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Minister for the Environment

***THE COALITION GOVERNMENT'S  
PLAN FOR THE ENVIRONMENT***

**Paper to the  
Australian Sustainability and Business Conference**

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**MELBOURNE**

## **Introduction**

Good morning. Thank you for inviting me to address you today; it is a pleasure to be here.

It's appropriate that my first formal opportunity to speak publicly as Minister for the Environment should be to this conference. The conference's theme of "Turning Vision to Action" is exactly what we, as a new Government, are in the process of doing.

I also chose this conference in honour of my great friend Fiona Wain, the founding CEO of Environment Business Australia, which has become Sustainable Business Australia.

Fiona was a real friend to and genuine leader in the relationship between business and the environment. She believed that good business was about good environmental management. She was right.

Today, I therefore want to outline the Government's vision for the environment. It is a vision that encompasses simple, practical actions targeted to achieve real and measurable outcomes. It is about a partnership between business, the community and the Government.

Our plan for the environment rests on four pillars: Clean Air (Direct Action), Clean Land, Clean Water and Heritage Protection.

I will outline each of these briefly but intend to focus in more detail on the areas that will be of most interest to those here today: our Direct Action policy and our plan to streamline environmental approvals.

But first I will speak a little on the topic that has brought us all here today: the importance of sustainability in business.

## **Business and Sustainability**

We know that business and sustainability go hand in hand. We cannot sustain growth without clean air, safe and reliable water supplies and access to natural resources.

Therefore underpinning the Government's environment plan is our fundamental commitment to working hand in hand with business.

We recognise that the protection of the environment and economic growth are not mutually exclusive objectives but rather two essential elements of a single goal: a stronger Australia.

The Coalition Government's intention is to encourage businesses to do what they do best: be innovative and come to the fore as leaders in our society.

Business understands better than most the need to think sustainably, to plan ahead and focus on practical, tangible outcomes.

A good example is how the National Australia Bank is working to ensure that natural value – the value of ecosystem services and the natural environment – is incorporated into its business policies and procedures.

There are also countless examples of companies reducing their environmental impact and increasing efficiency while at the same time increasing productivity and profitability.

For example, Linfox, one of Australia's largest transport and logistics companies, has cut its carbon emissions intensity by 37 per cent through improved practices, technologies and staff behaviour.

Meanwhile, Visy's Tumut paper mill operates one of the lowest per unit water uses in the world.

Australian businesses are focussed on sustainability because they recognise that it is central to their bottom line. They understand that anticipation of changes in society, the economy and the environment is crucial if they are to position themselves for continued growth into the future.

I applaud the work that delegates here today have been doing to promote sustainability in the business sector and look forward to a co-operative and fruitful working relationship in the years to come.

So how, then, can we help promote good business and a sustainable Australia?

## **The Coalition's Four Pillar Environment Policy**

As previously outlined, the Coalition's vision for the environment rests on four pillars: Clean Air (Direct Action), Clean Land, Clean Water and Heritage Protection.

### **Clean Air**

Our Clean Air policy centres on two important reforms: the abolition of the Carbon Tax and the implementation of our Direct Action plan.

Let me state the Government's position on climate change very clearly. We accept that climate change is real and we accept that humans are contributing to it.

In this light, let me reinforce that the Coalition Government is committed to reducing Australia's emissions by five per cent below 2000 levels by 2020. There is bipartisan agreement 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.

Our commitment to abolish the Carbon Tax is not a disagreement over belief, science or targets. We will abolish the tax because it represents ever increasing financial pain for no real environmental gain. Scrapping the Carbon Tax is the only responsible course of action.

The previous government's own figures reveal the average family will be slugged \$3000 over the six years to 2020 under the Carbon Tax. Yet our emissions are predicted to climb from 560 million tonnes in 2010 to 637 million tonnes in 2020.

Under the Carbon Tax, in order to have any hope of reaching the target of a five per cent cut in emissions by 2020 businesses will be forced to spend billions on overseas carbon credits to make up the shortfall.

By contrast, the Coalition's Direct Action policy will achieve the emissions reduction needed to meet our five per cent target right here in Australia. And we will do it by investing in projects that directly reduce emissions, not by imposing an economy-wide ever-increasing electricity tax.

