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***A Plan for a Cleaner Environment:
The Coalition Government's National Environment Policy***

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Introduction

Thank you to the Municipal Association of Victoria for inviting me here today. It gives me great pleasure to spend some time in my home state to tell you about the progress we are making on the national scale in implementing our *Plan for a Cleaner Environment*.

But before I get onto that, I would like to briefly discuss the projected impacts of climate change and what we are doing to help local government adapt and thrive in a changing environment.

As a resident of Victoria myself, I understand the diversity of the 79 local councils that you represent and I understand that they are all facing unique challenges specific to their location and income sources.

Regardless of whether you rely on tourists or commuters as a mainstay, on agriculture or forestry, on the power industry or coal, a unifying challenge is to build a sustainable infrastructure to support the continued growth of the state while preserving our precious environment.

1. Adapting to the impacts of climate change

A few weeks ago the Intergovernmental Panel on Climate Change (IPCC) released the third component of its fifth assessment report, highlighting the global nature of climate change and the need for international cooperation to mitigate the risks of a changing climate.

The second instalment of the IPCC report in March focused on climate change impacts, adaptation and vulnerability.

These reports remind us that climate change risks can be managed by reducing greenhouse gas emissions and adapting to climate change that is unavoidable. So we need to work at the local level to build our contribution to the global challenge.

Many of your far-sighted local councils have been preparing for the unavoidable impacts of climate change for the past decade or more. They know that sound infrastructure planning is critical, to safeguard your communities and provide the uninterrupted, reliable services and support they require. It is equally critical to ensuring Victoria's continued growth.

At the state level, too, the Victorian Climate Change Adaptation Plan was tabled in the Victorian parliament in 2013. And the Future Coasts program helps plan for the risks associated with sea level rise and storm surge.

The challenges you face in infrastructure planning and preparedness for extreme events are clearly recognised by this Government. They are challenges but they are also opportunities and I'll talk a little more about that when I cover the Emissions Reduction Fund.

I know that the Productivity Commission, when it looked at the barriers to effectively managing the impacts of climate change, said that in many cases, local governments' capacity to implement adaptation options was limited by your access to information and expertise.

That is one of the reasons why we have made a commitment to provide additional funding to the National Climate Change Adaptation Research Facility (NCCARF), details of which will be confirmed in the context of the Budget.

This investment will deliver practical information on the impacts of climate change—including in Australia's regions—and guidance on how to deal with its challenges. Alongside the Bureau of Meteorology and the CSIRO, NCCARF will play a vital role in making our world-leading research on climate change relevant on the ground.

Some of NCCARF's previous research looked at the impacts on communities of the 2009 Victorian heatwaves, and what adaptation responses were used. Other research looked at what we can learn from disaster risk management after the 2009 Victorian bushfires. These types of research can inform Victoria's practical responses to the impacts of climate change and extreme events.

As a point of interest, the University of Melbourne hosted NCCARF's adaptation research network on social and economic issues, which fostered collaboration and built capacity within the academic community.

When I announced renewed funding for NCCARF, I noted that local government in particular needs sensible guidance on climate risk, so that it can deal with long-term planning issues and other decision making. So, I have asked NCCARF to focus its efforts in part on the specific challenges presented to councils around our coastline.

I'd like to acknowledge some of the fine work done by the Municipal Association of Victoria on thinking about the climate risks to Victoria's coastline, so valued by local communities.

You partnered with the Association of Bayside Municipalities and the Central Coastal Board in the *Port Phillip Bay Coastal Adaptation Pathways* Project funded under the Coastal Adaptation Decision Pathways. This project developed a preferred adaptation pathway for five sites around Port Phillip Bay.

I understand the City of Melbourne considers that the project produced important research on some of the flood and sea level rise issues facing Melbourne in the future, and is using the outcomes to inform future planning and management of flood risk in Southbank and Arden Macaulay.

Under the same program, the Western Coastal Board partnered with the Victorian government to develop a means of integrating economic value and social equity considerations in decision-making for adaptation, to ensure the ‘fairness’ of adaptation for all groups, using a case study of caravan and camping parks.

Some of you may have been at the South East Councils Climate Change Alliance meeting in April when I noted another Coastal Adaptation Decision Pathways project, the *Deciding for the Coast* project, which developed a decision support guide and tools for adaptation planning around Western Port.

The innovative, collaborative nature of all these projects has provided a practical focus to address local concerns of coastal planning effectively.

