



Australian Government

Department of the Environment and Heritage

House of Representatives Standing Committee on Environment and Heritage

**Report on the Inquiry into Catchment Management:
Co-ordinating Catchment Management**

Response to Recommendations of the House of Representatives Standing Committee on Environment and Heritage Co-ordinating Catchment Management- Report on the Inquiry into Catchment Management

Recommendation 1:

The Committee recommends that the Commonwealth adopt a lead role in terms of:

- ***facilitating the development of principles, priorities targets and programs for the ecologically sustainable use of Australia's catchment systems;***
- ***implementing appropriate legislative and institutional arrangements to attain the ecologically sustainable use of Australia's catchment systems; and***
- ***obtaining from the community the funding necessary to ensure that the problems facing Australia's catchment systems are addressed.***

RESPONSE:

The Australian Government has taken a lead role through initiatives based upon co-operation with States and Territories (who are primarily responsible for natural resource management under the Constitution). The key Australian Government natural resource management (NRM) programs – the Prime Minister's National Action Plan for Salinity and Water Quality (NAP) and extension of the Natural Heritage Trust – demonstrate the Australian Government's commitment to providing national leadership on NRM issues.

These initiatives support community-driven actions directed towards meeting agreed targets in catchments and regions. They provide for an integrated approach, with investments in catchments/regions accompanied by key land and water policy reforms. An accredited integrated natural resource management plan is required as the basis for governments providing funding to a region for plan implementation. Relevant governments will accredit each plan based on its strategic context, proposed regional targets, accountability, performance monitoring and reporting. To ensure that integrated catchment/regional management plans contribute to the achievement of nationally agreed outcomes, catchment/region specific targets are required.

Regional targets will be set for key resource issues, including land and water salinity, water nutrient levels and turbidity, river health, vegetation cover and biodiversity, as well as for implementation of management actions. Regional targets will help communities to set strategic regional objectives for their on-ground activities, focus action on priority issues and locations, and measure the success of efforts made through joint government and community investment. The National Standards and Targets Framework, agreed to by the Natural Resource Management (NRM) Ministerial Council in May 2002, provides direction in the setting of regional targets (see response to Recommendation 5).

The NRM Ministerial Council was established by the Prime Minister, Premiers and Chief Ministers to develop a coordinated approach to issues affecting the sustainability of Australia's land and water resources, replacing several existing Ministerial Councils that

were concerned with elements of salinity, water quality, biodiversity and other NRM and related environmental issues.

Strategic focus and decision-making are being coordinated through the NRM Ministerial Council. The Prime Minister has indicated that the Ministerial Council should be supported by independent expert advice. The Ministerial Council is overseeing the design of the Trust extension, although implementation decisions rest with the Natural Heritage Ministerial Board.

Institutional reforms are also key components of both NRM programs. The NAP Inter-Governmental Agreement and the Framework for the Natural Heritage Trust extension include specific provisions for land and water reform. These institutional reforms are negotiated through bilateral agreements with the states for both the NAP and the Trust extension.

The Australian Government is also providing national leadership on the ecologically sustainable use of Australia's catchment systems through a range of other initiatives, including:

- National Greenhouse Strategy
- COAG Water Reform Framework and National Water Initiative
- National Water Quality Management Strategy
- National Principles for the Provision of Water for Ecosystems
- National Framework for the Management and Monitoring of Australia's Native Vegetation
- Guidelines for Rangelands Management
- National Strategy for the Conservation of Australia's Biological Biodiversity
- Regional Forest Agreements
- Eco-efficiency and Cleaner Production strategies

The *National Water Initiative*, agreed to by the Council of Australian Governments (CoAG) in August 2003, will establish new arrangements dedicated to the management of water at a basin, aquifer or catchment scale to deliver agreed environmental outcomes. The detail of the *National Water Initiative* is being developed and will be set out in an intergovernmental agreement for consideration at the first CoAG meeting in 2004.

Australian Government environment legislation, such as the *Environment Protection and Biodiversity Conservation Act 1999* and the *Natural Heritage Trust of Australia Act 1997*, promotes ecologically sustainable development through protection and conservation of the environment and ecologically sustainable use of natural resources. Legislation is discussed further in response to Recommendation 2.

The Australian Government has committed \$1 billion to the extension of the Trust; this is separate and in addition to the \$700 million commitment to the NAP. Together, the two commitments represent the biggest ever investment in protecting and enhancing Australia's environment and natural resources. The current approach of the Australian Government is to also identify opportunities to leverage private sector investment in natural resource management, to complement publicly funded conservation and natural resource management actions. Refer also to responses to Recommendations 3 & 26.

Recommendation 2:

The Committee recommends that the Government ask and resource the Australian Law Reform Commission to examine the feasibility of, and options for, a national body of law to deal with the ecologically sustainable use of land, and in particular, report on feasibility of, and options for:

- ***consolidating Commonwealth laws;***
- ***consolidating State and Territory laws; and***
- ***integrating laws at all levels***

into a consistent body so as to provide for the ecologically sustainable use of Australia's catchment systems.

RESPONSE:

The Australian Government has already reviewed and fundamentally reformed Australian Government environment legislation, focusing on matters of national environmental significance to promote ecologically sustainable development. The concept was articulated in the COAG Heads of Agreement on Commonwealth/State Roles and Responsibilities for the Environment, which has been signed by all Governments. Therefore, it is unnecessary to ask and resource the Australian Law Reform Commission to examine the feasibility of, and options for, a national body of law.

The COAG Heads of Agreement was a significant development in defining a national approach to environmental management. It recognises that the Australian Government's involvement in environmental matters should focus on matters of national environmental significance and describes what these matters are. It also sets out a framework for the reform of the assessment and approval processes relating to such matters.

The Australian Government has already undertaken the task of consolidating Australian Government environmental laws into the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act). This Act has replaced six previous Acts. The objects of the Act include promotion of ecologically sustainable use. The Act provides for Australian Government leadership on the environment, while also recognising and respecting the responsibility of the States and Territories for delivering on-ground natural resource management.

An integrative approach to the ecologically sustainable use of Australia's catchment systems is also achieved through fora such as the Murray-Darling Basin Ministerial Council and the Lake Eyre Basin Ministerial Forum. The Australian Government is working with the States to encourage sustainable use of resources within the Murray-Darling Basin through a whole-of-catchment management rather than a regulatory approach. Much has been achieved through a co-operative partnership approach between governments and communities involving on-ground as well as educational activities, including those with a focus on best management practices and planning.

The Lake Eyre Basin Intergovernmental Agreement provides for the sustainable management of the water and related natural resources within the major cross-border river systems in the Lake Eyre Basin to protect associated economic, social and environmental values. The Lake Eyre Basin Ministerial Forum is responsible for the development and/or adoption of policies and strategies for implementation of the Agreement to ensure the sustainable management of the major cross border river systems in the Lake Eyre Basin area.

