

BACKGROUND BRIEF

Environment spending in Australia

Australia's environmental challenge

The environmental problems facing Australia and the planet are profound and unprecedented in human history. We are in the grips of the sixth major extinction event in the Earth's history, and this one is caused largely by human action. Habitat is being lost at rapid rates as invasive species, disease and shifting weather and fire patterns are altering ecological processes across the globe. Climate change will exacerbate existing threats while creating new ones. It will displace millions of people as well as affect the range and movement of most of Earth's species. On almost every indicator the health of our environment has been declining.¹ Investment in the protection and restoration of nature needs to increase by orders of magnitude to address the decline in biodiversity we are witnessing nationally.

Since 2013, Commonwealth and State government investment in Australia's environment and biodiversity has consistently declined, despite overall public spending increasing. **Between 2013-14 and 2016-17, total Australian public expenditure across federal, state and territory budgets increased by \$66.6bn or 10.5%. At the same time, total public environment investment decreased by \$630 million or 9.7%.**

During this time, Australia's climate pollution has continued to grow, species have been lost and native habitats destroyed. Since 2013, Australia has emitted over 2,000 megatonnes (MT) of Carbon Dioxide, and three known vertebrates (2 mammals, 1 reptile) have become extinct since 2009.² Australia's environmental challenges are worsening and more investment, not less, is needed to tackle them.

Problems with measuring public spending on the environment

Analysis of government environmental spending is complicated by definitions as to what constitutes environmental spending. Currently, there is no framework at any level of government for

¹ Roache, Michael. (2014). The Australia We Love. A report on key issues affecting nature and society in Australia.

² <https://www.environment.gov.au/climate-change/climate-science-data/greenhouse-gas-measurement/publications#quarterly>; <http://www.abc.net.au/news/2015-08-19/fact-check-does-australia-have-one-of-the-highest-extinction/6691026>

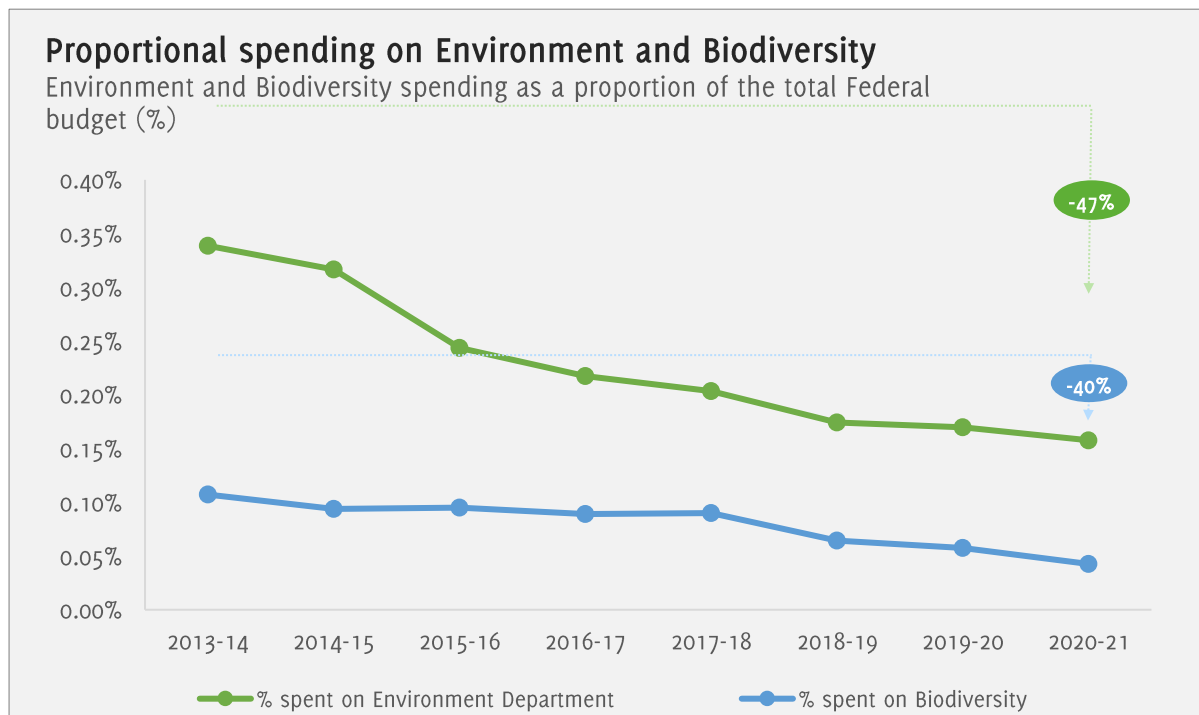
environmental budget accounting. Spending information can generally only be sourced from budget papers released by the governments. It is often the case that relevant departments or Minister's portfolios will have a mix of environmental spending and spending associated with other budget priorities. Sufficient granularity is frequently unavailable to delineate between environmental and non-environmental spending with perfect accuracy. The absence of a standardised framework results in inconsistencies in the presentation of budget information across the Federal, state and territory governments.

Federal government spending

The Federal environment budget has declined dramatically since 2013, shouldering a disproportionate share of 'budget repair'. Since 2013, the proportion of total Commonwealth spending devoted to the Federal Environment Department has nearly halved.

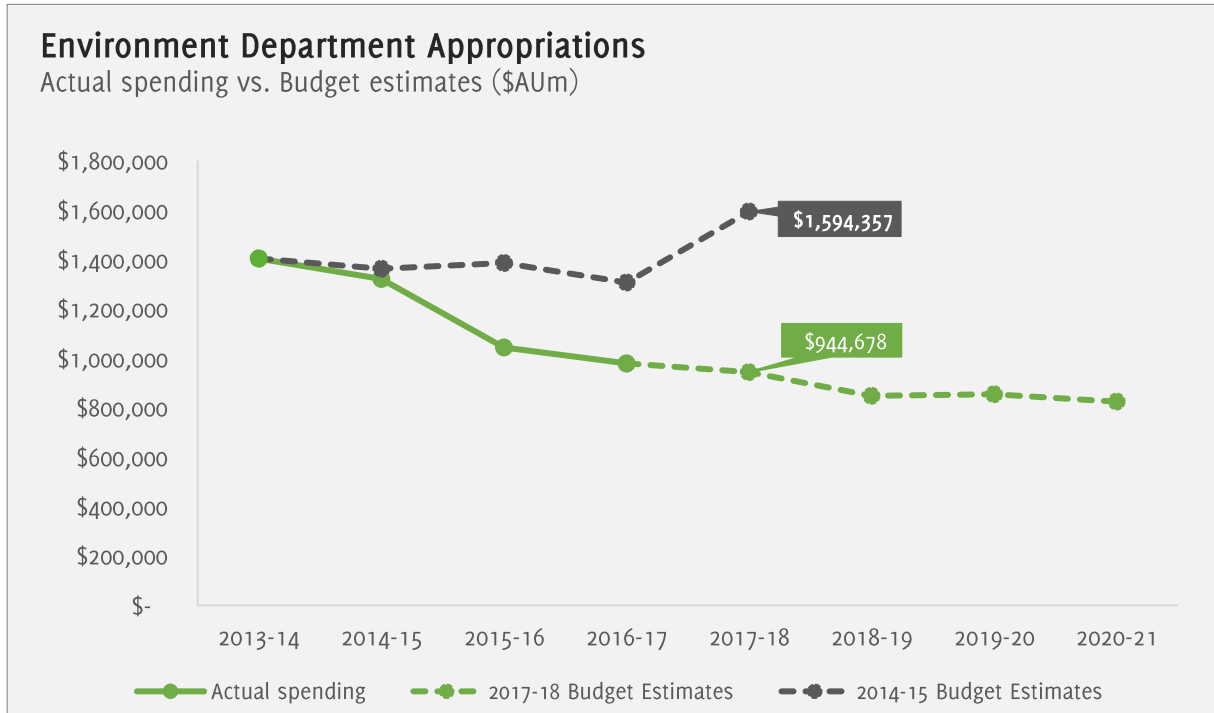
Chart 1: Proportion of Federal Government expenditure on the Environment and Biodiversity

