

House of Representatives Standing Committee on Environment and Heritage

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

Submission by Barung Landcare Association Inc.

Summary:

Public good conservation is presently approached through an outdated world view which should be replaced by one based on stewardship of natural resources and biodiversity, and mutual obligation. A balance sheet framework with a set of principles and an appropriate mindset is proposed as the basis for the assessment of conservation actions with a public good component, bearing in mind that these are frequently the result of the political process and already have community endorsement. The question of cost sharing is a multidimensional problem which will probably take some time to be resolved. For this reason, and bearing in mind that action is required now in the interest of the environment, three mechanisms are suggested for action in the short to medium term. These call for line item budget provisions by both the Commonwealth and State Governments.

1. Introduction

A brief introduction to Barung Landcare, including organisation and management is given in Appendix 1. The experience of the Association, its recognition in the region and the breadth of skills and experience of its individual members qualify it to be able to provide an authoritative community contribution on the issues of the Inquiry. The following ideas and perspective are submitted for consideration by the Standing Committee.

2. Context

A large component of the Australian population holds an *outdated world view* which is a major impediment to the achievement by Australia of sustainable land management and the conservation of our natural heritage. This world view is focussed on:

- “Ownership” of land (particularly freehold title) and a perception that this automatically includes freedom of action to use the resources of the area in any way desired.
- “Rights” flowing from “ownership” or in some way inherent in a particular enterprise such as farming, to continue to operate and behave as the norm in the past, regardless of change in either the best practice for the particular farming venture involved or community perceptions of the most desirable approach to natural resource management or both.
- A legalistic approach to actions which denies that a change in behaviour is appropriate for natural resources management unless this is mandated by law.
- Compensation for all perceived as well as real restrictions on freedom of action, including actions not before undertaken by the “owner”, such as tree clearing.
- Isolation, which denies that others may have an legitimate interest in the manner in which a particular area of land, vegetation or water is managed.

The terms of reference of the Inquiry and the statement of issues provided could be read to be sympathetic to or share this world view. The reason for this is assumed to be

the familiarity of the terms and ideas in common use, although it is a pity that by default an impression of acceptance is generated.

It is time that a new world view was adopted publicly by Australian institutions and the population at large. This is already happening with many people particularly the younger generations. Whilst there may be criticisms of the manner in which some of the Natural Heritage Trust has been spent, many projects sponsored by the Trust have heightened the awareness of the population to the need for change and have given many people the tools to achieve this.

The *new world view* emerging focuses on:

- “Stewardship” of our natural resources by those who for the time being hold a title or a right to occupy and utilise an area. Responsible land and resource stewardship in this context means - acting in a manner which acknowledges that land and resources are held in trust for future generations and that other members of the community may have a legitimate interest in ensuring that resource use is sustainable and that the biodiversity of our natural environment is conserved.
- “Mutual obligation” and acknowledgment that all Australians have a responsibility to contribute to the cost of sustainable land and resource management. A simple example of this is the need to internalise the cost of sustainable land management into the price received by primary producers for food and fibre. A similar approach should be adopted to conservation on private land, which might lead to some form of remuneration for land stewardship.
- Recognition that land and resource degradation is a cost to the community. It is not generally understood, for example, that soil degradation leading to lower yields or withdrawal of land from production must inevitably lead to increased food prices. A burden of cost is also placed on the downstream community, for example, to alleviate the impacts of erosion beyond the property boundary.

At the same time governments are promoting policies which call for the development of partnerships for natural resource management. These comprise individuals holding land, the community and government and the thrust is towards shared responsibility and management. There is also now a greater acceptance by some agencies that community members and landholders may have a greater breadth of skills, expertise, knowledge and experience in natural resource management than has previously been recognised. This includes a capacity for the community to initiate and lead rather than be coordinated and follow.

3.A Better Framework

It is proposed that a different framework should be employed to look at “public good” conservation and land management on private land. This would get away from the notions of compulsion and compensation which impede the more widespread adoption of management practices and actions consistent with sustainable resource use and conservation. Whilst there is a growing number of landholders who adopt sustainable practices and conservation with a public good on their own decision there remains a group who resist change and what they regard as interference in their “rights”. These people at the same time frequently forgo the potential for improved financial returns because they refuse to recognise the benefits from such actions as retaining natural vegetation, which might also act as windbreaks or as a harbour for insects and other fauna which may be beneficial to their production activities.

The following framework is proposed.