Since the Water Reform Framework was agreed in 1994, the States and Territories have made considerable progress towards efficient and sustainable water management. Jurisdictions are implementing new water allocation arrangements to provide security for users and protection for the environment. However, the wide variation in progress between regions and jurisdictions suggests that the full benefits of reform are yet to be realised. In August 2003, CoAG agreed to develop a *National Water Initiative* to further reforms, integrated across jurisdictions, to better define tradeable water access rights and to enhance arrangements to manage environmental water.

Recommendation 3:

The Committee recommends that the Government work towards an agreement through COAG that requires each jurisdiction to enact complementary legislation to establish an independent statutory authority, the National Catchment Management Authority (NCMA). This authority should have a division corresponding to each of Australia's catchment systems and it should have the following powers and functions:

- ***to accredit and assist in the development of whole of catchment, regional and local catchment management plans;***
- ***to co-ordinate the ecologically sustainable use of Australia's catchment systems;***
- ***to fund research on the ecologically sustainable use of Australia's catchment systems;***
- ***to apply the findings of that research to the development of the ecologically sustainable use of Australia's catchment systems;***
- ***to facilitate the dissemination of information and access to skills, data and educational programs for the ecologically sustainable use of Australia's catchment systems;***
- ***to monitor the implementation of whole of catchment management plans; and***
- ***with the support and the states and territories ensure compliance with nationally mandated principles and targets and whole of catchment plans for the ecologically sustainable use of Australia's catchment systems.***

RESPONSE:

The Australian Government supports elements of this recommendation, however, the Australian Government believes a cooperative national approach for improving natural resource management is preferable to new statutory authorities. Through the establishment of the Natural Resource Management (NRM) Ministerial Council, the development of the National Action Plan for Salinity and Water Quality (NAP) and the extension of the Natural Heritage Trust, each of the elements of this recommendation are currently being addressed. These initiatives provide the basis for a national, cooperative approach to salinity, land management, water quality, biodiversity and resource management solutions, particularly at the catchment/regional level, by engaging the Australian Government, States and Territories and the community.

Through the NRM Ministerial Council, the Australian Government and the States have developed an agreed set of criteria by which all Governments will consider and accredit integrated regional/catchment management plans as the basis for further government investment. The accreditation criteria require plans to cover the full range of NRM issues in a region and that the identification and subsequent implementation of identified regional priorities be based on a community process. This approach shifts the emphasis to outcomes, focused by community-driven regional natural resource management plans. The first regional NRM plan, for the Glenelg-Hopkins region in Victoria, was accredited on 17 April 2003.

The NRM Ministerial Council approved a National NRM Monitoring and Evaluation Framework in May 2002. In conjunction with the National Standards and Targets Framework, this will ensure that common national standards and (where appropriate) indicators will be applied to the monitoring by each region of its catchment plan. These frameworks are discussed further in response to Recommendations 5 and 6.

It is critical to develop processes that engage all regional natural resource managers and provide them with tools required for sound decision-making during the development and implementation of integrated regional/catchment NRM plans. Building capacity within catchments/regions, including the provision and application of technical and scientific knowledge and expertise, and development of landholder and community skills, is a key element of the NAP and the Trust extension.

In addition to funding through its NRM programs, the Australian Government also funds research on the ecologically sustainable use of Australia's catchment systems through the Commonwealth Scientific and Industry Research Organisation (CSIRO), Cooperative Research Centres (CRCs), and statutory Research and Development Corporations (RDCs). These organisations closely align their research and development programs with industry, community and government natural resource policy and management needs. There is a strong emphasis on collaborative and interdisciplinary research efforts for efficiency and effectiveness.

The CSIRO, particularly through its Land & Water and Sustainable Ecosystems Divisions, provides national research leadership on issues relating to catchment management, delivering specialist scientific information on major land, water and environment issues for the sustainable long term management of Australia's landscape. CRCs, including those for Freshwater Ecology, Catchment Hydrology and Sustainable

Production Forestry, contribute long-term scientific and technological research and innovation to the ecologically sustainable use of catchment systems.

RDCs such as Land & Water Australia and the Rural Industries RDC fund research and development on sustainable natural resource management and ecologically sustainable production systems, providing technical, biophysical, socio-economic and institutional issues information, and education, extension and training programs.

Recommendation 4:

The Committee recommends that:

- ***if the report of the Australian Law Reform Commission referred to in recommendation 3 (sic) reports that it is feasible for the Commonwealth to enact a single piece of legislation;***
- ***if agreement can be reached through COAG for such legislation; and***
- ***then such legislation be enacted to apply to all aspects of the ecologically sustainable use of Australia's catchment systems that are within the jurisdiction of the Commonwealth.***

RESPONSE:

See response to Recommendation 2.

Recommendation 5:

The Committee recommends that, in consultation with stakeholders, national catchment management principles be developed and enacted in comprehensive, national catchment management legislation. The Committee further recommends that:

- ***these principles should be enacted no later than the end of 2002; and***
- ***all programs in Australia that have an effect upon the use of catchment systems should, no later than 2005, be assessed against these principles and by 2007, modified if necessary, to ensure that they comply with them.***

RESPONSE:

The Australian Government believes a cooperative national approach to catchment management is preferable to legislation. Elements of this approach are outlined in response to Recommendation 3.

The National Standards and Targets Framework adopted by the Natural Resource Management (NRM) Ministerial Council specifies a set of national outcomes that are aspirational statements about desired national natural resource outcomes. These outcomes

encompass the objectives of both the National Action Plan for Salinity and Water Quality and the Natural Heritage Trust. The national outcomes provide direction for catchment/regional communities to identify specific time-bound and measurable targets for each region, which will move natural resource condition towards the achievement of the national outcomes.

Regional bodies are using national guidelines to assist them to set targets which are relevant to their regional circumstances, against a specified minimum set of issues. This will ensure a nationally consistent approach, which also takes into account the variation between regions, and can recognise existing and agreed approaches to resource management and target setting.

National standards on salinity, water quality and associated water flows were agreed to by the NRM Ministerial Council in May 2002, with further national standards for biodiversity and related issues approved in October 2002. These have been amalgamated with the previously approved outcomes to form the *Revised National Outcomes and Minimum Set of Regional Targets*. These national standards will define desired national natural resource condition outcomes that can vary between different biogeographical regions/catchments. They will guide regions in setting measurable and realistic intermediate outcome targets for best practice management of natural resources. This will be a significant step towards the achievement of resource condition outcomes.

Development and enhancement of the Framework will continue to build on existing national initiatives, principles and guidelines on catchment management including the Murray-Darling Basin Commission's Integrated Catchment Management and Basin Salinity Management Strategies, the National Water Quality Management Strategy, the National Principles for the Provision of Water for the Environment, the National Objectives and Targets for Biodiversity Conservation 2001-2005, and the National Collaborative Project on Indicators for Sustainable Agriculture.

