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**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON ENVIRONMENT AND HERITAGE

Reference: Public good conservation

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**HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON ENVIRONMENT AND HERITAGE**

Monday, 11 September 2000

Members: Mr Causley (*Chair*), Mr Barresi, Mr Bartlett, Mr Billson, Mr Byrne, Mrs Gallus, Ms Gerick, Mr Jenkins, Dr Lawrence and Mrs Vale

Members in attendance: Mr Billson, Mr Causley, Mrs Gallus and Mr Jenkins

Terms of reference for the inquiry:

For inquiry into and report on:

- the impact on landholders and farmers in Australia of public-good conservation measures imposed by either State or Commonwealth Governments;
- policy measures adopted internationally to ensure the cost of public good conservation measures are ameliorated for private landholders;
- appropriate mechanisms to establish private and public-good components of Government environment conservation measures; and
- 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.

WITNESSES

SHERWIN, Mr Charles Ronald, Biodiversity Campaign Coordinator, Australian Conservation Foundation.....275

Committee met at 11.10 a.m.**SHERWIN, Mr Charles Ronald, Biodiversity Campaign Coordinator, Australian Conservation Foundation**

CHAIR—I declare open this public hearing of the House of Representatives Standing Committee on Environment and Heritage for its inquiry into public good conservation. This hearing is the sixth one of the inquiry and is part of the committee's program of hearings and visits in different parts of Australia. The hearings and visits allow us to pursue some of the issues raised in the 248 written submissions to the inquiry with the authors of some of these submissions.

I welcome the representative from the Australian Conservation Foundation who will give evidence today. Although the committee does not require you to give evidence under oath, I should advise you that the hearings are legal proceedings of the parliament and warrant the same respect as the proceedings of the House itself. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. We have a submission from you. Would you like to give a short opening address?

Mr Sherwin—Thank you. Our submission was brief, as is often necessary when there are so many different things requiring the attention of a not quite adequately resourced non-government organisation. Having reread it on the plane, I believe it covers the main points. As referred to in my submission, there are many inquiries and reports that have been conducted over the years into the issue of public good conservation—not necessarily by that name—that the committee can draw on. The key points are that it is agreed by all parties that we must endeavour to be fair in pursuit of conservation outcomes across the Australian landscape, but we must keep those outcomes in mind and be fair to the environment and the Australian landscape at the same time. That is a principle underlying the alliance between the Australian Conservation Foundation and the National Farmers Federation. It is also clearly part of the Prime Minister's statements yesterday about natural resource management more broadly. Equity is important, but the outcomes must be delivered at the end of the day.

The issue of compensation arises when we talk of public good conservation. I think it is important to be clear that it will only be in uncommon cases, perhaps even rare cases, where compensation per se is an issue in a legal sense. Compensation and/or financial assistance, incentives and those sorts of matters are really sociopolitical issues. They are very valid issues—they are critical issues—in natural resource management and nature conversation, but by and large they are sociopolitical issues rather than legal issues. Private and leasehold landholders have both rights and responsibilities regarding natural resources, and that is why any access to a resource should be limited.

Where actions incur a cost to others, the polluter- or user-pays principle should be applied in order to protect other users of natural resources—for instance, protecting estuaries for the sake of the fishing industry or protecting water quality for the sake of downstream users. But where regulations or public expectations require a burden on a given enterprise, individual or industry beyond what might be expected as a duty of care, then the beneficiary-pays principle should come in, and a mix of instruments taking account of these different aspects needs to be applied. A combination of approaches to public good conservation should be negotiated, preferably

through a regional approach. There is no one simple answer to measures that are required to ensure both equity and on-ground outcomes in public good conservation.

We were encouraged yesterday to see that a fairly good policy framework was announced by the Prime Minister for moving forward in natural resource management, underpinned by the setting of targets for on-ground outcomes, and with quite a lot of accord between the Prime Minister's statement and the media release from the Leader of the Opposition. The major difference between the parties there and the major issue for us at the ACF is that we believe the amount of funding that has been allocated in the federal government's package launched yesterday is demonstrably inadequate for the task at hand. Where public good is to be delivered by land-holders, there needs to be a public investment in supporting those land-holders in delivering that good. That will require a budgetary commitment way beyond what was promised yesterday.

CHAIR—On that theme, I have seen the statement by the NFF and the ACF about the cost of addressing these issues but, to be realistic, we would have to say that it is unlikely that either side of politics is ever going to give you that wish list. Therefore, we have to address the issues as practically as we possibly can. On the issue of land-holder involvement, Mr Billson has asked this question on several occasions and he is not here this morning so I might do it for him: how do we differentiate between what is seen as the responsibility of land-holders to maintain their land in reasonable condition and where that goes that step further to where it can be seen to be in the public interest but is probably not an economically viable position for land-holders themselves? In your submission you address some of that through your discussions with the NFF. Could you elaborate a little bit on where you see the line being drawn in that area?

Mr Sherwin—I do not think there really is a line. It is more a level of shading in the landscape, in that sense. The line will be drawn in different places in different regions, and it will depend on the outcomes one is seeking in terms of land management and the social and economic outcomes that need to be addressed. That is not to say there are no principles that can guide the development of policy. For instance, the negotiations between the states and Commonwealth in COAG that are coming up in November will, hopefully, be able to lead us towards some principles that will help us to define a duty of care on a regional basis. One needs to look at not just the viability of the enterprise but the effects economically and materially on other enterprises and/or individuals of the activities of a given enterprise.

