

SoE VICTORIA 2008 State of the Environment



Living well
within our
Environment
Are We?
Can We?

State of the Environment Victoria 2008

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For further information contact the Office of the
Commissioner for Environmental Sustainability,
phone +61 3 9637 8000 or visit
<http://www.ces.vic.gov.au/SoE>

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The Government of Victoria proudly acknowledges and pays its respects to Victoria's Native Title Holders and Traditional Owners and the rich culture and intrinsic connection they have to Country.

The Government also recognises and acknowledges the contribution and interest of other Indigenous people and organisations in the management of land and natural resources.

The Government acknowledges that the past injustices and continuing inequalities experienced by Indigenous peoples have limited, and continue to limit, their proper participation in land and natural resource management processes.





Commissioner's Foreword



Commissioner's Foreword

This State of the Environment Report is presented at a time when powerful opposing global events are in motion.

At the time of writing a global financial crisis has increased significantly the prospect of recession in world economies, while the real physical crisis produced by climate change is predicted to create deep and irreversible changes in the natural systems across the planet that will directly impact on the lives of all people.

The root cause of both these crises is the same. It is a fixation on maximising returns in the short term and blindness to the future costs of rehabilitation and adjustment which are the result of this tunnel vision.

Some commentators have seized on the global financial crisis as a reason to avoid taking action on climate change. They argue that a global agreement is unlikely and therefore regional action is financially and competitively imprudent.

Yet the present financial crisis has its basis in a collective inability to realise that fundamentally unsound lending could not survive even if the risks were spread widely across the global financial system. Similarly there is the fallacious view that by protecting the economy now, that in some way the impacts of climate change will not in fact ever happen.

The argument to keep action at a nominal level is a decision to accept the consequences of climate change. Adaptation is no longer a decision to externalise unknown consequences to future generations, in Victoria it can be argued that the scenarios for regional impacts are already being seen as prophetic and that heavy costs are already being imposed on the community and the economy.

The global issue of climate change is based on the evidence of science. The possible responses to this science are a choice between an implicit decision to adapt to the disruptions and displacements or to seriously engage in mitigation approaches that will avoid massive change and drive new and different opportunities in the economy.

Also this report is presented at a time of unprecedented policy actions within federal and state governments. A plethora of reports will be presented and announcements made, before and after the finalisation of this document. This means that many matters that we discuss are far from complete, but on the other hand it represents a healthy state of affairs to have some of the major environmental challenges now being sequentially tackled by governments.

Victoria is the most developed state in Australia and its natural environment has been heavily modified from the time of European settlement.

This State of the Environment Report reflects the simple fact that most areas of the state are highly stressed. Most natural vegetation, waterways, wetlands, coasts and rivers are reported in a parlous condition.

Victoria has more than 50 Acts and nearly 30 Strategies that relate to environmental management, (not including legislation and the large budget programmes of the Commonwealth), yet this report shows that at best these are holding the line on environmental degradation, and at worst they have only slowed the rate of decline or made no difference. While there have been some excellent recent initiatives in 'joined-up' governance, the value of partnerships between agencies is not sufficiently widely accepted to really address the scale and inter-relatedness of environmental problems.

Throughout this report the increased need for high productivity from the farming sector is stressed, as world population continues to grow and demand for food and fibre increases. Nevertheless for farming to continue at high levels of production, with lower costs of inputs, then widespread application of new farming practices in a partnership with the natural systems that provide clean air, water and soil must emerge.

It is only in Part 2, Driving Forces, that a full mention is made of metropolitan Melbourne, yet the city dominates the population distribution of the State and is the major force in the State economy. Last year I released a paper "Creating a City that Works" which contains a fuller outline of my views on urban growth, planning and design and the provision of access and public transport. The Melbourne metropolitan area has a powerful influence on Victoria, bringing in distant places as recreational destinations, dormitory suburbs, and forcing land use change in areas of high agricultural productivity. The city can never be ignored in any assessment of Victoria.

Foreword

Victoria is two states; one where natural vegetation in reasonable condition principally in the north-east alpine region, the Otways and the Grampians, and other areas protected in National Parks, coexists with heavily cleared and modified natural systems with little resilience in the agricultural regions.

In a number of steps since the middle of the 20th Century (although continuing credit must be given to the bold and highly prescient decision to close the catchment of the Yarra late in the 19th Century) governments and the community have agreed to a series of environmental management measures. In the 1970s the Victorian Government established the EPA, water and air quality regulation and introduced environmental impact assessment. Since the election of the present State government in 1999 Victoria has led the national climate change debate, been heavily involved in restructuring agriculture water entitlements, improving irrigation efficiency, driving the evolution of the water market and the River Murray initiatives.

As well the Victorian Government has introduced a number of actions and strategies to deal with a wide range of emerging environmental realities. Some of these still have a significant distance to go toward full implementation but most are up and in progress. Amongst these are the Melbourne 2030 strategy, Meeting Our Transport Challenges, the Environmental Sustainability Framework, and the development of the Biodiversity Green and White papers.

