

19 May 2000

Ian Dundas  
Committee Secretary  
Standing Committee on Environment and Heritage  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr Dundas

Thank you for the opportunity to comment on the House of Representatives Standing Committee on Environment and Heritage Inquiry into Public Good Conservation.

Queensland Farmers' Federation (QFF) represents over 86% of rural producers in Queensland, and welcomes the opportunity to provide a submission on the impact of public good conservation on landholders.

The following comments reflect the views of each of our member organisations, and refer to the terms of reference of the Inquiry as indicated.

***The impact on landholders and farmers in Australia of public-good conservation measures imposed by either State or Commonwealth Governments***

It is the goal of rural industry to develop a profitable agricultural business within the capacity of the surrounding environment. It is critical to the long-term future of agriculture, the environment and rural communities that responsible agriculture property management practices are adopted in order to preserve the wealth generation capacity of our natural resources. However, natural resource management legislation is currently inundating landholders and farmers across Queensland. The last 12 months in particular has seen landholders across Queensland faced with legislation concerning vegetation management, water allocation management, water infrastructure development and overland flows; cultural heritage; coastal management; mining; land protection; waste management and biotechnology; in addition to the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999*.

Landholders are expressing concern about the perceived erosion of freehold rights and the inequitable burden of natural resource management above and beyond their environmental duty of care under the Queensland *Environmental Protection Act 1994*. An outcome of natural resource planning and management should be investment certainty for the landholder, described in terms of rights and responsibilities and opportunities and obligations. When considering programs for the agricultural sector, governments should acknowledge that there is public benefit through individual gain. The prospect of benefit resulting from government investment should be accepted as a legitimate part of the program development process.

- Land Clearing Restrictions

Modern farms have a major investment in equipment, farm systems, the land and the skills base of its people. Farming in Queensland is worth over \$5.5 billion each year, with most of this exported. Rural industry is Queensland's second biggest export industry, and much of the economic success of Queensland and the employment in the rest of the State depends on the success of rural industry. It is therefore absolutely vital that systems of vegetation management that impact on farming do so with complete recognition of the effects on both the individual family farm enterprise, and potentially on the industry. It is essential that systems of vegetation management provide certainty and consistency to landholders. Rural industry cannot operate confidently or plan sensibly if a system of vegetation management is not developed in a way that provides long-term investment certainty for the industry.

In the past five years in particular, local governments in Queensland have escalated their involvement in land clearing restrictions through the utilisation of local laws. These laws were applied in an ad hoc manner. The restrictions on farmers were for a range of reasons not necessarily associated with the protection of endangered regional ecosystems. Frequently, the vegetation protection has been an outcome of an attempt to preserve aesthetic and open space values for the benefit of the community, or an ideological desire to preserve vegetation. QFF is not opposed to satisfying the principles of visual amenity and aesthetic value, however, there will be opposition if ambit claims are to determine what is deemed to be aesthetically pleasing. Such restrictions are inequitable. The adverse economic impacts are rarely compensated, and particularly in intensive production, such restrictions have the potential to seriously impact on the viability of the farm.

QFF's position on the management of vegetation on freehold land is based on the following four 'pillars':

1. the need for adequate data and integrated information systems as a basis for making informed decisions;
2. a regional approach to vegetation management planning;
3. a self-regulatory approach as far as possible;
4. adequate compensation where a landholder's rights, and legitimate and reasonable expectations have been diminished.

The Queensland Government passed the *Vegetation Management Act 1999* in December 1999. The Act aims to implement a comprehensive framework for the management of native vegetation across Queensland. The objective of the framework is to develop a system for vegetation management that will achieve the ecologically sustainable development of land; the protection of biodiversity and other environmental and social values of vegetation; and planning certainty for landholders, industry and the community. The Act has not yet been gazetted, pending further negotiations with rural industry and the Commonwealth.