Let me take land clearing controls as an example. If a given property consisted of 80 per cent native vegetation and new land clearing controls were brought in and imposed upon that land-holder, a duty of care would need to be negotiated with the land-holder. This duty of care would need to take into account their enterprise as it currently stands and what their demonstrated plans were for the development of that property. But it would also need to take into account the effect of any land clearing on downstream users of water in that catchment and on the other land-holders in that catchment—for instance, in terms of water table rises and dry land salinity—and take into account greenhouse gas emissions that relate to land clearing and biodiversity loss, which are very much matters of public good. All of this needs to be thrown into the pot with a whole lot of different instruments that might be used to address the economic and social matters relating to that property and the broader region in negotiating what should be a duty of care and what sort of financial assistance might be appropriate.

If the property had been purchased recently, if it had been purchased with the understanding that it could be developed and if the land-holder had intended to clear 100 per cent of the property, it could be accepted that that enterprise was no longer viable, given the new regulatory regime, in which case, some sort of exit assistance package may be appropriate. Perhaps as a first step before that, though, one might negotiate with the land-holder about the need to retain a proportion of native vegetation on their property for their own benefit—in order to keep their land healthy. It might entail a series of steps at different levels of negotiation and there may need to be a body or bodies set up at a regional level and guided by some sort of national framework with principles that would help regional bodies to decide these sorts of cases. This would be a body that land-holders and regulatory authorities could go to for assistance with negotiation processes in these sorts of instances.

Something that provides some guidance on this—and you may be aware of it—is the *Final Report of the Native Vegetation Working Group* of Western Australia, which recommends the establishment of a special assistance process to support land-holders needing help with the costs of owning or maintaining bushland and the establishment of a native vegetation review board to consider those cases not fully resolved by incentives and market based approaches. It also recommends the establishment of a case management team or teams to provide detailed assistance to land-holders seeking solutions through incentives and market based approaches. Essentially, what they are proposing is that case management teams be established which can provide all of the information to land-holders and serve those land-holders who are trying to understand what options are available to them, either to tweak their enterprise or, perhaps even more radically, to change their enterprise in order to meet the land management needs of their region.

CHAIR—Doesn't that illustrate just how complex this really is? The thing that flashes through my mind is this: who is going to be the authority that decides that this is the way you should do it? Land-holders tell us, 'We have been doing what is seen to be best practice over the years as given to us, and now it is wrong,' and I dare say that our knowledge will always be changing a little bit in these areas. Is it better just to have, say, examples of best practice so that people can look at that and say, 'Yes, that is right and I can apply that in my situation'?

Mr Sherwin—Yes. Best practice is very important to establish and environment management systems are an important part of that. These should be developed by industry in cooperation with the community at large, including conservation interests such as the Australian Conservation Foundation, because environment management systems and best practice management practices, to really be of assistance in repairing landscapes, need to meet those public expectations. We need to all come together on this. Landcare, for the last 10 years, has shown that partnerships are really needed if we are going to tackle land management properly. The whole community is responsible for land management, not just land-holders. That is not to say that land-holders do not have specific responsibilities but environment management systems developed very openly and transparently will have more credence with the community. They will therefore benefit enterprises more fully by ensuring market access because of their transparency, and hopefully, because of independent accreditation, auditing and reporting frameworks for those environment management systems.

Mrs VALE—Mr Chair, do you remember that farmer who came to visit us from the Upper Hunter?

CHAIR—Yes.

Mrs VALE—I was just thinking about him, Mr Sherwin. He had a property that was highly productive 100 years ago. He looked at the ecology and the interaction and he virtually turned that property around again, from what I understand, by looking at the hydrology and working with it, not against it. I do not remember his name, but we have him on record because he came and talked to us. He has turned that property into a highly productive property again just through hydrology. One wonders about that kind of science. People talk about best practice but, from what I can see and from what the committee has seen, best practice seems to be almost a coin of fashion: whatever is best practice in one century, or even one decade, there is a different best practice down the track. Surely we have to look at the kinds of outcomes that this farmer from the Hunter Valley has shown can be achieved. When I think about what he said and the outcomes he has achieved, I wonder why we are not all there watching what he is doing. Why aren't we all there asking how we can encourage our farmers to apply this to the whole of Australia? Of course this is one person on one property, but it is working.

Mr Sherwin—That is a wonderful example. Best practice management on a property level is important. It is also important to keep in mind the landscape scale.

Mrs VALE—Exactly. We have to have those outcomes, don't we? It does not matter what is best practice or what you call it, if it does not deliver something that is sustainable for the future it is not best practice. It might be best practice for the fashionable period it is there.

Mr Sherwin—There is a reflection of that in the Landcare movement. We thought the environmental movement was the movement, but there is the Landcare movement now which is a very palpable social change movement. But it only involves—the most recent figures were quite encouraging and it is still growing—something like 35 to 38 per cent of land-holders. Then there is another group of land-holders beyond those who classify themselves as landcarers as such—they are not joiners, they do their own thing, and they do very good work. But there is always going to be a proportion—and a large proportion—of land-holders that are not particularly interested in forward looking land management with the broader natural resource management agenda in mind that Australia needs. In order to bring those people along, again, a mix of regulatory, educational and market based approaches is needed, beyond just industry codes of practice and beyond environment management systems voluntarily taken up by land-holders or enterprises.