Through the Council of Australian Governments *National Water Initiative*, a national approach to the management of water for the environment is being developed. Principles for institutional arrangements to manage environmental water to achieve agreed environmental outcomes necessarily need to be accommodating of the wide variation in circumstances and issues, and adaptable to different scales of application.

Recommendation 6:

The Committee recommends that:

- ***the Government work through COAG to set targets for the ecologically sustainable use of Australia's catchment systems under the national catchment management legislation as soon as possible;***
- ***these targets be mandatory, reviewable and disallowable instruments;***
- ***funding be dependent upon partner organisations accepting and aiming for these targets; and***

- *the Government, in conjunction with the states and territories, conduct a stock take of current data, and the usefulness of that data when determining national targets.*

RESPONSE:

The Australian Government has already, with the States and Territories, adopted a nationally consistent approach to target setting in Australian catchments.

The Australian, State and Territory Governments, through the Natural Resource Management (NRM) Ministerial Council, agreed to adopt a common framework for developing national standards and targets. The *Revised National Outcomes and Minimum Set of Regional Targets* were approved in October 2002 (see response to Recommendation 5). These are being applied to the National Action Plan for Salinity and Water Quality (NAP) and the extension of the Natural Heritage Trust. CoAG endorsed the NAP, including the key element of setting targets, in November 2000.

The Standards and Targets Framework is linked to the National Monitoring and Evaluation Framework, also approved by the NRM Ministerial Council in May 2002. This will ensure that the agreed targets for each catchment plan form the primary basis for the evaluation and monitoring of regionally delivered initiatives. The National Monitoring and Evaluation Framework also ensures that both the national strategy and catchment plans will be fully evaluated at appropriate times to meet the requirements of both accountability and adaptive management. The accreditation guidelines for regional plans require conformity with both these frameworks. Accredited plans will form the basis for investment in regions under the NAP and the extension of the NHT.

The National Water Quality Management Strategy (NWQMS) was introduced by the Australian, State and Territory Governments in 1992 as a response to growing community concern about the condition of the nation's water bodies and the need to manage them in an environmentally sustainable way (for further details see <http://www.affa.gov.au>). In 1994, the NWQMS was included in the Council of Australian Governments (COAG) Water Reform Framework. The process for water quality management uses the concept of environmental values, established in partnership with the community and government, to set local water quality targets. This provides a consistent approach to setting goals, objectives and standards. The Water Quality Targets Online and accompanying Handbook have been developed to assist regional groups to set water quality targets. They are specifically aimed at regional groups developing water quality targets for inclusion in regional plans in accordance with the NAP and the extension of the Trust.

The National Objectives and Targets for Biodiversity Conservation 2001-2005 establish ten priority outcomes that the Australian Government, States and Territories will pursue between 2001 and 2005. The priority actions are to:

1. protect and restore native vegetation and terrestrial ecosystems;
2. protect and restore freshwater ecosystems;
3. protect and restore marine and estuarine ecosystems;
4. control invasive species;
5. mitigate dryland salinity;
6. promote ecologically sustainable grazing;
7. minimise impacts of climate change on biodiversity;

8. maintain and record indigenous peoples' ethnobiological knowledge;
9. improve scientific knowledge and access to information; and
10. introduce institutional reform.

These priority outcomes, objectives and targets complement the NAP; the National Framework for Management and Monitoring of Australia's Native Vegetation; the National Greenhouse Strategy; and the COAG water reforms.

With respect to the protection and restoration of freshwater ecosystems, CoAG has agreed that the *National Water Initiative* will establish new arrangements dedicated to the management of water at a basin, aquifer or catchment scale to deliver agreed environmental outcomes.

The Australian Government, States and Territories continue to support, as a public good, the collection of data for the setting, evaluation and review of targets. Such data collection programs are regularly reviewed and revised in the light of technological advances and research outcomes. See also response to Recommendation 10.

Recommendation 7:

The Committee recommends that the Government ask and resource the ALRC to report on options for resolving in a cost effective and speedy manner cross-jurisdictional environmental disputes.

RESPONSE:

The Australian Government is aware of the need for effective mechanisms to deal with cross-jurisdictional issues. Adequate dispute resolution mechanisms are already in place for example through the Murray Darling Basin (MDB) Ministerial Council and the Lake Eyre Basin (LEB) Ministerial Forum. Both provide for formal community participation and intergovernmental discussion of issues.

The Australian Government has also encouraged the joint management of cross border issues through participation in, and support of, the Great Artesian Basin Consultative Council. While using a different model to the MDB and LEB joint management approaches, it also provides a forum for discussion of cross-jurisdictional issues amongst industry, community and government stakeholders.

Under the National Action Plan for Salinity and Water Quality and the extension of the Natural Heritage Trust, the holistic management of cross border issues is promoted in those priority regions that encompass more than one jurisdiction. This includes regions such as the Condamine-Balonne-Maranoa, Border Rivers, Lower Murray and Ord regions.

The Border Rivers Agreement and the Paroo River Intergovernmental Agreement between New South Wales and Queensland are further examples of governments putting in place an appropriate mechanism to deal with cross-jurisdictional issues.

Ultimately, the Council of Australian Governments (CoAG) and the NRM Ministerial Council provide opportunities to bring together jurisdictions to discuss and resolve cross-jurisdictional environmental issues of national significance.

Recommendation 8:

The Committee recommends that the National Land and Water Resources Audit be formally established as an ongoing independent statutory Commonwealth authority called the National Environment Audit Office, with the:

- ***power to collect relevant data and maintain an ongoing audit of the state of Australia's catchment systems; and***
- ***purpose of educating the community on the need for, and effective measures to attain the ecologically sustainable use of Australia's catchment systems.***

RESPONSE:

The Australian Government supports the continuation of the National Land and Water Resources Audit (the Audit) and its functions. The Natural Heritage Ministerial Board announced on 7 March 2002 that the Audit would continue as part of the Natural Heritage Trust extension.

A core role of the Audit will be collate data and information as a basis for reporting on the natural resource management indicators (resource condition, social and economic) being developed through the Natural Resource Management Ministerial Council. Indicators will provide an assessment of the condition of Australia's catchment systems and are being developed to be consistent with the broader set of indicators used for national State of the Environment Reporting. Indicators will build on the earlier assessments undertaken by the Audit.

New governance arrangements have been established that will further strengthen the Audit's reporting roles. These measures will ensure that the Audit maintains the strong partnership focus and connections with its client base. The Audit will foster coordination across agencies and continue to build a cooperative State, Territory and Australian Government partnership. The Audit will support existing institutional data coordination arrangements as endorsed by the Australian Government's Office of Spatial Data Management and ANZLIC – the Spatial Information Council. These linkages are crucial for the Audit to maintain the world's most comprehensive natural resource information system that is used to help monitor and assess Australia's natural resource base.

Products from the Audit will continue to be available over the Internet free-of-charge through the Australian Natural Resources Atlas and Data Library.

