



SUBMISSION TO THE INQUIRY INTO PUBLIC GOOD CONSERVATION – IMPACT OF ENVIRONMENTAL MEASURES IMPOSED ON LANDHOLDERS

1. Introduction

Thank you for the opportunity to comment on the impact of public good conservation on landholders and the opportunity to suggest mechanisms to facilitate the more equitable sharing of costs. This submission has been developed on behalf of CANEGROWERS, the organization that represents Queensland's 6,500 sugarcane farmers.

Sugarcane has been grown in Queensland for over 125 years. The industry now covers approximately 500,000 hectares of coastal Queensland and in a normal season produces over 5 million tonnes of raw sugar, generating close to \$2 billion dollars in export earnings for the Australian economy. Most of Queensland's 6,500 cane farms are owned and operated by family partnerships.

This submission addresses three of the terms of reference of the inquiry:

1. The impact on landholders and farmers in Australia of public-good conservation measures imposed by either State or Commonwealth Governments;
2. Appropriate mechanisms to establish private and public-good components of Government environment conservation measures; and
3. Recommendations, including potential legislative and constitutional means to ensure the costs associated with public-good conservation measures are shared equitably by all members of the community.

In accordance with a two page document titled "Issues for the Inquiry into Public Good Conservation" circulated by the Standing Committee on Environment and Heritage; this submission considers "conservation" in its broadest context and includes works undertaken by landholders that may limit the potential impact of land based activities on the Great Barrier Reef as well as plantings to expand remnant vegetation.

2. Impact of measures imposed by Government

It is CANEGROWERS view that government should be providing incentives to landholders to implement public good conservation. Instead many government policies and measures have had the effect of impeding the implementation of public good conservation by landholders. Two issues are discussed below:

2.1. Uncertain status of works

Many landholders are hesitant to undertake tree planting and wetland construction works in coastal Queensland for fear of increased regulation. For example, cane growers who undertake tree plantings to increase or re-establish a riparian corridor fear they may not be able to prune or selectively harvest these trees in the future. In the same way, many cane growers fear that if they create or enhance wetlands on their farms, they increase the risk of these areas being identified as “important to the community” which may have the potential to result in more restrictions on how they manage their farm in the future.

Indeed, there is a belief that the sugar industry is often unfairly targeted and criticised by conservationists simply because of its geographic proximity to the Great Barrier Reef and the unique Wet Tropics Bioregion. The current viewpoint of many landholders in the Wet Tropics Bioregion is that every time they adopt practices which involve public good conservation government makes the rules a little harder to meet. There is also a lack of recognition of the initiatives that have been taken.

There is no coordinated effort from government agencies to put forward a single view or policy on public good conservation and to clarify the likely conservation status of areas that are enhanced, regenerated and revegetated by landholders.

2.2. Uncertainty generated by plethora of planning

There is currently a great deal of uncertainty associated with public good conservation in Australia. There are direct and indirect costs associated with this uncertainty that have been largely generated by the many current overlapping government planning processes.

A plethora of local, regional, state, national, coastal, bioregional, subregional and catchment strategies, planning processes, legislation and proposed legislation focused on natural resource management, including public good conservation, currently impacts on cane growers in Queensland or has the potential to impact on them.

Early in the Decade of Landcare, catchment plans were developed with the input of many grassroots Queensland producers. However, to their disappointment, reference to these plans was rarely adequate for securing National Heritage Trust funds. Projects were rejected on the basis that they needed to make reference to, or be a part of, a regional strategy.

More recently, regional strategies have been developed in Queensland. However, there is now the question as to how these strategies might be resourced for implementation to achieve environmental protection and conservation.

A recent Commonwealth initiated Natural Resource Management (NRM) Discussion Paper¹ advocates a regional approach to NRM (including public good conservation) in Australia. While the devolvement of authority to regions and catchments for planning, negotiating, implementing and monitoring (page 14) are not new; the implementation of these strategies requires funding. However, funding is increasingly perceived as being at the whim of the Federal Government.

¹ Managing Natural Resources in Rural Australia for a Sustainable Future – A Discussion Paper for Developing a National Policy, AFFA, December 1999.