To briefly go back to those environment management systems, we believe it is crucially important that into those systems are instilled criteria or frameworks for ensuring that each enterprise is managing its patch such that catchment wide or landscape scale natural resource management and conservation goals are contributed to. This was very evident to me at the Landcare 2000 conference in Melbourne earlier this year when a chap called John Fenton from western Victoria spoke about the work he has done on his property for 30 years. Well before Landcare, well before most environmental issues had been raised, he started planting on this completely bare area. He has now got something like 20 per cent of his property planted, with all sorts of mistakes made along the way, but he is still seeing bird species drop out on his property and he is still seeing a decline of the ecosystem because it is not happening at the regional scale.

Mrs VALE—Yes, you cannot be an oasis when it comes to species.

Mr Sherwin—And that is not fair. So the landscape scale has to be kept in mind. And it is the outcomes on the ground, it is not the outputs: it is not kilometres of fencing, it is not dollars spent. Dollars invested, yes—and that is where we have difficulty with the Prime Minister's statements yesterday. We do not believe that the amount of money that has been announced is sufficient to really be called an investment. It will not be sufficient to cross the watershed, if you like, in terms of natural resource management in Australia. It will not break the back of the problem. Essentially, it will be wasted if it is not dramatically increased.

Mrs GALLUS—I am having an awful lot of difficulty pinning this down. We always get back to 'horses for courses' and 'it depends on the area'. It seems to me that, in the end, we do not get anywhere much with any real rules. So I want to put to you a question about the duty of care of land-holders and what you would agree is a duty of care and what is not. Do land-holders have a duty of care to improve the sustainability of their own land—for instance, by reducing erosion or salinity, to the extent that they can? Is that part of their duty of care?

Mr Sherwin—Yes, one would have thought so if we are talking about economic sustainability and if we are talking about land degradation problems which affect the wider community.

Mrs GALLUS—Good, but I will move to the wider community in a minute. So we agree that they have a duty of care to that land by reducing those sorts of negative impacts on their land, which are environmental impacts but obviously have economic impacts down the road. Do they have a duty of care to refrain from actions that reduce the sustainability of neighbouring properties?

Mr Sherwin—Yes.

Mrs GALLUS—Good. Do they have a duty of care to refrain from actions that would negatively impact on the environmental health of the general catchment or the general area? I will give you an example. We recently came back from North Queensland, and one of the land-holders up there told us with great pride that he was stabilising the banks of the creeks by planting bamboo. Obviously that is not in the interests of the health of the general environment. Do land-holders have a duty of care to refrain from that sort of action?

Mr Sherwin—Yes, although I could imagine there might be instances where preventing those sorts of harms might go beyond a duty of care, and some sort of public contribution to assist them might—

Mrs GALLUS—This is rather crucial. I would have thought that, if you have a property, it is part of a duty of care that your actions on that property should not impact negatively on the general catchment area.

Mr Sherwin—An example might be the instance I referred to earlier, where a large proportion of the property comprises endangered vegetation types, and new clearing controls and a new regulatory framework are brought in. There was a documented intent to develop that property prior to a recent purchase, and the major impact of that clearing—it may not be a

salinity prone area—would be on regional biodiversity, as there may be species that are only found in that endangered ecosystem. It might go well beyond a duty of care to expect that land-holder to forgo all of their development plans and to take that economic hit.

Mrs GALLUS—It seems you would agree with the general principle. Could we have that general principle but with the caveat of unless new regulations have been put on the land?

Mr Sherwin—Could you read that to me again?

Mrs GALLUS—They have a duty of care to refrain from actions that would impact negatively on the environmental health of their catchment, on the general area. I can see the case you brought up, that they bought a property with the understanding they could clear it and that it was subsequently brought up that, no, they could not clear it, for the general health of the catchment, which leaves them financially in a no-win situation. So you would have to have that sort of caveat about new information coming up.

Mr Sherwin—I could certainly support that in principle. I am a little wary—

Mrs GALLUS—I am just trying to see what we can expect. What about actions: should part of the duty of care be actions to improve the sustainability of neighbouring properties where there is no significant financial cost to the land-holder?

Mr Sherwin—I imagine that you would need to define ‘significant’. I understand the gist of that and, in principle, support it.

Mrs GALLUS—So we could extend that duty of care to actions to improve the environmental health of the catchment where there is no significant cost to that land-holder. If we agree on that, then we can ask what happens when there is a significant cost. Is that the time when we should be looking at compensation? How do we fund those sorts of actions if there is a significant cost? Your question is quite valid: what is a significant cost? You could have a guy who is spending money doing all sorts of things but is not going to spend 100 bucks on doing that.

Mrs VALE—Especially if he goes broke on the property doing it.

Mrs GALLUS—Yes. So there is a duty of care. In the hearings that I have attended, nobody has been prepared to say what the duty of care is. They are saying, ‘Yes, there is, but it depends on the circumstances.’ At some stage we are going to have to have some general principles that we can apply and then, under the general principles, have a look at particular areas.

Mr Sherwin—Indeed. I think that is the way ahead. General principles need to be there to guide decisions that are then made on a regional basis and in light of the catchment plans or regional plans that are accredited, from state or Commonwealth level, under a set of agreed natural resource management targets.

