



20 January 2017

2017-18 Pre – Budget Submission to the Department of the Treasury.

The Federal Budget must stop ignoring the health of Australia's climate, rivers, reefs, forests and wildlife

In this federal budget, the government must prioritise safeguarding our living world and creating the conditions for our people and planet to thrive.

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

Our government must therefore make smart economic decisions that value and support the world we live in, our climate, the air we breathe and the water we drink.

At a time when we must urgently cut pollution, Australia's climate pollution is on the rise. In September 2013, when the Coalition came to government, Australia's emissions were 130.8 (MtCO_{2-e}). In the most recent quarter of released data (June 2016) our emissions increased to 134.4 (Mt CO_{2-e}).¹

The government's current climate policies are failing to reduce Australia's pollution in line with the government's own targets and Australia's international obligations under the Paris Agreement. These ineffective policies are damaging our climate, gravely harming entire ecosystems like the Great Barrier Reef and threatening the livelihoods, health and futures of our communities.

At the same time, the government is considering giving a \$1 billion subsidised loan to help Adani build what would be Australia's biggest coal mine – generating billions of tonnes of climate pollution. Choosing to give public money through the Northern Australian Infrastructure Facility to a company with a dubious track record to build a giant polluting coal mine is a failure of the government's duty of care.²

¹ Australian Government, Department of the Environment and Energy, 'Quarterly Update of Australia's National Greenhouse Gas Inventory: June 2016,' December 2016. <https://www.environment.gov.au/system/files/resources/48275b92-3f4b-44d0-aa4e-50ece408df86/files/nggi-quarterly-update-jun-2016.pdf>

² <http://www.abc.net.au/news/2016-12-21/adani-corporate-web-spreads-to-tax-havens/8135700>.
<http://www.abc.net.au/news/2016-12-05/adani27s-galilee-basin-plans/8094308>



The government also continues to give billions of dollars of public money to polluting companies through tax breaks and subsidies – effectively paying these companies to pollute and entrenching Australia’s use of dirty energy like coal.

Rather than subsidising pollution, the government must invest public money in industries that are good for our future – like clean energy and caring for the country that sustains us. Transitioning Australia’s energy mix from polluting fuels like coal and gas to clean, renewable sources like solar and wind is critical to cutting climate pollution. This budget, the government must stop wasting public money on fuel subsidies and instead increase the budget of the Renewable Energy Agency.

This budget, the government must also allocate funding to stop the extinction of our wildlife. Australia is full of natural wonders and unique wildlife, yet we have one of the highest rates of wildlife extinction in the world.³ We know how to turn this around but the government has provided no funding stream for recovery planning for threatened species. This leaves well researched, science-based recovery plans fragmented and unfunded, and unnecessarily places many species on the road to extinction.

The Australian government currently has no programs to support the establishment of new protected areas across Australia. There are many unfilled gaps in the National Reserve System, including critical corridors and safe climate refuges that will be vitally important to safeguard the ecosystems we depend on to live. Many threatened species also have no or inadequate habitat coverage within the reserve system, including in high threat areas like the Great Dividing Range.

Almost every environmental indicator in Australia is in decline. Despite these profound threats to our climate and the ecosystems that sustain us and our living world, the federal government continues to reduce its spending on our environment. If a business generates revenue by selling off assets, those changes are recorded on its balance sheet and considered by the market. But if Australia as a nation generates economic growth by running down the environment, the decrease in our national balance sheet does not register in budget papers or quarterly economic reports.