A case in point is the current stalemate between the Federal Coalition and the Queensland Labour Governments concerning the introduction of legislation restricting tree clearing on freehold land. There is a perception that last year the Federal Government was insisting that the Queensland Government should ensure the legislation provides a high level of protection for native vegetation through the protection of “of concern regional ecosystems” and in this way be eligible for Commonwealth financial assistance for the implementation of the legislation. However, this year, while apparently 90% of tree clearing is occurring in Queensland and contributing to around 12% of total greenhouse emissions in Australia, the Federal Government is claiming that land clearing is a State issue. Indeed, it seems that resource management is a State issue when it comes to funding projects or initiatives.

Last year, untrue, vexatious and vindictive claims of environmental mismanagement were brought against the Queensland cane growing industry through the process of nominating “tree clearing for cane expansion as a threatening process” under the *Endangered Species Protection Act 1992*. Confidence in government process was further undermined when these allegations were widely distributed by Environment Australia as part of the process of “considering nominations”. Incredibly, the relevant committee did not deal with these claims last year but, at the direction of the Minister, they were held over, to be considered under the new *Environment Protection and Biodiversity Conservation Act 1999*.

It is generally acknowledged that the new Act is likely to result in the listing of many processes that have a development component as “threatening processes” irrespective of their relative importance. There appears to be a general acceptance that listing is likely to be at the discretion of radical green groups and may be more influenced by the ability of the listing to generate media headlines (and thus enhance the profile of the nominee) than environmental and conservation need.

Comments from Environment Australia offices to the effect that listings “are good” in that they will provide funding for the development of appropriate “threat abatement plans” show a complete lack of understanding or empathy with producers; in this instance, Queensland cane growers, who are currently being confronted with a plethora of plans and strategies that are often focused wholly or in part on public good conservation.

There will be more frustration, anger and alienation if, following circulation by the Commonwealth of the NRM discussion paper advocating the devolvement of power to regional processes and communities, the *Environment Protection and Biodiversity and Conservation Act 1999* comes into effect and concentrates power with the federal Environment Minister.

3. Establishing private and public-good components

CANEGROWERS recognises that there needs to be a balance between agricultural production and the protection of natural systems including ecosystems with remnant native vegetation and native vegetation of high nature conservation value.

CANEGROWERS recognised duty of care principles and does not support compensation for retention of native vegetation on land assessed as being at high risk of land degradation including land assessed as being at risk of the expression of acid

sulfate soils and within riparian buffer zones in areas subject to river, creek or gully erosion.

The Queensland cane growing industry has developed a *Code of Practice for Sustainable Cane Growing in Queensland* to address duty of care issues associated with cane growing. The code gives practical advice on how to enhance sustainability and minimise off-farm impacts when growing sugar cane.

However, it is CANEGROWERS' policy that landholders must be fully compensated where their ability to derive profit from the use or sale of their own land for agriculture is diminished through the protection of native vegetation for community benefit by the introduction of new arrangements now and in the future.

CANEGROWERS acknowledges the community pressure for revegetation of riparian zones for public good conservation. Riparian revegetation is a priority in many Integrated Catchment Management Strategies (ICM) supported by the cane growing industry. CANEGROWERS recently undertook an internal review of numbers of trees planting on cane farms and in cane growing communities for public good conservation². This report established that over one million trees had been planted on cane farms or in cane growing communities over the last two-year period. The involvement of local cane growers and numbers planted for public good conservation varied significantly across regions and with the level of direct industry involvement in the development of the project. In the central Queensland region 55% of all trees had been planted in riparian areas and over 60% directly by cane farmers. In the Wet Tropics Region larger numbers of trees had been planted but predominantly by tree planting gangs under National Heritage Trust funded programs rather than by local landholders. Indeed in Far North Queensland the request for assistance from the Wet Tropics Tree Planting Scheme is far outstripping available government resources.