Mrs GALLUS—How do you police the duty of care? I think we agreed that land-holders have a duty of care to refrain from actions that would impact on the environmental health of the catchment so long as there has not been any immediate change in information since they bought

the property. Take the example I gave before of this chap who was happily planting bamboo down a creek bed in the wet tropics. How do you say that that is against his duty of care? Do you fine him? Do you make him cover the cost of removing it? How do you put some teeth into that duty of care?

Mr Sherwin—That is one that I do not feel entirely competent to answer right now. I am happy to take it on notice. I am also happy to have a bit of a stab at it, but I would like the opportunity to give you a fuller response because it is a very important question. There needs to be a regulatory framework to prevent environmental harm and to prevent actions that are demonstrably injurious to other people and enterprises. Whether planting bamboo on a drainage line or creek on one property is something that you would want to legislate against—

Mrs GALLUS—That is it—you cannot think of all the possible ridiculous things that people are going to do; they will always come up with something you have not thought of.

Mr Sherwin—Those sorts of issues can be dealt with, by and large, through approaches like accreditation of regional plans and tying block funding for natural resource management to those regional plans, so that somebody who was wanting to stabilise a creek and wanting public funding to help them do that—because it was something that, as they saw it, was beneficial to the catchment—would be knocked back for funding if they were proposing to plant an environmental weed.

CHAIR—Couldn't this be done with the community involvement, say, in catchments or subcatchments with a target or plan—it doesn't matter which it is—as to what you are trying to achieve? With that community involvement, particularly if it is backed up with some credible science from some organisation, then peer pressure might do it. The community themselves would say that they were not happy with that type of approach in the catchment or subcatchment.

Mrs GALLUS—Looking at the peer pressure in some of the areas where we were, it would be 'Thank you very much. Poor old Tom's done that and apparently he shouldn't have, but we're not going to change these things.'

CHAIR—That is changing.

Mrs GALLUS—You must have read something more out of North Queensland than I did!

CHAIR—I think it has changed from what it used to be.

Mr Sherwin—I believe it has changed too. There is a cultural shift happening. You are referring to Queensland, specifically. There has been a massive cultural shift in southern Australia, but perhaps not yet in northern Australia—perhaps it is at an earlier stage. It is changing, but I do not believe, and ACF do not believe, that you can rely entirely on cultural change and on peer pressure to deliver the public outcomes that are required in terms of sustainable natural resource management in this landscape.

Mrs VALE—Yes, because some of those cultural changes are actually generational changes, aren't they? So sometimes you have got a long lead-in time before it actually starts to have an impact.

Mr Sherwin—That is right and the damage that is being done is happening at a faster rate than generational change, which is quite an alarming thought.

Mrs GALLUS—Can I carry that just a little further, because you talked about public funding and I do not see that this is a part of public funding. If I build a house and do not take account of council regulations, I would have to pull the bloody thing down. There seems to be a feeling about people on the land that they can pretty well do anything: that they do not have to go through regulations the way that people in the city do. It is just a different attitude. So what I would like to say is, 'All right, there are certain things that are detrimental that you can't do on your property. If you don't know beforehand—

Mrs VALE—You will still get fined.

Mrs GALLUS—you damn well go and check with the council. And they will say, "Sorry, that is not an environmentally positive thing to do," and you probably know you damn well can't do it.' And if they do do it, then have them bear the cost of removing it, because they have been silly enough not to check in the first place.

Mr Sherwin—Look, I agree with you in principle, but it is just this specific instance that you have given me with the bamboo. It would need to be a declared weed of some description for a regulatory approach to work.

Mrs GALLUS—I suspect that bamboo in the wet tropics is a declared weed.

CHAIR—It isn't actually; it is a native.

Mrs VALE—It is native in the tropics, is it?

CHAIR—Yes.

Mrs GALLUS—We will take it as a principle.

Mr Sherwin—Often, there is a great reluctance politically to regulate environmental weeds, which do do a lot of harm, because there is a big benefit to the horticultural industry of propagating and selling those plants. So there are some issues with that one, specifically.

Perhaps if we take land clearing in the brigalow belt in southern Queensland in the Murray-Darling Basin, which is an absolutely bald example of what I think you are getting at. This is an activity that is creating enormous, demonstrable environmental harm and must be regulated against at the earliest possible opportunity. We know what is happening to the Murray-Darling Basin and we know that the quality of drinking water and irrigation water is going to drop below World Health Organisation standards in something like three days out of five within 20 years. Land-holders should not be allowed to clear land any further in the Murray-Darling Basin

in Queensland. It is just appalling what is going on there. Half of the land clearing between 1997 and 1999 in Queensland was in the Murray-Darling Basin, which is already the most demonstrably affected by land degradation problems. Now that is an instance where regulation should, quite clearly, apply.

CHAIR—That is a Queensland state government regulation and we cannot do anything about that.

Mr Sherwin—I would differ with you on that point. I believe that the Commonwealth does have powers that could be applied to control land clearing in Queensland. There are three heads of power in my understanding of the Constitution: (1) the power to provide financial support or assistance to any given issue that the Commonwealth sees fit, (2) the power to use external affairs powers under three UN treaties—the climate change, desertification and biodiversity treaties—because Queensland’s continuing failure to control land clearing is trammelling the Commonwealth’s external affairs powers, and (3) the power to legislate in the Commonwealth’s own right—for instance, by including land clearing as a key threatening process under the Environment Protection and Biodiversity Conservation Act 1999 or by listing land clearing as a matter of national environmental significance under that act, which it so clearly is.