During the Coalition's time in office there has been a decline in actual and forecasted environment spending. Chart 2 shows that in its first Budget (2014-15) the Government



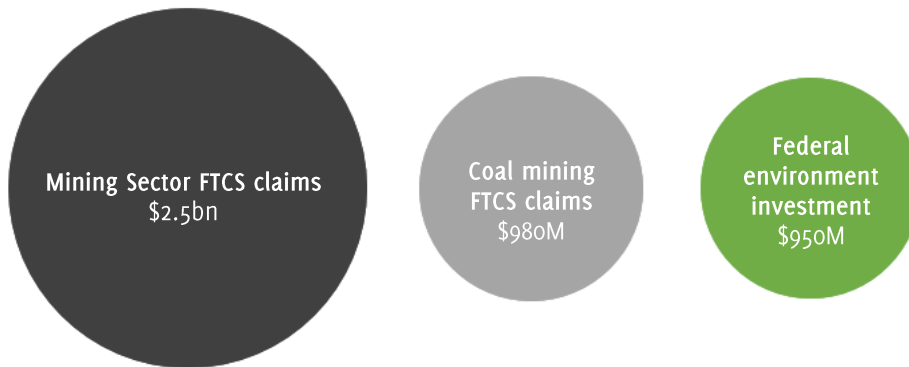
promised more environmental spending over the forward estimates than it delivered. More troubling still, the 2017-18 budget also forecasted a continuing decline in environment spending over the current forward estimates period ostensibly 'locking in' this lower rate of investment.

Chart 2: Decline in actual and forecasted Federal Environment Department appropriations



ACF analysis indicates that in 2017-18 the Federal government will spend more than twice as much on providing fuel tax credits for mining companies than it will invest in the environment and biodiversity. **Coal mining companies alone will stand to receive roughly the same amount in fuel tax credits as the total federal environment department budget.**

Chart 3: 2017-18 Federal environment investment vs fuel tax credit measures³



³ Taxation statistics 2014-15, Table 3: Excise – Fuel tax credits scheme – claims paid, by fine industry, 2006-07 to 2014-15 financial years.

Where has funding been cut?

In their first budget, 2014-15, the Coalition cut Landcare funding by \$471 million. The cut left \$1,028.1 million over the forward estimates in the newly constituted National Landcare Programme, merging the former *Caring for Our Country* and *Landcare* programs.⁴ This is now referred to by the Government as Phase 1 of the National Landcare Programme.

In their second budget (2015-16), the Coalition reduced funding to the National Landcare Programme by a further \$12.2 million with a reduction of \$2.2 million in 2014-15 and reduction of \$10.2 million in 2018-19.⁵

The Green Army program, which was established as a complimentary program by the Government as they cut Landcare funding, was discontinued in December 2016.⁶ In the 2016-17 Mid-Year Economic and Fiscal Outlook, scrapping the Green Army program left the Government with \$317.5 million in savings. Only \$92.8 million or 29% of these savings were directed towards other environmental priorities.

With the abolishment of the Green Army program, Federal Government spending on biodiversity conservation and restoration is forecast to fall to record low levels. From 2018 onwards, less than five cents from every \$100 of Federal Government spending will reach direct projects for biodiversity conservation.

The Coalition's handling of Landcare and subsequent programs such as the Green Army is illustrative of the incremental erosion of environment spending through ongoing budget reductions since 2013.

State government spending

Cumulatively, state governments contribute the bulk of environment and biodiversity investment in Australia. From 2013 to 2016 total state budget investment decreased by 5% (see chart 4). Individual state budget investment in the environment fluctuated significantly during this period – a product of each state's unique environmental challenges, political climate and changing organisational structures.

Proportional investment in the environment declined across almost all states and territories between 2013-14 and 2016-17 (see chart 5). The Northern Territory was the only government to increase the proportional share of its budget dedicated to the environment. Despite consistent growth in total state budget expenditure across Australia, investment in environmental programs and departments has experienced stagnant or negative growth trends. All Australian states and territories dedicate larger portions of their budgets to environment and biodiversity investment than the Federal government.

⁴ National Landcare Programme – Establishment, Budget 2014-15, Budget Paper No.2, Part 2: Expense Measures, Environment, http://budget.gov.au/2014-15/content/bp2/html/bp2_expense-11.htm

⁵ National Landcare Programme – funding adjustment, Budget 2015-16, Budget Paper No.2, Part 2: Expense Measures, Environment, http://budget.gov.au/2015-16/content/bp2/html/bp2_expense-11.htm

⁶ <http://www.budget.gov.au/2016-17/content/myefo/download/2016-17-MYEFO-combined.pdf> p.154

Chart 4: Decline in overall annual state government budget investment in the environment

