

OECD reports set further challenges for Australia

Is Australia on the road to a sustainable future? Yes and no, depending on which of two recent reports released by the Organisation for Economic Cooperation and Development (OECD) you read.

The most recent, the second 'OECD Environmental Performance Reviews: Australia',¹ suggests that Australia has made notable progress over the past 10 years in tackling environmental issues such as biodiversity, but 'must take further steps to "green" its economy and to face climate change and water challenges'.

However, in its earlier 'OECD Environmental Outlook to 2030',² the normally conservative organisation said the world's governments 'are not managing the environment in a sustainable manner', citing climate change, biodiversity loss, the unsustainable management of water resources, and the health impacts of pollution and hazardous chemicals as the most urgent environmental challenges facing OECD and non-OECD countries alike.

At the Canberra launch of the review of Australia's environmental performance in March, OECD Environment Director, Lorents Lorentsen, said the review was not 'an Olympics in environmental policy', but a way of 'holding you up for what you have promised and what you have delivered'.

Among its 45 recommendations, the review suggests that Australia:

- improve its energy efficiency
- strengthen its capacity to prosecute environmental law
- make its 56 regional

catchment management authorities (CMAs) more effective

- review market-based instruments such as taxes, subsidies, and 'polluter-pays' and 'user-pays' pricing to reduce development pressure on water, energy and other natural resources
- further engage with international efforts to deal with climate change, marine pollution and fisheries, and improve the environmental component of development assistance packages to poorer nations.

Federal Environment Minister Peter Garrett said the government had pre-empted some of the recommendations with its new \$2.25 billion *Caring for our Country* program announced in March.

The program focuses on six national priorities including improving the national reserve system, protecting biodiversity, fostering sustainable farm practices and improving natural resource management in remote and northern Australia.

Minister for Climate Change and Water, Senator Penny Wong, said the government had also moved on another recommendation – the need to introduce a national greenhouse gas emissions trading scheme.

David Pearce from Canberra's Centre for International Economics agrees with the finding that there is considerable scope to improve policies and regulations related to urban water provision, 'particularly when it comes to sending clear market signals to consumers in times of urban



A smart shower meter being developed by Invetech and Victoria's Smart Water Fund: the OECD review of Australia's environmental performance suggested higher water pricing in urban areas to encourage more efficient use. Invetech Pty Ltd

water shortages'.

'The short-term band-aid measure involving complicated systems of water restrictions may no longer be appropriate or effective,' he says.

CSIRO sustainability expert Dr Steve Hatfield-Dodds says the OECD review allows Australia to take pride in its past environmental policy performance, 'without pretending that it has been perfect'.

'The OECD report card for Australia is framed against our existing environmental policy goals and commitments, identifying opportunities to fine-tune our performance. But the generally favourable review of existing policy does not imply that we are ready to meet the challenges identified in the

broader 2030 outlook report.

'The old ways of thinking are not up to the task ahead. The task now is to ask how we can best move towards the healthy, clean, low-carbon economies called for in the global outlook report.

'That report warns us that there is a rapidly closing window of opportunity to introduce ambitious policy changes for tackling major social and environmental problems.

'The policy and investment choices we make in the next few years will steer us towards a better – or worse – environmental future. These choices will lock in the landscapes, energy systems and transport infrastructure that will be used for decades to come.'

● **Mary-Lou Considine**

1 OECD (2008). OECD Environmental Performance Reviews: Australia. www.oecd.org/document/36/0,3343,en_33873108_33873229_39355364_1_1_1_1,00.html

2 OECD (2008). OECD Environmental Outlook to 2030. www.oecd.org/document/20/0,3343,en_2649_201185_39676628_1_1_1_1,00.html