Recommendation 9:

The Committee further recommends that the NLWRA should be provided with sufficient funding to enable it to complete within the next five years a comprehensive audit of Australia's catchment systems and sufficient ongoing funding thereafter to enable it to maintain an ongoing audit of Australia's catchment systems and the policies and programs designed to ensure the ecologically sustainable use of Australia's catchment systems.

The Committee further recommends that funding for the Audit should not come from the Natural Heritage Trust or from asset sales but from general taxation revenues and that any products of the Audit should be made available free of charge.

RESPONSE:

See response to Recommendation 8.

The Natural Heritage Ministerial Board announced on 7 March 2002 that the National Land and Water Resources Audit (the Audit) would continue as part of the Natural Heritage Trust extension. The Trust is the Australian Government's most important environmental program. Since its inception in 1996-97, the Trust has been funded from proceeds from the partial sale of Telstra. In 2001, the Australian Government announced that it would extend the Trust, committing an additional \$1 billion over five years. That funding is from consolidated revenue.

Recommendation 10:

The Committee recommends that the Government enter into negotiations with all state and territory governments to establish clear protocols for the exchange of information concerning the ecologically sustainable use of Australia's catchment systems and that:

- *funding to the states and territories be dependent, in part, upon entering into information sharing protocols;*
- *this information be collected and maintained on a national basis, in a national database maintained by the NLRWA; and*
- *this information be freely, publicly available through catchment area district offices and over the Internet.*

RESPONSE:

The Australia New Zealand Land Information Council (ANZLIC –the Spatial Information Council) has developed a model data access and management agreement for use in partnership projects such as the National Action Plan for Salinity and Water Quality and the Natural Heritage Trust. The model agreement establishes clear protocols for the exchange of all map information, which accord with nationally agreed standards under

the Australian Spatial Data Infrastructure. Funding from the Australian Government will be dependent, in part, upon use of the agreement.

The National Land and Water Resources Audit (the Audit) has developed the Australian Natural Resources Atlas and the Australian Natural Resources Library to provide free access over the Internet to natural resources information. Following recommendations from the Audit in its *Australian Natural Resources Information 2002* report, the Department of Environment and Heritage maintains the Australian Natural Resources Atlas and the Bureau of Rural Sciences maintains the Australian Natural Resources Library. These arrangements help to ensure that catchment managers have access to the most up to date integrated environmental, natural resource, social and economic information for catchment management.

Recommendation 11:

The Committee recommends that the Government develops and implements an education strategy, including appropriate on ground activities, on the ecologically sustainable use of Australia's catchment systems.

RESPONSE:

The Australian Government is already promoting environmental education through the National Action Plan for Environmental Education. The Environment and Heritage and Agriculture, Fisheries and Forestry Portfolios provide national leadership in raising the profile of major environmental and natural resource management challenges and implementing solutions. Education is an essential activity of both Portfolios.

Since the release of the National Action Plan for Environmental Education in July 2000, the following have been established:

- The National Environmental Education Council; and
- The Australian Government, State and Territory intergovernmental environmental education network.

The National Environmental Education Council was established in July 2000 and in its first year it identified formal education, industry and the general community as the priority focus areas. The Council is currently investigating the most effective ways to bring about change in these sectors.

The Council has initiated a mapping project to identify where environmental education currently appears in State and Territory school curricula. As an initiative directed at both tertiary education and industry, the Council has also implemented a series of 'summits' at universities promoting greater integration of environmental education into mainstream faculty curricula. A review of industry attitudes and performance in relation to the environment has also been initiated.

The National Environmental Education Network was established in 2001 to promote effective Australian Government, State and Territory inter-governmental coordination

and delivery of environmental education. The Network has investigated a number of areas where cooperation and the sharing of resources would be appropriate and is currently supporting a pilot of a school-based environmental education program called Sustainable Schools. Funding at the State and Australian Government level has been provided to conduct a pilot of the program in New South Wales and Victoria over an 18-month period commencing in January 2003. The program implements efficiencies in a school's management of resources such as energy, waste, water and biodiversity and integrates this approach into the existing curriculum and daily running of the school. The incorporation and involvement of the school's local community is a critical element of the program. The eventual aim of the trials is the adoption of the program by other States and Territories.

Another major initiative of the National Action Plan is the establishment of an Australian Environmental Education Foundation - a national body that will act as a focal point for environmental education research in Australia. Proposals from bodies interested in establishing and managing the Foundation have been invited.

The National Action Plan for Environmental Education also identifies the need for greater access to quality materials, including an enhanced web site, professional development for teachers in the formal education sector and resources for community organisations engaged in environmental education. The Department of Environment and Heritage's Environmental Education Unit is already pursuing these activities through projects involving various line-areas and partnerships outside the Department, as well as through the work of the Council.

The Agriculture, Fisheries and Forestry Portfolio is involved in delivering a number of initiatives to enhance the sustainability of Australia's land and water resources, fisheries and forests through the Natural Heritage Trust. In particular, the National Landcare Program funds activities that have been most successful in building knowledge and understanding, raising awareness of environmental problems and empowering individuals and groups to act.

The Department of Environment and Heritage, through Waterwatch, a national community water-monitoring initiative, is encouraging all Australians to become involved and be active in the protection and management of their waterways and catchments. Local, regional and State-based facilitators in each State and Territory have undertaken training to assist communities with the running of a variety of local monitoring programs.

The Department of Agriculture, Fisheries and Forestry and the Department of the Environment and Heritage have developed a Natural Resource Management Capacity Building Strategy (the Strategy) for guiding investment activities under the National Action Plan for Salinity and Water Quality (NAP) and extension of the Natural Heritage Trust.

The Strategy comprises four components:

- Awareness raising of the community in relation to natural resource management (NRM) issues.

- Information including biophysical, social and economic and data and science to assist NRM managers and users with planning and decision-making.
- Skills and training to ensure managers and users can participate effectively in NRM planning and management, particularly regional planning.
- Facilitation and support to ensure the community and NRM managers are provided with technical expertise and support to enable engagement and effective implementation of on-ground actions.

The regional delivery approach embodied in the NAP and the Trust extension means that many aspects of the Strategy are most appropriately delivered at regional or state level.

A number of possible actions have nevertheless been identified in the Strategy that are best delivered at the national level. These include:

- The establishment of an NRM training task force to co-ordinate and guide the initial implementation of the Strategy, particularly the skills development, training and awareness-raising elements;
- Skills audits to determine the range of training and development needs of key stakeholders, such as integrated planning, team building, technical and people management skills. A National Action Plan consultancy for a 'skills needs' assessment for stakeholders involved in the regional integrated NRM planning process is currently underway.
- The identification, modification, application and marketing of existing courses and training packages and modules.
- The development of additional training materials targeted to client groups including indigenous communities;
- The provision of training and support to government agencies, and those working with indigenous communities to improve understanding of the special issues and needs of indigenous communities in relation to NRM;
- The accreditation of training materials, and the development of nationally recognised and transferable competency standards.