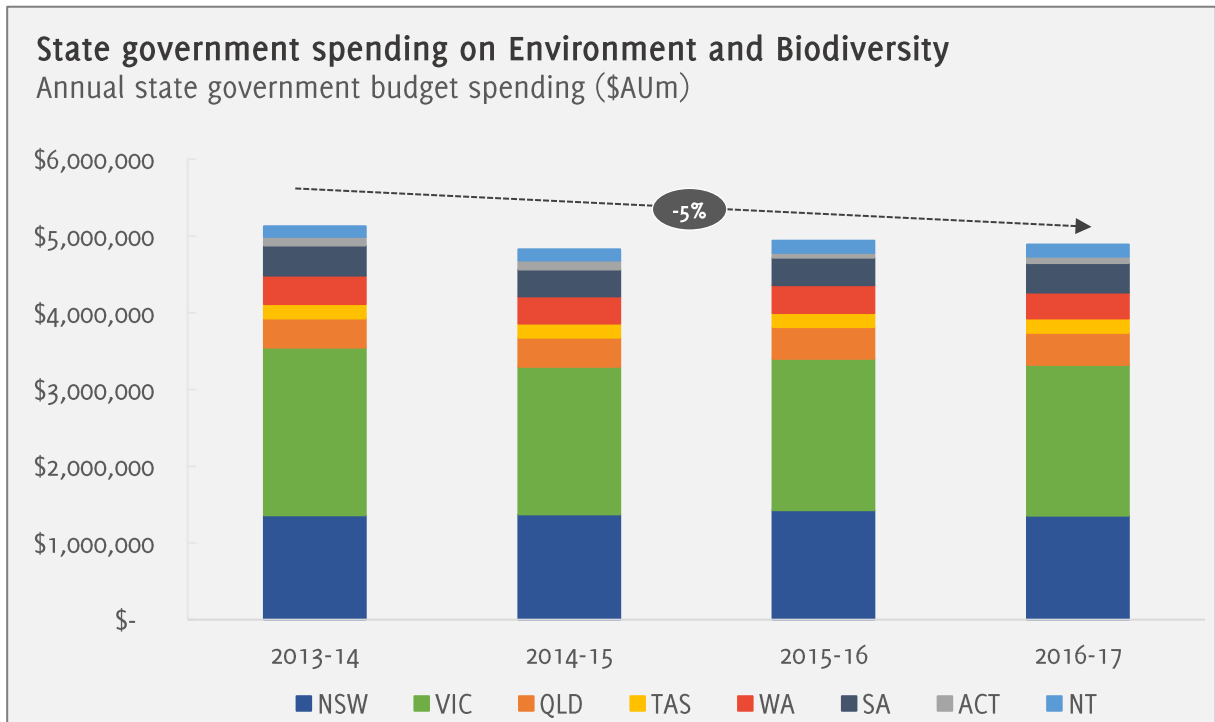
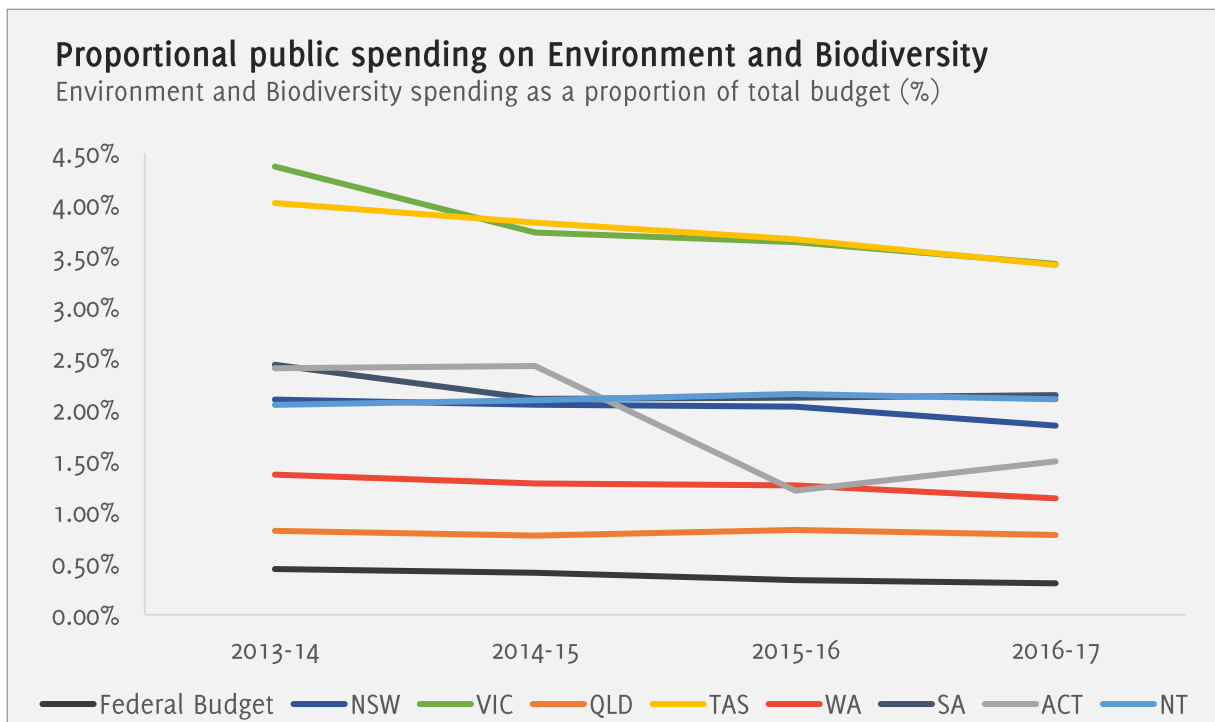


Chart 5: Proportion of state government expenditure on Environment and Biodiversity

