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SOUTH AUSTRALIAN PRESS CLUB  
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ADELAIDE

It's good to be here with you today to talk about preserving our environment – a key part of Labor's policies for the next election.

We often talk about the environment as if it were just another item on the policy agenda. But of course the care and protection of our natural surroundings means so much more than this.

Our love of this beautiful country unites us all – farmers, city-dwellers, young and old. Whether it's the Adelaide hills, or our endless beaches, or the vast Australian skies, or the colours of the desert, we know the great blessing of living in such a country. And we know how important it is to preserve this heritage, and to hand it on to our children.

We have done much to change this country since European settlement. Strangers in a strange land confronted by an alien landscape and exotic creatures sought to, as they saw it, tame the landscape.

Our pioneer ancestors built townscapes based on their beloved birthplaces, and more suitable for European climates.

Crops and creatures from other places were brought in, to be farmed with practices unsuitable for this landscape.

A small population in a seemingly endless country of limitless bounty saw little need to develop skills to conserve, protect or preserve resources. Similarly, it was unthinkable that relatively few people in such a vast landscape would ever need to address in a serious way the consequences of poor waste management.

As a result, today we find we are confronted with a myriad of complex and interconnected challenges: declining land productivity, poor water; reduced air quality, plant and animal species dying out; and a range of environmentally related health issues.

Many irrational outcomes in Australia's environment have been driven by rational goals. Starting with economic survival, these goals progressed to economic growth and the attainment of economic prosperity. The fact is that some of the practices employed in pursuing those goals were then, and still are, unsuited to our environment and unsustainable.

Consumers, primary and secondary producers, service industries, researchers and governments all have a role to play in seeking and implementing solutions.

This should be readily understood in South Australia. You are placed both symbolically and geographically as the end result of the failure thus far to deal with the complex and interrelated problems of land and water use in the Murray Darling Basin.

In this driest state in the driest continent on earth, water has always been of paramount importance.

The problems are not generated in South Australia alone, nor can they be solved here in isolation. You find yourselves at the rough end of a national and systemic crisis.

A key aspect of that crisis, in the Murray Darling Basin, and across the nation generally, is land degradation with consequent problem of rising levels of salinity.

The challenge posed by the degradation of our land demands an urgent response and deep commitment from the nation's leaders. Already land degradation is costing communities billions of dollars each year, risking the future of many of our rural and regional communities.

Australia needs a natural resource management process that will be sustained over time. Labor supports a national approach to addressing salinity, one that is – to the extent this is ever possible in my business – above the ruck of day-to-day party politics.

Of course, Labor cannot and will not support a solution based on one of the most divisive issues in our community - and that is the sale of Telstra.

If the present Government chooses to base its response to land degradation on the sale of the Government's stake in Telstra, as it has often hinted, we will not support them.

We don't believe rural and regional communities should be told the salinity problem can be fixed but only if telecommunications services are slashed. Yet this is effectively what the Howard Government is saying.

If all Government ownership in Telstra goes there is no way a Government can ensure its far-flung communities will be treated fairly. Already, rural and regional Australia is way behind in the provision of telephone services. With the future for many businesses lying in connection to on-line services such as

the Internet, the sale of Telstra would mean an even greater disconnect in the lives of non-city dwellers.

Regional communities continue to play a significant role in maintaining and enriching the social, economic and environmental fabric of the nation. The same communities are bearing the brunt of some of the most pressing environmental challenges that face our nation, at a time of significant local change.

Although substantial opportunities exist for growth and prosperity in the agricultural and resource based industries, there will also be significant physical restrictions to growth unless these resource challenges are met.

Increasing demands on water resources and increases in the extent and severity of land and water degradation must be addressed. Nowhere is this better understood than in South Australia.

To address these environmental and regional development issues effectively a sustained national effort is required from all sectors of the community and industry, with national leadership from the Commonwealth, and coordinated action amongst the States.

And yet the Howard Government seems hell-bent on avoiding a national approach to most issues. Labor Federal Governments have always operated in partnership with State, Territory and Local Governments, especially on important national issues like the environment.

