



**NATIVE VEGETATION LAWS, GREENHOUSE GAS ABATEMENT AND
CLIMATE CHANGE MEASURES**

SUBMISSION

To

Senate Finance and Public Administration Committee

Prepared by:-

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Summary

The Western Australian Farmers Federation (Inc) (WAFarmers) is the State's largest and most influential rural lobby and service organization, representing approximately 4,000 Western Australian farmers.

WAFarmers welcomes the opportunity to provide comment to the Finance and Public Administration Committee's Inquiry into Native Vegetation Laws, Greenhouse Gas Abatement and Climate Change Measures.

In this submission, WAFarmers provides State-based examples of regulation and the impact of land clearing restrictions on farm businesses and comments on both the government and opposition's carbon sequestration policies. WAFarmers highlights:

- The State's legislative framework has failed to deliver effective environmental management in Western Australia whilst at the same time placing significant land-use restrictions on farm businesses.
- Land clearing restrictions impose costs on farm businesses that are equivalent to that of productive, income generating farmland.
- WAFarmers believes that to deliver agricultural, environmental and social benefits a change in the legislative framework is required. These should introduce realistic provision for equity adjustment (compensation) for the loss of potential and real productive capacity on freehold land in the name of public good.
- WAFarmers believes that farmers and rural communities continue to pay an unfair price in ensuring that Australia will meet its Kyoto Protocol target.
- On the measures announced by the Leader of the Opposition, WAFarmers supports a regulated market mechanism however believes that a 'carbon price' to farmers of \$8 -\$15 dollars/tonne will not attract farm abatement commitments. Research and Development support is critical to validate the potential for agriculture to be a part of the climate change solution however the announced measures lack sufficient detail on funding sources.

Background

The Western Australian Farmers Federation (Inc.) (WAFarmers) is the State's largest and most influential rural lobby and service organisation. WAFarmers represents approximately 4,000 Western Australian farmers from a range of primary industries including grain growers, meat and wool producers, horticulturalists, dairy farmers, pastoralists, commercial egg producers and beekeepers.

Collectively our members are major contributors to the \$5.5 billion gross value of production that agriculture in its various forms contributes annually to Western Australia's economy. Additionally, through differing forms of land tenure, our members own, control and capably manage many millions of hectares of the State's land mass and as such are responsible for maintaining the productive capacity and environmental well being of that land.

Introduction

WAFarmers welcomes the opportunity to comment on the Finance and Public Administration Committee's Inquiry into Native Vegetation Laws, Greenhouse Gas Abatement and Climate Change Measures.

In this submission, WAFarmers uses State-based examples of regulation and the impact of land clearing restrictions however has an expectation that these examples will be replicated across Australia.

WAFarmers requests that, should there be a public consultation phase of this inquiry, that we are provided with the opportunity to address the Committee.

Submission

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.

In Western Australia, the clearing of native vegetation is regulated by the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004.

The purpose of the Environmental Protection Act 1986 is to *'provide for an Environmental Protection Authority, for the prevention, control and abatement of pollution and environmental harm, for the conservation, preservation, protection, enhancement and management of the environment and for matters incidental to or connected with the foregoing.'*

Despite this, the most recent assessments of 'environmental management' in Western Australia have been critical, and suggest that the Environmental Protection Act 1986 is not delivering on its core purpose.

The 'Towards a Biodiversity Conservation Strategy for Western Australia December 2004 - Discussion Paper' stated:

'The national pattern of decline in terrestrial and aquatic biodiversity is reflected in WA. Destruction or permanent modification of natural habitats through a combination of factors, such as removal of native vegetation for agriculture, urban development, infrastructure and extractive industries, has led to a direct decline in biodiversity. These processes are often accompanied by secondary threats, for example salinisation of land and water, predation and competition by introduced animals and competition from introduced plants, disease from pathogens and changes in management regimes, such as for fire and grazing, which further diminish biodiversity.'

In WA, approximately two per cent (or 547) of described taxa are listed as threatened at the State level, including 357 plants, 41 mammals, 42 birds, 17 reptiles, three amphibians, four fish, and 83 invertebrates. Eleven mammals, two birds, one native bee, four snails and 15 plants are presumed to have become extinct in WA since European settlement. In addition, 66 ecological communities have been identified as threatened, and three as presumed destroyed. However, the real number of species and ecological communities that may have become extinct or been destroyed could be much higher as many disappearances may have gone undetected.