Mrs VALE—I would like to take you up on that one. It seems to me that if you are going to have regulations, they have to be regulations that have an effect. Wouldn’t it be better to put it in the realm of the local councils because that is where you get regional-specific problems, and the councils—especially if they have their own environment officer—know those problems? In urban areas, the environmental control—at least in Sutherland shire, from where I come—is very strong. The council itself has undertaken the education of all the ratepayers in that area, so there is a very high level of awareness. You cannot chop trees down in Sutherland shire. You cannot even prune them unless you actually get a council certificate of permission. Your tree loppers will not do it unless they have their certificate in their little hands, because they have seen far too many people taken to the local courts, even to the Land and Environment Court, on serious issues.

Local councils are highly effective when it comes to the management of their local areas. Usually their environment officer—if they have one; I note that country areas do not generally have them, but urban areas do—is very powerful. To me, that would be far more effective at creating regulations. Also, when it comes to the kind of land it is, when the property is sold, there could be notices on the 149 certificate that comes from the council to actually designate the responsibilities or special requirements of that particular catchment area or whatever it is. When we are looking at what is going to be effective and what is efficient, we have really got to get down to a grassroots level, because that is what this is all about. I was wondering about using those councils; maybe the federal or state governments can empower those councils to have the funding. A good environment officer or a good environment department in those councils would probably be far more effective than any regulations you make at federal level.

Mr Sherwin—I appreciate the point. However, I do not believe that local government regulations alone would be able to adequately tackle the land clearing problem or, quite probably, many other environmental and natural resource management problems at the Australian landscape scale without the support of state government and Commonwealth government legislation to back them.

Mrs VALE—But this is what does happen in Victoria. You were quite right when you said that there seems to be a greater awareness in the southern states. We did see the Victorian government moving to inhibit ad hoc land clearing, and it was done through the local council.

CHAIR—And they got thrown out.

Mrs VALE—Yes, but the council is still there, and the council is still doing it—this was down at West Wimmera, where we were. They are probably not as good as negotiation—I think it could be done better—but they certainly were very effective in what they were doing.

Mr Sherwin—I stand to be corrected, but I believe there is a third-party appeal process under that planning legislation in Victoria.

Mrs VALE—Yes, you are right.

Mrs GALLUS—Planning appeal.

Mr Sherwin—There is also the Department of Natural Resources and Environment as a referral authority for clearing applications beyond 10 hectares. And there is that state legislation backing what the council is doing. That is crucial in municipalities that do not have an environment officer or the expertise on staff.

Mrs VALE—Actually Wimmera council did have an environment officer.

Mrs GALLUS—I have a question on your point: doesn't it also depend on the nature of your council? The councils are elected. If they have elected a group of people who represent the interests of the land-holders who have no interest in this particular area of environment, you have not got a councillor who works in that area at all but in fact one who works against what you are trying to do nationally.

Mr Sherwin—Precisely. It is a very similar situation to the state and federal policy mix that is needed. If one were to rely on Queensland alone to come to grips with dryland salinity in Queensland, we would fail. There needs to be Commonwealth government leadership on these issues. There needs to be a framework established. There need to be principles set up. And there need to be specific on-ground targets, identified at national level and transferred through state level or negotiated between the Commonwealth and the states, reflected in regional plans. They could be local government plans, although I suspect that catchment committees would be a better way to go than local governments, which are often historical artefacts and do not necessarily reflect natural regions, either groundwater or surface water catchments and those sorts of things.

Mrs VALE—They can still have the impact at grassroots level, though. You are quite right. If you are going to have the federal government showing that kind of leadership, the structure has to go all the way down to those local councils to have an impact.

Mr Sherwin—I think it needs to be recognised that there has been an enormous amount of work done at grassroots level over the last 10 years through Landcare—in fact, over the last 15 or 20 years through various soil conservation authorities. However, that educative cultural

change stuff is not happening quickly enough and it will not extend to all members of the community, to all land-holders and to all enterprises. There needs to be that firm regulatory basis, guidance and leadership from the Commonwealth, right down through, to make sure that national priorities are met and national outcomes are delivered for the public good because, otherwise, public investment in natural resource management cannot be justified.

CHAIR—If we simply legislated and that legislative agenda was not able to be carried out by the property owners because of the economic situation, where does that leave us?

Mrs GALLUS—But then again, you have just set up a straw man.

CHAIR—No, that is the real truth.

Mrs GALLUS—Are you suggesting that we legislate in such a way that we affect land-holders?

CHAIR—That is what we have been talking about.

Mrs GALLUS—No, I think we have been very careful to avoid that.

Mr Sherwin—I feel that I can answer that quite readily. We would not propose, even for a second, that that be the course of action. Legislation is part of the mix which would include market based methods for addressing these problems.

CHAIR—Tradeability—trading rights.