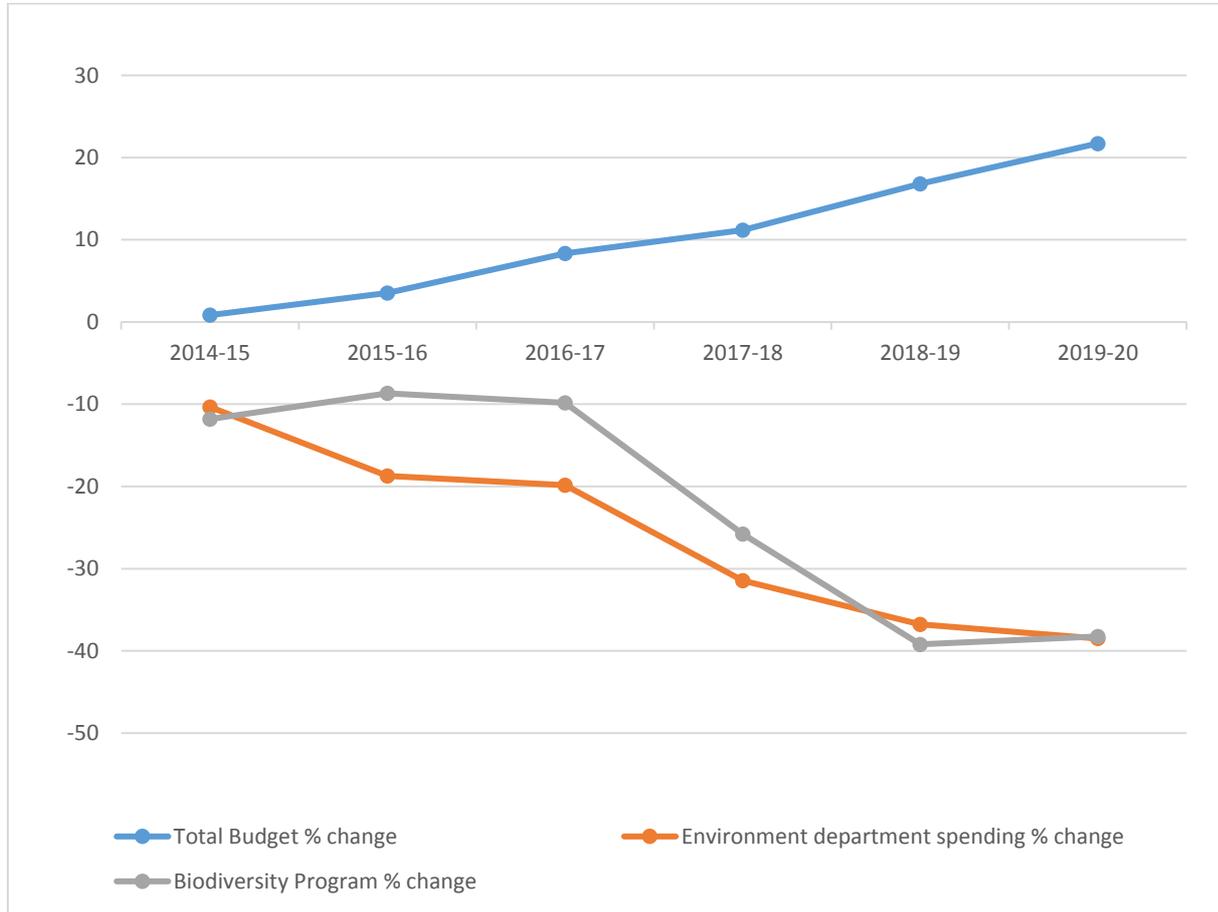
Per budget projections, by 2019, Federal Environment Department spending will have declined by 38% per cent on 2013 levels while total government spending will have increased by 21.7 per cent. National spending on biodiversity has fallen to its lowest level in more than a decade with the government spending just 5 cents in every 100 dollars on conservation.⁴

³ <http://www.abc.net.au/news/2015-08-19/fact-check-does-australia-have-one-of-the-highest-extinction/6691026>

⁴ Australian Conservation Foundation, ‘Funding for environment in drastic decline – MYEFO set to make things worse’ 14 December 2016, https://d3n8a8pro7vhmx.cloudfront.net/auscon/pages/1526/attachments/original/1481681664/Federal_enviro_spending_brief_14-12-16.pdf?1481681664



Percentage change in spending based on 2013-14 Budget



Government decisions today will shape the world – and climate – of people today and our children and grandchildren. Budgets are about choices and the next budget could start Australia on a pathway to make Australia better for everyone, and every living thing. But there can be no more delay.

The government has a duty to plan so Australians today and the generations that follow have the basic ingredients for a good life. It is therefore critical the federal government increase spending on our environment to safeguard our living world and create the conditions for our people and planet to thrive.



