SENATE FINANCE AND PUBLIC ADMINISTRATION REFERENCES COMMITTEE

INQUIRY INTO NATIVE VEGETATION LAWS, GREENHOUSE GAS ABATEMENT AND CLIMATE CHANGE MEASURES

AGFORCE SUBMISSION

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Terms of Reference

On 4 February 2010 the Senate referred the following matter to the Finance and Public Administration References Committee for inquiry and report by 30 April 2010:

(1) The impact of native vegetation laws and legislated greenhouse gas abatement measures on landholders, including:

> (a) any diminution of land asset value and productivity as a result of such laws;
>
> (b) compensation arrangements to landholders resulting from the imposition of such laws;
>
> (c) the appropriateness of the method of calculation of asset value in the determination of compensation arrangements; and
>
> (d) any other related matter.

(2) In conducting this inquiry, the committee must also examine the impact of the Government's proposed Carbon Pollution Reduction Scheme and the range of measures related to climate change announced by the Leader of the Opposition (Mr Abbott) on 2 February 2010.

AgForce Queensland

AgForce was established in 1999 and is the peak body representing farmers, and more broadly agriculture in Queensland.

AgForce represents thousands of Queensland beef, sheep and wool, and grains producers who recognise the value in having a strong voice. These broad-acre industries manage 80% of the Queensland landmass for production and most rural and regional economies are dependent on these industries directly and indirectly for their livelihood. AgForce delivers key lobbying outcomes and services for members and presents the facts about modern farming to consumers through the *Every Family Needs A Farmer* campaign.

Introduction

AgForce welcomes the opportunity to provide comments to the impacts of native vegetation legislation on landholders.

The state of Queensland has had a rich tapestry of an ever changing legislative framework pertaining to vegetation. Each amendment or introduction of new legislation has led to further removal of agricultural land from production thus generating negative social, environmental and economic outcomes. Many of these policies are reminiscent of the 'lock up and leave' stance, and is fraught with questionable environmental outcomes that often lead to a myriad of land management issues and impacts. It also leads to the inability for landholders to sustainably manage their landscape as exemplified by increased issues of pest, weeds and feral animal management as well as possible issues with erosion and sediment control; positions managed by sustainable land practices.

This submission discusses the legislative history of vegetation management regimes in Queensland, the impacts of multiple levels of legislation from both State and Federal perspectives, what this legislation has achieved, and its impact on both property rights and values.

It will then highlight the importance of a sustainable production future regarding food and fibre, and investigate some more appropriate policy frameworks to achieve outcomes that couple both conservation and biodiversity outcomes, with those of sustainable production.

Vegetation Legislation History in Qld

The aperture of vegetation legislative control has seen ever decreasing opportunities for sustainable production in Queensland since mid last century.

Many landholders who settled post World War II were originally instructed to clear their holding areas fence to fence so that the production capacity of the State could be advanced; this practice was encouraged well into the 1970's. As this was the first time that heavy machinery was available in many such areas, this whole scale clearing at the Government's instruction occurred widely. To meet this requirement, many landholders gave personal sacrifices (i.e. living in substandard accommodation for many years with no established infrastructure such as roads, fencing, watering points, telecommunications, power and other essential services) to be able to afford the cost of the required land clearing as well as other covenants like installing feral animal proof fencing. This was coupled with the threat that the Government could take their lease away from them if they did not comply with this.

Towards the later years of the twentieth century regulatory changes were foreshadowed in changes to the *Lands Act* in 1994, and the introduction of satellite imagery data in 1995 for the monitoring of woody vegetation change through the Statewide Landcover and Trees Study (SLATS). This was also coupled with the Government commencing state wide consultation in the same year looking at developing local tree clearing guidelines.