Preparation and distribution of awareness-raising material on NRM issues is identified as important in the Strategy. This element is being addressed through NAP and Trust extension communications strategies.

The NRM Strategy is being used as the basis for discussions with State/Territory jurisdictions in relation to the NAP and Trust extension. The detail of its implementation depends on the outcomes of such negotiations.

Recommendation 12:

The Committee recommends that the government work through COAG to create in legislation, catchment management authorities (CMAs) and that these authorities form the basic administrative element of each catchment system and, overall, of the national catchment management authority.

RESPONSE:

As part of the Intergovernmental Agreement on the National Action Plan for Salinity and Water Quality (NAP), signed by the Australian Government and all States and Territories, the Australian Government has signed bilateral agreements with the States and Territories (except for Western Australia and the Australian Capital Territory). The bilateral agreements outline a timetable for the establishment of a single catchment or regional body in as many priority regions as is practicable. Under the terms of the bilateral agreements, these regional bodies will have:

- a suitable level of authority to develop and implement catchment/regional plans;
- transparency and equity in decision making, and effective mechanisms for participation by all relevant stakeholder groups;
- technical ability and capacity for the development and implementation of accredited catchment/regional plans or the ability to co-opt this ability and capacity;
- the ability to work effectively in the delivery of cross-border plans;
- adequate arrangements for administration, financial management and accountability for implementing the catchment/regional plan and delivering agreed outcomes; and
- arrangements to work with local government and other agencies to ensure the integrity of the catchment/regional plans and government investments.

The structure, roles and functions of the catchment/regional bodies within each State or Territory are also agreed to in bilateral agreements between the Australian Government and relevant State or Territory.

The Natural Resource Management (NRM) Ministerial Council agreed to extend these arrangements to the Trust, so that similar regional or catchment bodies will need to be established in areas outside the NAP priority regions if access to NHT funds is sought.

For the delivery of the Trust extension, State and Territory jurisdictions are currently negotiating bilateral agreements with the Australian Government that will include regional structures and accountabilities for regional delivery, including the role of local government in coastal and other catchments. To date, bilateral agreements under the Trust have been signed with WA, Vic, SA, Tasmania, NT and the ACT. A bilateral with NSW is close to finalisation, and a bilateral is under negotiation with Qld. An interim financial agreement is currently being finalised with Qld for \$16 million over 2002/03 and 2003/04 while the bilateral agreement is finalised.

Recommendation 13:

The Committee recommends that all programs that affect the ecologically sustainable use of a catchment area, region or system, be accredited by the proposed NCMA (or local CMA), or its equivalent, and that funding be provided only to accredited programs.

RESPONSE:

The Australian Government supports the concept of accreditation as the basis for investment in catchments or regions. Under the regional delivery arrangements of the National Action Plan for Salinity and Water Quality (NAP) and extension of the Natural Heritage Trust, governments are accrediting integrated natural resource management regional plans against the accreditation criteria approved by the Natural Resource Management (NRM) Ministerial Council. The first regional NRM plan, for Glenelg-Hopkins (Vic) was accredited on 17 April 2003. Further Vic, NSW and SA plans are coming forward for accreditation. The accreditation criteria are contained in the bilateral agreements, and guidelines for the implementation of the accreditation criteria have been multilaterally negotiated and are publicly available. Governments will have a single accreditation process for each catchment/regional plan, assessed for its strategic content, proposed targets, accountability, and performance monitoring and reporting. Accreditation will be the trigger for governments to provide funding to the regions to implement the appropriate investment strategies to support the Plan. See also responses to Recommendations 3, 5 and 6.

Through the bilateral agreements, governments have sought to ensure that Australian Government obligations, land and water management policies and coastal and marine policies (relevant to coastal and marine resource management), help to achieve natural resource management outcomes.

Recommendation 14:

The Committee recommends that when local government boundaries are revised they be, as far as practicable, aligned with the natural divisions within catchment systems.

RESPONSE:

While environmental issues are a major focus of local government's concern, local government boundaries should primarily reflect the economic and social structure of their communities. Successful natural resource management (NRM) reform requires extensive engagement of local stakeholders. Such stakeholders are more likely to get involved in NRM activities when the boundaries that determine their participant constituency accord with social and community boundaries. For example, local landholders are more likely to get involved in those Landcare groups that include the people they work and socialise with, regardless of whether those people live in the same catchment.

Boundary reforms of this nature would need to be supported by respective State/Territory governments in which the statutory powers with regards to local government are vested.

The Australian Government is actively encouraging local governments to work collectively and to engage with regional bodies to identify issues and opportunities for partnerships to jointly address NRM issues. Where formalised arrangements are in place between local government and regional bodies there has been successful implementation of regional scale projects funded under the Natural Heritage Trust.

There are some obvious benefits of having a nested, hierarchical boundary arrangement for dealing with natural resource management (NRM), particularly where it can lead to efficiencies in partnerships, governance and capacity building in relation to NRM. Under the extension of the Natural Heritage Trust, boundaries for more than sixty regions have been negotiated with States (negotiations with Queensland are near completion), based on catchments or bioregions and coinciding with NAP regions where possible. Existing structures are being used where possible and appropriate

The Council of Australian Governments (COAG) has agreed to support arrangements that include adequate:

- local government representation on regional bodies;
- local government involvement in the development of integrated natural resource management regional plans; and
- awareness of regional objectives in local planning.

Recommendation 15:

The Committee further recommends that the Government work through COAG to obtain agreement from state governments that they will enact such legislation as is needed to require local governments to exercise such powers as they possess in ways that are consistent with the national principles and targets for the ecologically sustainable use of Australia's catchment systems.

RESPONSE:

National priorities and targets for natural resource management are being addressed in the development of regional Integrated Natural Resource Management plans under arrangements for the delivery of the National Action Plan for Salinity and Water Quality (NAP) and extension of the Natural Heritage Trust. These plans will be accredited by the Australian Government and respective State Governments and will form the basis for investment under the NAP and the extension of the Trust. Some states, for example, Queensland and Victoria, require local government instruments such as local planning schemes and development consent schemes to take account of regional targets and priorities.

Under bilateral agreements, the role of local government is being considered in the delivery of natural resource management outcomes at the regional level, in particular for coastal regions. The Australian Government is encouraging States to amend institutional arrangements to be consistent with, and complement regional targets and priorities.

In order to be accredited, regional plans need to demonstrate that local governments are engaged in the development and implementation of plans.

If State governments require local government to further implement, monitor and regulate environmental initiatives, state governments should provide appropriate funding to enable local governments to meet their added responsibilities.

Recommendation 16:

The Committee recommends that:

- *formal recognition be given to 'partner organisations';*
- *eligibility criteria for accreditation as a partner organisation, be enacted;*
- *that accreditation as a partner organisation be reviewable and subject to special conditions; and*
- *all contracts with partner organisations and between partner organisations and other suppliers or clients, be tabled within three months of signature if the contract involves the expenditure of public monies.*

RESPONSE:

Bilateral agreements have been signed between most States and Territories and the Australian Government for the implementation of the Intergovernmental Agreement on the National Action Plan for Salinity and Water Quality (NAP), and for the implementation of the Natural Heritage Trust extension. These establish a framework for the development of partnership agreements with regional natural resource management (NRM) bodies.