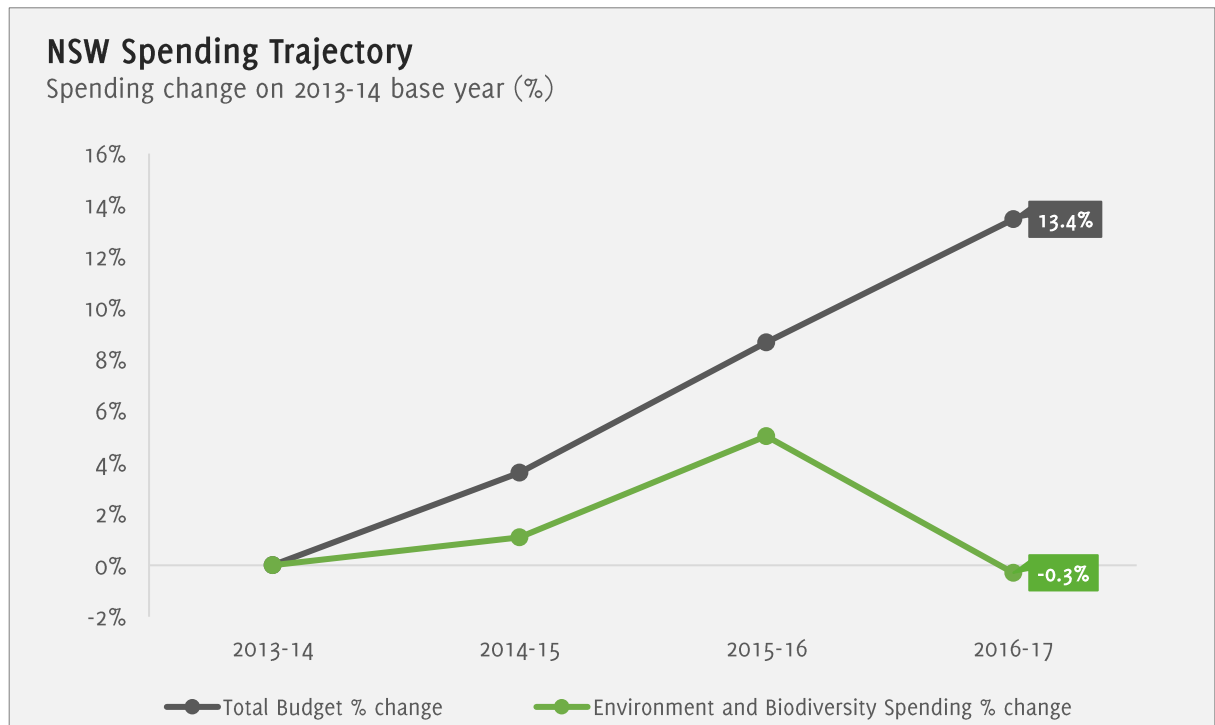


New South Wales

NSW environmental budget analysis is based on three agencies: Office of Environment and Heritage, NSW Environment Protection Authority and Environmental Trust.

Between 2013-14 and 2016-17 cumulative environment spending across these three departments remained flat. In the same period the overall NSW state budget grew by 13.5%.

Chart 6: Growth in the NSW state budget vs. state expenditure on the environment

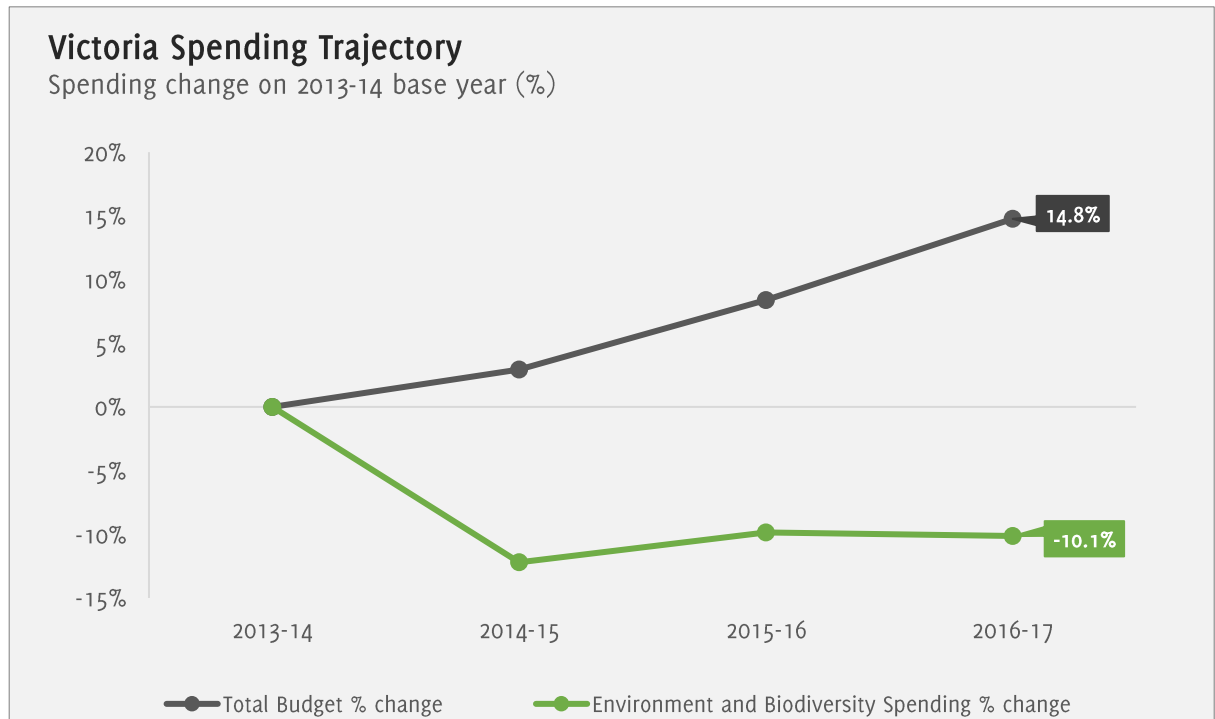


Victoria

Victoria's environmental budget analysis is based on three agencies: Department of Environment, Land, Water and Planning (DELWP), Parks Victoria and the Victorian Environmental Protection Authority (EPA).

Between 2013-14 and 2016-17 cumulative environment spending across these three departments declined by 10.1%. In the same period, the overall Victorian state budget grew by 14.8%. Much of the spending cuts occurred in the Victorian EPA which saw its budget reduced by 34% between 2013-14 and 2016-17.

Chart 7: Growth in the Victorian state budget vs. state expenditure on the environment