Budget priorities

Priorities	How to make it happen
1. Cut Pollution	1.1 Introduce a long-term mechanism to reduce climate pollution. 1.2 Fund developing countries climate action through increased contributions to the Green Climate Fund.
2. Go 100% clean energy	2.1 Adequately fund clean energy development through ARENA 2.2 Put in place an expanded renewable energy target for 2030. 2.3 Remove subsidies for pollution. 2.4 Clean up transport. 2.5 Double Australia's energy productivity.
3. Shift away from polluting coal	3.1 Amend the invest mandate of the Northern Australia Infrastructure Facility so it is unable to provide subsidies for infrastructure for coal development. 3.2 Establish a national clean energy transition plan to phase out coal and fund community transition plans for affected communities.
4. Help communities and nature thrive.	4.1 Establish policies to restore Australia's biodiverse natural landscape. 4.2 Ensure ongoing funding for the National Climate Change Adaptation Research Facility 4.3 Provide funding for state and local government implementation of adaption strategies.
5. Be Nuclear Free	5.1 Establish an independent National Commission into responsible management of Australia's domestic radioactive waste in Australia. 5.2 Convene an independent inquiry into the domestic and international impacts and implications of Australia's uranium sector.
6. Create strong laws to protect life	6.1 Establish and resource an independent statutory authority to administer national environmental law.
7. Re-connect habitats	7.1 Create a national environment fund with an annual investment of \$1 billion by 2018. 7.2 Improve tax incentives for conservation.
8. Help nature and culture thrive in the North	8.1 Double the funding for Indigenous Ranger program and invest \$30 million per year in Indigenous Protected Areas. 8.2 Prioritise infrastructure spending with long term social and environmental benefits under the Northern Australia Infrastructure Facility.
9. Keep the Murray flowing	9.1 Deliver the basin plan on time and in full. 9.2 Reinvigorate national water reform.
10. Value nature in government decision making.	10.1 Measure the things that matter, resource the implementation of the System of Environmental – Economic Accounting.



1. Cut Pollution

1.1 Introduce a long-term mechanism to reduce climate pollution.

As already outlined, Australia's carbon pollution continues to grow because of ineffective policy. This is despite the government's acknowledgment of the importance of tackling climate change.⁵ To date, the government's emissions reduction fund (ERF) has purchased less than 12 percent of Australia's 2030 pollution target, and 83% of the ERF has been spent.⁶ It's clear that the ERF is a very expensive policy and is not capable of reducing pollution across the economy, particularly in the energy sector, which is Australia's biggest source of carbon pollution. The government has committed to a climate policy review in 2017 but has already limited the options it is willing to consider, including market-based mechanisms. Central to the policies needed should be a mechanism that incentivises a cut in pollution across the whole economy, this could be market driven and/or regulatory. Further, it should be complemented by policy that incentivises investment in clean energy such as an extended RET (as mentioned below), and reverse auctions that drive competition in the market and result in new clean energy facilities at lowest cost. Continuing as usual is not in the interest of Australia's environmental, social or economic health.

1.2 Fund developing countries climate action through increased contributions to the Green Climate Fund.

As a developed country, Australia has a role to play in assisting developing countries to ensure the success of the Paris Agreement. ACF and other groups are calling for a greater contribution of at least US\$1.6 billion per year by 2020 to the Green Climate Fund, in line with the shared US\$100 billion per year goal set for developed nations. Funding to help developing nations reduce climate pollution and adapt to the unavoidable impacts of climate change is critical to the success of the Paris Climate Agreement.

Investments \$million – forward estimates

ITEM	2017-18	2018-19	2019-20	2020-21
<i>Australia's contribution to the Green Climate Fund</i>	1070 (\$US 800)	1600 (\$US 1200)	2100 (\$US 1600)	2100 (\$US 1600)

Currency conversion current at 19th January 2017.

⁵ <https://www.liberal.org.au/our-plan/protecting-our-environment>

⁶ <http://www.climateinstitute.org.au/articles/opinion-pieces/australias-emissions-reduction-fund-nearly-exhausted-emissions-keep-rising.html/section/431>



2. Go 100% clean energy

2.1 Adequately fund clean energy research, development and demonstration through ARENA

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

Investments \$million – forward estimates

ITEM	2017-18	2018-19	2019-20	2020-21
<i>Funding of the Australian Renewable Energy Agency</i>	499.9	237.0	468.3	135

2.2 A 2030 renewable energy target

The current growth trajectory for the large scale Renewable Energy Target (RET) scheme only runs until 2020, although the scheme will remain in operation until 2030.⁷ This puts pressure on companies to quickly deliver new projects to maximise their time under the RET umbrella, but only gives a limited investment horizon beyond this point. While the closure of coal-fired power stations will go some way to encouraging new investment, extending support for clean energy sources would provide stability for large scale infrastructure renewal. Incentives and strong, certain investment signals are needed while the excess capacity is being withdrawn to ensure ongoing investment.⁸