The regional partnership agreement will be based on a framework to be developed by the Parties, and will identify:

- the accredited NRM plan;
- the roles and responsibilities of the Parties, regional NRM body/ies and other contributors;
- the respective investment amounts and the cost sharing arrangements for salinity and water quality action;
- agreed outcomes to be achieved;
- a clearly structured basis for resolution of critical NRM conflicts that may hinder progress towards achieving the National Action Plan's objectives;
- performance measures and milestones;
- financial, legal and administrative arrangements, as necessary;
- accountability and reporting mechanisms;
- the obligation to report to the Parties in a timely manner on any issues that may significantly impact on the commitments made under the Partnership agreement; and
- compliance measures, sanctions and penalties.

Recommendation 17:

The Committee recommends that all programs that affect the ecologically sustainable use of a catchment area, region or system, be accredited by the proposed NCMA (or local CMA), or its equivalent, and that funding be provided only to accredited programs. (sic)

RESPONSE:

See response to recommendation 13.

Recommendation 18:

The Committee recommends that the Government develop a program to foster the development of, and access to, the Internet for rural Australians and the development of information databases pertaining to the ecologically sustainable use of Australia's catchment systems that can be accessed over the Internet.

RESPONSE:

This recommendation is supported.

The Australian Government recognises the need to assist and stimulate regional, rural and remote communities' use of the Internet since 1997. A range of activities has been, and continues to be, implemented to address Internet access for all Australians (key initiatives are discussed below). In regional Australia, where telecommunications competition is limited, the Australian Government has particularly sought to provide appropriate assistance with the uptake, use, reliability and cost of the Internet.

The Networking the Nation program (which had a heavy priority on public Internet access and provision of un-timed Internet access for everyone), Rural Transaction Centres (which may provide public Internet access), and the Regional Solutions Program are all examples over the last several years of the Australian Government's commitment to assist all Australians gain access to, and participate in, the online world. This commitment goes back to the early 1990s when the Department of Primary Industries and Energy allocated initial grant funding for a telecentre program, providing the first steps towards rural Internet access.

On 8 November 2002, the Australian Government released *Connecting Regional Australia*, the report of the independent Regional Telecommunications Inquiry. The report emphasises the importance of equitable access to the Internet for regional Australians. In particular, it indicates that the norm for Internet access in the future will be via broadband rather than dial-up. Notwithstanding this, the report also recommended that a license condition be imposed on Telstra to guarantee a minimum equivalent dial up speed of 19.2kbps to the Internet. In addition, the report highlights the importance of the Internet Assistance Programme (IAP).

IAP was one element of the action plan response by the Australian Government to the original Telecommunications Service Inquiry in 2000. IAP assists users to maximise the speed of their Internet connection.

Another key element of the action plan included the \$52.2 million National Communications Fund. Projects under the National Communications Fund are required to, wherever possible, pass on the benefits of increased bandwidth to the broader community.

In early 2001, the Australian Government awarded a \$150 million tender to Telstra to provide un-timed local calls and Internet access in the extended call zones. This contract included an offer for people in the extended zone to connect to the Internet via a two-way satellite connection (with satellite equipment being provided free during initial roll out). These Australian Government initiatives improve options for Internet access, particularly for people in rural and remote areas.

Telecommunications carriers are also starting to provide very attractive broadband Internet access packages to all areas of Australia. Thus, through a combination of government intervention and market pressure, affordably priced Internet access of reasonable quality may soon be available for all.

The Australian Natural Resources Atlas and Data Library, developed by National Land and Water Resources Audit (the Audit) and funded through the Natural Heritage Trust, provide a gateway to information about Australia's catchment systems. The Atlas and Data Library are amongst the most comprehensive natural resource information systems in the world. The Atlas links to the best-available information available on the Internet from Australian Government, State and Territory agencies.

Following recommendations from the Audit in its *Australian Natural Resources Information 2002* report, the Department of Environment and Heritage, through the Environmental Resources Information Network (ERIN), in collaboration with the Audit, will coordinate future development of the Atlas. The Atlas will continue to provide the community with links to the most up-to-date information maintained by other agencies. The Department of Agriculture, Fisheries and Forestry will coordinate future development of the Data Library.

The concept of developing an online database is an issue best addressed by the relevant lead agencies.

Recommendation 19:

The Committee recommends that the Government expand the operation and purpose of the rural transaction centres to include, but not be limited to:

- ***providing ready access to information and expertise on the ecologically sustainable use of Australia's catchment systems, and access to education and advice services;***
- ***acting as a shopfront for regional management authority offices; and***
- ***a base for catchment management extension officers and program coordinators.***

RESPONSE:

The Australian Government reviewed the Rural Transaction Centres (RTCs) Programme in October 2000. The review extended the scope of services available as well as the eligibility criteria for the Programme.

As the RTCs Programme is community-driven, it is up to communities to determine which services should be provided in RTCs.

RTCs are required to demonstrate sustainability through a Business Planning process. Individual communities are thus responsible for ensuring that income derived from services rendered is sufficient to cover their operational costs. This information is considered when communities determine which services will be offered when setting up their RTC.

RTCs may be able to assist as a shop-front and in the provision of a base for catchment management extension officers and program coordinators. However, assistance such as information provision and room rental should be provided on a fee for service basis, so as to provide an income stream for RTCs .

Recommendation 20:

The Committee recommends that the Government, in co-operation with the states:

- ***establish a network of local people who can act as local area co-ordinators and catchment management extension officers who will advocate for the ecologically sustainable use of Australia's catchment systems;***
- ***provide appropriate training to these people; and***
- ***encourage with the states, the re-establishment of a system of extension officers whose duty will be to facilitate the development and implementation of local catchment programs.***

RESPONSE:

The Australian Government recognises the importance of facilitators and coordinators in capacity building and supports this recommendation.

Under the Natural Heritage Trust, the Australian Government has funded full time and part time project officers, coordinators and facilitators assisting and building the capacity of the community to get involved in environmental and natural resource management projects.

The design of the Trust extension is responding to the opportunity to enhance the strategic role of regional facilitators and coordinators with a regionally focused investment paradigm and an outcome-driven approach. This will ensure that regional facilitators and coordinators have a role that is clearly defined as an integral part of regional strategies, and which is directly related to the achievement of regional targets. Under the first stage

of transitional arrangements for the extension of the Trust, some 600 facilitator and coordinator positions were funded to assist communities develop regional plans and actions to implement them.

The Australian Government is focusing on larger, more strategically targeted, regional efforts. This policy is reflected in the block funding of regional strategies under the NAP and the first phase of the Trust. For community facilitators and coordinators, this represents a natural evolution of the models delivered under the Decade of Landcare. With the new emphasis of the Trust on regional-scale challenges, investments are being directed at achieving priority outcomes identified in regional or catchment plans.