In Government, we found the best way to do that was through meetings of the heads of all of Australia's Governments through the Council of Australian Governments - commonly known as COAG.

Currently, the COAG meets less often than the European Council! German heads of government meet every two or three months. But our COAG meets at the whim of the Prime Minister, on an ad hoc basis, and in fact in November will be having only its fourth ever meeting under this Government. Under John Howard, this important forum for cooperative national policies has become virtually irrelevant.

Our economic health and environmental wellbeing cannot be separated. Treated apart we are bound to fail both causes, but treated together we can have a chance of succeeding.

Sustainable resource management is not about constraining rural communities and those producing the nation's agricultural wealth. It is about guaranteeing the sustainability of agricultural activities and the long-term viability of the communities that depend on our natural resources for their livelihoods.

Sustainability is not an optional extra - it must be the starting point for all that we do. We have the chance to repair the damage sustained over two centuries and to provide a flourishing, natural Australian environment, with a strong economic basis and thriving regional communities.

A healthy and sustainable environment will improve living standards, create jobs and encourage growth of sustainable industries. Sustainable development represents a future for regional Australia, with regional delivery

of natural resource management, sustainable agricultural practices and new opportunities. Already business leaders, landholders and communities are recognising the opportunities that improved natural resource management represents.

Innovative farmers are implementing water efficiency measures that are dramatically reducing the amount of water required for a crop. Industry associations are working with their membership to help them improve.

At a State government level a number of initiatives are also underway, from assessment of biodiversity and salinity credits to constructive dialogue on environmental flows in both the Murray and Snowy rivers.

For all this good work, the problem of land degradation remains. Recent research has estimated that degradation of our rural landscapes is costing regional communities in the order of \$2 billion per annum. This is expected to blow out to some \$6 billion by 2020 in the absence of action to address it.

In my home state of Western Australia, 1.8 million hectares are currently salt affected, an area that is expected to double by 2020.

Here in South Australia, all agricultural districts exhibit some degree of salinity and at least 20% of all surface water is above recommended salinity limits for human consumption. A recent Salinity Audit has found that within 20 years Adelaide's major supply of drinking water, the Murray, will not pass World Health Organisation standards on two days out of every five. In New South Wales, as much as 7.5 million hectares could be affected by rising groundwaters.

The practices of the past have resulted in the problems we now face. Continued land clearing and inappropriate agricultural practices are continuing to exacerbate the problem.

While today's landholders are more environmentally conscious than ever before and in many areas, they are leading the world in environmental management, the status quo is clearly not sustainable.

The cost of addressing the issue now and halting further decline, will be less than the cost of rehabilitation at a later date.

During Labor's last period in office, institutions were set up to provide the framework for action, including the Murray Darling Basin Commission, the Ministerial Council and the Community Advisory Committee.

The Council of Australian Governments water policy reform agenda was adopted. A national Environmental Sustainable Development strategy was agreed. Labor established the Decade of Landcare, the One Billion Trees program, the National Water Quality Management Strategy, the National Forest Policy, the Waterwatch program and the Murray Darling cap.

What has the Howard Government done? The Prime Minister set up a high-level ministerial task force on salinity earlier this year, with Ministers Anderson, Truss, Costello and Hill. Yet it missed its first deadline to report to the Prime Minister in May, and the excuse given by Mr Truss was that they were all too busy: "You've got four of the busiest ministers – trying to get

them all together in one room makes life hard". It makes you wonder how high a priority the Government has given this vital issue.

The draft salinity management strategy was due to be completed by June 2000 yet has been delayed at least until August.

Even the \$1.25 billion Natural Heritage Trust has come at the expense of core funding on the environment. It has camouflaged a 40% reduction in core Commonwealth spending on the environment since the Howard Government came to power. Many of the programs funded under the Trust were established under Labor and now rely almost entirely on NHT for their existence. Without a renewed commitment, these programs will cease in 2002, when the NHT runs out.

I want to quote from the Government's own mid-term reviews of the NHT, "...very few participants believed... the NHT has had much success...", and "... the on-ground works may not be cost-effective..." and "...may not lead to the ... changes that will be needed to deal with dryland salinity".