These many initiatives must include a determination to see them through to conclusion and to negotiate the challenges and resistance that are inevitable.

Amongst the innovative steps taken by the State Government to improve environmental management and scrutiny is the establishment and appointment of the first Commissioner for Environmental Sustainability with a charter to audit and report on the health of the Victorian environment. The legislation not only allows the Commissioner to report on trends but also to recommend actions to which the government has committed in the Act to provide responses in Parliament within specified time-frames. The Government is to be commended for creating the role and allowing the Commissioner to speak freely on environmental management issues.

But the dichotomy in the state of Victoria's natural environment is also expressed in a deeply divided approach to policy. On the one hand the drive for economic growth and population increase has led to policy responses that emphasise the present and the inertia of past practice. In reinforcing present patterns of development we continue to externalise environmental degradation and costs not just to the future but increasingly to the recognisable present.

The introduction of Australia's Carbon Pollution Reduction Scheme will bring into stark financial focus many of the contradictory policies of government that will drive a reduction of greenhouse gas emissions on the one hand, while others positively reinforce a continued high level of emissions.

While the inertia of the present, accompanied by short electoral cycles, seems to force a confirmation of historical paths, the demands of the near future require a more sophisticated resolution. Throughout, the report comments on policy instruments and approaches, and offers strong support for new instruments that force coordination across traditionally separated activities of government. In particular I argue for the introduction of strategic environmental analysis as a major step to provide public confidence that all options are canvassed during the design phase of major policies and significant projects, and provide government with the options for a fully considered decision.

Most importantly government is now becoming used to environmental issues being dealt with at the centre of government with climate change and water availability at the heart. However there is still a tendency to see agriculture policy as separate from ecosystem management, yet the first is utterly dependent on the second ... to see urban form, subdivisional design and architecture as distinct from energy and water efficiency.. to see low cost purchase as distinct from life cycle costs and operating and replacement expense.

There is a substantial range of decisions taken by government that have unexpected and unconsidered environmental consequences and impose further stress on natural systems. Many of these are promoted by departments and agencies that simply do not see the connection.

Government at the centre must accept that natural systems are the basis of the economy. Therefore at the centre, Government should be adept at ensuring that decisions do not unknowingly reduce the value of the natural systems and therefore devalue the State.

Nevertheless there is an even greater task - that of the path to behaviour change in individuals to meet these circumstances. Hopefully the present wide general appreciation of environmental issues can translate into ever improved personal acceptance of our role in the problems and our opportunities in the future, particularly our current dependence on material possessions as a means to health and well-being. I hope that these changes can occur without the force of either a financial downturn or catastrophic environmental shifts as the drivers.

- We need to decouple economic activity from environmental degradation;
- We need to develop resilience in natural systems to ensure productivity and ecosystem services are durable;
- We need to use natural systems in such a way that they remain available for productive purposes and ecosystem services vital to the health of water and air;
- We need to implement with determination the strong policies of government to contain Melbourne's growth, improve urban design, coordinate transport provision, to create efficiencies in the use of water and energy, and to reduce the vulnerabilities of a motor-vehicle dependent city;
- Climate change is the dominating environmental force in the present and it is, and will for some time be the main focus of government action;
- As individuals, communities and a society we need to accept our responsibilities in the sustainable use of the earth.

Victoria is fortunate in its three principal environmental governmental institutions: the Department of Sustainability and the Environment which operates through its minister as the responsible policy department; the Environment Protection Authority which has a high public standing and an ethic of continuous improvement; and Sustainability Victoria which has the potential to be a major contributor to the practical applications of sustainability. Each is well led, and has the capacity to drive the necessary integration in policy and programmes within government, with strategic environmental issues decided at Cabinet level and formalised where needed through legislation.

The recommendations in this Report are un-negotiated and un-costed; my task has been to lay out the State of Victoria's environment as I see it.

Finding and Recommendations have been ordered, but I believe it is for government, agencies and its policy departments to consider the manner and pace at which these might be approached and funded – in concert with the community and interested parties who will also be in possession of these findings.

The preparation of this first full and comprehensive State of the Environment Report involved a wide range of groups, individuals and institutions, and government department and agencies. None of these contacts has played any part in the finalisation of the document or in its findings and recommendations.

Amongst these is the Commissioner's Reference Group established under the legislation. The members of this group have been deliberately drawn from highly diverse backgrounds, and as I sought no consensus from them it should be clear that they are in no way responsible for any of the conclusions and recommendations in this document.

A veritable host of others have provided advice, been part of expert groups, contributed text and acted as peer reviewers, editors and sounding boards. From this highly diverse and often divergent range of advice and ideas the Commissioner is solely responsible for the content, findings and recommendations in the document.

This report could not have been produced without a small team of quite brilliant people working at an extraordinary level and pace over the last four years. Each person is listed in the Introduction. But it would never have been finished without the leadership of the Director of my office Mr Hamish Walker and the four years of unceasing work and organisation of Ms Jane Tovey. Thanks and gratitude are the most inadequate of words but I mean them without reservation.



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Commissioner for Environmental Sustainability
17 October 2008

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