

MEDIA BRIEF

14 December 2016

Funding for environment in drastic decline – MYEFO set to make things worse

*“We have a strong commitment to environmental programs” – Malcolm Turnbull, 5
December 2016*¹

The Commonwealth environment budget has declined dramatically since 2013, shouldering a disproportionate share of ‘budget repair’.

During this time Australia’s climate pollution continued to grow and species continued to be lost. Three known vertebrates (2 mammals, 1 reptile)² have become extinct since 2009.

Spending on national biodiversity conservation programs is set to hit its lowest level in more than a decade by 2018 – and will represent only five cents in every \$100 the Australian Government spends (0.05 per cent of total government expenditure).³

The election of the Abbott Government signalled the beginning of a serious decline in environment spending, even though overall federal government budget spending has increased. Clear trends are apparent across environmental spending measures, including for departmental and administered spending for biodiversity protection and restoration.

The Environment Department budget will decline below \$1 billion in 2017-18,⁴ at the same time the Government is considering handing a discounted loan of \$1 billion to Adani, the proponent of a new massive coal mine slated for Queensland’s Galilee Basin.⁵

If biodiversity and habitat loss is to be halted, or reversed, and Australia is to transform its economy and energy systems in line with the Paris Climate Agreement commitments, then the Federal Government must invest.

¹ <https://www.pm.gov.au/media/2016-12-05/doorstop>

² <https://www.environment.gov.au/system/files/resources/7c0b18b4-f230-444a-8ccd-162c8545daa6/files/nggi-quarterly-update-dec-2015.pdf>, <http://www.abc.net.au/news/2015-08-19/fact-check-does-australia-have-one-of-the-highest-extinction/6691026>

³ Assuming the Green Army is completely scrapped from 2017 and accounting for the \$100 million allocated out of the Backpacker Tax Deal.

⁴ For ease of comparison with previous years Department of Environment spending excludes agencies associated with the Department, including Australian Renewable Energy Agency, Bureau of Meteorology, Clean Energy Finance Corporation, Clean Energy Regulator, Climate Change Authority, Director of National Parks, Great Barrier Reef Marine Park Authority, Sydney Harbour Federation Trust.

⁵ Parties split over Adani loan proposal, *Australian Financial Review*, 5 December 2016:

<http://www.afr.com/news/politics/parties-split-over-adani-loan-proposal-20161204-gt3va4>

Federal Government budgets since 2013 election

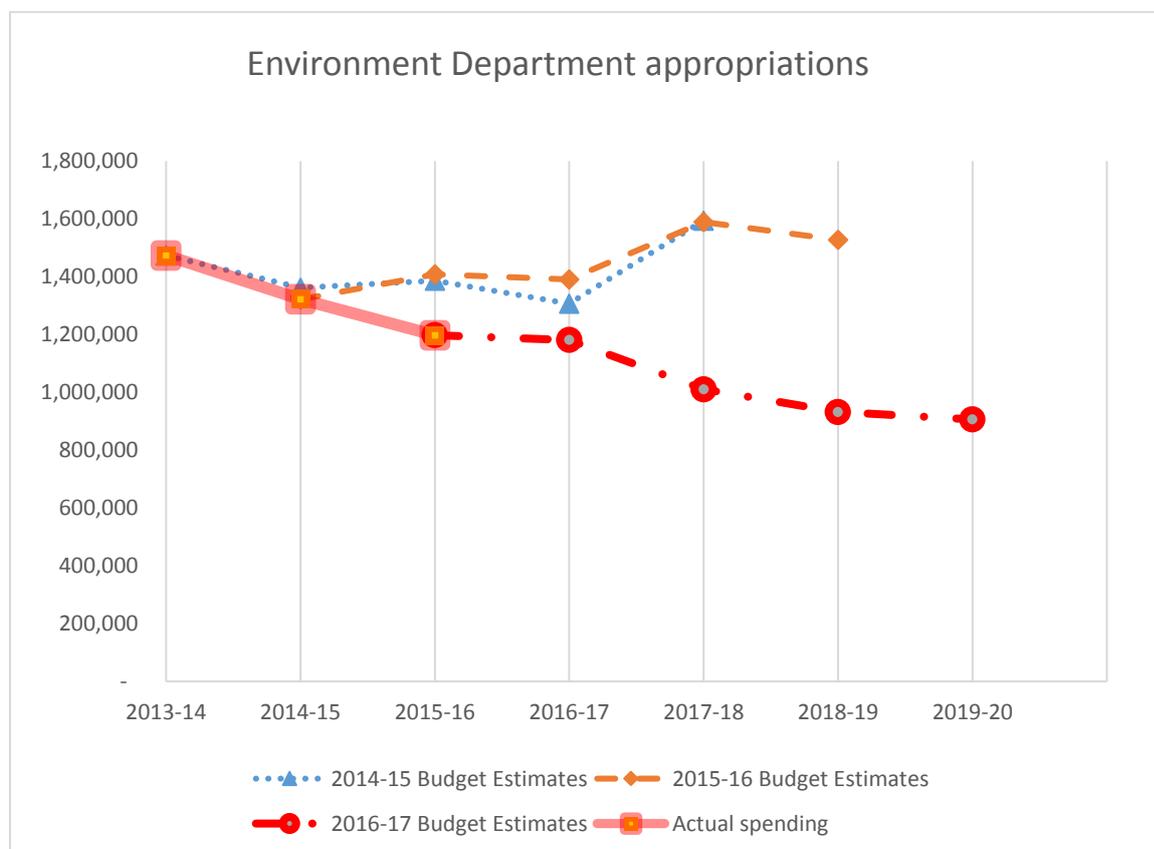
Throughout the Coalition’s term of Government there has been a decline in actual and forecast spending. Chart 1 below shows the total figures for spending on the four key outcomes in the Department of Environment’s budget papers over the Coalition’s first term of government.

