealth allocates recurrent funding of \$600,000 each year for the purchase of community-based environmental legal services. This enables the provision of legal advice and community legal education on environmental issues.

Tax and Grant Support

The Commonwealth supports eligible environmental non-profit organisations through:

- grants to voluntary conservation organisations, which will total \$1.7 million in 1998-99, to assist community-supported organisations to cover administrative costs associated with their environmental work; and
- tax deductions for donations to non-profit environmental organisations listed on the Commonwealth's register of environmental organisations. In 1996-97 such tax deductible donations amounted to approximately \$11.2 million.

Other Commonwealth tax concessions available to encourage best-practice management of Australia's natural and cultural heritage include:

- tax deductions for Landcare expenditures as part of sustainable management approaches to primary industry production, including water-related activities: the cost to revenue is estimated at \$30 million for 1998-99 (see Chapter 4);
- the exemption from income tax of charitable environmental institutions;
- a Fringe Benefits Tax rebate for specified categories of non-government, non-profit organisations;
- the heritage conservation rebate on approved expenditure in excess of \$5,000 on conservation work on buildings and structures on cultural significance; and
- a deduction for project expenditure incurred on eligible environmental impact studies.

Community Environmental Education

The Department of the Environment delivers public awareness, information and education programmes designed to enhance community understanding of, and influence community attitudes and behaviour towards achieving, ecologically sustainable development. The environment portfolio also delivers education programmes to the formal education sector. The portfolio spends approximately \$5 million each year in information and education activities, which falls within the separate programmes in the remaining chapters.

To promote up-to-date information on a range of environmental issues, Environment Australia administers an Environmental Education and Information Programme. In 1997–98 grants totalling nearly \$300,000 for 13 projects were selected from more than 200 proposals. Examples of projects include electronic versions of national environmental education training materials for teachers, a survey of national environmental education needs and case studies on litter prevention for use by local councils.

Communications initiatives have played a major role in promoting and delivering the Natural Heritage Trust and its programmes including Bushcare, Coastcare, and Endangered Species. Other communications activities include State of the Environment Reporting, World Environment Day, climate change, National Pollutant Inventory and oceans policy.

Advisory Committees

The Commonwealth has established many advisory committees and other non-statutory bodies through which it consults the community and receives advice on a wide range of Commonwealth environmental activities and responsibilities. The memberships of these bodies variously comprise landholders, community groups, companies, industry bodies, scientists, other specialists, and/or representatives of other governments. They advise the Commonwealth on matters of management, policy and/or research.

Examples are the Endangered Species Advisory Council, the Natural Heritage Trust Advisory Committee, the Australian Landcare Council, the National Environment Consultative Forum, the Greenhouse Science Advisory Committee, and the National Environment Protection Council's Jurisdictional Reference Groups and Technical Advisory Committees.

Non-Government Organisations and the Natural Heritage Trust

The Natural Heritage Trust aims to achieve stronger partnerships between community, industry and all levels of government to achieve better environmental and natural resource management outcomes. The Trust seeks to fully involve the community in implementing projects. Many Trust programmes are open to community applications. Community organisations throughout Australia are undertaking Trust-funded projects aimed at repairing and conserving their environment.

State and Regional Assessment Panels have been set up to guide the implementation of Natural Heritage Trust projects. The panels have a high level of community

representation. The panels facilitate the involvement of individual landholders, community groups, State and local government to undertake integrated action to achieve sustainable land, water and vegetation management.

Involvement of Aboriginal and Torres Strait Islander People

The Commonwealth operates a range of programmes that can involve and assist Aboriginal and Torres Strait Islander traditional owners in environmental management. These include two specific programmes under the Natural Heritage Trust which assist indigenous communities in maintaining and introducing ecologically sustainable measures on their land. Actions include:

- the establishment of a network of ten indigenous land management facilitators to promote sustainable natural resource management activities by Aboriginal and Torres Strait Islander communities;
- the establishment and management of protected areas on indigenous-owned estates (Indigenous Protected Areas); and
- the establishment of cooperative (joint) management arrangements for government-owned protected areas between indigenous groups and government nature conservation agencies.

