

COAG Signs National Water Initiative Agreement

The Council of Australian Governments (COAG), at its meeting in Canberra on 25 June 2004 agreed to a far-reaching National Water Initiative (NWI) as foreshadowed at the COAG meeting in August 2003 (see *National Environmental Law Review* No 3/2003, 8).

Key features of the NWI are as follows:

- *water access entitlements*—adoption of a water access entitlements regime, providing greater security for water users, including farmers
- *water markets and trading*—institutional and regulatory arrangements to facilitate intra- and inter-state trade in water to be established
- *water planning*—adoption of more sophisticated, transparent and comprehensive water planning processes to deal with key issues such as the major interception of water, the interaction between surface and groundwater systems, and the provision of water to meet environmental outcomes
- *environmental and other public outcomes*—water provided by states and territories to meet agreed environmental and other public benefit outcomes to be given statutory recognition and at least the same degree of security as water for consumptive use
- *overallocation*—water extraction from systems that are currently *overallocated* (ie that have entitlements issued for more than the sustainable use level) or *overused* (ie the consumption of water is more than the sustainable use level) to be adjusted in order to meet environmental and other public outcomes, with substantial progress to be made by 2010
- *risk assignment*—adoption of a risk assignment framework that assigns the risk of future reductions in water availability (see below)
- *interception*—land use changes that have the potential to intercept significant volumes of surface or ground water to be addressed by planning processes for individual water systems, having regard to regional circumstances
- *national standards for water accounting reporting and metering*—water accounting systems in each jurisdiction to be benchmarked, and national standards introduced for accounting systems, reporting formats, water meters and environmental water accounting
- *water efficiency in urban areas*—measures to be taken to improve water use efficiency in urban areas, including: pricing policies to stimulate the efficient use of recycled water and storm water, the introduction of minimum water efficiency standards for household appliances, and mandatory product labelling
- *full-cost recovery pricing*—implementation of full-cost recovery pricing for water in both urban and rural sectors to continue.

The risk assignment framework agreed by COAG for future reductions in water availability provides that:

- reductions arising from natural events such as climate change, drought or bushfire would be borne by water users
- reductions arising from bona fide improvements in knowledge about the capacity of water systems to sustain particular extraction levels would be borne by water users up to 2014
- after 2014, water users would bear this risk for the first 3 per cent reduction in water allocation; states and territories would share the risk with the Australian Government for reductions between 3 and 6 per cent (one-third and two-thirds respectively); states and territories and the Australian Government would share equally the risk of reductions above 6 per cent

- reductions arising from changes in government policy not previously provided for would be borne by governments
- where there is voluntary agreement between relevant state or territory governments and key stakeholders, a different risk assignment model to that describe above may be implemented.

COAG also agreed to establish a National Water Commission (NWC), which will report to COAG. The NWC will assess progress in implementing the NWI and will advise on actions required to better realise the objectives of the NWI Agreement. The NWC will also undertake the 2005 assessment of progress with implementing water reform commitments under the National Competition Policy.

The NWC will be funded by the Australian Government and will comprise seven members with relevant expertise. Four members (including the chair) will be appointed by the Australian Government; the other three will be appointed by state and territory governments.

The implementation of the NWI is to be overseen by the Natural Resource Management Ministerial Council. States and territories will develop detailed implementation plans over the next twelve months.

The commitments in the NWI are set down in the NWI Agreement. Western Australia declined to sign the agreement because it saw no benefit for Western Australia. Tasmania has not signed at this stage but will continue discussions with the Australian Government.

Murray–Darling Basin Agreement

In addition to the NWI Agreement, the member jurisdictions of the Murray–Darling Basin—the Australian Government, New South Wales, Victoria, South Australia and the ACT— signed the Murray–Darling Basin Agreement. This agreement sets out the agreed arrangements for spending \$500 million over five years, on a cost-sharing basis, beginning in 2004–05, to reduce the level of water over-allocation and to achieve specific environmental outcomes in the Murray–Darling Basin. This funding commitment was agreed in principle at the COAG meeting in August 2003 (see *National Environmental Law Review* No 3/2003, 8).