This was then extended through the *Land Act 1994* with the introduction in 1997 of tree clearing policy procedures and policy for leasehold land and local tree clearing guidelines, and further expanded in 1999 with the creation of a Ministerial Advisory Committee to advise on the introduction of clearing regulations on freehold land. The legislation then became enacted in 2000 with the introduction of the *Vegetation Management Act 1999* requiring approval for clearing of native vegetation on freehold land. There was no consultation or compensation offered at this time despite this vegetation having to be purchased by landholders during the "freeholding" process. The new regime was enacted with regulations as a comprehensive management framework. All of these actions culminated in the proposal to reduce land clearing in Queensland through joint announcement of the State and Commonwealth Government on 22 May 2003 and was followed by the introduction of legislation to phase out broadscale landclearing of remnant vegetation by December 2006. The objective of this was to "protect Queensland's rich biodiversity and address economic and environmental problems", but never was there mention about ongoing productivity of food and fibre production.

Coupled with this, was the announcement of $150M, over 5 years, financial assistance package to assist landholders affected by these changes. This funding was reportedly to come through Commonwealth processes as this clearing ban allowed the Commonwealth to meet international targets pertaining to carbon emissions, though to date this funding has not been forthcoming from the Federal Government.

During this time the Queensland Property Map of Assessable Vegetation (PMAV) process was also launched. This was to allow landholders to obtain certainty and clarity of the vegetation currently on their land, and provide the ongoing construct for the management of farming systems and vegetation management on their properties.

In the State election campaign during early 2009 a regrowth moratorium on endangered regrowth was then enacted upon by the State Government. This precluded non-PMAV country from managing regrowth on both freehold and leasehold land. This moratorium was lifted in late 2009 with the introduction of the Regrowth Vegetation Code under the *Vegetation Management Act* that provided for a construct for any non-PMAV property regarding the clearing of regrowth over a certain age and ecosystem, and prescribed varying regimes dependent on freehold/leasehold status and the community type.

As can be seen from this chronological explanation there has been movement from the instruction of Government to clear, through to the halting of further expansion opportunity in the 1990's through to early 2000's, then onto removal of once productive land in the recent changes. As above the aperture of opportunity is constantly decreasing, whilst the impost of regulatory and legislative burden appears to be expanding at an alarming rate – whilst during this entire process the landholders ability to provide a communities food and fibre requirements seems to be a secondary issue compared to draconian legislative processes. Surely the public benefit of this needs to be investigated at this point in time, regardless of the rights of these landholders being constantly eroded.

Impact of legislation – outcomes achieved?

AgForce remains opposed to overly prescriptive controls regarding sustainable landscape management. Our concern is that this forces the retention of vegetation in an arbitrary manner, and is not based on appropriate scientific assessment. Intent is a blunt tool which takes no account of condition. For example, ongoing land management of issues such as fuel loads and fire regimes as well as pest and weed management on a landscape that could become entirely unproductive. Once again identifying the questionable environmental contributions of mechanisms such as lock up and leave principles.

Potentially any ban on the on farm management of thickening native vegetation and regrowth, for instance, would not just impact on the grazing industry but also on the woodlands themselves. There would also be impacts on the biodiversity as canopy cover changed. Thickening with the resultant shading would lead to the loss of ground cover which would then alter the mix of species in the grassy or herbaceous layer and thus promote soil degradation, and indeed could increase the need for sedimentary erosion controls. This is an issue that is particularly pertinent to reef catchment areas. (See attached photos)

Grazing pressure on areas of remaining pasture after any legislated ban would also increase as graziers struggled to maintain production at viable levels on the remaining productive land. Ultimately AgForce believes that if further restrictions were introduced into the mix of current vegetation management, the land and resources would be placed under greater pressure, and many producers would be forced to leave the land, thus requiring substantial economic adjustment measures. These measures have not been available in any constructive or equitable way in the past.

As mentioned above, in many locations restrictions on vegetation management would not prevent land degradation. Increased tree density would prevent grass growth thereby increasing the risk of erosion and invasion of different vegetation types which would choke out native/natural grass thereby promoting erosion. In forest type country trees may assist in preventing erosion, however in Brigalow country, for example, experience has shown that adequate grass cover is better at preventing and controlling erosion. This was an issue constantly raised by AgForce during the 2009 Queensland Regrowth Moratorium.

It is not just State based requirements that have an effect on land management however, Federal imposts must also be taken into account.