Mr Sherwin—Some trading in some rights may be appropriate. We are very wary of trading in biodiversity. There will be cases where market mechanisms might work and it will be a case of which market mechanisms are used rather than whether you use market mechanisms. There is also the educational process. Landcare has been a huge success. It has been a wonderful success in raising community awareness, in building capacity, in building technical expertise in the community, and those sorts of things. But, in and of itself, it clearly has not delivered the on-ground outcomes that are required. If it had, the government would not be proposing to spend another \$700 million—albeit not enough, but a huge amount of public money—on furthering natural resource management in Australia. Landcare has been great. It has not delivered the on-ground outcomes through no fault of the people involved with it. No-one would ever propose that legislation is going to solve the problem in and of itself. Clearly, it is beyond the capacity of the farming community, the land-holders, to deliver the results in natural resource management for the public good—and for the good of the Australian continent—that are required.

The other part of that is that if one were to use only the stick and not the carrots—only legislative measures and not cultural measures that are needed to ensure that the changes that are required are infused through the culture of land management in Australia from the banks right down—then we would fail because people would just ignore the regulations. People would do what one chap in Victoria did: bulldoze the departmental officer's car. These sorts of things would get right out of hand. It has to be a process of bringing the community with us, but I think it needs to be recognised that the community is already with us. That is reflected in the ACF-NFF partnership and it is reflected in the Landcare movement. I think it is time that

Australia, as a community, as a whole, recognised that the community want to see these changes happen. They want the on-ground outcomes and they want it to happen more quickly than it has over recent years because the problems that we are facing are happening very quickly—for example, the biodiversity decline. We are looking at losing half of our terrestrial bird species within this century. That is no good for tourism. It is no good for our national identity.

CHAIR—What research shows that?

Mr Sherwin—That is the research of Professor Harry Recher from Edith Cowan University in Western Australia.

CHAIR—I have not seen that.

Mr Sherwin—It was published in the *Australian Zoologist* recently. I have not got the specific reference to hand.

CHAIR—Given that in some circumstances there will need to be some compensation, how do we assess how you compensate reasonably without the spivs that are going to come along looking for the honey pot as soon as there is government money involved?

Mr Sherwin—It is a very difficult matter and a very difficult question to answer in a general sense. It is definitely something to keep in mind. It is very important that public moneys invested for the public good not be misused, that cost shifting by states be averted, and that spurious claims for compensation or financial assistance, in whatever way they are worded, not get through the system. For instance, if one is looking at the permit acquisition scheme to implement a cap on land clearing in Queensland, one would have to bulletproof that scheme against people applying for permits simply in order to get compensated for land that they never intended to clear. It is a valid question and I do not have the answer. It may well be worth speaking with the people in Western Australia about their approach because no doubt they have considered that in some depth. They had a working group that was looking at it for many months.

CHAIR—Private conservation parks seem to work in other countries. Why couldn't they work in Australia?

Mr Sherwin—They do. There is the Earth Sanctuaries model. The Australian Bush Heritage Fund and the Trust for Nature (Victoria) also have revolving fund schemes for purchasing private lands of high nature conservation value, imposing covenants on the title deeds and then reselling them and putting the money back into the revolving fund. Those processes work and, the Earth Sanctuaries process works, but the applicability of those models is limited. What we are talking about is a continent in crisis. We are talking about dryland salinity affecting 15 million hectares of farmland, about land clearing at some 520,000 hectares a year, about soil loss, soil acidity, sodic soils—huge processes at landscape scale. Earth Sanctuaries cannot deal with that. If you are looking at actually purchasing the land in order for it to be managed for conservation, nobody would have the funds to purchase all the damaged land.

CHAIR—It could be part of a plan, part of a suite, couldn't it?

Mr Sherwin—Part of the mix. It would be useful in areas of very high nature conservation value, because in those areas that level of investment—actual land purchase—may be warranted. But it is also important to remember that the model of purchasing, fencing-off and managing areas of remnant bushland for the protection of, for instance, small mammals that are suffering greatly in Australia—we have the worst record of small mammal extinction of any country in the world—works where the threats to those animals are manageable through fencing and those sorts of processes.

One of the greatest threats to biodiversity in Australia now is dryland salinity, and shooting foxes or controlling feral cats is not going to help some thousand species of Australian native plants and animals that are under threat from salinity itself. Again, those are approaches that can work. They will tend to work on a localised basis and they will tend to be very costly. They will be cost effective where the public good is delivered, which is very high. Where we are talking about more dispersed processes through the landscape, about bird decline at a landscape scale rather than a really rare or threatened species in a given localised position, different tools will be needed.

Mr JENKINS—I will try to be careful about my questions. I do not want to go over things that may have been covered before. One of the questions was about economic inputs in order to have environmental outcomes. I think you covered that well in your last answer. It is really dependent upon the situation that we are looking at. But, in an overall sense—using economic jargon—rural Australia is undergoing structural readjustment. We have had a lot of discussion about how the economic imperatives that are driving that can have devastating social consequences for individuals, families and communities. I think that that is an ongoing debate about how we best handle it.

I am interested in whether ACF has looked at what the consequence of the results of that structural adjustment has been for our ability to have positive environmental outcomes—for instance, what difference this move towards the larger agribusiness type situation makes; and whether, as part of structural adjustment and getting in there and sitting down with the community to achieve it, we are taking the economic, social and environmental outcomes into account.