The proposed amendments to the *Native Title Act 1993* promote the use of Indigenous Land Use Agreements. Under the proposed legislation, these agreements could authorise future acts (mining, exploration, land acquisition, etc.), and involve native title holders and claimants in co-management or other regimes, without resting for their authority on a determined native title outcome.

Similarly, under the Indigenous Protected Areas Programme there is the potential to work with indigenous communities to incorporate environmental protection, species management, biodiversity conservation and possibly formal joint conservation management agreements parallel to, or as an alternative to, the native title determination process, and non-native title agreements.

The Commonwealth will provide \$80 million in 1998–99 which is directly aimed at projects which will have major environmental health impacts, under the National Aboriginal Health Strategy (NAHS). Projects funded under the NAHS are conducted in consultation with several State and Commonwealth agencies, including the use of health departments to monitor health impacts. Health Framework Agreements, which provide for indigenous participation and consultation in health issues, have now been signed in most States. ATSIC has also had input into developing the Commonwealth environmental health strategy.

Funding is also available under ATSIC's Heritage and Environment component of the Social and Cultural Programme for the protection and preservation of Aboriginal sites, areas and objects of significance (see Chapter 9).

INDUSTRY DEVELOPMENT

Commonwealth environment and industry policy is also supporting the competitive development of sustainable industries that are dependent on natural resources. These include forest products, environmental management, agriculture, tourism and mining. The Natural Heritage Trust programmes described in the following chapters will contribute to the sustainability of these industries.

Environment Australia has developed a framework of cooperation with the Australian Petroleum Production and Exploration Association (APPEA), setting a high standard for both industry and government in cooperation on achieving sustainable environment. The Minerals Council of Australia is engaged through the Best Practice Environmental Management in Mining programme.

The sustainable management of Australia's unique natural environment is of vital importance if Australia is to make the most of its international competitive advantage as a tourist destination. The Government's efforts toward achieving an ecologically sustainable tourism industry are discussed in Chapter 3.

BOX 2.2: SUSTAINABLE INDUSTRIES AND INDUSTRY DEVELOPMENT

EnviroNet Australia is a database available on the Internet that aims to promote the environmental expertise and technology offered by Australian Industries within Australia and to our trading partners.

Best Practice Environmental Management (BPEM) is a partnership project with the Australian mining industry and the NGO community to develop and promote BPEM in Mining booklets within Australia and overseas.

Demonstration of innovative waste and wastewater treatment on Lord Howe Island and development of a national strategy for cleaner production in cooperation with industry, governments and the community.

Develop guides towards Sustainable Engineering Practices in cooperation with the Institution of Engineers.

EXPANDING THE ENVIRONMENTAL KNOWLEDGE BASE

The Commonwealth recognises the key role of information in enhancing the effectiveness of environmental policy and programme delivery.

Reporting and Information Initiatives

The Australian Bureau of Statistics (ABS) has continued the development work on environmental accounts. Physical accounts, showing the stocks and flows of natural resources, are nearing completion for fish, forests and water. A resource account for minerals was released in March 1998. A second energy account is being compiled.

BOX 2.3: ENVIRONMENTAL RESOURCES INFORMATION NETWORK

The Environmental Resources Information Network (ERIN) provides environmental information for decision making including:

- a comprehensive information base to support Environment Australia's policies and programmes;
- an associated framework to ensure that information is managed appropriately;
- analysis and outputs to meet specific policy and programme outcomes; and
- an extensive World Wide Web site, providing access to information on the Government's environmental policies and programmes, and to key environmental databases administered by Environment Australia. (The address is www.environment.gov.au).

The ABS conducts an annual presentation of the national balance sheet which provides estimates for non-produced (environmental) assets including land, subsoil and forest assets.

Environment protection expenditure by the public and private sectors was released recently for the 1994–95 and 1995–96 financial years. Development work is under way to extend these accounts to a new framework which is more aligned to the system of national accounts.

Another major activity is the collection and dissemination of environmental statistics sourced from ABS and non-ABS data holdings. Last year, the ABS released a thematic publication on issues related to transport and the environment. A household survey on the community's views and actions on environmental problems, and sources and conservation of water was undertaken in March 1998 (results to be released by the end of 1998). Development has commenced for a 1999 survey about energy sources and conservation practices.