The *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act) is the Australian Government's central piece of environmental legislation. It provides a legal framework to protect and manage nationally and internationally important flora, fauna, ecological communities and heritage places – defined in the Act as matters of national environmental significance.

The EPBC Act enables the Australian Government to join with the states and territories in providing a truly national scheme of environment and heritage protection and biodiversity conservation. The EPBC Act focuses Australian Government interests on the protection of these matters of environmental significance, with the states and territories having responsibility for matters of state and local significance.

Currently the EPBC Act covers predominate communities such as Brigalow and Queensland Natural and Blue Grass communities, as well as lesser distributed Mabi Forest and Box Gum Grassy Woodlands, to name just a few. When you look at the distribution of these communities they encompass large areas of Queensland's primary production heart land.

Under this particular piece of legislation there also contains a clause directly pertaining to ongoing land management within these boundaries of ecological community distribution. Division 6, s.43 of the Act "Actions with Prior Authorisation", defines that those activities already present on the land before the inception of the delivery of the Act (i.e. 1 January 2000) do not require ongoing approval so long as those activities neither intensify nor expand. Thus a landholder undertaking a cropping or grazing regime within these communities that can be proven to be in existence prior to the start date of implementation of the Act can continue to do so. This section is colloquially known as the Continuing Provisions of Use section.

There is great alarm however that this provision will soon expire. The process of further listing communities through this piece of legislation is also increasing exponentially, thus when you couple these two issues there is potentially more and more land removed from production capacity in years to come, thus providing further pressure on the industry whilst at the same time still eroding rights further and failing to recognise the land management principles that are already in place.

Property value impacts of legislation

As a result of previously undertaken survey work, it has become apparent to AgForce that the effect of ongoing legislative changes pertaining to vegetation management is having massive impacts on values. This was seen expansively during the regrowth moratorium process in 2009 when many properties that were up for sale at that time, and covered under that regime, were deemed un-sellable and removed from the market. Many examples came to light during that time that if the proposal as originally outlined by the Queensland Government was in fact enacted upon in full, then this would have reduced some property values by up to 75%.

Below are two examples regarding the magnitude of loss of value to land assets alone when vegetation management limitations are further imposed upon landholders. These examples were constructed prior to the moratorium and thus take into account regimes as at beginning of 2009. This in no way includes loss of commercial production value, just land values. For estimates of loss of production capacity, please refer to the Productivity Commission Report No 28, 8th April 2004, *'Impacts of Native Vegetation and Biodiversity Regulations"*. The examples used here are actual properties, and actual experiences of valuation impact, only the names have been removed for confidentiality reasons.

Property Example 1:

Property Example 1 is a leasehold block of around 44,000 acres which had been subject of a buy-out under the provisions of the Qld *Vegetation Management Act 2004*. The payout (which included the value of the commercial development foregone under the provisions of the VMA 2004) was reportedly above $2M (i.e. approximately $45+/acre). This did not include the commercial value of development foregone prior to the introduction of the VMA 2004. Other properties to the south of this block were on the market at the same time for $75+/acre. This provides some guidance, as Property Example 1 was valued prior to this as to being at least $65/acre due solely to location.

Property Example 1 was recently sold by a Queensland based conservation organisation for $750K – i.e. approx $17/acre

Thus it can be argued that the provisions of the VMA 2004 reduced the value of Property Example 1 in the order of:

Cleared before VMA – approx $65/acre	44,000 acre	**$2,860,000**
Last sale - $17/acre	44,000 acre	**$ 750,000**
Loss in value		**$2,110,000**

<u>Property Example 2:</u> *Two smaller lots in similar region to Property Example 1*

These two lots are smaller in area, though closer to the main town centre than Property Example 1 – the Unimproved Capital Value process argues the assumption of higher land values than for larger blocks further from town services.

These Lots adjoin a largely cleared, well buffel grass covered property advertised recently in common media for approximately $150/acre. The aggregation of the two lots is also in the neighbourhood of another property in the immediate area that was at the time on the market for $90/acre.