The priority for investment under the MDB agreement is the recovery of water to enable achievement of environmental objectives and outcomes for six significant ecological assets; Barmah-Millewa Forest, Gunbower and Koondrook-Perricoota Forests, Hattah Lakes, Chowilla floodplain (including Lindsay-Wallpolla), the Murray Mouth, Coorong and Lower Lakes, and the River Murray Channel. Water recovery will build up over a five-year period to an estimated average of 500 gigalitres a year—some 4 per cent of the current extraction from the Murray–Darling river system each year.

Apart from the funding in the MDB Agreement, no additional funding for water-related projects was announced at the meeting. However, commentators expect that the Australian Government is likely to enter into bilateral agreements with the states involving significant expenditure in the run-up to the next federal election.

The announcements by COAG have had mixed reactions. Farming interests have welcomed the strengthened property rights in water. Conservationists, however, have criticised the agreements as not going far enough to restore the health of Australia's rivers and for not providing any additional funding beyond that announced last year.

Environment Protection and Heritage Council—Initiatives on Air Quality, Waste, Chemicals and Heritage

At the meeting of the Environment Protection and Heritage Council on 16 April 2004, in Adelaide, Australian and New Zealand Environment and Heritage Ministers, announced a range of measures and initiatives concerning air quality, waste management and recycling, chemicals and heritage.

Air Quality

Council endorsed a National Environment Protection Measure for Air Toxics. The measure includes a guideline and protocols to monitor and report on five air toxics: benzene, polycyclic aromatic hydrocarbons, formaldehyde, toluene and xylenes. These air toxics have been shown to be responsible for a range of health problems, including asthma, respiratory illnesses and cancer.

Current Australian data on these pollutants is very limited, and the new measure will provide improved information for policy makers and the public on air quality issues. It will help to prioritise and evaluate the effectiveness of air quality programs, and will provide a database for future studies of the health risks posed by these pollutants.

Ministers also announced that Council will contribute up to \$300, 000 for a study into the effects of air pollution on children's health in Australian cities. They also endorsed a study into the effects of air pollution on the elderly, with funding to be sought in partnership with key research institutions. Both studies are planned to start later this year. The studies will provide a basis for the review of national ambient air quality standards next year.

Waste Management and Recycling

Electronic waste

Council welcomed a commitment by the TV industry to accept shared responsibility for managing the disposal of used television sets. The industry intends to set up an independent third-party organisation (known as a 'producer responsibility organisation') by the end of 2004 to recycle up to 15, 000 tonnes of used television sets going to landfill each year.

Ministers noted progress in the computer industry, and welcomed a draft product stewardship plan by the industry, including a recycling scheme. Australians currently send some one million computers to landfill each year.

Waste tyres

Council welcomed progress on an industry-led initiative to recycle waste tyres and encouraged continuing discussions between governments and industry. At the request of the tyre industry, Ministers agreed to explore regulatory safety-net options.

Newspaper recycling

Council commended the newsprint industry for achieving ambitious targets, and leading the world in recycling. The Newspaper Industry Waste Reduction Agreement Mid -Term Report shows that newsprint recycling has increased from 28 per cent in 1989 to 73.5 per cent in 2003. This is the highest in the world and very close to the target of 74 per cent by the end of 2005. By recycling newsprint the industry is saving some 200,000 tonnes annually from entering the waste stream.

Packaging Covenant and NEPM

Council recognised the contribution of the National Packaging Covenant and the Used Packaging Materials National Environment Protection Measure (NEPM) in reducing waste at all stages of the packaging supply chain—from raw material through to retailers, consumers and recycling. Recent reviews indicate that the Covenant has been a qualified success and has increased recycling overall, but needs to be strengthened if it is to continue. Ministers released for public consultation a draft variation to the NEPM, which will extend the life of the NEPM as the regulatory safety net underpinning the Covenant for twelve months to 14 July 2005. The interim extension will allow for consultation among stakeholders in order to strengthen the sustainable management of packaging waste.

Controlled Waste

Council released for public consultation a draft variation to the National Environment Protection Measure for the movement of controlled waste between states and territories. Controlled wastes are those that present a hazard in storage, handling and transport. The draft variation recognises the importance of recycling, and will improve existing mechanisms to ensure that controlled wastes are identified, transported and handled in accordance with environmentally sound practices.

Chemicals

Council released the final report of the successful ChemCollect program, an industry-driven program for the collection and disposal of unwanted and deregistered agricultural and veterinary chemicals. Approximately 1700 tonnes of chemicals were collected under the program between 1999 and 2002.