2.3 Remove subsidies for pollution

The Government continues to subsidise fuel, through the notorious Fuel Tax Credit scheme, and provides tax breaks for fossil fuel exploration, production and consumption. The Fuel Tax Credit scheme subsidises the cost of fuel and therefore subsidises pollution. This continuing budget support for the use of diesel fuel constitutes a barrier to innovation, established and maintained by government. It costs the Federal Budget over \$27 billion dollars over the forward estimates.⁹ ACF has proposed differing ways of phasing out this subsidy which are outlined below. Based on the same principle aviation fuel excise concessions should just be abolished. Revenue from savings could be redirected to invest in the innovation Australia's Prime Minister rightly views as

⁷ Clean Energy Council, PowerShift: A blueprint for a 21st century energy system, 2016, p.16, <http://www.cleanenergycouncil.org.au/policy-advocacy/reports/power-shift.html>

⁸ Climate Institute, A Switch in Time: Enabling the electricity sector's transition to net zero emissions, April 2016, p.14, <http://www.climateinstitute.org.au/a-switch-in-time.html>

⁹ Federal Budget 2016-17, Budget Paper 1, Statement 5, Table 3.1, p.12 <http://budget.gov.au/2016-17/content/bp1/download/bp1.pdf>



important to the nation's future. Savings from the Fuel Tax Credit scheme could be invested into research and development to reduce fuel use, lower environmental impacts and find new ways to use clean technology to make all businesses more energy efficient. ACF has previously proposed differing ways to reduce this subsidy to ensure we are incentivising the move to clean energy.¹⁰

ACF suggests three ways the Government could restructure the Fuel Tax Credits scheme.

- **Cap Fuel Tax Credit claims at \$20,000 per claimant.** A large number of industries take advantage of fuel tax credits. It is not ACF's intention to disadvantage users of the scheme that make small claims, such as farmers. Therefore ACF proposes a \$20,000 cap per claimant, so those making small claims would not be adversely affected. The cap would be phased in over a few years, starting at an \$80,000 cap and stepping down by \$20,000 a year until a final cap of \$20,000 is reached. This cap would ensure the vast majority of industries - including most claimants from the agriculture and tourism industries - are able to continue to receive credits as they do now. This proposal is fleshed out in more detail in ACF's report, [Subsidising Big Coal: Handouts to Australia's biggest coal mining companies through the Fuel Tax Credits Scheme](#).
- **Scrap the scheme and reinvest the money in research and development.** Removing the diesel subsidy would free up billions a year that could be reinvested in research and development into reduced fuel use, clean technology, energy efficiency and lower environmental impact processes.
- **Make claimants show they are making their operations more efficient.** If the Government is adamant it wants to continue giving out billions a year in Fuel Tax Credits, it should put some conditions on the handouts. Claimants should be required to show how they are making their operations more fuel efficient, how they are using the credits to invest in new clean technology and how they are innovating and preparing for a future that is consistent with the Government's commitment to limit global warming to well below 2 degrees, and to pursue a 1.5 degree limit. The Fuel Tax Credits scheme should not continue to be a drain on Australian progress to tackle climate change.

The savings

Using figures from the 2016-17 Budget, the \$20,000 cap proposal, would save an estimated \$15.4 billion over the forward estimates.

¹⁰ See ACF 2016-17 Pre Budget Submission, p.6 - https://d3n8a8pro7vhm.cloudfront.net/auscon/pages/839/attachments/original/1466049927/ACF_2016-17_Budget_Submission.pdf?1466049927 and ACF, *Subsidising Big Coal*, April 2015, p.4 <https://d3n8a8pro7vhm.cloudfront.net/auscon/pages/945/attachments/original/1466824397/SubsidisingBigCoal.pdf>



Savings (\$million) – forward estimates

ITEM	2017-18	2018-19	2019-20	2020-21	Total over four years
<i>Fuel Tax Credits Scheme Budget Forecast</i>	6,466	6,724	7,070	7,381 ¹¹	27,641
<i>Phase out of Fuel Tax Credits Scheme - savings¹²</i>	3,251	3,482	4,037	4,687	15,457
<i>Abolishing aviation fuel excise concessions – savings</i>	1,310	1,390	1,460	1,541 ¹³	5,701
Total Savings	4,561	4,872	5,497	6,228	21,158

2.4 Clean up transport

The contribution of vehicle pollution to Australia’s overall pollution must be addressed. Transport is responsible for 17 per cent of Australia’s climate pollution, second only to electricity generation. ACF welcomes the work on vehicle emission standards currently being undertaken by the Ministerial forum however it is imperative that this work delivers new emission standards that bring Australia in line with other developed countries as quickly as possible.