Due to the impacts of the VMA 2004, the market value of these blocks in mid 2009 (when the other properties were valued/up for sale) was pegged at the same $17/acre as in the previous example. Thus it can be argued that the provisions of this vegetation management restriction reduced the value on these aggregated blocks in the order of:

Cleared before VMA – approx $100/acre	12,123 acre	**$1,212,300**
Last sale - $17/acre	12,123 acre	**$ 206,091**
Loss in value		**$1,006,209**

The commercial values for cleared areas here are of properties for sale in the area at the time of this survey work – this was before even the impact of the most recent vegetation legislative changes.

These values may be argued, but smaller lots north of this region have sold for substantially higher prices when not so affected by vegetation management regimes. The calculated losses in value will not be reduced to trivial levels until the price of land that can no longer be returned to productive capacity approaches that of cleared land – commercially an unrealistic expectation.

These two above examples provide an indication of the commercial losses (approximately 75% reduction in value) being imposed on landholders by vegetation legislative frameworks, and for which they are in-eligible for any compensation. Losses in productivity, which were addressed in the Productivity Commission report, are in addition to this.

With this reduction in land value and potential income, banks and other financial institutions scrutinise debt to equity ratios. Affected primary producers then have greater difficulty in obtaining loan funds when the need arises. This has ongoing and

multiplying effect across the industry right through to the productive capacity to meet domestic food and fibre requirements, and flows through to impact all levels of regional and rural communities.

Further to this is the ongoing added pressure of the inability to sell marketable land during periods of uncertainty through shifting legislative policies and regimes. Certainty within this market needs to be maintained so that investment and research development can be provided for, and that the landholder can continue to manage the land holistically, not just because of a legislative requirement. The reality is however, that every time a new requirement is passed, or restriction added to the ever growing list, this certainty is lost and the jitters go through the entire community again.

Property Rights

Historically, both the legal and practical definition of land has been understood as a bundle of rights and obligations as well as being a physical entity. However the exact nature of this bundle of rights has been redefined many times.

While an ancient legal doctrine espoused that 'land extends from heaven to hell' recent judgements and common understanding recognises that this is restricted to the extent that is necessary for the ordinary use and enjoyment of the land.
Queensland landholders have varying notions on what freehold land is and these beliefs are a clear reflection of the government's ever-changing public policy notions. These policies have undergone significant shifts.

As far back as the Torrens *Real Property Act 1861*, 'land' was defined as:

> *'Land' shall extend to and include messuages tenements and hereditaments corporeal and incorporeal of every kind and description whatever may be the estate or interest therein together with all paths passages ways waters watercourses liberties privileges easements plantations gardens mines minerals and quarries and all trees and timber thereon or thereunder lying or being unless the same are specially excepted.*

The next significant shift in land rights is discussed in Braden's (1982) analysis of how the meaning of 'ownership' changed in the American West and Mid-West[1]. Australia has seen a parallel settlement situation. The situation of fee simple absolute ownership of land was a well-used strategy when land was abundant and settlement was sparse. In the 1970's when much of the leasehold land in Queensland was 'freeholded' it was done so under the view that freehold title was considered absolute ownership and one could exercise almost unlimited rights over one's personal domain.

[1] Braden, J.B. "Some Emerging Rights in Agricultural Land." *American Journal of Agricultural Economics,* 64 (No. 1, 1982):19-27.

Today, it is clear that this government's attitude has shifted to a position whereby 'ownership' is akin to something more like stewardship, and today's policies reflect this shift. While understandably, not all landholders may have fully embraced this increasing notion of 'public good on private land', the government has continued to steam roll ahead by introducing legislative restrictions which purport to provide additional public good. Legislative restrictions are widely recognised by industry and many environmental groups worldwide, as a crude and ineffective instrument by which to obtain public good, often leaving behind a legacy which does not endear future improvement or change in business or individuals. Further, legislative controls are best utilised when the intent is to punish a group where a wrong has occurred. Hence, as the government contends that the reason for additional restrictions upon regrowth is not a wrong, but rather a measure to optimise public environmental good, the government's proposal to bluntly curtail the actions of all landholders are considered ill-conceived and short-sighted.