My Department continues to work with leading adaptation practitioners such as those in the Municipal Association of Victoria and Association of Bayside Municipalities. The Department, the Association and The Climate Institute recently partnered to consider the interconnectedness of sectors, organisations and stakeholders, which affects the vulnerability of assets to climate impacts, through an extreme weather case study in the City of Port Phillip.

So this is all important, highly commendable work because adapting to climate change is essential. But the major part of our task in tackling climate change is to reduce Australia’s greenhouse gas emissions. This brings me to our *Plan for a Cleaner Environment*, which comprises a range of measures that will improve the environment while reducing emissions.

2. A Plan for a Cleaner Environment

Our *Plan for a Cleaner Environment* touches on every aspect of our lives in urban, regional and rural Australia.

Our plan rests on four pillars: clean air, clean land, clean water and heritage protection.

The four pillars will help realise the Government's vision of a great society by protecting and improving our environment for future generations.

This is a vision of communities and businesses getting on with the work of building a sustainable and resilient Australia without government and bureaucracy getting in the way.

Clean Air

Our Clean Air pillar is of particular relevance to local government and it centres on two important reforms: the repeal of the carbon tax and the implementation of our Direct Action plan.

Let me reinforce that the Coalition Government is committed to reducing our domestic emissions by five per cent below 2000 levels by 2020. There is bipartisan agreement with our political opponents on that target and on the conditions for change. Where there is a genuine disagreement, however, is on the best mechanism to achieve this target.

The carbon tax is a multi-billion dollar impost on the Australian economy that doesn't even reduce Australia's emissions. Under the carbon tax, Australia's domestic emissions are projected to go up, not down.

Local councils have felt the brunt of the carbon tax in countless ways, forcing you to increase rates to meet the cost of the carbon tax on landfill waste emissions, the rising costs of transport and many other vital services.

Rather than the punitive carbon tax, the Coalition Government will reach its emissions reduction target through the Direct Action plan to efficiently and effectively source low-cost emissions reductions and improve Australia's environment.

Direct Action—how local councils might collaborate

At the centre of the Direct Action plan is the Emissions Reduction Fund, which we unveiled last week with a White Paper detailing the final design. The Fund provides a pool of capital to create a market for abatement. This will be far more effective at reducing Australia's emissions than the carbon tax because it directly targets emissions-reducing activities.

The Fund will provide a powerful and direct incentive for key sectors across the Australian economy to reduce emissions. By using a reverse auction mechanism, the Fund will simply and efficiently 'buy back' low-cost abatement.

This low-cost abatement may involve projects to clean up waste coal mine gas, clean up power stations or to capture landfill gas from the millions of tonnes of waste deposited in our landfills each year. Or it may be a mix of energy efficiency improvements in Australian homes, commercial buildings and industrial facilities.

The Emissions Reduction Fund will support these and other emissions reduction activities by providing incentives to unlock emissions reductions that are ready and waiting.

And this is where local government can access those opportunities I alluded to earlier. Councils are ideally placed to participate in the Fund and in doing so, to increase the productivity of their operations and help keep rates down.

Of course, I don't need to tell this audience about the sorts of innovative emissions reduction projects that local councils will be able to undertake.

Municipalities in Victoria have already demonstrated their keen eye for innovation and their ability to turn emissions reductions into business opportunities.

Before I talk further about opportunities for local councils under the Fund, I'd like to acknowledge and thank you for the work your member councils have already done over the decades on seeking efficiencies and improvements on the waste management front.

I hope you've had a chance to look at the new online waste resource I launched in April. The *National Waste Reporting 2013* shows that 62 per cent of Victoria's waste is now being recycled - a 15 per cent increase over the four years to 2010–11.

And Victoria's performance on TV and computer recycling is similarly impressive. The 229 collection points around the State have taken care of a phenomenal 9290 tonnes of computer and TV materials over the past financial year.

I'd like to spend a few moments now talking about three types of emissions reduction opportunities that local councils may be able to explore using the Fund.

First, local councils across Australia—including some in Victoria—are working with landfill gas management companies to capture and destroy greenhouse gases from landfills.

In only a year, the City of Casey, Mornington Peninsula Shire and Greater Dandenong City have between them stopped around 240,000 tonnes of greenhouse gases from escaping into the atmosphere. That's the same as taking 72,255 cars off the road for a year.

There are a range of other opportunities to reduce emissions through better treatment of waste and wastewater. As well as installing landfill gas capture systems, councils can avoid methane emissions through projects that divert waste from landfill to an alternative waste treatment—or AWT—facility.