In addition to local level facilitators and coordinators funded through regional processes, the Australian Government is pursuing opportunities in each State and Territory to provide a core set of support positions at the State-wide and strategic regional levels. Community and governments are collectively determining the level of investment in support services, including facilitators and coordinators, needed to achieve these priority outcomes.

Trust funds will be used for on-ground works to meet targets, support services and other activities, and regions will need to make important decisions to achieve an appropriate investment mix. Facilitators and coordinators are critical to this process. Through the Natural Resource Management Capacity Building Strategy, facilitators and coordinators acquire the specific skills and training needed to facilitate the shift to a strategic regional investment framework.

The Australian Government seeks to enhance natural resource management outcomes in both sustainable agriculture and environmental management. The Australian Government is thus committed to the new directions of the Trust and to the work needed to refocus its investment strategy. The basis of successful regional-level activity is engaging effective partnerships in the community - between government (Australian Government, State and Local), industry and individuals.

Recommendation 21:

The Committee recommends that funding systems be open, understandable and accountable and that any allocations made under a system be reported in the annual report of the Department that administers the funds.

RESPONSE:

This recommendation is supported.

The *Financial Management and Accountability Act 1997 (Cth)* and the *Commonwealth Authorities and Companies Act 1997 (Cth)* require Australian Government agencies and all other Australian Government funded bodies to meet the requirements of this recommendation.

Recommendation 22:

The Committee recommends that an audit of policies be conducted to identify counter-productive incentives in respect of promoting ecologically sustainable land use that are contained in Commonwealth state and territory programs and that proposals be developed for their removal.

RESPONSE:

The Australian Government's commitment to promoting ecologically sustainable land use is substantial. The Australian Government has dedicated over \$1 billion dollars over 5 years to the extension of the Natural Heritage Trust and, in conjunction with the States and Territories, has committed over \$1.4 billion dollars to the National Action Plan on Salinity and Water Quality (NAP). Together these commitments will go a long way to specifically address the serious biodiversity conservation, salinity and water quality issues in our land-based industries and regional communities. In implementing these two programs, the Australian Government is continuing to re-examine government policies and programs that may encourage incentives counter-productive to the pursuit of ecologically sustainable land use.

Through the Natural Resource Ministerial (NRM) Council and through its bilateral agreements under the NAP, the Australian Government continues to work closely with the States and Territories to identify practical strategies for the promotion of ecologically sustainable land use and, where necessary, to identify those impediments which prevent land managers fully exploiting these opportunities.

In addition, the Productivity Commission has developed a substantial amount of policy and economic research on these issues, including significant work on the identification of impediments to ecologically sustainable land use. This work continues to be an important influence on Australian Government policy making.

Recommendation 23:

The Committee recommends that all Commonwealth funding for programs for ecologically sustainable land use, be aggregated and co-ordinated for performance monitoring and reporting purposes, and be aligned with national plans.

RESPONSE:

This recommendation is already being addressed through existing measures.

Australian Government programs for ecologically sustainable land use are already reported on an aggregated and coordinated basis in the Environmental Expenditure Statement, released as part of the Portfolio Budget Statements in the Australian Government Budget. The document also provides a discussion of the national strategic directions on environmental issues. The expenditures are reviewed for performance

monitoring and reporting purposes through the Australian Government's normal budgetary processes.

The Natural Resource Management (NRM) Ministerial Council at its first meeting in 2001 agreed to develop a common performance management framework to cover all Australian Government, State and jointly administered programs within its area of responsibility. The NRM Ministerial Council agreed to the National Monitoring and Evaluation Framework in May 2002. The Framework, in conjunction with the National Framework for Standards and Targets also approved by the Council in May 2002, ensures that both the national strategy and regional/catchment plans will be fully evaluated at appropriate times to meet the requirements of both accountability and adaptive management. The accreditation guidelines for integrated NRM regional plans require conformity with both these frameworks.

Work is continuing to develop and enhance the Framework, including more detailed implementation guidelines covering performance indicators, evaluation and data quality protocols for natural resource management programs.

Recommendation 24:

The Committee recommends that the Government develop options for increasing the taxation incentives to participate in Landcare activities for landholders on low incomes.

RESPONSE:

The current approach of the Australian Government through the National Action Plan for Salinity and Water Quality (NAP) and the extension of the Natural Heritage Trust is to carefully target the use of public funding to areas where it can be used most effectively and where it can leverage the maximum private investment. There are concerns regarding the use of the taxation system, which may not allow such targeting. Potentially this could result in private investment-distortion effects that do not achieve the best natural resource management outcomes as some investors may not be interested in the outcome, only the tax break.

As per its 2001 election commitment, the Australian Government is committed to further investigating providing taxation incentives for better conservation practices. One of the key issues in determining the best means of delivering Landcare incentives to land managers is making these incentives available to all relevant land managers, including those on low incomes.

Current incentives available to landowners who participate in landcare activities are that:

- capital expenditure incurred on landcare operations qualifies for an outright deduction in the year the expenditure is incurred;
- primary producers may write-off capital expenditure on water facilities over three years; and,
- a cash reimbursement is available for eligible primary producers (with taxable income less than \$35,000) who develop and apply an Environmental Management

System (EMS) to their properties. This cash reimbursement covers up to 50% of expenditure, up to a maximum reimbursement of \$3,000.

Other programs and grants delivered through the Natural Heritage Trust are also available.

Recommendation 25:

The Committee recommends that the Government conduct a public inquiry into the disincentives for the ecologically sustainable use of Australia's landscape contained in the present taxation arrangements at all levels of government and make recommendations for change, including costings.

RESPONSE:

This recommendation is being addressed through existing channels.

The Australian Government recognises that the tax system should not discourage sound environmental outcomes while acknowledging that the primary goal of the taxation system is to raise revenue to allow the Australian Government to fund a range of policy objectives. On-going policy review processes are in place to ensure that significant negative or perverse environmental impacts are identified and not allowed to occur.

The Productivity Commission has undertaken a range of work in this area, including a public inquiry into the sustainable use of Australia's land and water resources. The findings were presented in *A Full Repairing Lease: An Inquiry into Ecologically Sustainable Land Management* (April 1999). The range of current taxation incentives for conservation was reviewed as part of the inquiry. While not the subject of an inquiry, the Productivity Commission has examined possible impediments to conservation, including potential tax distortions, in its report, *Constraints on Private Conservation of Biodiversity* (July 2001). Both of these reports are available on the Productivity Commission's website: <http://www.pc.gov.au>.