It also shows the Government has promised more environmental spending in its budgets than what it has delivered since 2013. The 2016 budget also forecasted a large decrease in environmental spending over the next four years, compared to what was forecast in the Coalition’s previous two budgets.

Anticipated cuts of \$360 million to the Green Army,⁶ expected to be confirmed in MYEFO on 19 December, will further decrease environment spending. The money used for the Green Army was funded through a significant cut to Landcare of \$483 million. It is unclear whether this money will be returned to an environmental program, such as Landcare, or will be removed from the environment portfolio all together.

These expected cuts will be partially offset by the \$100 million over forward estimates for Landcare that was negotiated as part of the package of measures to ensure the ‘Backpacker Tax’ legislation was passed through the Senate.

Chart 1 – Decline in Federal Environment Department appropriations

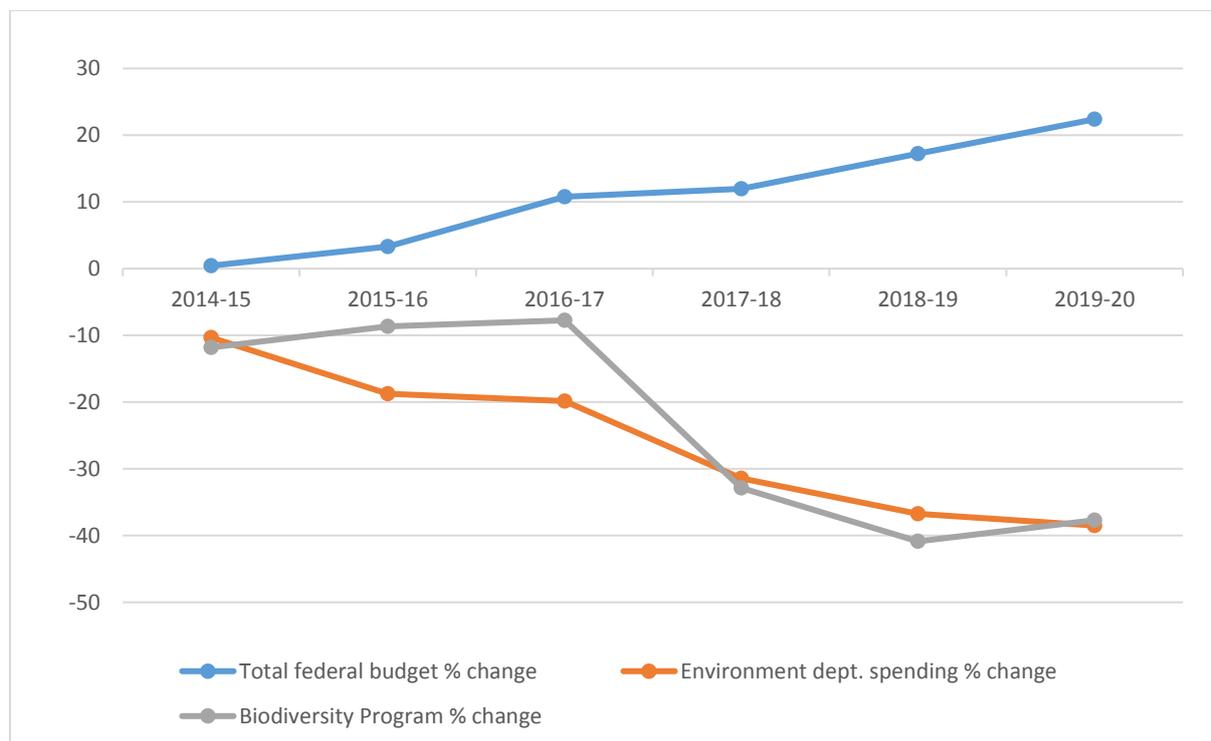


⁶ Malcolm Turnbull kills off Tony Abbott’s Green Army, *Australian Financial Review*, 4 December 2016: <http://www.afr.com/news/tony-abbotts-green-army-gets-its-marching-orders-20161203-gt3eg2>

Comparison with overall budget trajectory

When compared with the direction of overall government spending under the Abbott-Turnbull Government the low priority given to the environment becomes even clearer. Chart 2 below shows as government budget spending overall has increased, environment spending has declined. Despite the urgency of climate change and the need to reverse biodiversity loss the government has further de-prioritised the environment. The overall budget is projected to be 22 per cent larger by 2019-20, when compared to the 2013-14 budget, while environment spending is projected to be 38.5 per cent lower in 2019-20 than it was in 2013-14.

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



Biodiversity funding