2.5 Double Australia’s energy productivity

Australia’s energy productivity ambition should be increased as an important part of cutting pollution and supporting Australia’s competitiveness as many other countries pursue the benefits of a strong energy productivity agenda. The current target of a 40 per cent improvement by 2030 is unambitious. In December 2015 when this target and accompanying plan was announced, the plan identified several energy productivity measures, however Australia only needs to implement half of them to achieve the 40 per cent target.¹⁴ Research and modelling has demonstrated that Australia could double its energy productivity through modernisation of the electricity system.¹⁵

¹¹ Estimate, based on average annual growth rate of the scheme between 2016-17 and 2019-20 using figures in the 2016 - 17 budget.

¹² Based on the latest fuel taxation statistics which are from the 2013-14 year. <https://data.gov.au/dataset/taxation-statistics-2012-13/resource/55aae12d-5c19-43d0-a445-4077a20865ba>

¹³ Estimate, based on average annual growth rate of the scheme between 2016-17 and 2019-20 using figures in the 2016 - 17 MYEFO

¹⁴ COAG Energy Council, National Energy Productivity Plan 2015-2030, December 2015, p. 13 <http://www.coagenergycouncil.gov.au/publications/national-energy-productivity-plan-2015-2030>

¹⁵ ClimateWorks, Australia’s Energy Productivity Potential, March 2015, <http://climateworks.com.au/project/current-project/australias-energy-productivity-potential>



3. Shift away from polluting coal

3.1 Phasing out dirty coal-fired power stations

There is overwhelming acceptance amongst the Australian community, including business, energy generators and unions, that Australia urgently needs a planned transition of Australia's energy sector from coal to clean energy – and this requires federal government leadership. This change is inevitable and can be either chaotic and disruptive, or managed systematically. Inaction is not an option. Several recent reports should inform the government's work in this area, including one released in November last year titled 'Our Energy Future: A plan to transition Australia to clean energy' that outlines eight actions the government should consider in developing its plan.¹⁶ A forward-thinking government should make a financial commitment in the 2017-18 Budget to develop an energy transition plan in consultation with representatives from state and federal governments, the energy sector, investors, unions, environment groups, the welfare sector and other community organisations. The energy transition plan should include costed options so it is clear what investment is needed from federal and state governments to successfully implement the transition.

Investments \$million – forward estimates

ITEM	2017-18	2018-19	2019- 20	2020-21
<i>Establishment and resourcing for Energy Transition Advisory Group</i>	2	-	-	-

3.2 Rule out subsidising the Carmichael Mine

Alongside an energy transition plan, the federal government should not subsidise the construction of infrastructure for the development of Adani's Carmichael coal mine through the Northern Australia Infrastructure Facility. Considering the government's statements on the fiscal circumstances of the budget, it is unclear how this investment fits in with its fiscal strategy. The long-term viability of the project is highly questionable considering the Paris climate agreement and the worldwide energy transition that is underway. It is not a sound economic or environmental investment for the government to be involved in.

¹⁶ 'Our Energy Future: A plan to transition Australia to clean energy,' November 2016, https://d3n8a8pro7vhmx.cloudfront.net/auscon/pages/1463/attachments/original/1478645824/Our_energy_future_A_plan_to_transition_Australia_to_clean_energy_WEB.pdf?1478645824



4. Help communities and nature thrive.

4.1 Secure carbon in biodiverse landscapes

There is enormous potential to store carbon in natural landscapes as well as protect and restore biodiversity across Australia. Using appropriate markets or regulatory mechanisms will be one of the most significant opportunities to protect biodiversity and address climate change with limited government funding. CSIRO modelling completed as part of the National Outlook Report indicates that policies promoting strong carbon abatement in native ecosystems could increase native habitats by 12 to 15 million hectares nationally and reduce the risk of species extinction by 10 per cent. Under very strong abatement settings this area of restored ecosystems could grow to 35 million hectares and reduce the risk of wildlife extinction by almost 20 percent.¹⁷ ACF supports this mechanism being used to maintain existing carbon stores and abate 'locked-in' pollution already in the atmosphere or unavoidable emissions. We do not support its use to offset pollution where it can be reduced or avoided through other climate policy, for example energy production switching from coal to clean energy.