WA is on the edge of substantial species extinction, if conservation action is not accelerated. In the wheat and sheep belts of south-west WA, it is hypothesised that around 450 flora species and 400 invertebrates will become extinct without management intervention to ameliorate the effects of rising groundwater on native habitat. The current rate of land becoming saline is estimated at around 14,000 ha per year.'

Three years after that assessment, the State of the Environment Report (2007), identified that:

- *At a national level, Western Australia has 8 of 12 Australian biodiversity hotspots.*
- *At a global level, the South West is recognised as one of the world's 34 biodiversity hotspots.*
- *WA currently has 362 threatened plants, 199 threatened animals and 69 threatened ecological communities.*
- *Recovery plans have been developed for less than one-third of threatened species and ecological communities.*
- *There is ongoing loss and degradation of biodiversity in WA.*
- *Knowledge about many species and ecosystems and some threats to biodiversity remains inadequate.*

Identifying the lack of progress made over the previous ten years of biodiversity management in Western Australia, the same document comments that:

Forty-eight actions for maintaining biodiversity were identified in the 1998 State of the Environment Report (Government of Western Australia, 1998). Of these 46% remained incomplete, 33% have been completed but not evaluated, and only 21% have been completed and evaluated. Evaluating the effectiveness of programs to maintain biodiversity is very difficult. Indicators of biodiversity condition still largely do not exist and so few environmental outcomes can be quantified. In addition, the effects of on-ground actions are difficult to detect and it may take many years of monitoring before environmental outcomes are evident.'

When considered in combination, this analysis highlights the long term failure of the Environmental Protection Act 1986 to deliver effective environmental management in Western Australia.

Specifically on land clearing, the Environmental Protection Act 1986, in Schedule 5, identifies 10 principles by which applications are assessed before arriving at a decision, these are:

Native vegetation should not be cleared if —

- (a) it comprises a high level of biological diversity;
- (b) it comprises the whole or a part of, or is necessary for the maintenance of, a significant habitat for fauna indigenous to Western Australia;
- (c) it includes, or is necessary for the continued existence of, rare flora;
- (d) it comprises the whole or a part of, or is necessary for the maintenance of, a threatened ecological community;
- (e) it is significant as a remnant of native vegetation in an area that has been extensively cleared;
- (f) it is growing in, or in association with, an environment associated with a watercourse or wetland;
- (g) the clearing of the vegetation is likely to cause appreciable land degradation;
- (h) the clearing of the vegetation is likely to have an impact on the environmental values of any adjacent or nearby conservation area;
- (i) the clearing of the vegetation is likely to cause deterioration in the quality of surface or underground water; or
- (j) the clearing of the vegetation is likely to cause, or exacerbate, the incidence or intensity of flooding.

At an operational level, land clearing applications are also assessed against the 1990 document; *Environmental Protection of Native Vegetation in Western Australia, Clearing of native vegetation, with particular reference to the agricultural area – Position Statement No2.*

This document, in part, when referring to land in the ‘wheatbelt area’ of Western Australian, an area of over 150 000 Km² states:

“Significant clearing of native vegetation has already occurred on agricultural land, and this has led to a reduction in biodiversity and increase in land salinisation. Accordingly, from an environmental perspective any further reduction in native vegetation through clearing for agriculture cannot be supported.”

WAFarmers experience in this area has been that this position statement is effectively a ‘blanket ban’ on the clearing of land in the wheatbelt of Western Australia. As such, this places the development of farm businesses in the wheatbelt in a position where they are unable to expand by clearing land which they currently own, and in effect caps the total potential amount of land which can ever be utilised.

WAFarmers has sought response from its members on the impact of native vegetation laws on their businesses however determining an exact figure is difficult. Certainly individual businesses have provided information however it is not possible to extrapolate this data to that of a state wide level. A purely financial perspective of native vegetation on farm land is that it is generally seen by farmers as a liability, not producing a return whilst attracting local government rates the equivalent of productive farmland and incurring ongoing maintenance costs, for example through fencing and fire breaks. Farmers will manage this land as they do any other farm resource, however non or low productive activities are prioritised below activities tied to income generation.