The Australian Antarctic Data Centre (AADC), which was formally opened in late 1997, uses advanced Internet technology to catalogue, store and display scientific information resulting from the Australian Antarctic research programme. The AADC is greatly enhancing access to information for the entire southern region by linking with other National Antarctic Centres through the Antarctic Master Directory, based in New Zealand.

Environment Australia is developing and managing a comprehensive, accurate and accessible information base for the Government's environmental decisions and for community use through:

- implementation, in conjunction with the ABS, of a framework for national State of the Environment reporting, which provides scientifically credible, timely and consistent information about changes to and trends in Australia's environment;

- extensive use of Internet/World Wide Web technology to deliver environmental information directly to a range of users; and
- implementation of information standards to ensure that information is consistently managed to a high quality.

BOX 2.4: ENVIRONMENT INDICATORS

State of the Environment reporting is developing a set of environmental indicators that will help track the condition of Australia's environment and the human activities that affect it. Indicators are being developed to cover each of the seven major themes around which Commonwealth state of the environment reporting is based as follows:

- human settlements;
- biodiversity;
- the atmosphere;
- the land;
- inland waters;
- estuaries and the sea; and
- natural and cultural heritage.

The work is being conducted in partnership with State agencies through a taskforce of the Australian and New Zealand Environment and Conservation Ministerial Council (ANZECC).

Environmental indicators will be used to support the next major national assessment of Australia's environment, due to be completed in 2001. The indicator development programme is also providing important input to other initiatives, such as the National Land and Water Resources Audit and the Australian Local Government Association's Regional Environmental Strategies.

The Australian Surveying and Land Information Group (AUSLIG) has been allocated \$25.5 million in 1998–99 and offers various tools for environmental monitoring including:

- satellite imagery for analysing such phenomena as deforestation, salinity, erosion and urban sprawl;
- the NATMAP series of topographic maps and associated GEODATA mapping data products are a significant national asset for use in resource management, identification of national resources and management of natural disasters; and
- the satellite laser ranging observatory, that assists in monitoring natural earth processes such as tectonic movement, changes in sea level and climate change.

Research and Development

Commonwealth Research Agencies

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) undertakes research that covers most environmental fields. The CSIRO research which is directly relevant to the environment is funded by around \$90 million each year of direct appropriations from the Commonwealth and approximately another \$40 million each year for contracted research from other sources, including Commonwealth research and development corporations, Commonwealth departments, State governments and the private sector. Other CSIRO research in industry sectors also has environmental benefits. Details of CSIRO activities in different environmental areas are in the following chapters.

The Australian Nuclear Science and Technology Organisation (ANSTO) undertakes research that covers various environmental management fields. ANSTO expends approximately \$8 million each year on research directly relevant to the environment with funds by direct appropriations from the Commonwealth, and in collaboration with private industry, Commonwealth research and development corporations, Commonwealth departments and State governments.

The Bureau of Meteorology supports environmental objectives through its atmospheric, oceanographic and hydrological monitoring, research and service provision. Details of Bureau activities in different environmental areas are in the following chapters.

The Bureau of Resource Sciences (BRS) provides scientific advice to enhance the sustainable development of Australia's primary, energy and resource industries. BRS assesses resource status for the fisheries, petroleum, mineral, agriculture and forestry industries and provides scientific advice on sustainable development. BRS also undertakes scientific research into greenhouse gases and climate change, particularly in the areas of land use change, forestry, soil carbon and biomass and energy efficiency and provides scientific analyses of greenhouse policy options.

The Productivity Commission has completed its 12-month inquiry into Ecologically Sustainable Land Management. The report covers a range of actions that governments can take to promote ecologically sustainable land management in Australia. Protection of the environment in conjunction with agricultural and pastoral activities is a central theme of the report.

