

Australian Federal Budget 2013-2014: impact on climate change programmes and environmental reform

On 14 May, the Australian Treasurer handed down the Government's budget for the 2013-2014 financial year, the last Commonwealth Government budget before the federal election on 14 September 2013.

The budget contains a number of significant cuts and adjustments to climate change-related programmes because of the substantial reduction in the forecast carbon price resulting in reduced revenue and a corresponding reduced need for transitional assistance.

Key funding changes

Deferral of funding to the Australian Renewable Energy Agency (ARENA)

ARENA is an independent statutory authority that administers grants and financial assistance to the development of renewable energy technologies. A\$370 million of funding to ARENA has been delayed by three years, although an additional A\$6 million has been given to the Commonwealth Department of Resources, Energy and Tourism to support the delivery of ARENA programs.

Carbon Capture and Storage Flagships

A\$500 million has been removed from the Flagships Program over three years from 2014-15. This programme supports the construction and demonstration of large-scale integrated carbon capture and storage projects in Australia.

Coal Sector Jobs Package

A\$274.2 million will be removed from this package, designed to provide assistance to coal mines that have a high fugitive emissions-intensity as they transitioned to operation under the Clean Energy Scheme and the Australian carbon price.

National Low Emissions Coal Initiative

A\$88.2 million of funding has been removed from this Initiative which provides assistance to the development of low emission coal technology.

Others

Funding has also been removed or delayed for the Coal Mining Abatement Technology Support Package, the Global Carbon Capture and Storage Institute and the Low Carbon Communities Funding programme.

Changes to Environment Protection and Biodiversity Conservation Act

Long-awaited changes to the Commonwealth's Environment Protection and Biodiversity Conservation Act 1999 (the EPBC Act), designed to deliver significant red tape reductions and improve the operation of the EPBC Act, have been delayed for another year (at least).

The Government will not introduce the necessary amending legislation until after 1 July 2014 (assuming it is still in power) resulting in a reduction in funding of nearly A\$10 million over four years to the Commonwealth Department of Sustainability, Environment, Water, Population and Communities.

However, that funding decrease will be offset by a A\$38.5 million *increase* in funding to the department to

support the implementation of a proposed amendment to the EPBC Act which would require coal seam gas and “large” coal mining projects that are likely to have a significant impact on water resources to be assessed and approved by the Commonwealth Environment Minister.

The bill setting out the proposed amendment was introduced into the Commonwealth Parliament in March 2013 and has been strongly opposed by industry as it duplicates provisions already in the EPBC Act.

However, the day before the budget was handed down, the Senate’s Environment and Communications Legislation Committee recommended passage of the bill and so it appears likely that it will pass in the current sitting of Parliament.

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