Mr Sherwin—Again, it is not my area of expertise. But I would offer that, yes, of course there are major structural adjustments happening to regional Australia and, as always with these things, there are threats and opportunities there. The opportunities are to perhaps accelerate a cultural shift, to use the social and economic imperatives of rural social adjustment to forward some more progressive policies on natural resource management and nature conservation. One thing that has been apparent to us is that rural and regional Australia is shifting towards a more service based economy rather than a natural resource based economy. Tourism is a big part of that, of course. There are opportunities there to shift the mix of enterprises at a regional level or even at an individual property level so that less burden is placed on our natural resources without unduly affecting the economic viability of a given enterprise or of a region as a whole. If you like, I could provide you with a fuller answer on notice.

Mr JENKINS—I imagine you would have had a discussion about duty of care. There are a lot of areas that intrigue me about where we go with that. The notion of matters being beyond duty of care has been put to us. Especially in the area of biodiversity, people start to think that

that is beyond a very legalistic view of duty of care. We have an understanding that nutrient runoff, which might have an effect downstream, or things like that can be included in duty of care. But when we get to items that might fall under the umbrella of biodiversity, it gets well and truly into that grey area where every person has a different view.

The other aspect of that is that, in a scientific sense, the preservation of biodiversity can have a lot of consequences that might be beneficial to the production on property. Regrettably, to me, that is a fairly new science. We are starting to explore what it might mean for bacterial levels in soil and the like, and I think it is good that at least we are looking at it. But, like a lot of the questions here, the scientific base has perhaps just not reached the expectations required of decision makers to be firm on decisions. Are you looking at ways that could lead to a cultural change in the way people think about questions like biodiversity whereby there can be the overall national good and the wider community good but there might be some things that can go back to the farm as a benefit?

Mr Sherwin—We are cognisant of those matters, but I would not say we are developing any particular stance on those matters specifically. I would encourage you to find out about the Land and Water Resources Research and Development Corporation's proposals for some research in the area of the environmental services provided by biodiversity. I believe they are about to do some fairly major work in that area, which will be very useful in getting that cultural shift going and demonstrating to land-holders the importance of keeping a proportion of their property under bush or looking after soil biodiversity and those sorts of matters.

There are no magic answers. If you are talking about land degradation—whether it is confined to a property, somewhere downstream or outside the given property—by and large there is a duty of care applied. Sometimes measures that are needed might go beyond a duty of care, because the land degradation may have been set in train by historical land management on that property or elsewhere. Again, you need to look at individual cases, and there need to be principles and processes set up for looking at individual cases and ensuring equity is delivered to the extent that it can be—while we also make sure that we deliver the on-ground outcomes for natural resource management, because if you do not look after the natural resource base everyone suffers.

In terms of biodiversity more specifically, again it is a mix of using those encouragements about the environmental services provided by biodiversity. They have a bit of poplar box and ironbark in southern Queensland and they might want to knock it over and sow a bit of buffel. If a land-holder has on their place regent honeyeaters—a nationally threatened species; there are only about 1,000 left on the planet—protecting those birds may not be doing them a whole lot of good personally at their enterprise level. The birds may not even be doing the catchment that much good, economically or socially—although I would argue against that because I love birds and I believe most land-holders love birds. If they only knew what was happening to them, they would be very keen to protect those sorts of ecosystems that support endangered species. But when you are talking about a critically endangered species, by and large a regulatory approach will be needed at the end of the day.

CHAIR—Couldn't you put a value on that and say to society, 'This particular species is worth X number of dollars, and we will call for expressions of interest from those who would protect the habitat to support that species'?

Mr Sherwin—There are many issues involved in the concept of biodiversity trading.

CHAIR—Which you can extend into, if you like, because I have always believed that if you put a value on something then you get the results. That is shown around the world in many instances.

Mr Sherwin—We are not convinced of that. We believe that some things are so unnatural as markets that such a high level of market intervention would be required from government, in order to inform the market and keep the market working, that it really would not work. It is not a natural economic system.

CHAIR—What about the African elephant as an example? The areas where the local people are actually making money out of it is where the elephants are protected the best.

Mr Sherwin—I am not familiar with the African elephant as an example. There was a question that I had not fully addressed. I did want to mention—I think Mr Jenkins was alluding to this—that the idea of tendering for services in the public good is not a bad one. Perhaps we have not thought it through as fully as we could, but the idea of setting a target and saying, ‘The public require this service; they require regent honeyeaters to exist and to flourish to the point where they drop off the endangered list. These are the on-ground land management needs of the regent honeyeater. Here’s a bucket of money. Put it out to tender.’ Who will deliver these on-ground management needs through the most efficient tender and then fund that land-holder to do that work, whether it is fencing, remnant vegetation, managing stock or whatever might be required?

That is a pretty sound process but when you talk about trading in some sort of right to biodiversity, that is where we draw the line. Trading in a right to biodiversity is a really damaging idea. It does not work: there is no natural market in biodiversity. It also implies that biodiversity in one region is somehow comparable to biodiversity in another, which is not so. There are a number of other issues that really cause us great concern. But the idea of tendering for services rendered in protecting biodiversity is one that could have legs.

Mr JENKINS—At our Melbourne hearings—and I think you would be aware of this—Dr Alan Moran had some notions about economic instruments or market—

Mr Sherwin—Is he from the Tasman Institute?

Mr JENKINS—I cannot remember if he is in the IPA or the Tasman Institute.

Committee Clerk—The Institute of Public Affairs.