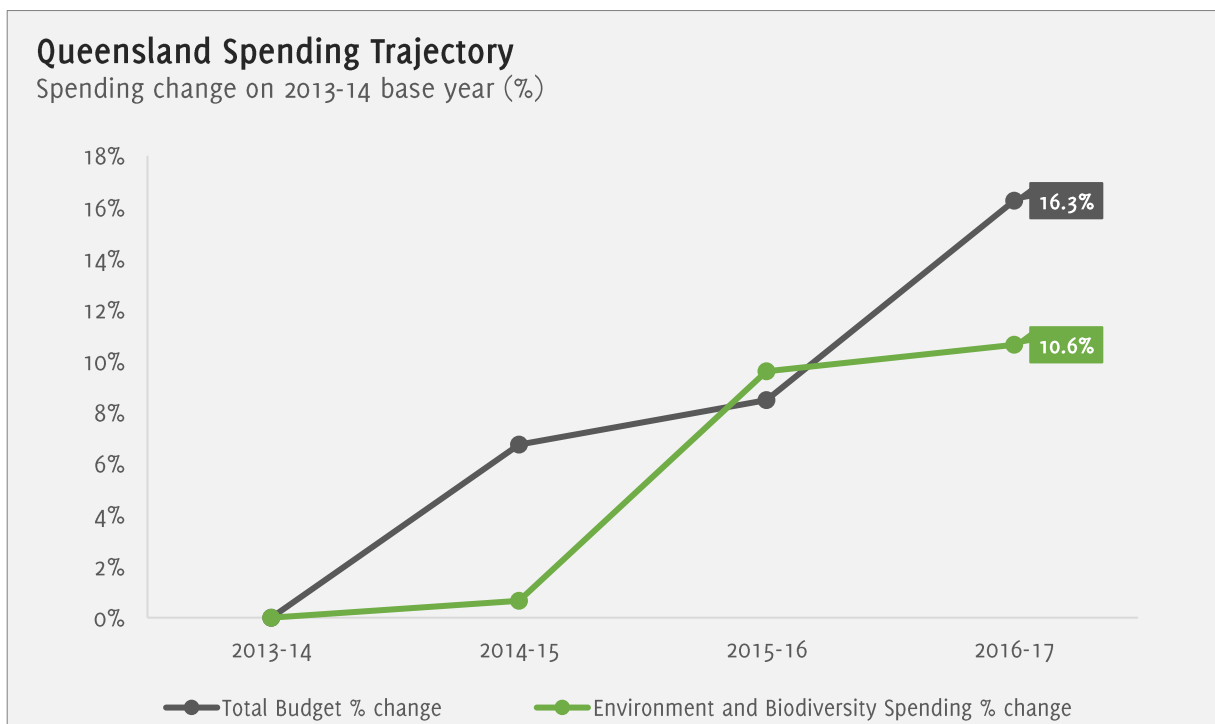


Queensland

Queensland's environmental budget analysis is based on two agencies: Department of Environment and Heritage Protection, and the Department of National Parks, Sport and Racing (appropriations to Sport and Racing excluded).

Between 2013-14 and 2016-17 cumulative environment spending across these two departments increased by 10.6%. However, much of these spending increases are attributable to the fiscally conservative budget handed down by the Queensland government in 2013 which contained austerity measures across many departments. This is evidenced by the fact that overall budget growth was still greater than the growth in environment spending at 16.3% for the same period.

Chart 8: Growth in the Queensland state budget vs. state expenditure on the environment



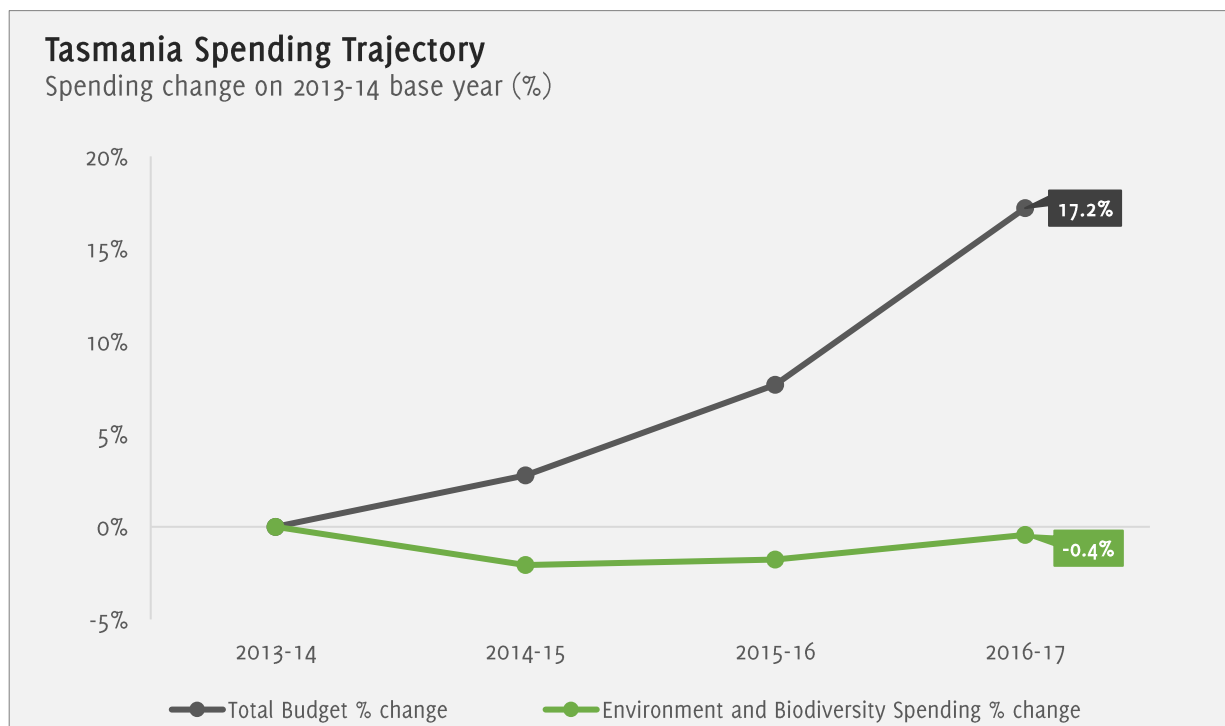
Tasmania

Tasmania's environmental budget analysis is based on the Department of Primary Industries, Parks, Water and Environment.

Between 2013-14 and 2016-17 cumulative environment spending across the department declined by 0.4%. In the same period, the overall Tasmanian state budget grew by 17.2%.

The Tasmanian state budget provides budget estimates for department spending out to 2019-20. These estimates provide for moderate growth in environment spending of 2.6% on 2013-14. Meanwhile, by 2019-20, the overall state budget is estimated to grow by 28% on 2013-14 levels.

Chart 9: Growth in the Tasmanian state budget vs. state expenditure on the environment