By comparison, the notion of stewardship, whereby a landholder is rewarded, either monetarily or in-kind, for additional public good that goes beyond the 'duty of care' has over the last decade been recognised as the suitable mechanism by which to obtain public good outcomes while providing sufficient business certainty. It rewards good stewards, providing them with certainty and unlike the legislative option, does not disenfranchise landholders who were otherwise doing a good job. The stewardship approach has been used successfully by the Queensland government (by its own admission) and therefore AgForce finds it disappointing that despite good uptake from rural producers it has seen the need to abandon this approach in favour of a quick and dirty legislative restriction which places at risk the future goodwill and environmental commitment of Queensland's largest group of landholders.

AgForce contends that while the exact rights of freehold title must at times be subject to public scrutiny, serious and continual erosion of these rights should be subject to significant debate and are best achieved through a stewardship model. This is a basic right which ensures that landholders are not continually forced to carry the burden of whatever public good which the government of the day has decided on a political whim to change their minds on.

If farmers are to manage their natural resources – land and water – in an environmentally sustainable way, then they must have certainty about their long-term access to those resources. They need that certainty to give them confidence to invest in the latest efficient and environmentally sustainable management practices and to give banks and financiers the confidence to support those investments. Farmers manage for the long term, and they need long-term security.

During the last decade particularly, landholders resource security or property rights, has increasingly come under significant threat from Federal and State Government policies. What has become difficult to resolve are the increasingly strident calls for private landholders to forgo their commercial aspirations in favour of public benefits for which there is no acknowledgment, let alone financial assistance, structural adjustment or compensation.

Currently parliaments can pass legislation that take away rights to use natural resources as they see fit. Provided those laws don't actively take land from you, there is no obligation to pay compensation for the loss of those rights. Further, there is evidence of reluctance of Governments to offset perceived and unmeasured public benefit gains by the removal of economic and intrinsic private access to certain resources like water and land use.

Therefore, it can be seen that investment in agriculture and natural resource management requires security of tenure. Lease administration should be sufficiently flexible to ensure individual enterprises can achieve long-term viability; and sustainable natural resource management must be achieved through a legislative framework that to the greatest extent possible applies equally to leasehold and freehold land and that recognises the social and economic implications for rural communities.

Much of the current construct of legislation does none of the above and indeed, directly contravenes these principles.

As much of the legislative regime means a surety of reduced income and land values for many landholders there will be social, economic and political ramifications. Any reduction in earnings has a flow on effect right through the community affecting businesses, social interactions, other organisations and institutions such as hospitals and schools and all other aspects of the community. This affects the viability and liveability of rural towns. Ongoing legislative infringement could close down development and investment within the Queensland agricultural sector - not only in traditional industries like cattle grazing and timber, but also new and emerging activities and efficiency gains being realised through R&D, commercialisation and technical deployment.

Food and Fibre Security

Agriculture has existed for over 100 years on many of the legislation affected properties. Landholders, on the whole, have demonstrated responsible stewardship for that time and feel the government is constantly responding by punishing them for these key and desired outcomes. Additionally, property reconfiguration would be required in many cases to adapt to any ludicrously proposed restrictive regimes thus putting into question the productive viability of many farms. Limitations on management alter property flexibility and in some cases, will make some properties unviable, destroying livelihoods of families, as well as removing not only on-site land management but also severing generational connections with the land.

The significance of thickening and regrowth for the grazing industries cannot be overstated. Currently, in Queensland, 60 million hectares are utilized as grazed woodlands. The total area of Queensland is 173 million hectares. There is a direct relationship between pasture production and canopy cover. Thickening of woody vegetation reduces the amount of pasture produced, ensuring that grazing animals

compete for the reduced amount of pasture remaining. This outcome is not sustainable.

Based on a beef industry being worth about $3.7billion to the Queensland economy each year, the livestock production from the State's grazed woodlands would be currently valued at just under $1billion per year. At the present rate of tree/shrub thickening and in the absence of intervention to limit the process, it is estimated that current livestock carrying capacity on such land (3 M cattle equivalents) would fall to negligible levels in just 50 years.