Mr JENKINS—Yes. If you have the opportunity to look at that evidence, could you give us any comments that you might have about what was put to us then. He gave us some examples—and I had better place on record that I am sceptical about this—and I would be interested in hearing comment or feedback about what he put to us.

Mr Sherwin—Was there a written submission from the institute?

Committee Clerk—Yes.

Mr JENKINS—I think the things that he said at the public hearing are more the things that I seek some reflection about.

Mr Sherwin—I would be happy to give you a critique of their submission.

Mrs VALE—That would be worthwhile. I want to know what the public reaction to your report, *Repairing the country*, has been. What sort of response have you had from the community and the private sector?

Mr Sherwin—Farmers were falling off their tractors with delight and calling our executive director and crowing in his ear. They love it.

CHAIR—They liked the dollar sign, did they?

Mr Sherwin—They liked the dollar sign, but farmers and land-holders are sick to death of volunteerism. They love doing it but you know how stretched farmers are in just keeping their enterprise going, with the dearth of farm labour that is available under the current market framework that agriculture operates in. They are prepared to go a long way through their own efforts and at their own expense but they want to see the government come to the party at a level that is in accordance with the problems that are being faced out there. The instance of John Fenton in western Victoria is a perfect case in point—wonderful land management at a property level, regional management not up to scratch and he is still losing bird species. The same thing can be said about many efforts to address dryland salinity and that was reflected in the mid-term review of the Natural Heritage Trust, which made it quite clear that dryland salinity outcomes have not and will not be delivered without a substantial further commitment from the Commonwealth to address dryland salinity problems.

Farmers know that. It was resounding around the international Landcare conference in March this year. It is widely accepted. It has been so easy for ACF and NFF to come to agreement on these sorts of issues. We do not agree on everything, I hasten to add, but the principle that there needs to be much greater public investment in addressing land degradation problems over the next 10 years in order to bear fruit in perpetuity is quite clearly accepted.

Mrs VALE—Did your report have any resonance in the general community or was it mainly the farmers who responded? I am just thinking about general public awareness.

Mr Sherwin—I am not sure that I can answer that. I am not sure that I am really aware of the general community's response to that report. We commissioned a Newspann on the land clearing issue around, I think, the middle of this year and the results of that were interesting. We asked people to what degree they were aware of three effects of land clearing—greenhouse gas emissions, biodiversity decline and dryland salinity. We phrased it in laypeople's terms. The response was pretty strong but there was a weaker response from capital cities than from non-capital cities in Australia. So people living outside of capital cities are more aware of dryland salinity problems than those in capital cities. I suspect that the resonance of the *Repairing the country* report would have been greater in the bush. But that is not to say that it is not also

supported by people in the cities because I think Landcare has delivered to a large extent that awareness of natural resource management problems.

Mrs VALE—Does the Australian Conservation Foundation see itself as the vehicle to create awareness within the general Australian community?

Mr Sherwin—Absolutely. That is one of our major purposes: we strive to protect, restore and sustain the natural environment and also to educate the public towards that end.

Mrs VALE—How do you generally go about that? Is it via your reports?

Mr Sherwin—We have a multitude of ways. We conduct projects—I suppose the NFF-ACF partnership is a project and the report is one fruit of that alliance. We work on many other projects and campaigns. We work through the media, of course, but we also have a program of public talks to schools. We have our magazine *Habitat* and other magazines that we distribute to different age groups. We distribute a 15- to 25-year-old age group magazine called *Revive* and we also educate primary school kiddies through a newsletter and program. There are many different aspects of our work that I must admit I am not entirely familiar with.

We believe market based mechanisms for addressing natural resource management and conservation issues provide great opportunities for furthering the educational work of the market—of consumers—about the issues that are faced by producers of food and fibre that we all benefit from. Environment management systems will be one way of ensuring that consumers become more aware of how their food is produced. I think that will be very healthy and it will happen—perhaps not rapidly, but not slowly either—over the coming years. It is being driven to some extent by markets overseas but also by the dawning of a greater awareness of natural resource management issues among the Australian public.

Mrs VALE—Do you have any interface or close dialogue with local councils—returning to what we were talking about before and what I see as the very close role that local councils can play when it comes to getting messages across—especially regional councils?

Mr Sherwin—Again, I am not familiar with all our operations. I would not be surprised if there were quite substantial involvement with local councils. As a national advocacy body, it is impossible for us to be across local issues in every instance. However, we are represented on many bodies. For instance, I represent ACF on the Australian Landcare Council, which also has a representative from the Australian Local Government Association. We exchange views and concur on most issues.

Mrs VALE—If those local councils have an environmental department, they would certainly know about ACF and the role that you play, wouldn't they?

Mr Sherwin—We would like to think so.

Mrs VALE—I know that our local council does, as does our environment officer. To me, it seems that it is really important for all our councils to have an environment officer if they cannot have an environment department.

Mr Sherwin—Yes, it would be wonderful if every municipality in Australia had an environment officer, but, sadly, that is not the case just yet. Perhaps the world is moving in that direction.

Mrs VALE—Thank you.

CHAIR—Thank you very much, Mr Sherwin. I think we have discussed most of the relevant issues.

Resolved (on motion by **Mr Jenkins**):

That, pursuant to the power conferred by section (a) of standing order 346, this committee authorises the publication of evidence given before it at public hearing this day.

Committee adjourned at 12.20 p.m.