Emissions from wastewater can be reduced by treatment in a covered lagoon or anaerobic digester, a process that allows methane to be captured and combusted, rather than released to the atmosphere. The point is that there are many and varied ways that councils are already tackling emissions from waste.

The Government is enabling many landfill waste projects to get up and running via the existing Carbon Farming Initiative, or CFI.

The CFI will form the backbone of the Emissions Reduction Fund. CFI projects such as landfill gas capture will be a key source of abatement.

Existing CFI participants will be well-placed to be the first at the gate when the Emissions Reduction Fund opens for business later this year. That's great news for those with projects already up and running.

In Victoria we have 16 projects—11 in landfill waste, four in forestry and one in livestock—which have generated over 709,000 Australian Carbon Credit Units. As you can see, there are numerous opportunities in landfill and waste in different emissions reduction activities.

Second, a strong association such as yours could facilitate participation by your member councils in the Emissions Reduction Fund by working together to aggregate emissions reductions from energy efficiency improvements in council buildings.

For example, you could increase the energy efficiency of your libraries and offices by improving their building management systems, improving the thermal performance of the building shells, or installing more efficient lighting, windows, or heating and cooling systems.

Third, there are also opportunities in the transport sector. I understand that Mornington Peninsula Shire, Frankston City Council, City of Kingston and City of Casey are already exploring emissions reductions from the transport sector through their participation in an electric vehicle trial.

The Emissions Reduction Fund will complement and support such endeavours. It will support emissions reduction initiatives in our urban, peri-urban, and regional areas, helping these places to remain sustainable into the future. I will have more to say about the Emissions Reduction Fund in coming weeks and months. I urge you to keep an eye on this policy so that you can establish how it could work best for you.

We will shortly be releasing draft exposure legislation to establish the Fund, which I encourage you all to consider and comment on.

I would like to finish this section by mentioning another of our Clean Air initiatives of relevance to local councils close to metropolitan and heavy industrial areas: our objective of completing a National Clean Air Agreement by 1 July 2016.

The Australian Institute of Health and Welfare estimated that urban air pollution was responsible for more than 3000 early deaths in 2003. Particle and ozone pollution levels are of particular concern, with peak particulate matter levels frequently exceeding the current national air quality standard in most of Australia's metropolitan areas.

A National Clean Air Agreement will reduce air pollution and manage emerging air quality issues through cooperative action at the national, state and local level. Governments and key stakeholders including industry will work strategically together towards common goals under the Agreement.

Clean Land

As well as the legislative and planning reforms centred on the One Stop Shop, the Clean Land component of our *Plan for a Cleaner Environment* includes new National Landcare, Green Army and 20 Million Trees programs.

The creation of a One Stop Shop for environmental approvals is aimed at clarifying, streamlining and simplifying the approvals process. It will remove cumbersome duplication while maintaining high environmental standards.

Federal environmental standards are enshrined in law and will remain in place but projects will no longer have to undergo both a rigorous state and federal environmental assessment process.

We have already made significant progress with this agenda. Memoranda of Understanding have been signed with all jurisdictions.

We are working closely with all jurisdictions to deliver the One Stop Shop policy this year, with agreements already in place with Queensland and New South Wales, and others well progressed.

The National Landcare Program, commencing later this year, will merge previous Australian Government natural resource management (NRM) initiatives into a single national program based on three guiding principles: simple, local and long-term.

The program will empower local and regional communities to make their own decisions on planning, prioritising and delivering projects. It will do this by taking the decision-making away from Canberra and putting it back into the hands of the communities who better understand the issues facing their local environments.

This approach will put Landcare and local communities back at the centre of land conservation, giving them a bigger role to play in local environmental and sustainable agriculture projects.

The Green Army program aims to achieve two objectives. First, it will provide up to 15,000 young Australians with training in conservation management that will equip them well for the future, whether in professional or voluntary capacities. Second, and just as importantly, it aims to deliver long-term, tangible outcomes for local environments and heritage places.

This voluntary initiative will recruit young people aged 17–24 years who are interested in protecting their local environment while gaining hands-on, practical skills and experience.

Green Army teams will be paid an allowance and will help local communities deliver a range of projects for up to six months, such as cleaning up riverbanks and creek beds, revegetating degraded land, sand dunes, and mangrove habitat, and restoring and conserving heritage places and landscapes.