The NHT has failed the communities who are working so hard to restore and protect the environment. It has been an expensive wasted opportunity – at a time when real action was desperately needed.

The Prime Minister's Science and Engineering Innovation Council recognised the urgency and magnitude of dryland salinity when it reported to the Prime Minister more than 18 months ago. The report's first recommendation was for the Prime Minister to make a statement acknowledging the seriousness of the problem and supporting activities to address it. Yet a year and a half later the Prime Minister has still not responded to this call from his own advisers.

In addition to public recognition from the top, the report also called for comprehensive analysis to identify those areas which would benefit from public and private investment, and a shift in focus from treatment of symptoms to treatment of causes. It recommended that land clearing only be allowed after a thorough analysis of regional water balances to ensure that new land uses will not exacerbate future dryland salinity problems.

The report highlighted the need for further research in farming systems and land use systems suitable for Australia and the need for ongoing funding of research, planning and on-ground works. It recommended regulatory and market-based instruments, including salinity and carbon credits be used to influence the ability to address dryland salinity and that current initiatives at state level should be assessed for national implementation.

The Council's report provided an important contribution to the debate about the state of land degradation and dryland salinity in Australia, but more importantly it provided some first steps of how to set about meeting the challenge. The report will guide Labor's approach when in Government.

The sheer scale of the problem clearly requires a national response. No State is immune from the effects of land and water degradation and all are affected by the actions of the others.

High level political involvement underpinning a national approach is essential for achieving solutions and to ensure that decisions made are binding on all jurisdictions.

These issues require urgent attention by all levels of government at the highest levels. What we need is heads of Government coming together and applying a whole of governments approach.

Although significant progress has been made since the formation of the Murray-Darling Basin Ministerial Council in 1985, there is general acceptance that the current arrangements are not as effective as they could and should be.

Today I want to take this opportunity to announce that in office Labor will establish a National Strategy to Combat Salinity. We will set in place a national framework of objectives, targets and priorities for natural resources management.

The development of a full set of indicators and targets will be given priority and we will work with states and regions to ensure they are consistent between the different levels. Where regulations differ between states, we will work with states to develop national standards and to streamline regulation between the states and between states and Commonwealth.

This national framework will include clearly defined roles and responsibilities of the various tiers of government and will set in place a framework for regional priorities for natural resource management. Clear roles, responsibilities and targets will help prevent the significant cost shifting that has occurred under the National Heritage Trust programs.

We recognise that setting targets will be no easy task. Sustainability indicators are largely untested at a practical level, but Labor will not use this as an excuse for inaction. We will set targets, but we will make sure that there is a feedback mechanism in place for ongoing review and refinement of targets.

These targets will be supported by action plans and an effective monitoring system to ensure performance can be measured and tracked.

It is essential the Government has the ability to enforce the national strategy through a cooperative but enforceable partnership with various parties.

Labor will therefore link funding of state and regional activities to environmental outcomes and will withhold that funding where those outcomes are not met.

Funding will not be merely allocated on a project by project basis like the NHT, but will be allocated according to regional priorities and consistent with the national strategy.

Where possible, however, Labor will pursue market-based mechanisms. Market based solutions allow flexible responses that provide individual choice. They provide a stimulus for cost-effective innovation and faster progress.

Labor in New South Wales has led the way in the consideration of market based mechanisms, including looking at tradeable permits or credits for salt, biodiversity and carbon. We will explore opportunities for the extension of this approach into other states and regions.

What this means, in effect, is that we will create a demand for good land management, rather than merely trying to stop harmful practices.

A federal Labor Government will offer to assist NSW and other states in piloting market-based programs. We will cooperate with the states to explore options for a federal legislative framework to support such programs at a national level by defining appropriate property rights and trading mechanisms.

We recognise that market based approaches also require access to reliable market information. One market based approach designed to recognise leadership and encourage innovation is the concept of endorsement labelling and codes of practice.

Labor will work with industry and land holders over time to develop resource management benchmarks and codes of practice that allow responsible resource management to be recognised and differentiated in the market place.