The Australian Government has been proactive in implementing a range of taxation incentives to encourage gifting to the environment and remove disincentives to do so. These include:

- providing an income tax deduction for gifts to deductible gift recipients of property valued at more than \$5,000, regardless of when or how the property was acquired;
- allowing these deductions to be spread over five years if the gift is made to an environment or heritage organisation;
- providing a capital gains tax exemption for gifts of property left in a will to an eligible organisation;
- amending the capital gains tax rules to ensure that landowners who set aside part or all of their land for conservation in perpetuity in return for a payment are not disadvantaged; and

- providing a new income tax deduction for any reduction in land value from a landowner entering into a perpetual conservation covenant with an eligible organisation for no consideration.

The Prime Minister's Community Business Partnership (CBP) recommended the last tax initiative above to the Prime Minister. The Australian Government is also committed to investigating the implementation of the two remaining recommendations of the CBP, namely:

- to allow government agencies to be eligible to receive a donation of a conservation covenant which provides a tax deduction for the donor; and
- to allow an immediate deduction for donations of capital or property where the donor retains the right to a flow of future benefits from the asset—known as a *living bequest*—to allow ownership of assets to be transferred to a charitable organisation while the donor retains certain rights of use, usually until death.

The Australian Government has committed to a cash reimbursement for eligible primary producers who develop and apply an Environmental Management System (EMS) to their properties. This cash reimbursement covers up to 50% of the costs involved, up to a maximum of \$3,000.

Recommendation 26:

The Committee recommends that the Government examine the feasibility of introducing an environment levy to pay for the public contribution to implementing the policy of the ecologically sustainable use of Australia's catchment systems. The Committee further recommends that such a levy:

- *remain in place for no less than 25 years; and*
- *be clearly marked on each taxpayer's taxation assessment notice.*

RESPONSE:

This recommendation is not supported.

In deciding whether public funds should be expended for conservation, the burden of proof should be to show that the benefits are primarily public in nature, rather than private.

Many conservation measures produce largely private benefits. For example, measures aimed at preventing declining fertility or soil structure, and expenditure on conserving or conveying water are likely to provide largely private benefits. That is, the individual landholders capture the benefits. Where landholders undertake conservation activities that primarily benefit themselves, there is little justification for compensation from the wider community. Instead, the costs of conservation are essentially a cost of production, so the ongoing costs of meeting an environmental standard should be passed forward to consumers, wherever possible, rather than being funded by taxpayers through the Budget.

This does not rule out adjustment assistance if the Australian Government deems it appropriate, resulting in the taxpayer bearing some cost during a transition period. If the Australian Government decides to fund the public benefit (or to provide adjustment assistance to those receiving private benefit), funding should continue to be sourced from general revenues rather than a special levy. This would ensure maximum flexibility in the form of expenditure, and enable it to be assessed on an ongoing basis against the Australian Government's overall fiscal priorities.

A special levy on income, in addition to the Medicare levy, has been imposed on only one previous occasion – namely for the 1996-97-income year to cover the compulsory acquisition by the Australian Government of certain firearms outlawed by State and Territory governments. The Australian Government decided to fund this activity through a special levy because of the one-off nature of the buy back scheme, and because there was at the time no similar government program funded under the Australian Government budget.

The Committee's proposal would involve imposing an on-going levy to fund a budgetary commitment over an extended period. In contrast, the gun buy back levy applied for one year only and for the purpose of funding a discrete and readily identifiable budgetary commitment.

More generally, the imposition of an environment levy would reduce the benefit to taxpayers of the personal income tax cuts that were introduced on 1 July 2000 as part of the new tax system. It would also be counter to the emphasis in the recent tax reforms on lowering marginal tax rates and reducing the personal income tax burden. In this context, an environment levy would have a relatively greater impact on the marginal tax rates faced by lower income earners.

The Australian Government considers that a long-term solution to the ecologically sustainable use of natural resources, such as catchment systems, can only be achieved through ensuring that the costs of natural resource management are fully reflected in correctly functioning markets, rather than through continuing commitment of taxpayer funds.

The current approach of the Australian Government through the National Action Plan for Salinity and Water Quality (NAP) and the extension of the Natural Heritage Trust is to carefully target the use of public funding to areas where it can be used most effectively and where it can leverage the maximum private investment.

The Australian Government also recognises that, as a component of its public good activities, many aspects of natural resources management, such as data collection and research should and are being funded through government appropriations.

22 AUDITOR-GENERAL'S REPORTS

The Speaker presented the following papers:

Auditor-General—Audit reports of 2003–2004—Performance audits—

No. 16—Administration of consular services follow-up audit: Department of Foreign Affairs and Trade.

No. 17—AQIS cost-recovery systems follow-up audit: Australian Quarantine and Inspection Service.

Reports ordered to be printed.

23 PAPERS—MOTION TO TAKE NOTE OF PAPERS

Mr Abbott (Leader of the House) presented the following papers:

Aboriginal Land Commissioner—Reports and recommendations to the Minister for Immigration and Multicultural and Indigenous Affairs and to the Administrator of the Northern Territory—

No. 66—Seven Emu Region Land Claim No. 186; Wollongorang Area II Land Claim No. 187, and part of Manangora Region Land Claim No. 185.

Explanatory statement by the Minister for Immigration and Multicultural and Indigenous Affairs.

No. 67—Lower Daly Land Claim No. 68.

Explanatory Statement by the Minister for Immigration and Multicultural and Indigenous Affairs.

Australian Communications Authority—Telecommunications performance—Report for 2002-03.

Australian Film Commission—Report for 2002-03—Erratum.

Australian Institute of Health and Welfare—Report—Australia's welfare 2003.

Australian Technology Group Limited—

Financial statements for 2003.

Statement of Corporate Intent—2003-04.

Central Land Council—Report for 2002-03.

Department of Defence—Special purpose flights—Schedule for period January to June 2003.

Department of Finance and Administration—Reports—

Former Parliamentarians' travel paid by the department for the period January to June 2003, December 2003.

Parliamentarians' travel paid by the department for the period January to June 2003, December 2003.

Department of the Prime Minister and Cabinet—Expenditure on travel by former Governors-General paid by the department for the period January to June 2003.

Enterprise and Career Education Foundation—Report for 2002-03.

Environment and Heritage—House of Representatives Standing Committee—Report—Co-ordinating Catchment Management—Government response.

Finance—Consolidated financial statements in respect of the year ending 30 June 2003.

Official Establishments Trust—Report for 2002-03.

Privacy Amendment Bill 2003—Explanatory memorandum.

and moved—That the House take note of the papers.

Debate adjourned (Ms Gillard), and the resumption of each debate made an order of the day for the next sitting.

24 PAPER

Mr Abbott (Leader of the House) presented the following paper:

Petition not in accord with standing and sessional orders of the House.

25 DISCUSSION OF MATTER OF PUBLIC IMPORTANCE—OPPORTUNITIES FOR THE AUSTRALIAN PEOPLE

The House was informed that Mr Latham (Leader of the Opposition) had proposed that a definite matter of public importance be submitted to the House for discussion, namely, "The Howard Government's failure to provide adequate opportunities for the Australian people, particularly, education and community services".

The proposed discussion having received the necessary support—

Mr Latham addressed the House.