4.2 Sustainable and resilient cities

Australia has one of the most urbanised populations on the planet, with 89 per cent of people living in urban areas. Cities are also more susceptible to extreme temperatures, as cities absorb heat and take longer to cool down after heatwaves than non-urban areas. This impact is felt disproportionately by some of Australia's most vulnerable communities, but will continue to impact the quality of life of most Australians. Appropriate planning strategies and standards need to be put in place by all levels of government to ensure that Australian cities remain vibrant and healthy places to live and work. The Federal Government should incentivise this process by providing modest funding.

4.3 Climate Adaption Funding

Government should extend funding for climate change adaptation including through the National Climate Change Adaptation Research Facility (NCCARF). This facility's funding has only been guaranteed by the government until the end of this budget year. The importance of its work is growing as the unavoidable impacts of global warming become increasingly apparent and have growing impacts. The NCCARF has an important role in helping decision makers in Australia prepare for projected impacts such as more frequent and intense heatwaves, an increased risk of flooding from rivers and the sea, and increased coastal erosion. The following functions require funding on an ongoing basis: managing climate science and information; adaptation research; generating information on climate risks, impacts and vulnerabilities; and tools to assist communities to adapt. This work requires multi-year efforts and is hampered by short-term or uncertain funding. The Government should pledge long term funding to this important work.

¹⁷ *Australian National Outlook 2015 Economic activity, resource use, environmental performance and living standards, 1970–2050*, October 2015 <http://www.csiro.au/nationaloutlook/>



Investments \$million – forward estimates

ITEM	2017-18	2018-19	2019- 20	2020-21
<i>Continued funding of the National Climate Change Adaptation Research Facility</i>	3	3	3	3



5. Be Nuclear Free

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

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

The fracturing of the Non-Proliferation Treaty threatens a new international nuclear arms race. The international safeguards regime is under-resourced, under pressure and under-performing. Providing more uranium fuel to more nuclear reactors means more highly radioactive materials, more waste and more chance of nuclear weapons proliferation. The Federal government should convene an independent inquiry into the domestic and international impacts and implications of Australia’s uranium sector.

5.2 A more responsible approach to radioactive waste storage

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

Nothing about radioactive waste is simple or clear – but it can be far better managed. Successive federal governments have tried to force through the creation of a remote central waste dump to deal with our national radioactive waste stockpile. This approach has been characterised by secretive and top down decision making. A new approach is needed, based on transparency, scientific evidence and international best practice to assess the full range of options to advance responsible radioactive waste management. This should involve the establishment of an independent inquiry into the responsible management of Australia’s domestic radioactive waste in Australia.

Investments \$million – forward estimates

ITEM	2017-18	2018-19	2019- 20	2020-21
<i>Establish an independent National Commission into responsible management of Australia’s domestic radioactive waste in Australia.</i>	4	4	-	-
<i>Convene an independent Inquiry into the domestic and international impacts and implications of Australia’s uranium sector.</i>	2	2	-	-



6. Create strong laws to protect life

6.1 Establish and resource an independent statutory authority to administer national environmental law.

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

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

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

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

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

ITEM	2017-18	2018-19	2019-20	2020-21
<i>Additional funding for an independent national environmental agency *</i>	20	20	20	20

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



7. Reconnect Habitats

7.1 Create a national environment fund with an annual investment of \$1 billion by 2018.

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

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

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

Create a National Environment Fund with an annual investment of \$1 billion to:

- Establish a national program to support the expansion and management of national parks, Indigenous Protected Areas, private landholder covenants and World Heritage Areas (\$170m);
- Establish a Threatened Species Recovery Programme to implement threatened species recovery plans and protect critical habitats (\$250m);
- Building on historic and future investments through reef programs (including Reef Rescue and the Reef Trust) invest additional resources in water quality improvements in key catchments along the Great Barrier Reef (\$400m)
- Invest in invasive species control programs, including dedicated funding for threat abatement plans and a National Invasive Species Action Plan (\$140 m)
- Protect and restore catchments, habitats and climate refuges across tenures nationally through targeted spending and regional NRM programs; (\$90M)