A large proportion of Queensland's beef production is exported, with beef exports valued at AUD2.8 billion (8% of the value of Queensland exports) in 2005-06 (Australian Bureau of Statistics, 2006. 7123.5.55.001 – Agricultural State Profile, Queensland 2004-05. Australian Bureau of Statistics, Canberra), again looking at these figures from a cattle industry perspective one of the few industries of continued growth within the Australian economy shows that a regulatory-based ban on managing endangered regrowth is currently an inappropriate policy for agriculture.

AgForce recognises the need for protection of endangered ecosystems; this is regardless of international requirements for food and fibre production. However, while AgForce accepts the need for heightened environmental outcomes, it is diabolical to believe that ongoing land management restrictions through legislation will achieve desired results.

If Queensland is forced into this inequitable position AgForce believes that all the Governments will achieve, other than questionable environmental outcomes, will be a 'leakage' of agricultural productive capacity to areas other than governed by the ridiculous proposed legislation. Similarly, AgForce believes that an equitable process will recognize the differences between urban expansion and rural management of agricultural systems and clearing that results from such practices.

AgForce has a long-held policy on vegetation management, encompassing a whole of landscape planning approach driven by biodiversity and landscape processes. The policy can be summarised as:

- the need for adequate data and integrated information systems as a basis for making informed decisions;
- a regional approach to vegetation management planning;
- a self-regulatory approach as far as possible; and
- compensation where landholders' rights and legitimate and reasonable expectations have been diminished. Particularly in relation to the security of the PMAV process which has been clearly diminished.

Our position requires a legislative framework that underpins outcomes negotiated at a regional level, protecting a range of values at a landscape scale. It will deliver a 'property right' that provides certainty for landholders and forms the basis for future trading regimes (e.g. forestry, carbon, environmental services and development rights). However, we do believe that opportunities currently exist for complementary mechanisms to achieve far greater environmental outcomes than those possible under such naively proposed legislative direction. Complementary mechanisms will obtain results far above and beyond proposed levels of conservation and biodiversity

protection within the state; but also ensure the protection and ongoing production capabilities of Queensland farmers.

What are appropriate vegetation management policies for agriculture?

AgForce does not support a regulatory approach to dealing with further changes in vegetation management. Such practices have been utilised by the State Government in the past, through restrictive regulations of land clearing that has been superseded numerous times by additions and amendments to the legislation. This regulatory practice has come at a significant cost to Queensland farmers, led to numerous perverse outcomes and has created significant limitations to future farm productivity. However, the agriculture sector is willing and able to make a further contribution to landscape and biodiversity outcomes in the State. The question is therefore – *if further legislation is an inappropriate policy for the sector, than what is?*

AgForce believes that work must commence immediately to develop and endorse alternative, voluntary and complementary measures that correct the current policy direction and give famers clarity on the public benefit of undertaking actions on-farm that have positive environmental outcomes for the broader community. Failure to act in this area would mean missing a real opportunity to send a positive market signal to the agricultural sector. Until such policies are developed, this may potentially create a disincentive for some farmers to enhance environmental outcomes and reduce confusion about how to minimise their business exposure to environmental risk.

AgForce proposes the following criteria for assessing the potential of such complementary measures. Effective complementary measures must:

- Provide investment certainty and clarity about the ultimate treatment of agriculture so that farmers can immediately start preparing their businesses.
- Provide positive financial incentives for adopting greater environmental and biodiversity outcomes and practices. Where possible, this should include a variety of options that allow farmers to choose the appropriate pathway for their enterprise.
- Acknowledge previous good practice.
- Be based on sound science but entail a low administrative burden.
- Support partnerships with other renewable sectors.
- Be governed by a voluntary, partnership approach, not an imposed regime.