It is inequitable for controls to be imposed on individual farms for the benefit of the wider community in a way that impairs in any way the financial viability of the farm. It is essential that controls that are imposed on individual farms that are for the benefit of the community must also result in compensation for the farms that are adversely affected. The Queensland and Commonwealth Governments have publicly supported QFF's requests for an adjustment and incentives package to complement the legislation, however, the two Governments are publicly debating as to which jurisdiction should be responsible for resourcing such a package. QFF strongly supports the recommendation made by the

Virtual Consulting Group and Griffin nrm that \$500m be committed by the public sector for Queensland land clearing controls implementation<sup>1</sup>.

- Retaining and Expanding Remnant Vegetation

It has been suggested that greater emphasis should be placed on the adoption of improved natural resource management practices to sustain the condition of the resource base, rather than the primary emphasis being on rehabilitation<sup>2</sup>. This approach is supported by QFF. It should be recognised that several parts of Queensland are still in a development phase, and as such, the clearing of regrowth is an integral part of ongoing property management. The QFF *Environmental Code of Practice for Agriculture* states as an expected environmental outcome that “all reasonable and practical measures should be adopted, within the constraints of a sustainable agricultural system, to conserve representative native species and ecosystems”<sup>3</sup>. Rural industry promotes the retention of native vegetation wherever viable, and promotes revegetation on a voluntary basis. Revegetation and rehabilitation of degraded areas as a public-good conservation measure should be voluntary, and supported by financial and other incentives. If productive agricultural land is to be reverted to native vegetation, compensation or financial incentives should be available for landholders to go beyond their duty of care. Revegetation, in particular riparian revegetation and rehabilitation, is an expensive exercise. The current contribution of landholders to this cause is scarcely recognised, particularly in terms of the ongoing maintenance required in order to retain revegetated areas. The perceived threat of forced revegetation should be removed from the regulatory process if the voluntary retention and expansion of remnant vegetation is to gather more momentum.

The *Vegetation Management Act 1999* prohibits the clearing of endangered regional ecosystems. QFF supports the protection of endangered regional ecosystems. However, the protection of endangered species and ecosystems is a matter for the community as a whole. Landholders should be compensated where requirements for the retention of endangered remnant vegetation causes a landholder’s previously existing rights and legitimate and reasonable expectations to be diminished.

- Maintaining Environmental Flows in Rivers

The Queensland Government has been proceeding to implement water reform in accordance with agreement reached with the Federal Government and other State Governments. A key component of the reform agenda is a new system for allocating and managing water based upon a statutory water resource planning process to provide for environmental flows and to better define existing and future water allocations for consumptive purposes. Legislation is being drafted to replace the current Water Resources Act and it is planned that the Bill will go to Parliament in June 2000.

The legislation proposes a statutory planning process initiated by catchment wide Water Resource Plans followed by operational planning in different parts of the catchment areas to put in place transferable entitlements or deal with overland flow or underground water regulation.

QFF has developed a policy response to the impact of the water allocation and management reforms on farmers. Key features of this policy response are as follows:

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<sup>1</sup> National Investment in Rural Landscapes – An Investment Scenario for NFF and ACF with the assistance of LWRRDC, The Virtual Consulting Group and Griffin nrm Pty Ltd (2000:31)

<sup>2</sup> Managing Natural Resources in Rural Australia for a Sustainable Future, AFFA (1999:15)

<sup>3</sup> The Environmental Code of Practice for Agriculture, QFF (1998:7)

1. Water users must have a right of appeal on the conversion of their existing entitlements as a result of water allocation and management planning. There is also a need to provide arrangements for entitlement holders to make submissions on the impacts of these plans before they become law. Effective review and appeal rights for irrigators can only be delivered in legislation if:
    - The water resource planning and allocation process is required to recognise existing entitlements
    - Compensation is provided to allow farmers to adjust to the impact of the plans
  2. Water users must have confidence that water entitlements are secure into the future but water resource allocation plans will have a limited term. Accordingly there must be a right of appeal for any review of a plan and effort must be made during the term of each plan to ensure environmental flow conditions are validated and farm operations are adjusted to meet the conditions of a plan.
  3. The need to address both the allocation of water and the use of water is recognised but care needs to be taken to ensure that administrative arrangements to address this separation are not complex and unmanageable.
  4. Industry is supportive of property based planning for the use of water on land but any regulation in this regard must be designed to complement good farming practice.
  5. Any rules for trading of water must protect against speculative dealings and economic and social impacts of trading. The rules must also facilitate trading in water through local implementation and minimum regulation.
  6. Whilst the principle of allowing third parties to initiate action in regard to water allocation and unlawful use is supported care must be taken to ensure these actions are not vexatious or unduly delay well planned development.
  7. Regulation of overland flow should only occur in defined areas where there is a risk that existing or future water entitlements may be adversely affected by overland flow development.
- **Care of Wetlands**

