

29 May 2000

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

Dear Mr Dundas

**Submission: Inquiry into public good conservation – Impact of environmental measures imposed on landholders**

The Goulburn Broken Catchment Community has been acknowledged as Australia's regional leader in managing natural resources. The secret to success in achieving natural resource outcomes derived from private land is to ensure that the cost-sharing arrangements are appropriate. The Goulburn Broken Catchment Management Authority welcomes the Inquiry and relishes the opportunity to contribute what it has learnt. The Authority (and its predecessors) has been at the leading edge of resolving cost-share in salinity, water quality, riparian management and more recently native vegetation activities.

The involvement of regional-scale implementation bodies such as the Authority (2.4 million hectares and 200,000 people) when upper-level policies are being developed is critical to the success of achieving common sense policies that result in natural resource outcomes. The relationship between the Murray Darling Basin Commission and the Authority over more than a decade best exemplifies this approach.

The belief in this model of policy development and implementation has enabled the Authority to work in partnership with CSIRO and the Myer Foundation on the very exciting *Ecosystem Services Project*. Through this Project, we expect to develop and implement policies that will achieve improved natural resource outcomes by gaining a more complete understanding of the true values of ecosystems, alternatives to current management, who benefits and therefore who should be paying to manage them. This information should be readily transferable and therefore able to influence cost-sharing policy at the broadest scale.

The Authority's comments are aligned against the Terms of Reference (see attached). Also attached is a paper that details the approaches to, and successes of, catchment management in the Shepparton Irrigation Region.

The Authority would welcome the opportunity to clarify and expand on this submission if requested, including if asked to provide evidence and appear as a witness at a Standing

Committee hearing. If you would like any further clarification of any part of this submission, please contact Mr Bill O’Kane, Chief Executive Officer of the Authority.

Yours faithfully

John Dainton  
**Chair**

cc *Bill O’Kane, CEO*  
*Dr Steve Cork, CSIRO*

*Attached: Goulburn Broken CMA Comments on Terms of Reference and associated attachments*  
*“Community Involvement in Successful Catchment Management – Shepparton Irrigation Region, Victoria, Australia”*

**Parliament of Australia  
House of Representatives**

**Standing Committee on Environment and Heritage**

**Inquiry into Public Good Conservation –  
Impact of environmental measures imposed on landholders**

**Comments by Goulburn Broken Catchment Management Authority**

19 May 2000

*Terms of reference shown in bold italics*

*The House of Representatives Standing Committee on Environment and Heritage will enquire into and report on:*

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

Provision of catalytic incentives is not appropriate where it is unlikely that market-forces will drive the ongoing uptake of works eg investment in nature conservation. True cost-sharing needs to be entered into.

The level of Duty of Care towards natural resources has been rising (in line with community expectation and legislation) over many years. In most instances, this has not been accompanied by proportional public investment.

In almost all instances, landholders have accepted the responsibility of this increased level of Duty of Care without any external assistance. However, 100% adherence to government measures will not result in the sustainability of our natural resource base. Sustainability will only be achieved via enhancement (“beyond Duty of Care”) projects. This requires significant additional expenditure.

Land and water managers have a Duty of Care” to act in a manner which will not endanger the environment. Native Vegetation Retention legislation is based on the Duty of Care principle and requires landholders not to clear more areas of native vegetation. The Kennett Government’s “No Net Loss” policy and more recently, the Brack’s Government’s “Net Gain” policy are a further embodiment of the duty of care approach for developers.

However, these policies do not require landholders to reduce grazing pressure, probably the greatest threat to remnants. Clearly, duty of care concepts will not reverse degrading processes.

Where adoption of practices results in a reversal or slowing of degradation processes *and* a reasonable financial return on investment to the landholder, the landholder’s Duty of Care is reasonably expected to include adoption of these practices and therefore public contributions are not warranted.

If practices have significant downstream or other community benefits, but only have moderate or low returns on investment for the landholder, it is appropriate for government to contribute to the works on a cost-sharing basis to ensure that overall investment is sufficient to ensure that degradation does not occur. Public investment is needed to raise the practices adopted beyond the landholder’s Duty of Care in this situation.

The level of incentives uptake on dryland farms in particular has not been sufficient for the Catchment Community to be confident that our longer-term natural resource management goals will be achieved quickly enough.

Problems with the cost-share (for example, the fencing incentive of \$1.20/m provided under the Commonwealth's Bushcare Program represents as low as 10% of the total cost of the project) and a long period of depressed commodity prices has made investment in public-good activities by most landholders impossible from a short-term survival business management perspective.