In addition there are numerous other complementary policy options that can be undertaken by the government, without resorting to a regulatory approach that, as proven above, is fraught with many difficulties and inefficiencies. Some of these complementary policies may include:

- Additional investment in R&D for technologies that deliver both productivity and environmental outcomes.
- Financial support for best management practices that deliver environmental outcomes. Such on-farm practices often provide other sustainability benefits (e.g. reducing runoff). Recognition of such practices through mechanisms including Grains Best Management Practice (BMP) programs, environmental quality assurance programs, stewardship programs, certification schemes and/or grant schemes. By doing so, this would further enhance other Governmental natural resource management objectives such as those encapsulated in NatureAssist/Nature Refuge schemes, or other similar programs.
- Alignment of other policy programs (such as water, and rural water infrastructure investment, pest and weed management and fire controls) to support environmental goals without jeopardizing productivity.

There is an urgent need to create a framework for negotiated outcomes addressing natural resource management issues. That is a system that delivers enforceable, regional solutions in response to regional problems. This framework must be capable of accommodating the full range of issues associated with managing the landscape. It must recognise voluntary activities and provide offsets and individual outcomes. The system must rely on performance based assessment. An immediate priority is to deal with the issue of endangered regrowth clearing. AgForce supports objectives that:

- ensure that clearing does not cause degradation
- maintain or increase biodiversity
- maintain ecological processes
- allow for ecologically sustainable land use
- ensures equity and comprehensiveness across all tenures.

These objectives should be achieved through cooperative voluntary opportunities rather than regulatory involvement of landholders, changing landholder and urban attitudes, and making decisions at the lowest practicable level.

Indeed, many of the policy options outlined above currently already exist and are achieving far greater outcomes than those proposed by a legislative ban on clearing endangered regrowth. These existing environmental stewardship programs broaden established initiative by introducing alternative methods of securing landholders commitment to the program. Motivations to participate in programs will vary from financial incentives to interest in improving natural resource condition and thus productivity, to ongoing expansion of sustainable land management principles already progressing.
Benefits gained will include the added sustainability resulting in increased natural resource benefits for the community and supplying on-farm added financial benefits to participating landholders.

Voluntary programmes with proven environmental outcomes
One such case of a successful, voluntary, environmental stewardship programme that is achieving *real* environmental outcomes is the Environmental Partnerships Scheme, NatureAssist programme and its subsidiary Nature Refuges; administered and arranged through Queensland Environmental Protection Agency.

Essentially, Nature Refuges (conservation agreements) are perpetual on freehold land, attached to the land title and bind successive owners of the land. In certain circumstances a conservation agreement can be made for a set period. The landholder retains ownership and management of responsibility for the nature refuge and can continue to carry out activities in accordance with the conservation agreement. This at no time is developed to preclude ongoing sustainable productive capacities. Owners of freehold land, lessees of State land, State department and local councils are able to enter into a conservation agreement.

Under the *Nature Conservation Act 1992*, nature refuges must be managed in accordance with a nature refuge agreement negotiated between the owner/lessee and the EPA prior to declaration. Landholders and their successors are responsible for the ongoing maintenance of the protected area, a very cost effective means of delivering National Reserve System outcomes from a Federal Government point of view, and other targets as outlined aspirationally by the State. Securing nature refuges is more economical than restoring degrading land. Areas nominated for nature refuges are assessed with consideration given to:

- Areas containing, or providing habitat for plant and animal species that are rare or threatened;
- Habitats or vegetation types that are threatened, such as endangered and of concern regional ecosystems;
- Habitats and ecosystems that are poorly represented in existing reserves;
- Remnant vegetation;
- Movement corridors for native animals, especially those linking areas of remnant vegetation or existing reserves;
- Cultural heritage.

The benefits of a Nature Refuge are that it is applicable to large areas of Queensland to improve many environmental outcomes. Additionally, and perhaps more importantly from a sustainable land management point of view, Nature Refuges are not inconsistent with grazing production; with sustainable production being achievable in tandem with significant positive environmental outcomes.

Indeed, the Nature Refuges programme has already achieved major proven environmental outcomes. For example, in the last 2.5 years NatureAssist has secured over 1 million hectares of privately managed land and is increasing interest from landholders which is expected to continue. Thus, already since its inception the programme has secured far greater tracts of land for environmental outcomes than the current proposed legislative approach. Indeed just under the third competitive round of refuge assessment there are some 2.9Mha of proposals across Queensland willing to undertake these conservation steps.