Other Commonwealth economic research agencies such as the Australian Bureau of Agricultural and Resource Economics (ABARE) and the Bureau of Transport and Communications Economics (BTCE), as well as some CSIRO divisions, undertake economic research on environmental issues. For example:

- the BTCE is currently undertaking two projects relating to both transport-generated externalities and tradeable permits for greenhouse emissions;
- the CSIRO's Division of Wildlife and Ecology undertakes research into the field of ecological economics; and

- the CSIRO's Division of Building, Construction and Engineering researches models of sustainable urban form.

The Commonwealth will provide \$15.1 million in 1998–99 for ABARE to continue the provision of economic analysis and forecasting information to both the public and private sectors aimed at improving competitiveness and resource management in Australia's agriculture, minerals, energy, forestry and fishing industries.

ABARE's environmental research priorities over the last twelve months will continue largely unchanged in 1998–99 and will include:

- the Comprehensive Regional Assessments — an initiative of the National Forest Policy statement;
- water resource management including salinity and water policy;
- Landcare and land management;
- economic analysis of problems in fisheries management; and
- economic analysis of energy markets in relation to climate change.

Research and Development Corporations

The Commonwealth supports environment-related research through its research and development corporations. In particular, the Land and Water Resources Research and Development Corporation (LWRRDC) identifies and funds research and development that improves the productivity and sustainability of land use systems.

LWRRDC's research programme encompasses three main streams of activity: productive and sustainable land use systems, sustainable management of rivers and water resources, and sustaining vegetation in the landscape. The major issues studied in 1997–98 included dryland salinity, climate variability, riparian vegetation and rangelands. The Commonwealth will provide \$10.8 million in 1989–99 to continue this work.

Cooperative Research Centres

The Commonwealth funds Cooperative Research Centres (CRCs) which are joint ventures between researchers from universities, research organisations and research users in industry and the public sector. CRCs play a significant role in developing Australia's scientific culture. They strengthen links between researchers from differing agencies by supporting long-term, high-quality, collaborative research that contributes to national objectives. In doing so, they are contributing to the solution of many of Australia's environmental problems.

Seventeen of the 67 CRCs currently supported have an environmental focus. These cover the areas of water quality, waste management, aquaculture, the Great Barrier Reef, southern hemisphere meteorology, tropical savannas, tropical rainforest, freshwater ecology, weed management, renewable energy, Antarctica and the Southern Ocean,

tropical pest management, soil and land management, conservation and management of marsupials, biological control of vertebrate pests, catchment hydrology, and sustainable tourism.

Other Commonwealth-funded Research

The Department of Employment, Education, Training and Youth Affairs administers the following research programmes:

- The Targeted Research and Scientific Development Programme provides funding (using the advice of the Australian Research Council [ARC]) to researchers, universities and other bodies for research grants (including the Large Grants Scheme), fellowships, research centres, post-graduate awards and research infrastructure. As many projects are multidisciplinary and have a subsidiary environmental focus, the actual proportion of this programme with an environmental focus is not available. However, within the Large Grants Scheme, a number of new Large Grants awarded in 1997–98 (totalling over \$1.7 million) could be identified as having a specific environmental focus.
- The International Research Exchange Programme which facilitates collaboration between Australian researchers and EARTHWATCH, an organisation with a mission to improve human understanding of the planet, the diversity of life of its inhabitants, and the processes that affect the quality of life on Earth. Collaboration is supported through a Memorandum of Understanding between the ARC and EARTHWATCH.
- A grant of \$1.8 million over three years (1996–1998) provided to develop an Indigenous Higher Education Centre at Northern Territory University, that will support research into natural and cultural resource management issues affecting Indigenous Australians. Research topics will include fire management, wetlands management, marine resource management and indigenous tourism. The Centre plans to set up a cultural archive using the Internet and multimedia technologies.

GREENING OF GOVERNMENT

In order to set an example for the country as a whole, the Commonwealth has embarked on an ambitious programme of ensuring that its policies and procedures accord with environmental best practice.

Environmental Integration across Commonwealth Policy

Central coordinating agencies are involved in the provision of policy advice relevant to the environment and integration of environmental considerations and economic and social policies.

Internal Environmental Management

Most Commonwealth portfolios have policies and programmes aimed at reducing environmental impacts of their operations and activities (see Table 2.3). Additionally, the enhancement of environmental efficiency is one of the productivity initiatives in the Australian Public Service Enterprise Agreement.