The Carbon Tax is at its heart an electricity tax and because electricity is an essential service, it is not merely a tax on big business – it is a tax on economic activity generally.

Therefore a key plank of our environment policy is the repeal of the Carbon Tax. Legislation to do so will be the first thing the Government introduces into the new Parliament.

Abolishing the tax should benefit businesses by reducing input costs and benefit households by reducing energy bills and prices for household items.

Retail electricity and gas prices should be lower than they otherwise would be, which will translate into significant cost savings for all businesses, large and small.

By removing the Carbon Tax, we will also eliminate an administrative and compliance burden on business. Australian businesses spend millions of dollars every year just to comply with the Carbon Tax.

The Carbon Tax repeal will proceed quickly, at the lowest possible cost to the Budget and with minimum complexity and uncertainty for business during the transition period.

We have committed to legislation that will repeal the Carbon Tax as of 30 June, 2014.

The Government is also committed to ensuring that consumers benefit from the removal of the Carbon Tax. This is why we will give the ACCC an extra \$10 million over three years to monitor and enforce reasonably expected price reductions.

The removal of the Carbon Tax will coincide with the introduction of our **Direct Action** plan to tackle climate change.

Direct Action encompasses, among other things, support for solar power through our million roofs program and plans to green our urban areas through our 20 million trees initiative. But the centrepiece of Direct Action is the Emissions Reduction Fund, with an initial allocation of \$300 million, \$500 million and \$750 million over the forward estimates period.

Through this Fund, we will provide a powerful and direct incentive for businesses across the Australian economy to work with the Government to reduce their emissions.

I set out much of the Fund's high level architecture prior to the election campaign, but allow me to briefly recap.

The Fund will 'buy back' abatement via a reverse auction. This is a well-established market mechanism that will allow us to achieve our environmental outcomes while minimising our costs.

By buying up the 'abatement cost curve', we will provide the right incentives for businesses to bring forward the lowest cost abatement opportunities.

The lowest cost abatement may involve projects to clean up waste coal mine gas, clean up power stations or to capture landfill gas.

It may be a mix of energy efficiency improvements in Australian households, commercial buildings and industrial facilities.

It may be reforestation of marginal lands or revegetation or improvement of soil carbon. In reality, it is likely to be a range of these.

The important thing is not where the abatement is achieved, but that it is real, measurable and additional to business-as-usual.

This is why our priority will be to design the Fund so that it achieves genuine environmental outcomes while remaining as simple and efficient as possible.

We will achieve this through transparent contract arrangements and by building, where possible, on existing architecture like the Carbon Farming Initiative and the Clean Energy Regulator.

This will allow us to keep costs down and give successful businesses the certainty they need to run their operations effectively and remain competitive.

I will have much more to say about the Emissions Reduction Fund over coming weeks, but let me reinforce this Government's commitment to consult openly and widely on its design.

We know that considerable experience and expertise in this area resides among the Australian business community, and it's our intention to leverage that experience so that the Fund can operate as efficiently and effectively as possible.

As part of this process we will be releasing terms of reference for the Fund.

That terms of reference will invite submissions on what abatement opportunities could be unlocked by the Fund and on how key features, such as the auction, baselines and contract arrangements, can be best designed.

It is my earnest hope that many of you here today will play an active role in that consultation process.

Following that process, we will prepare a White Paper, with the intention that the Fund would be open for business on 1 July 2014.

### **Clean Land**

Our Clean Land policy is based on the Green Army, Landcare reform and approvals simplification.

The Green Army, when fully operational, will see 15,000 young people deployed across Australia to work on local environmental priorities.

This rolling workforce of young people will generate real and lasting benefits for the environment.

In addition, the Coalition intends to place Landcare back at the centre of our land management programmes.

The National Landcare Program will be based on three principles: simple, local and long term.

It is a recognition of the valuable work local Landcare groups undertake. We must ensure that they are part of the decision-making process with funding allocated at a local level, rather than in distant Canberra.

A third element of our Clean Land policy – the **One-Stop-Shop** for environmental approvals - will be of particular interest to those here today. It's an initiative that relates directly to the twin themes of environmental protection and business sustainability.