The CSIRO has already started looking into the concept of a star rating scheme to rate resource management practices. Labor will assess the opportunities for such a scheme to promote best practice. Taxation measures have also been effective in the past in providing incentives for behavioural change in natural resource management.

It was only as late as 1983 that tax incentives were finally removed for land clearing – and it took a Labor Government to do it. Labor would support further investigation of the effectiveness of these and related measures in accelerating the uptake of new agricultural systems and sustainable agricultural practices.

The increase in salinity is a blight on our countryside. It is critical that the issue is not left to sporadic meetings but driven centrally within the core of Government.

Responsibility for resource and environmental policy and management is currently spread across portfolios. In Government, we will therefore establish a new Office of Sustainable Development in the Department of Prime Minister and Cabinet to oversee general issues of sustainability - embracing ecological, economic and social dimensions. This office would provide a more cohesive, coordinated and pro-active national effort on issues of environment and sustainability.

This office would also have responsibility for the environmental review of legislation as part of the process of coordinating comments for cabinet submissions. Salinity and natural resource management will be a key priority for this new office.

With the Prime Minister's own department having a critical role, this policy priority will get the national recognition it demands.

Driven by this new office and under the auspices of the Council of Australian Governments, the new national strategy will bring together all levels of government, landholders, agricultural industries, regional communities, interest groups and catchment management bodies.

Given these issues, it is encouraging to hear that the Howard Government intends to make the Murray the top of the agenda for the next COAG meeting in November.

As I said earlier, I note that this is one of the rare COAG meetings under the Howard Government – a very disappointing track record given how imperative it is to have a national approach to issues like the environment.

A Labor Government will have the political will to drive the COAG reform agenda.

Issues that must be addressed under this framework must include:

- A nationally endorsed natural resource management strategy with targets and caps.
- The need for an action plan to deliver against those targets and caps.
- The respective roles and responsibilities of the states and federal government.
- Reform of the Murray Darling Basin Commission, including its membership, its powers and its responsibilities.
- The progress of the COAG water reform process.
- Commitment of resources on a shared basis with stakeholders.

Under the COAG umbrella, and in the context of the national strategy, we will convene a special meeting of the East Coast State Premiers, together with South Australia, to address the specific issues of the Murray Darling Basin.

One of the issues the meeting will need to address is the reform of the Murray Darling Basin Commission.

More by tradition than requirement, the Commission has been composed of senior bureaucrats appointed by each jurisdiction. It has not been an expert commission or a skills-based commission and as a result, has tended to shadow the political debate and to 'second guess' the political direction of the Ministerial Council.

The Commission could be more effective through a more skills-based membership, the capacity to negotiate enforceable performance agreements, the ability to respond in a more timely and decisive manner, and an enhanced capacity to commission, oversee, publish and act on research.

I have talked about the role of Governments, but I would like to acknowledge the significant role that communities already play in addressing issues of land degradation.

The Commonwealth Government cannot solve these major environmental problems in isolation. They need the help of state and local governments and industry, but most of all they need the support of communities and the private sector.



Labor will enable communities to participate in the debate and to be part of the solution. We are committed to getting people involved in the processes that develop the policies to change their lives.

We want to send the strongest possible signal to groups working on sustainable and integrated solutions that Labor is prepared to facilitate constructive outcomes.

And we will promote the concept of corporate responsibility and encourage the private sector to be more involved in determining solutions and developing infrastructure.

It has been especially good to be here in South Australia today to talk about this issue. There is a great opportunity for this state to become a world leader in salinity control and natural resource management.

At the Waite campus of the University of Adelaide, for instance, the state already has the national centre for excellence in agricultural research, and close links to the CSIRO.

We have to build on these strengths. Boosting the state's overall knowledge capacity will be the first building block in our plans to build a better future for South Australia.

Our aim will be to make South Australia a world leader in environmental research and development, with a proud part to play in Labor's vision for Australia as the Knowledge Nation.

No one should imagine that this is a task for the short term, any more than they should imagine that governments and dollars alone are the solutions.

Success requires a sustained national effort from all sectors of the community and industry. Success requires national leadership from federal government. Success requires a national strategy. That is what I am proposing to deliver.

Thank you.