The tender for service providers to help deliver the Green Army closes on 7 May.

I was in Victoria in April to launch the call for applications from Project Sponsors to submit a proposal under round one of the Green Army program.

Again, we are looking to councils—as well as Landcare and conservation groups—to act as Project Sponsors and submit new proposals that will improve and conserve the environment in their local communities.

An example of where the Green Army will benefit the environment in our state is along the Yarra River, where planting native vegetation along the riverbank and cleaning up garbage could complement the work being undertaken by the Stonnington Council and Yarra Riverkeeper Association.

Applications for Project Sponsors under round one of the program will close on 9 May.

While Direct Action will primarily be delivered through the Emissions Reduction Fund, our 20 Million Trees Program will also make a contribution. It will support practical change at a local level, aiming—as the name suggests—to plant 20 million trees by 2020 to re-establish green corridors and urban forests, with a focus on better ecosystem health.

Not only will the plantings generate new abatement, 20 Million Trees projects will support threatened species and improve ecosystem services, such as plant pollination and water cycling. They will also contribute to the liveability of our cities and towns by helping to moderate climate and creating ‘greener’ spaces.

Clean Water

The Clean Water pillar covers both fresh water and the sustainable use of our great ocean resources.

Our clean water plan supports a range of region-specific programs for healthy rivers, lakes and wetlands. In addition, a significant part of my portfolio focuses on the effective implementation

of the Murray-Darling Basin Plan, to guarantee the long-term health of both our largest river system and the nation's largest food bowl that relies on it.

Our Government is committed to implementing the Basin Plan on time and in full. We have already contracted 1900 gigalitres of water towards the 2019 target of recovering 2750 gigalitres of water in the Murray-Darling Basin.

We will bridge the remaining gap in a balanced way, ensuring practical steps are taken to deliver a balanced outcome for the economy, for Basin communities and for the environment. After all, healthy rivers and healthy communities are complementary, not contradictory.

Securing Clean Water and ensuring it gets to the right places is another clear priority for the Government and for the community at large.

Whether in cities or towns, as farmers, local community leaders, academics or state and federal policy makers, we have to work within the realities of our unpredictable natural environment, to get the best outcomes for both our rivers and the communities that rely upon them.

Drought is an Australian feature and once again many farmers in northern Australia are looking at bare paddocks and failed crops. Water reform will not stop droughts and all of the inevitable associated problems. However, the application of sound market principles to our use of water does mean that both our farmers and our river systems are more robust and better able to face the tests of droughts.

Meanwhile, we are committed to ensuring that the management of our marine resources is based on the best possible science. Our long-term plan to protect the Great Barrier Reef features a range of initiatives targeted at the real and pressing threats to the long-term health of the Reef.

Earlier this year, the Australian and Queensland governments released the 2014 State Party Report on the Great Barrier Reef World Heritage Area which highlights the significant progress being made to improve the management, health and protection of this amazing iconic area. The report shows that the Great Barrier Reef's outstanding universal value and integrity remain largely intact.

Since coming into office our Government has begun implementing a number of initiatives to ensure the long-term protection and sustainability of the Reef.

We are working to support the Reef through our Reef 2050 Plan, establishment of the Reef Trust, and by funding important projects such as Crown of Thorns Starfish eradication and the Gladstone Healthy Harbours Partnership.

Heritage Protection

The fourth pillar—Heritage Protection—centres on the preparation of a new National Heritage Strategy that will take a fresh look at how we can best manage and preserve our outstanding natural, Indigenous and built heritage.

On 14 April, in Heritage Week, I released the draft Australian Heritage Strategy for public comment.

Consultation on this draft Strategy provides an opportunity for everyone involved with Australia's heritage to provide input into how we come together and build partnerships to strengthen our heritage from the grassroots level.

I encourage you all to champion our heritage by reviewing the themes and priorities of this Strategy and see how your Association can become involved, including by identifying the contributions that can be made by councils to this strategy.

The Green Army will also make a strong and practical contribution to our heritage. From July, Green Army teams will help local heritage groups and historical societies conserve significant local heritage places. If you have the work, we have teams of motivated young Australians to assist.

Conclusion

The Australian Government recognises that the protection of the environment and pursuit of economic growth are not mutually exclusive objectives. They are two essential elements of a stronger Australia.

I look forward to working with you all on making our *Plan for a Cleaner Environment* deliver, not only for our cities but for our rural and regional Australians and for the nation as a whole.

Thank you.