Natural wetlands are listed as ‘sensitive places’ in the Queensland *Environment Protection Act 1994*. Consistent with this, the QFF *Environmental Code of Practice for Agriculture* states that “Particular care should be taken to prevent agricultural activities from having an adverse impact on Sensitive Places”<sup>4</sup>. The protection of wetlands is a particularly important issue for one of QFF’s member organisations, CANEGROWERS. Some sugarcane growers have constructed artificial wetlands on their properties at considerable expense. The economic, social and ecological benefits of these artificial wetlands are recognised by the Queensland Department of Environment in its *Strategy for the Conservation and Management of Queensland’s Wetlands*, as well as the Queensland Department of Primary Industries Fisheries Group. Despite the public-good benefits of maintaining existing wetlands or developing artificial wetlands, farmers are forced to suffer the full economic costs associated with caring for wetlands. There is no tax relief for wetland development undertaken for environmental reasons, and little recognition of the contribution of farmers to public good conservation.
  - **Planting to Ameliorate and Limit the Spread of Dryland Salinity**

Fortunately, the spread of dryland salinity in Queensland has not been as rapid or expansive as the spread in southern states. However, it has been formally recognised as an

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<sup>4</sup> The Environmental Code of Practice for Agriculture, QFF (1998:4)

emerging issue for Queensland, with several studies indicating small areas in Queensland already affected by salinity. However, salinity hazard mapping has not been completed for the vast majority of the state. Until this is completed, it will be difficult for landholders to ameliorate or limit the spread of dryland salinity.

The purposes of the *Vegetation Management Act 1999* include to preserve vegetation in “areas vulnerable to land degradation” (where ‘land degradation’ includes the expression of salinity). As such, vegetation clearing in these areas will be severely restricted. QFF believes the retention of vegetation in areas susceptible to land degradation and acid sulfate soils should be considered under a general duty of care, and thus, the retention of vegetation in these areas should not be compensated.

- **Measures to limit the Impact of Land Based Activities on the Great Barrier Reef**  
Consistent with the *Environmental Protection Act 1994*, the QFF *Environmental Code of Practice for Agriculture* lists the Great Barrier Reef Marine Park as a ‘sensitive place’, requiring landholders to take particular care to prevent agricultural activities from having an adverse impact on the Marine Park. Farmers are thus not only deemed responsible for their on-farm operations, but so too their downstream impacts. On the available evidence, it seems that urbanisation has the greatest potential for negative impacts on the Reef, yet farmers are increasingly portrayed as environmental villains when discussing the impact of land based activities on the Great Barrier Reef.

QFF is concerned by the threat of increased regulation, particularly dual regulation of the same areas by both the State and the Commonwealth. Dual assessment procedures, and in particular the lack of uniformity in Great Barrier Reef Marine Park Authority (GBRMPA) decision making regarding the aquaculture industry, is likely to impact on the level of investor confidence for the Queensland aquaculture industry. The *Commonwealth recently released the Great Barrier Reef Marine Park (Aquaculture) Regulations 2000* under the *Great Barrier Reef Marine Park Act 1975*. QFF is concerned about the retrospective application of the Regulations to existing businesses on the decision of the Minister, as well as the intrusion of heavy-handed regulation over land-based activities by the Federal Government on tenuous scientific grounds.

### ***Policy measures adopted internationally to ensure the cost of public good conservation measures are ameliorated for private landholders***

The argument that farmers should be accepted as custodians of the land and paid to manage the delivery of environmental services is gaining support internationally. In a number of countries farmers are paid to manage the land. In others there are subsidies not to produce in order to leave the land in more environmentally desired state.