Commonwealth agencies with potentially large environmental impacts are increasingly building environmental management and corrective works into their operational plans. For instance:

- the Department of Transport and Regional Development will spend more than \$9.8 million up to the year 1998–99 on assessing options for, and the likely environmental impact of, the proposed second Sydney airport (see Chapter 6); and
- the Department of Defence has allocated approximately \$2.5 million in 1997–98 to such activities as environmental management plans, cultural surveys and the preparation of environmental information and management systems.

Table 2.3: Summary of Environment Management in Commonwealth Portfolios

Portfolio	Recycling of Paper and Other Wastes	Energy/ Water Saving	Environmental Management Plan and/or Audits	Environmental Building Design
Attorney-General's	✓	✓	✓	✓
Communications and the Arts	✓		✓	
Defence	✓	✓	✓	✓
Employment, Education, Training and Youth Affairs	✓	✓		
Environment	✓	✓	✓	✓
Finance and Administration	✓	✓	✓	✓
Foreign Affairs and Trade	✓	✓		✓
Health and Family Services	✓	✓	✓	✓
Immigration and Multicultural Affairs	✓	✓	✓	
Industry, Science and Tourism	✓	✓	✓	
Primary Industries and Energy	✓	✓	✓	✓
Prime Minister and Cabinet	✓	✓		
Social Security	✓	✓	✓	✓
Transport and Regional Development	✓	✓	✓	
Treasury	✓	✓		
Veterans' Affairs	✓	✓	✓	✓
Workplace Relations and Small Business	✓	✓		✓

The Commonwealth has recently developed a best-practice Environment Management System (EMS) — the first such system developed by a government in Australia. The EMS was developed as a model process for possible adoption by all Commonwealth agencies and by State government property agencies.

The Commonwealth recently confirmed its commitment to energy efficiency and sound environment management in its own operations by announcing a series of initiatives as part of the enhanced package of measures to reduce Australia's greenhouse gas emissions (see Chapter 7).

Commonwealth Support for Local Level Environmental Initiatives

Territories Programme

In administering the territories of Norfolk Island, Christmas Island, the Cocos (Keeling) Islands, and Jervis Bay Territory, the Commonwealth incurs substantial expenditure. This includes over \$500,000 for the Shire of Christmas Island and the Shire of the Cocos (Keeling) Islands to perform sanitation and refuse management, and provide water and sewerage services. Funding for environment protection and environmental monitoring associated with phosphate mining on Christmas Island and other activities that could impact on the environment on both Christmas Island and Cocos (Keeling) Island is provided through a contractual arrangement with the Supervising Scientist Group. In addition, funding has been granted to the Jervis Bay Territory for general environment protection and management.

The Local Government Development Programme

Current environmental initiatives under the Commonwealth's Local Government Development Programme include the environment finance research project on 'Applying Environmental Accounting Frameworks in Local Government'. This project investigates innovative financing models for the delivery of environmentally sustainable technologies and services at the regional and local level, and the application of environmental accounting frameworks in local government.

Environment Resource Officers

The Environment Resource Officer (ERO) Scheme is funded and administered by Environment Australia as a mechanism for promoting and disseminating information on Commonwealth environment policies and programmes to local government. The EROs also provide assistance to local government on general environmental management. The Scheme funds part of the cost of a dedicated environment officer in a peak Local Government Association in each State and the Northern Territory to work with councils to maximise positive environmental outcomes.

There is also a national ERO based in Environs Australia to deal with specific local government issues which are expected to benefit from a national approach.

Local Agenda 21 Manual

Environment Australia is funding the preparation of a manual to provide a step-by-step guide for local councils through the various approaches to Local Agenda 21 (LA 21). LA 21 refers to the sum total of suggested actions required of local authorities and communities by Agenda 21, especially those described in Chapter 28 of Agenda 21 on 'Local Authorities'.

The manual will give practical assistance to councils which are seeking guidance at any stage of the LA 21 process. It will include extensive reference to experience and case studies from around Australia and the world and will be produced in a form that allows updating and inclusion of additional material.