One of the major strands of the Government's vision for the environment is reducing the regulatory burden and helping industry develop practical solutions. We want to work to take road blocks out of the way.

As part of that we are committed to ending duplication in Federal and state environmental assessments and approvals, by instituting a One-Stop-Shop approach to environmental referrals.

Protecting our environment does not have to come at the expense of careful community development.

A healthy economy will ultimately always be the basis for a well-managed environment and will provide the financial resources to protect and manage our icons and scarce natural resources.

The goal is very simple: we want to maintain our environmental standards but end the duplication and have a single, simple process where we protect the environment but we can also make good, rapid but well considered decisions.

Duplication of Federal, state and local environmental approvals has added enormous complexity, cost and uncertainty to project approvals.

It has caused economic investment to be delayed and in many cases entirely deferred, not through rejection of projects but through multiple layers of bureaucratic inertia in the approvals process.

The states are receptive to this change because they are also frustrated by the delays in decision-making and the lack of clarity over process.

I have already had conversations with my counterparts in each state and am confident we can get clear decisions quickly while maintaining good environmental standards.



We will work together to improve our competitiveness and end the extraordinary bureaucratic mess that has stood in the way of moving Australia forward.

Inertia offers no help for either the environment or business.

A One-Stop-Shop is a single, holistic process to streamline the decision-making, whether it is an approval or a rejection. People will know where they stand and not be left in limbo for years.

A simpler environmental approvals process with a single entry point across jurisdictions could become a national competitive advantage for Australia.

It is a task that will make a profound productivity difference to Australia and actually allow us to focus on real environmental protection, rather than bureaucracy for its own end.

We also recognise that the maintenance of high environmental standards and community confidence is fundamental to a positive and stable business investment climate.

We are committed to strong environmental standards but we want them to be implemented simply and rapidly.

What we are doing is looking at practical measures to protect the environment for future generations, working with industry and the community to achieve the change needed.

## **Clean Water**

Clean Water includes our commitment to the Murray Darling Plan, Water Security and our Reef 2050 plan.

The 10-point Murray Darling plan will restore the river system to health while ensuring the viability of Australia's food producing communities. We want to achieve the best possible outcome from the Government's investment in the Basin – first outlined by the Howard Government - by delivering effective national management, fixing inefficient infrastructure and empowering local communities to deliver water reduction targets.

Water Security will be a particular focus of the Coalition Government. Measures to harness stormwater and new dams will secure our nation's water supplies, delivering strong economic benefits while protecting our environment.

Meanwhile under the Reef 2050 plan, a Reef Trust will be set up with the focus firmly on taking a strategic approach to improving water quality and coastal habitat along the Great Barrier Reef.

After an initial \$40 million injection from the Commonwealth, funding will be derived from the pooling of offset funds for significant projects under Federal Law.

Under the Reef Trust, \$2 million will be made available for Crown of Thorns starfish eradication, one of the most serious and urgent current threats to the health of the reef. A further \$5 million will protect dugongs and turtles from illegal poaching.

### **Heritage Protection**

The last of the four pillars, Heritage Protection, includes protection for both our natural and cultural heritage.

There will be greater focus on support for community heritage projects. We want to help local communities across Australia tell their stories and showcase their local history. To assist in this, \$1.4 million will be made available as part of a new Community Heritage Grants program.

Australia's heritage icons will also be given greater prominence and protection, including Port Arthur's iconic penitentiary building, where \$1.5 million has been allocated for urgent restoration work.

The natural heritage of Australia's Antarctic Territory will be further protected under a new 20-year strategic plan, which will enshrine Tasmania's position at the centre of Antarctic research and services.

As part of this, \$24 million over three years will fund the establishment of a new Centre for Antarctic and Southern Ocean Research and \$38 million will be allocated to extend Hobart Airport.

**Conclusion**

The Coalition Government's four pillars of Clean Air (Direct Action), Clean Land, Clean Water and Heritage Protection offer real outcomes for business and the community that will put us on a path towards a better, stronger Australia.

In order to achieve true sustainability, it is essential that the environment and the economy thrive together.

I commend Sustainable Business Australia for hosting this important event and providing an opportunity for us to come together and discuss how we can all play a part in "Turning Vision to Action".

Thank you.