Ministers are also keen to see the industry-driven program ChemClear fully implemented. ChemClear provides for ongoing collection of unwanted registered rural chemicals, which are otherwise non-returnable.

On 19 April 2004 Council launched the National Chemical Information Gateway, an initiative to help householders, schools, small business and the community generally to understand chemicals in the environment. The Gateway is a web portal that pulls together much information already in the public domain into an easy, accessible one-stop shop. The Gateway is a response to community concerns expressed last year that information on chemicals was difficult to find, and reflects Council's view that informed debate on chemical issues is critical to best practice management of chemicals.

Heritage

Council applauded several initiatives that will enable Australian and international visitors to explore heritage places more effectively. The web-based *Heritage Places* and *Travel Routes* will enable travellers to base their itineraries on specific interests such as heritage trails or themes. *Welcome Country* will help to raise travellers, sensitivity and awareness to Indigenous custodianship of Australia.

Council also agreed to release a major report on incentives and other innovative policy tools for conserving Australia's historic heritage. The report, *Making Heritage Happen*, looks at the effectiveness of Australian and international incentives so that all levels of government can promote heritage conservation by positive means rather than by regulation.

Sixth Meeting of Natural Resource Management Ministerial Council

The Natural Resource Management Ministerial Council held its sixth meeting, in Adelaide, on 16 February 2004. The Council is composed of federal, state and territory ministers with responsibility for the environment, natural resources, primary industries and water. The Council:

- held its second annual meeting with the Natural Resource Management Community Forum, which is made up of representatives from regional natural resource management bodies (NRM), Indigenous representatives and representatives from peak national natural resource management-related organisations such as the Australian Landcare Council
- received a report on progress in implementing regional natural resource management through the National Action Plan for Salinity and Water Quality (NAP) and the Natural Heritage Trust, including completion of all regional NRM plans for the NAP in New South Wales, Victoria and South Australia
- received the NAP Annual Report for 2002–2003
- agreed to the publication of the first annual report from CSIRO and the Bureau of Meteorology providing scientific advice on natural resource management, and asked Standing Committee to provide a report on its review of the principal recommendations

- received a presentation on the recent Bush Tender trial in Victoria, which used a price auction mechanism to fund native vegetation and threatened species management on private land
- noted that the Bush Tender trial has revealed that the auction approach delivered 25 per cent more native vegetation than a grants (fixed price) scheme
- agreed to review and update the National Framework for the Management and Monitoring of Australia's Native Vegetation, originally endorsed by Council in 2001
- announced the release of a Review of Salinity Mapping Methods in the Australian Context (including a plain language User Guide and a comprehensive Technical Report), conducted under the auspices of the Australian Academies of Science, and Technological Science and Engineering, involving many eminent Australian salinity scientists
- considered the significant and growing threat posed by invasive species (including weeds, pests and diseases) to Australian agriculture and the environment
- noted that significant achievements have been made in combatting invasive species through stringent border controls and implementation of the National Weeds Strategy
- agreed that there remained a need to develop a robust national framework for a coordinated and strategic approach to preventing significant new invasive species establishing in Australia, and to reducing the impacts of major pests and weeds already present, and noted that Standing Committee will investigate and report on options for a national framework, to be prepared in conjunction with the Primary Industries Standing Committee
- reviewed progress of the Red Imported Fire Ants Eradication Program
- agreed to provide funding for management of four new serious weed incursions in Queensland
- directed the Vertebrate Pests Committee to investigate options for a national approach to eradicate cane toads
- discussed initiatives underway to combat crime in Australian fisheries and waters, including abalone poaching
- endorsed actions, strategies and timeframes of the draft National Biodiversity and Climate Change Action Plan, which will be the first broad framework document to support adaptation to climate change in Australia
- endorsed a National Shark Plan to address shark conservation and management issues
- endorsed its first annual report on implementation of actions to address Indigenous reconciliation by NRM agencies in Australia
- noted the review of insurance for landcare and related programs, and agreed to terms of reference for a Standing Committee review of insurance for NRM groups
- noted progress in development of the National Water Initiative
- received a progress report on a number of case studies into areas of significant natural resource decline, and noted that Standing Committee will develop recommendations for Council, including a national program to address biodiversity decline
- expressed support for a collaborative arrangement between the Wideness Society and South Australia, by agreeing that neighbouring states will share data that will assist South Australia to develop cross-border data sets.