The Catchment Community has long recognised that to increase uptake, the solution to the problems is to provide landholders with greater assistance to go beyond the level of Duty of Care. The Authority has recognised that increased assistance should only be provided where greater returns to the public are received. This necessitates true integration of managing our natural resources: simplistically, the greater the public benefit – including different types of benefit - that the landholder can demonstrate, the greater the incentive that should be provided. This system of “accumulating benefits” and providing parallel incentives has been successfully implemented in the Catchment and is now being adopted across many other regions in Australia.

This system needs to be recognised by all levels of government, and provision needs to be made at the program level to better allow fully integrated projects to be implemented. The Murray Darling Basin Commission used to actively encourage this principle through the Natural Resources Management Strategy and the Murray Darling Basin Drainage Program, but have moved away from this as the programs were rolled into the Natural Heritage Trust via Murray Darling 2001. Programs such as Bushcare also do not encourage this principle of integration.

In some instances, market-forces are resulting in greater gains in natural resource management. For instance farm reuse systems will reduce the impact nutrient laden drainage on rivers. In the Shepparton Irrigation Region we have an incentive to encourage landholders to develop a Whole Farm Plan – these all include a reuse system. Local governments also have earth-moving regulations which require reuse systems to be part of any irrigation development. Reuse systems are being installed at the rate of 5% year. The reasons for installing these are complex. Many irrigators needed the earth for channels and access tracks, labour saving was critical, a cap on water supply had an impact and the cost of water was important. However, whatever the reason they are being installed because there are is high private benefit and the small planning incentive is sufficient.

**Table 1. Indicative Levels of Incentive that should be Provided to Landholders for Management of Natural Resources**

Asset	Action	Public Good	Private Good	Implication – incentive provided
Water	Recycle dams construction	High	High	Low
	Vegetation management	High	Low	High
Native vegetation	Nature conservation	High	Low	High
	Aesthetics enhancement – landscape-scale impact	High	High	Medium
	Aesthetics enhancement – site-scale impact	Low	High	Low
	Environmental weed control	High	Low	High
Waterways	Erosion control	High	Low	High
Soils	Salinity control – recharge	High	Low	High
	Salinity control – discharge	Low	Medium	Low
	Erosion control – water	High	High	High
	Erosion control – wind	Low	High	Low
	Acidity	Low	High	Low
	Agricultural weed control	Low	High	Low
Air	Greenhouse gas control	High	Low	High
Wetlands	Nature conservation	High	Low	High
	Game-bird habitat enhancement	Low	High	Low

- *policy measures adopted internationally to ensure the cost of public good conservation measures are ameliorated for private landholders;*

There is expected to be an overall increase in agricultural production in the Catchment, but this will be performed by fewer landholders off less land. This means that the focus of agriculture will be concentrated to the best soils, leaving more marginal areas available for alternative land uses. This represents a significant opportunity – and challenge – for improving the sum total of our natural resource base. The Authority acknowledges that there will be many examples in the Catchment where agriculture is *not* the most appropriate use of the land. The methodology to value these alternative uses (in terms of total value to the general public, not just to the landholder) is being explored through the project the Authority has underway with CSIRO and the Myer Foundation “The Nature and Value of Australia’s Ecosystem Services”.

The Authority is ready to investigate the trialing of innovative policy measures, such as stewardship payments to landholders as reward for managing land for public good, as has been done internationally.

- *appropriate mechanisms to establish private and public-good components of Government environment conservation measures; and*

The Authority has expertise in interpreting government policy and producing practical outcomes. This has resulted largely from the scale of the Authority (regional – 2.4 million hectares, 200,000 people) and the involvement of key community leaders, especially leading landholders, in the Authority’s Implementation Committees. We have several implementation policies that are achieving a level of public investment that facilitates on-ground works (refer to attachments). A significant impediment to achieving this level of public investment has often been the disparate nature of the government program aiming to achieve natural resource outcomes on the same piece of land. We have almost gone as far as we can to bring these programs together at the implementation scale to achieve multiple outcomes under the existing guidelines – an extension of this approach at the program level is needed.

- *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*

The Authority recommends that the following steps need to be taken:

- 1 Dramatically increased commitment by Commonwealth agencies to develop integrated programs that encourage multiple benefits to be achieved.
- 2 Provide funding on a regional basis to determine landscape-scale, cost-effective actions that enhance the suite of services provided by ecosystems. (This follows on logically from “The Nature and Value of Australia’s Ecosystem Services Project”.)
- 3 Ready the Australia’s urban communities for the expected greater share of costs to be asked of them for the management of the services they receive from ecosystems through communication.
- 4 Enter into a true cost-sharing approach to management of Australia’s native vegetation, akin to the management of water that used to prevail in the Murray Darling Basin Commission’s Natural Resources Management Strategy program.

*Attached:*

- *Guidelines for Environmental Management Grants – Dryland Areas of the Goulburn Broken Catchment*
- *Riparian Management Grants – Goulburn Broken Catchment*