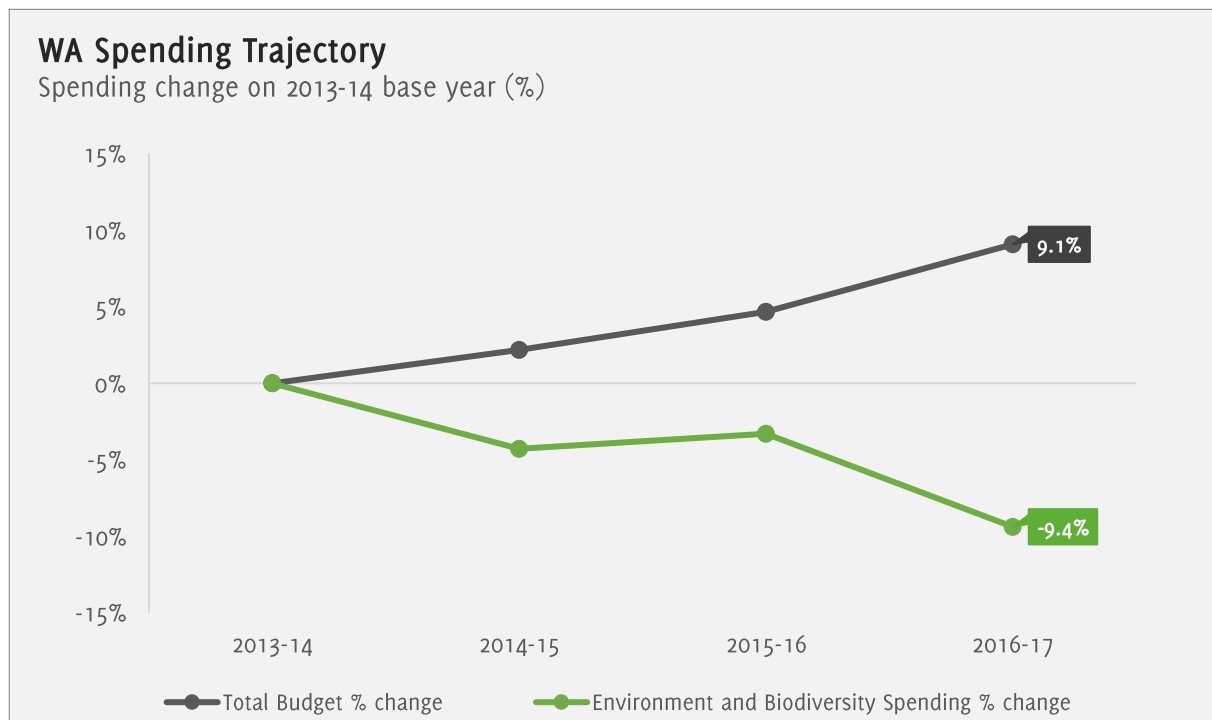
Western Australia

Western Australia's environmental budget analysis is based on appropriations to the Minister for Environment; Minister for Heritage and appropriations to the Water portfolio under the Minister for Water; Fisheries; Forestry; Innovation and ICT; Science.

Between 2013-14 and 2016-17 cumulative environment spending across these portfolios declined by 9.4%. In the same period, the overall Western Australia state budget grew by 9.1%.

In the most recent state budget, ministerial portfolios were modified with separate Ministers for Environment and Water created. 2017-18 budget estimates for these newly created portfolios offer a modest increase in overall environment investment, however, total environment investment in the 2017-18 estimates is still 4.3% lower than 2013-14 levels.

Chart 10: Growth in the Western Australia state budget vs. state expenditure on the environment

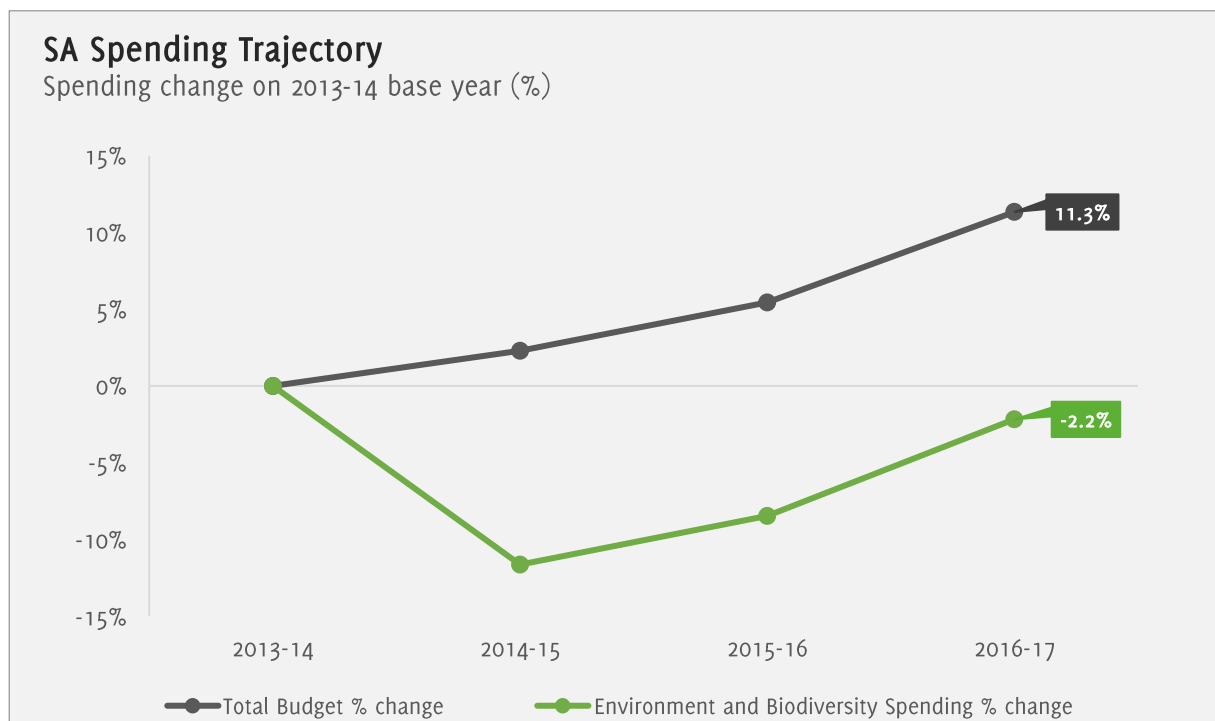


South Australia

South Australia's environmental budget analysis is based on two agencies: Department of Environment, Water and Natural Resources and the South Australia Environmental Protection Authority (EPA).

Between 2013-14 and 2016-17 cumulative environment spending across these two departments declined by 2.2%. In the same period, the overall South Australia state budget grew by 11.3%. During this period the South Australia EPA saw modest increases in its annual budget. However, the budget for the Department of Environment, Water and Natural Resources, which is roughly five times larger than the EPA, declined by 6%. A further 9% reduction in the department's budget is forecasted in the 2017-18 budget estimates.

Chart 11: Growth in the South Australia state budget vs. state expenditure on the environment