Administered funds spent on biodiversity restoration and protection were also analysed. The Green Army accounts for approximately a quarter of administered funds for biodiversity programs. Other national programs, including the National Landcare Program (including 20 Million Trees) funded out of the National Heritage Trust special account, Reef 2050 and Reef Trust programs and continuing environmental stewardship grants, make up the bulk of the rest.

ACF analysis of Green Army projects from rounds 1 – 3 shows the Government has significantly overstated the benefits the program has provided to threatened species to date

– and that these projects warrant independent, external auditing for their environmental outcomes.⁷

If the Green Army is abolished, as has been reported,⁸ and funds are not redeployed into much needed environment programs, Federal Government spending on biodiversity conservation and restoration is forecast to fall to record low levels, even with the \$100m secured for Landcare through the ‘Backpacker Tax’ negotiations.

From 2018 onwards, less than five cents from every \$100 of Federal Government spending will reach direct projects for biodiversity conservation. By 2018 public money available for biodiversity conservation projects will have declined by 37 per cent on 2013 levels, a significant and worrying downturn, as highlighted in Table 1 below.

Table 1 – Historical decline in administered funds on biodiversity

Budget year	Percent of total Federal Government expenditure spent on biodiversity conservation as administered funds	Administered funds on biodiversity conservation programs (,000)
2013-14	0.1082%	\$444,235
2014-15	0.0950%	\$391,724
2015-16	0.0956%	\$405,700
2016-17	0.0901%	\$409,830
2017-18	0.0648%	\$298,181
2018-19	0.0546%	\$262,685
2019-20	0.0551%	\$276,739

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⁷ The Green Army’s final battleground, *Saturday Paper*, 10 December 2016:

<https://www.thesaturdaypaper.com.au/news/environment/2016/12/10/the-green-armys-scant-environmental-credentials/14812884004075>

⁸ Malcolm Turnbull kills off Tony Abbott’s Green Army, *Australian Financial Review*, 4 December 2016:

<http://www.afr.com/news/tony-abbotts-green-army-gets-its-marching-orders-20161203-gt3eg2>