ITEM	2017-18	2018-19	2019-20	2020-21
<i>National Reserve Program</i>	170	170	170	170
<i>Threatened Species Program</i>	250	250	250	250
<i>Reef Water Quality Program</i>	400	400	400	400
<i>Invasive Species Action Plan</i>	140	140	140	140
<i>NRM Resilience and Adaptation</i>	90	90	90	90
<i>National Environment Fund (Total)</i>	1,050	1,050	1,050	1,050



7.2 Improving tax incentives for conservation

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

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

- Reviewing 'landcare operations' deductions to broaden the availability of concessions to include 'ecological management and restoration';
- Enabling conservation and ecosystem service investments to be a tax-deductable input, especially for productive lands;
- Exempting private land conservation acquisitions from the GST; and
- clarifying and distinguishing private and public interest dimensions to revenues on private lands of conservation value, as well as allowing for ecological 'gifting'.



8. Help nature and culture thrive in the North

8.1 Double the funding for Indigenous Ranger program and invest \$30 million per year in Indigenous Protected Areas.

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

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

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

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

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

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

ITEM	2017-18	2018-19	2019-20	2020-21
<i>Indigenous Rangers program</i>	140	140	140	140
<i>Indigenous Protected Areas (included in National Environment Fund)</i>	20	25	30	30

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



8.2 Prioritise infrastructure spending with long term social and environmental benefits under the Northern Australia Infrastructure Facility.

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



9. Keep the Murray Flowing

9.1 Deliver the Basin Plan on time and in full

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

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

9.2 Reinvigorate national water reform

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

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



10. Value nature in Government decision making.

10.1 Measure the things that matter, resource implementation of the System of Environmental – Economic Accounting.

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

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

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

Investment (\$million) – forward estimates

ITEM	2017-18	2018-19	2019-20	2020-21
<i>Implement the System of Environmental – Economic Accounting across Government</i>	20	20	20	20

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The ACF community speaks out for a healthy environment, Australia's special places, climate action and for lasting social and economic change.

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Priorities	Initiative	2017-18 (\$m)	2018-19 (\$m)	2019-20 (\$m)	2020-21 (\$m)	
Cut Pollution	<i>Fund developing countries climate action through increased contributions to the Green Climate Fund.</i>	1070	1600	2100	2100	
Go 100% clean energy	<i>Funding of the Australian Renewable Energy Agency</i>	500	237	468	135	
	Remove subsidies for pollution (savings)	4561	4872	5497	6228	
Shift away from polluting coal	<i>Establishment and resourcing for Energy Transition Advisory Group</i>	2	-	-	-	
Help communities and nature thrive.	<i>Continued funding of the National Climate Change Adaptation Research Facility</i>	3	3	3	3	
Be Nuclear Free	<i>Establish an independent National Commission into responsible management of Australia's domestic radioactive waste in Australia.</i>	4	4	-	-	
	<i>Convene an independent Inquiry into the domestic and international impacts and implications of Australia's uranium sector.</i>	2	2	-	-	
Create strong laws to protect life	<i>Additional funding for an independent national environmental agency</i>	140	140	140	140	
	Re-profiling \$120 million out of Outcome 1.5 and 1.6 of the Department of Environment and Energy (savings)	120	120	120	120	
Re-connect habitats	<i>National Environment Fund</i>	<i>National Reserve Program</i>	170	170	170	170
		<i>Threatened Species Program</i>	250	250	250	250
		<i>Reef Water Quality Program</i>	400	400	400	400
		<i>Invasive Species Action Plan</i>	140	140	140	140
		<i>NRM Resilience and Adaptation</i>	90	90	90	90
		Total	1050	1050	1050	1050
Help nature and culture thrive in the North	<i>Indigenous Rangers program</i>	140	140	140	140	
	<i>Indigenous Protected Areas (included in National Environment Fund)</i>	20	25	30	30	
Keep the Murray flowing		-	-	-	-	
Value nature in government decision making.	<i>Implement the System of Environmental – Economic Accounting across Government</i>	20	20	20	20	
TOTAL	Spending	-2931	-3316	-3921	-3588	
	Savings	4681	4992	5617	6228	
Overall (Saving)		1750	1796	1696	2760	