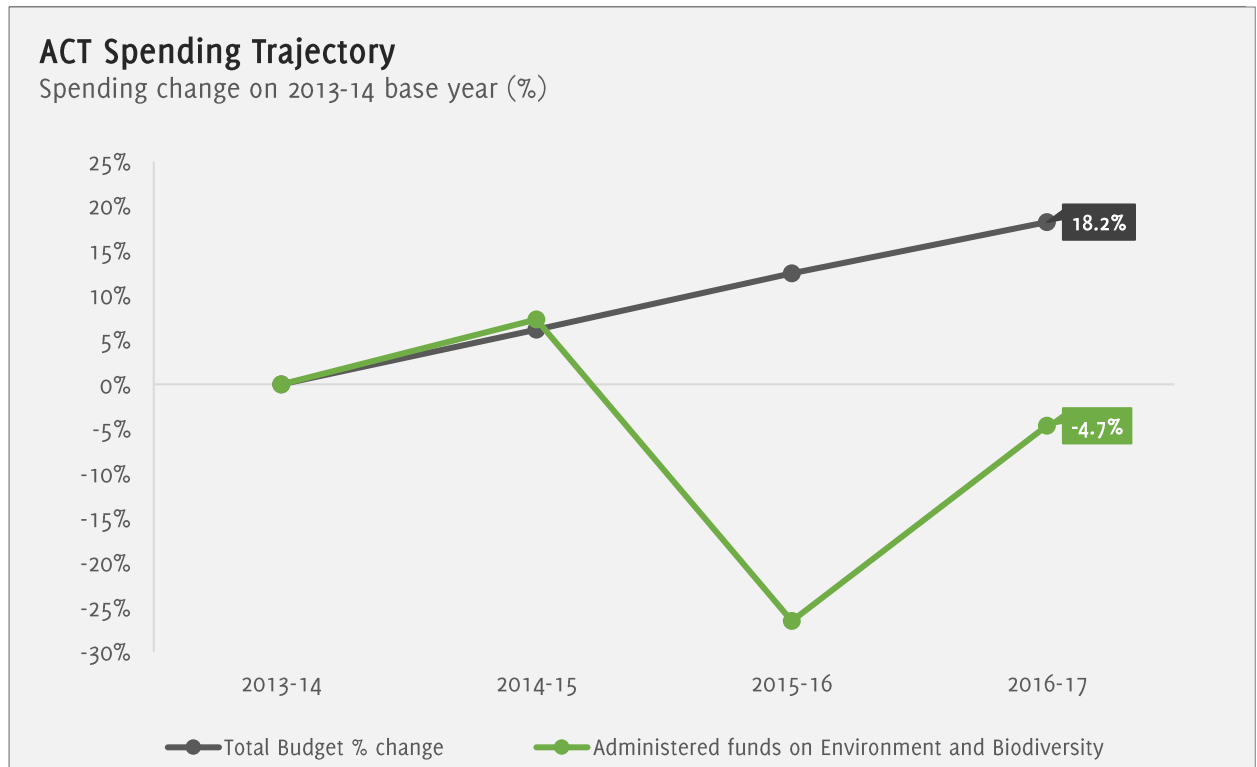


Australian Capital Territory

ACT's environmental budget analysis is based on the Environment and Planning Directorate.

Between 2013-14 and 2016-17 cumulative environment spending across the directorate declined by 4.7%. In the same period, the overall ACT budget grew by 18.2%.

Chart 12: Growth in the ACT budget vs. expenditure on the environment



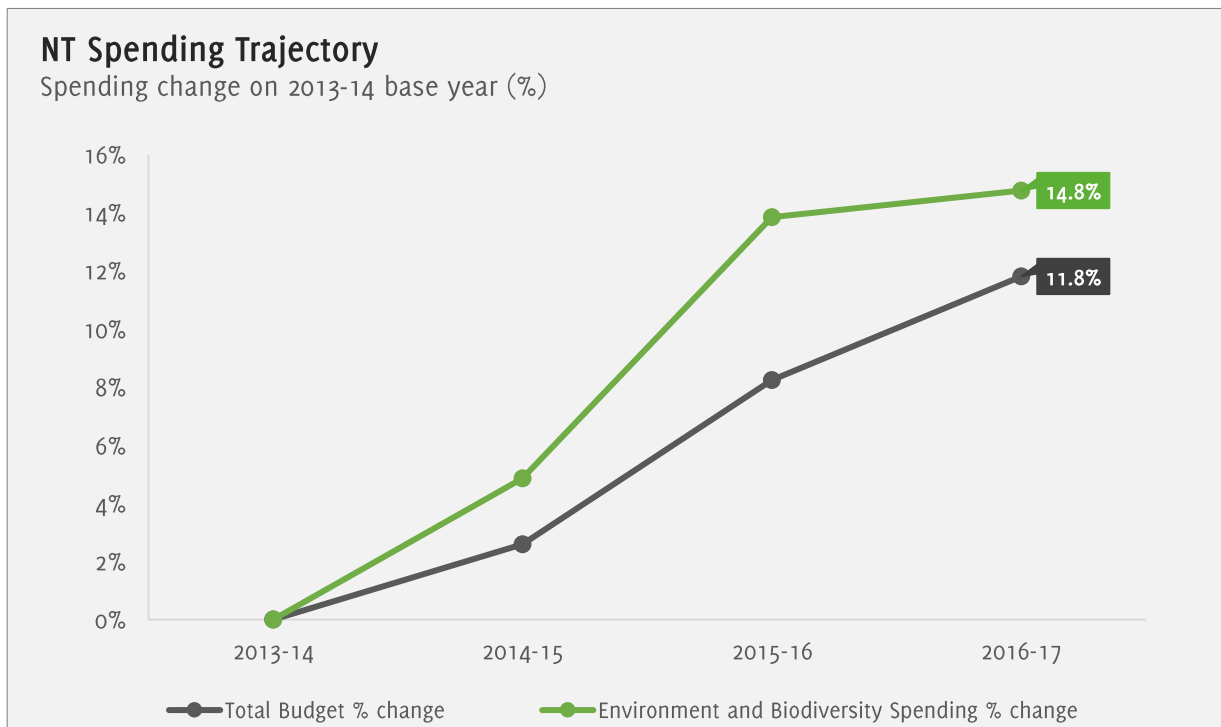
Northern Territory

Northern Territory's environmental budget analysis is based on 3 agencies: Department of Lands, Planning and the Environment, the Parks and Wildlife Commission of the Northern Territory⁷ and Territory Wildlife Parks.

Between 2013-14 and 2016-17 cumulative environment spending across these three agencies increased by 14.8%. In the same period, the overall Northern Territory budget grew by 11.8%. The Northern Territory was the only Australian state or territory to grow its environment investment at a faster pace than overall budget growth between 2013-14 and 2016-17.

In the 2017-18 budget the Department of Lands, Planning and the Environment was re-organised into the Department of Environment and Natural Resources. 2017-18 budget estimates forecast a decline in environment investment for the new department.