Many projects have not been funded through the Natural Heritage Trust because they were deemed to be of more "private benefit" rather than "public benefit". Given 86% of the landmass of Queensland is managed by primary producers, programs that deliver improved on-farm natural resource management are likely to have the cumulative effect of delivering an improved landscape for all Australians (i.e. public benefit). The focus should thus be on getting on with the job, rather than distinguishing public from private good conservation. For example, a lack of resources and funding to address weed infestations, because these infestations occurred on private land and control was therefore perceived to be for private rather than public benefit, has often resulted in a manageable isolated weed infestation becoming an almost intractable community problem. The current problem with the waterweed, *Hymenachnae*, in North Queensland is a case in point.

4. Sharing of costs by all members of the Australian community

Long term cost sharing arrangements that provide incentives to landholders to implement long-term plans for conservation are necessary. At the moment government is funding planning, but without sufficient money, in many instances, for effective implementation. Plans without funds for implementation simply generate uncertainty and potentially disappoint.

² A Report on the Number of Trees Planted in Queensland Cane Growing Regions from Jan 1997-December 1999 with Projections to 2002, by Terri Buono, CANEGROWERS, December 1999.

Plans need to be funded and budgets must incorporate ongoing maintenance costs. There is also a need to provide certainty of tenure and management practices for landholders. The potential effect of measures on whole industries, communities and shires needs to be considered as well as the benefit to individual landholders.

CANEGROWERS favours straightforward mechanisms to encourage and assist landholders with public good conservation and to facilitate cost sharing by the entire community.

In May 1998, the Commonwealth Government announced details of a new tax rebate for expenditure on Landcare works. However, these incentives focused on providing assistance to struggling producers (access limited to producers earning less than \$20,700 pa and is capped at \$10,000 pa), producers in drier regions (particular reference to conserving or conveying water), and producers grazing livestock (particular reference to fencing to exclude animals).

CANEGROWERS recommends that all works by landholders that have an obvious community benefit, including wetland construction, be eligible for a 150% tax deduction.

Some sugarcane growers are constructing artificial wetlands on their farms. This may involve: plant hire to excavate or de-silt a depression and associated flow paths; work to construct suitable structures within the depression for wildlife habitat; and tree planting including preparation and maintenance.

The Queensland Department of Environment's *Strategy for the Conservation and Management of Queensland's Wetlands* recognises that these artificial wetlands "provide substantial economic, social and ecological benefits for the community ... the additional contribution that these wetlands make to wildlife abundance and health, particularly in times of drought, is substantial and should be recognised."

The *Code of Practice for Sustainable Cane Growing in Queensland* and Queensland Department of Primary Industries Fisheries Group encourage the construction of artificial wetlands as silt traps and nutrient sinks to improve downstream water quality.

Yet there is no tax relief for wetland development carried out for environmental reasons. For example, arrangements covering water conservation exclude the development and preservation of wetlands because the "the plant, etc., is not wholly for use in carrying on a primary production business" (Section 75B of the Income Tax Assessment Act).

If tax incentives were broader and more inclusive in their focus and included wetlands development carried out for environmental reasons, there would be potential for a more equitable sharing of the costs of public good conservation.

5. Conclusions

The Queensland sugar industry is worth \$2 billion to the Australian economy in a normal year and has a processing sector that is entirely solar powered. The cane growing industry has an Environment Management Strategy, a *Code of Practice for Sustainable Cane Growing* and a commitment to public good conservation. However,

the current plethora of government planning processes associated with natural resource management including public good conservation is rapidly eroding landholder confidence in government's ability to deliver fair, equitable and practical policies for environmental protection including public good conservation.

The cane growing industry makes a clear distinction between duty of care requirements and conservation for community benefit. There could be more equitable sharing of the costs of conservation and environmental protection through a more equitable and accessible system of Landcare tax rebates for landholders.

6. Recommendations

CANEGROWERS recommends that all works by landholders that have an obvious community benefit, including wetland construction, be eligible for a 150% tax deduction.

CANEGROWERS asks that government Departments better integrate and coordinate their activities so that they can more effectively support public good conservation measures currently being implemented by landholders.

CANEGROWERS asks that government provide planning certainty to landholders implementing or proposing to implement public good conservation.

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