Just as the cost to farmers has been difficult to assess, WAFarmers would question what benefits have been delivered by the Environmental Protection Act 1986. Clearly the ongoing preservation of a range of flora and fauna has not been one. Nor has the impact of land salinisation been addressed. The most recent analysis on the impact of salinity in Western Australia occurred in the State of the Environment Report (2007), which identified the key land salinisation impacts were:

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- *'It is estimated that 75% of Australia's dryland salinity problem is in WA.*
 - *About 1.1 million hectares of South West land is currently salt-affected.*
 - *Over 14 000 hectares of land is lost to land salinisation each year.'*

The report noted that 'recent estimates indicate that up to 5.4 million hectares of land in the South West is potentially at risk of salinisation, about 80% of this is agricultural land, but it also includes important areas of native vegetation, wetlands and infrastructure.'

Finally, WAFarmers comments that aspects of land and vegetation clearing have been extensively reviewed in Western Australia during the last decade. Despite this, there is still a fundamental resistance from government agencies to land clearing applications in the wheatbelt area, without thought of the cost impact which this has on farming businesses, including also such things as income generation and succession planning.

Farm lobby groups, such as WAFarmers often call for compensation for restrictions on a farmers' property rights. These calls are most often rebuked with an argument which states that compensation would lead to a transfer of resources from the taxpayer that would not deliver a measurable improvement in agricultural productivity, environmental outcomes or social welfare.

WAFarmers would argue that the current land clearing restrictions are not delivering on these either, therefore some form of alternate arrangement is required to deliver benefits in the three areas. Whether these are market-based incentives, taxation based or through the allocation of public funds, or some combination of all of these, WAFarmers believes that there needs to be realistic provision for equity adjustment (compensation) for the loss of potential and real productive capacity on freehold land in the name of public good and to encourage investment in securing and preserving areas of native vegetation, or re-establishing native ecosystems.

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.

WAFarmers believes that farmers and rural communities continue to pay an unfair price in ensuring that Australia will meet its Kyoto Protocol target. The blanket bans on land clearing occurred without any recognition of the financial impost these bans have had on farming operations. Nationwide clearing bans have already restricted agricultural productivity, with farmers being expected to, and legislatively required to, bear this burden of this public good with no equitable return.

The Garnaut Report noted that '*Australia's energy sector emissions grew rapidly between 1990 and 2005. Total emissions growth was moderated, and kept more or less within our Kyoto Protocol target, by a one-off reduction in land clearing.*' The blanket ban on land clearing occurred without any recognition of the financial impost these bans have had on farming operations and occurred at a time when total emissions from the agricultural sector remained constant, in contrast to other industries.'

Therefore Australia needs a sustainable long-term solution, and agriculture can be a part of that. As Australia's total emissions continue to increase, there are no more short term 'blanket ban' solutions.

Throughout 2009 WAFarmers made numerous submissions on the proposed Carbon Pollution Reduction Scheme, including to the:

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- Inquiry into the Role of Government in Assisting Australian Farmers to Adapt to the Impacts of Climate Change (House of Representatives' Standing Committee on Primary Industries and Resources).
 - Inquiry into the Exposure Drafts of the Legislation to Implement the Carbon Pollution Reduction Scheme (Senate Standing Committee on Economics).
 - Inquiry on Climate Policy (Senate Select Committee on Climate Policy).
 - Inquiry into the Carbon Pollution Reduction Scheme 2009 (Senate Standing Committee on Economics).

In these, we maintained a consistent position of:

- Support for emissions trading as an effective method in reducing total greenhouse emissions however we do not support the proposed Carbon Pollution Reduction Scheme in its current form, as we believe the agricultural industry will incur significant direct and indirect costs without having the capacity to play a role in carbon mitigation.
- Seeking the Australian government to lobby for alterations to the Kyoto Protocol to deliver a framework to Australian agriculture that enables farmers to participate in reducing the total greenhouse emissions whilst remaining sustainable and profitable.
- Calling for funding support for the recommendations of the Standing Committee on Rural and Regional Affairs and Transport's Final Report on Climate Change.

WAFarmers is willing to provide copies of these submissions should the Committee require.

On the measures announced by the Leader of the Opposition, WAFarmers believes that, in its broadest sense, it contains positives in that it acknowledges the need to consider the potential impacts on agricultural businesses. The finer operational detail however is still to be presented, but in commenting on the available information, WAFarmers comments are that:

- Regulation for a 'market mechanism' is supported.
- A 'carbon price' of \$8 -\$15 dollars/tonne to farmers (irrespective of any government regulation) will not attract farm abatement commitments, especially if this involves new or specific carbon producing activity.
- Research and Development support is critical. This must be 'new funding' from the Federal government and not funds which have been redirected from existing projects.
- The lack of an identified funding scheme is a significant flaw.

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