Chart 13: Growth in the Northern Territory budget vs. expenditure on the environment

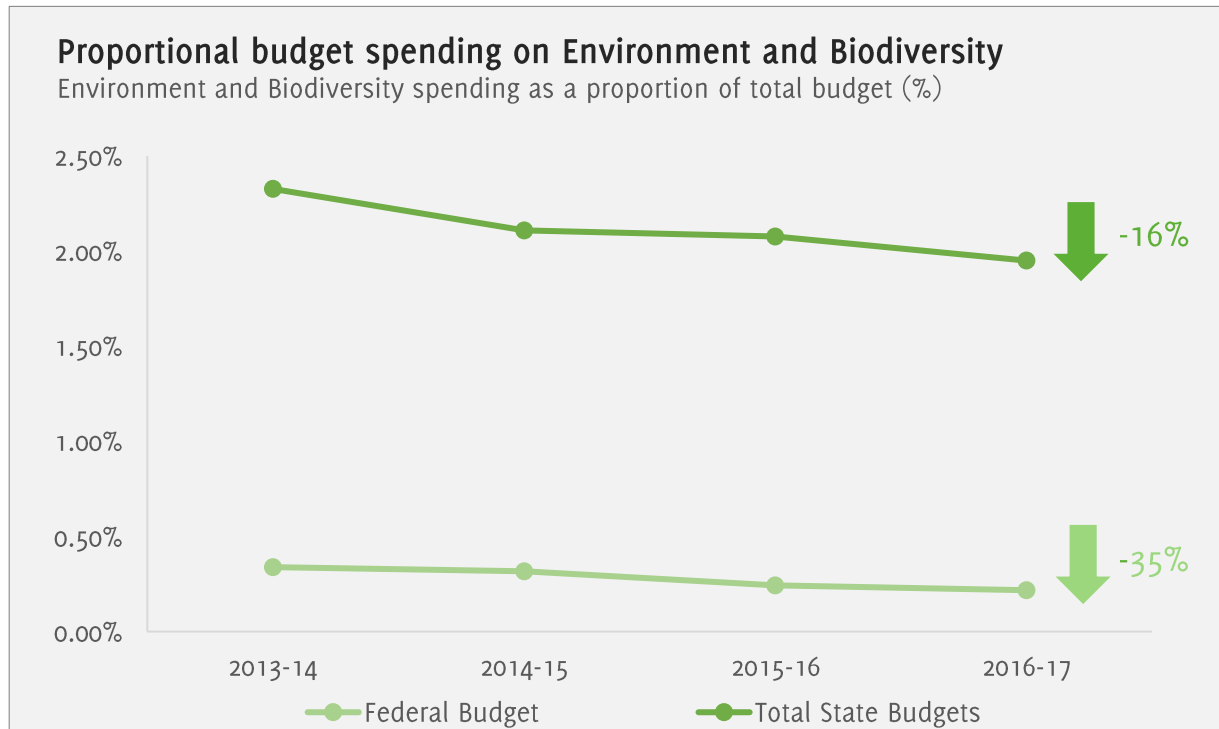


⁷ Figures for the annual budget of the Parks and Wildlife Commission of the Northern Territory was taken from the Commission Annual Reports as this information is not reported in the Northern Territory Budget.

Spending trends

At both a Federal and state level, investment in environment and biodiversity is declining. Between 2013-14 and 2016-17 the proportion of total state budget expenditure invested in the environment and biodiversity decreased by 16%, while Federal investment decreased by 35%.

Chart 14: Proportion of total state and federal government expenditure on Environment and Biodiversity

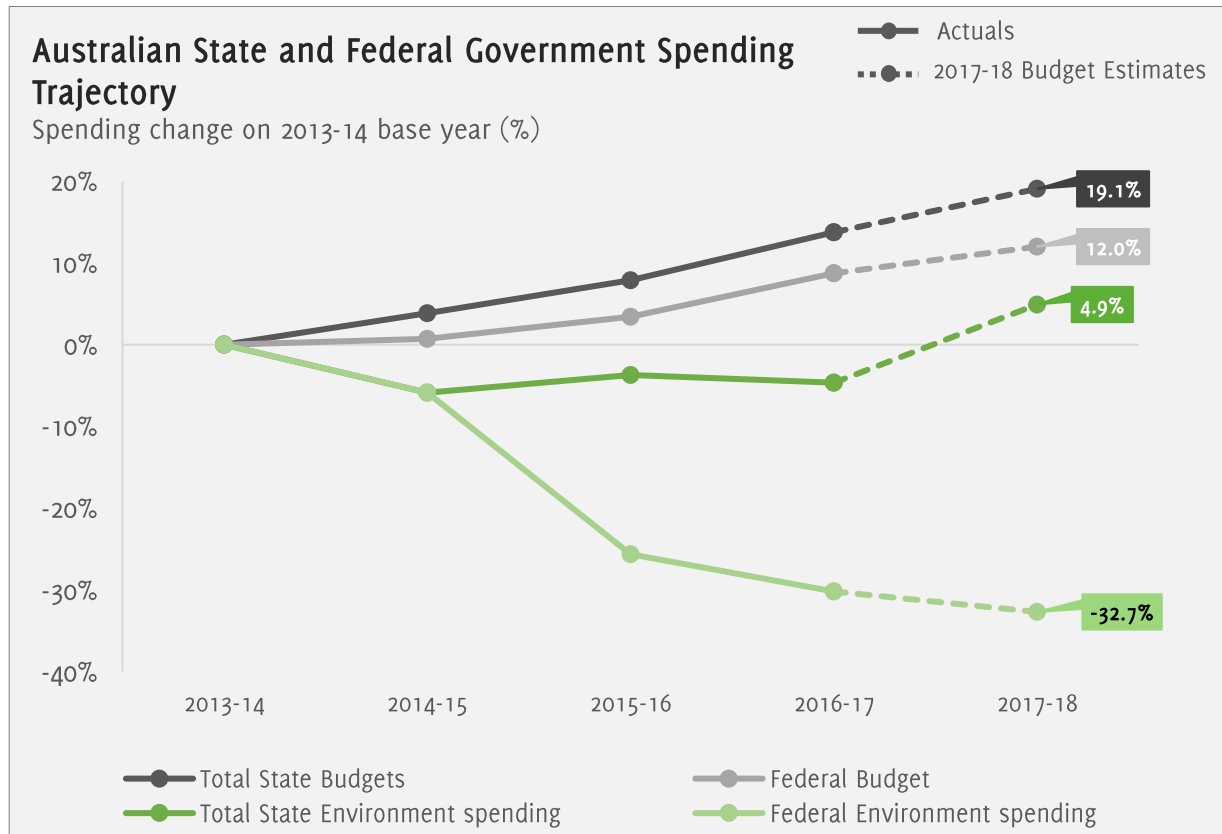


Despite the urgency of climate change and the need to reverse biodiversity loss Federal and state governments have continued to de-prioritise environment spending. The low priority given to the environment, particularly under the Federal Abbott and Turnbull Governments becomes clearer when compared with the trajectory of overall public spending.

The total state budgets in 2017-18 are projected to be 19% larger than they were in 2013-14. At the same time, investment in environment and biodiversity is expected to increase by only 5% and this growth is heavily dependent on budget commitments made in 2017-18 state budget estimates.

The story is worse at the Federal level. The 2017-18 Federal budget is expected to increase by 12% on 2013-14 levels, while total investment in the environment and biodiversity is forecast to shrink by almost 33%.

Chart 15: Percentage change in state and federal spending based on 2013-14 budget levels



For more information:

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The Australian Conservation Foundation is Australia's national environment organisation. We stand up, speak up and act for a world where reefs, rivers, forests and wildlife thrive

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