Over 80 percent of both Queensland, and northern and remote Australia, is grazed such that the conservation values of the land are largely preserved. Conserving and protecting these ecosystems in perpetuity now through incentives, perpetual legally binding covenants, and a comprehensive landholder support program is more economically and practically feasible than purchasing these lands or restoring them

in the future, but this only works in partnership with the landholder in a voluntary entry process, not through enforced regulatory regimes.

Landholder engagement through the tendering process and the ongoing support delivered through the Nature Refuge Program (NRP) will improve the sustainable land management skills of all applicant land managers, and their leadership will accelerate practice and attitude change throughout the wider landholder community.

The Environmental Partnerships Scheme/NatureAssist has been exceptional in achieving its targets, with some 475 expressions of interest received in the first three rounds. The 1 million hectares secured in the first two rounds of this scheme will protect high quality conservation areas for the low cost of $6.34 for incentives, and under $13 per hectare inclusive of all costs of the scheme. By comparison, according to the EPA (2009), the cost of purchasing land for National Parks in conservation areas is estimated to be over $100 per hectare. These models assist on-ground management of conservation values under a partnership arrangement between industry and government, while at the same time removing some of the costs and impediments of managing publicly protected lands in remote areas, and the impost of regulatory restraints.

In addition, schemes such as this will;

- Engage landholders via a market based incentives program to achieve conservation outcomes through perpetual covenants. This achieves and expands upon the current sustainable land management practices.
- Use a sophisticated, proven and widely accepted multi-criteria analysis tool (metric), as developed by CSIRO, and independent expert review to scientifically evaluate tenders. This process maximises biodiversity outcomes and value for money, ensuring appropriate management of threats and enabling compatible land uses to continue, and further serves to educate the process for the greater outcome under partnership.
- Fund on-ground works addressing critical threats beyond “duty of care” levels.
- Provide monitoring, evaluation and ongoing maintenance of biodiversity condition via Australia’s most legally binding covenanting mechanism and a support structure ensuring appropriate land management in perpetuity.

Further to this, as experienced with previous rounds of NatureAssist, the majority of spending from such incentives will be on local goods and services, including Queensland and/or Australian made steel, timber, machinery hire and labour. This incentives funding is estimated to have a direct multiplier effect of at least 2.3, providing a valuable economic boost to rural Queensland whilst securing high quality conservation gains.

Environmental stewardship programs require some terms for formal agreement between a landholder and the third party to manage the land. This agreement usually sets the conservation outcomes by defining management objectives for the land and is often incorporated in property planning. Thus it can be seen that the benefits of voluntary environmental stewardship programmes, with proven environmental outcomes, far outweigh the social, economic and environmental costs of a regulatory approach.

Conclusion

For an Industry to not only be sustainable, but to continue to grow, the single most important issue is that of certainty. Certainty of product, certainty of process and certainty of market, but most importantly certainty of position in the landscape, and the rights that an industry player has to their resources – in this case their land.

The ever decreasing aperture discussed above in this submission shows the lack of certainty landholders have to continue to provide some of the world's most efficiently and most credibly grown produce. Lack of certainty does not provide for market stability, increased investment or productivity gains, thus destabilising our ability to feed and clothe the population domestically and internationally.

The fact that there are values across this landscape that are still worth protecting, personifies the fact that the landholders have already been playing a role as land managers and stewards for generations. AgForce Queensland has a long policy history of working towards recognition for landholders who couple sustainable production with conservation outcomes. As more and more land is removed from production, there will be less and less opportunity for landholders to this.

Until fair and equitable recognition is given to the role that landholders provide in sustainably managing their land, and until the continuity of this management is guaranteed, the certainty discussed above can never be gained, and thus the Industry will never be able to meet its full potential – a potential that could be reached with appropriate policy and planning mechanisms, not just an ever closing aperture of opportunity.

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