### ***Appropriate mechanisms to establish private and public-good components of Government environment conservation measures***

The report developed by The Virtual Consulting Group and Griffin nrm, titled ‘National Investment in Rural Landscapes – An investment scenario for NFF and ACF with the assistance of LWRRDC’, attempts to establish private and public-good components of Government environment conservation measures. The report states that “Almost all NRM issues involve components of public and private interest and many stem partly from market

failure, public policy inadequacies etc”<sup>5</sup>. The following breakdown of private and public-good components of Government environment conservation measures is sourced from Table 1.5 of the report<sup>6</sup>:

<b>Management Change</b>	<b>Public Share</b>
Land Clearing Controls	100%
Rangeland Biodiversity	100%
Management of Change	95%
Non Commercial/Biodiversity Plantings	85%
Acid Sulphate Soils	80%
Ongoing Commitment	60%
Commercial Tree Establishment	50%
Living with Salt Options	50%
Fencing	50%
Erosion	50%
Riparian Zone	50%
Irrigation Drainage	30%
Perennial Pastures	20%
Acidity	10%

The stated public share proportions are indicative only, as the private and public good components of these conservation measures will undoubtedly vary at a landscape scale. For example, the public share for fencing could range from up to 100% for biodiversity protection purposes, to approximately 20% where there is significant private benefit (such as perennial pastures).

If private and public good components of Government environment conservation measures are to be established, there are two key questions to be answered. Firstly, does philanthropy have the full support of all governments? Secondly, have all the impediments to private investment in public good been removed? These questions must be answered before these components can be established.

***Recommendations, including potential legislative and constitutional means to ensure that costs associated with public-good conservation measures are shared equitably by all members of the community***

Public-good conservation requires a long- term commitment and cooperative approach by all tiers of Government, the private sector, the general community and direct natural resource managers such as primary producers. Landholders can not be expected to suffer the economic burden of conservation measures imposed by the Government for the public good. Long-term cost sharing arrangements that provide incentives for landholders and the community to progress with long-term implementation plans for conservation are required. These arrangements may include mechanisms such as tax incentives; and funding of extension, coordination and planning. These measures should incorporate ongoing maintenance costs and provide certainty of tenure and management practices for landholders.

The current tax incentives associated with public-good conservation measures are inadequate. In 1998, details of a new tax rebate for expenditure on Landcare works were announced by the Commonwealth Government. While these tax incentives remain beneficial to struggling

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<sup>5</sup> National Investment in Rural Landscapes – An Investment Scenario for NFF and ACF with the assistance of LWRRDC, The Virtual Consulting Group and Griffin nrm Pty Ltd (2000:16)

<sup>6</sup> National Investment in Rural Landscapes – An Investment Scenario for NFF and ACF with the assistance of LWRRDC, The Virtual Consulting Group and Griffin nrm Pty Ltd (2000:18)

producers, producers in drier regions and producers grazing livestock, there is no incentive for producers not confined to the above criteria to undertake public-good conservation measures, such as wetland construction.

The shift in consumer focus to environmental sustainability is placing increased demands on food and fibre producers across the country, and it is acknowledged that the community now has a higher expectation that the natural resource base will be better managed<sup>7</sup>. However, in an unstable economic environment of fluctuating commodity prices and unpredictable weather conditions, it will be difficult for landholders' capital expenditure on preventing natural resource degradation to increase, particularly as substantial losses are being faced in other areas of capital expenditure. What is not clear is whether the community is prepared to contribute to the costs of meeting their own expectation that the natural resource base will be better managed. If the net result of any market-based measures increases costs for landholders, or reduces terms of trade further, they will not be successful. There remains the significant challenge of sharing the burden, ie to ensure that the externalities of maintaining the agricultural sector are shared equitably across the community.

I trust that these comments are of assistance. I can be contacted on (07) 38447261 if further explanation of any of the above comments is required.

Yours sincerely

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<sup>7</sup> Managing Natural Resources in Rural Australia for a Sustainable Future, AFFA (1999:5)