(a) Balance sheet

A balance sheet approach should underpin any mechanisms for assessing public good conservation. This should be multi dimensional, covering:

- Environmental, economic and social aspects;
- On-site (meaning within property boundaries) and off-site impacts and targets; and
- The present and the future.

It is important to focus on the present and the future, rather than in a negative manner attempting to assign any aspects or responsibilities to past actions or players.

(b) Principles

Three principles should be adopted, namely:

- Ignorance of the law is no excuse. This includes both legislation and our understanding of how natural systems work, in other words “natural law”.
- Apply the concept of a reasonable person making reasonable decisions. This is a standard legal concept underpinning much of our legislation. In a natural resources context it is basically about people not acting against their own interest, like people smoking when they know the hazards or clearing trees from highly erodable land.
- Apply the precautionary principle, that is, where there is insufficient knowledge don't take risks.

(c) Mindset

The terms used can predetermine the outcome and build unreal expectations. To avoid this:

- Don't express financial and other assistance to change direction in terms of *compensation*. We need to be quite clear that a change in direction is required and a prerequisite for the granting of *assistance*. The extent of assistance provided should be closely linked to the specific change involved, instead of some open ended claim like loss of income which may represent an option rather than a reality.
- The idea of *compulsory* also does not fit well when the context in *(b)* above is applied, particularly that relating to a reasonable person.

There is a need to bear in mind in assessing the results of applying this approach that degradation of natural resources and biodiversity always leads to increased community costs. This may be immediate or delayed and reflected in many different ways. Food cost and downstream impacts of erosion have already been mentioned. Less obvious costs may include the loss of beneficial insects for integrated pest control or the need to treat stored water for community purposes because of nutrient run off. The community is familiar with other examples such as dryland salinity.

Some caution should be exercised in the use of the term “public good”. As the application of sustainable land management practices and effective conservation of biodiversity on private land is expanded to deliver a public benefit it is not unusual to

find that significant private benefit is involved. This can be taken into account in the balance sheet suggested as part of the assessment process. The Mary River Catchment Coordinating Committee has recently studied the cost / benefit of voluntary riverbank restoration. An example has been described with a very high internal rate of return. Although a public benefit was involved the private benefit was more than sufficient to justify the action undertaken.

Issues

(a) Meaning of public good conservation

The statement of this issue presented for comment ignores several important aspects. These include:

- landholders are themselves part of the public or community and share in the benefit of actions such as those to conserve vegetation, whether they recognise this or not;
- detriment to an individual landholder only occurs when a proposed or mandated action in some real sense confines the options for use of a particular area of land, and an option has not been lost if a use envisaged cannot be undertaken in a sustainable manner;
- the community has a growing expectation that land use will be sustainable and that changes in farming enterprises will be required, which may for individual landholders involve considering the use of land not previously used;
- actions prescribed as the result of parliamentary or related administrative process are by their nature on balance seen to be in the interest of the majority of the community and are codified for this reason; and
- in many cases desirable situations remain, such as remnant vegetation and wetlands, because in the past the landholder judged that “development” could not be undertaken either profitably or sustainably.

Application of the balance sheet approach proposed would reveal a multitude of aspects for consideration. These can be quantified in both monetary and non monetary terms. It is important to note that together with a set of general items to be included there will always be a set of site specific items. These will relate not only to the current enterprise or management regime, but also to the reason for the conservation action mandated. Differences are evident in residual options, for example, between restrictions on land clearing to prevent dry land salinity compared to restrictions to prevent loss of biodiversity.

The resulting balance sheet should be assessed within the principles and mindset suggested in section 3 above. Some mechanism is required to differentiate between real prior intent to use land in a particular manner and expectations held, perhaps for generations, about “rights”.

Many examples of action for public good are directly attributable to off site impacts (meaning outside the boundaries of individual land packages) of non sustainable land and resource management. Silt coverage of the Barrier Reef and maintaining environmental flows in watercourses, for example, can be seen to be as a result of failure to implement best practice, in the latter case on the part of governments managing water entitlements. It is suggested that no detriment to a landholder is attached to a requirement to implement best practice from an environmental perspective. This highlights the need to reassess the current approach of voluntary codes.

There is one criterion which should be explored in detail to look at whether some form of “compensation” may be appropriate for landholders required to comply with restrictions on land or resource use for “public good”. This is the test of *whether the specific restriction leads to uncertainty about or loss of capability to carry on their present enterprise (including passive use) sustainably*. Sustainability in this context includes all economic, social and environmental dimensions which encompasses sustainable use of natural resources. “Assistance” of whatever kind required should be provided to recover/achieve sustainability. This in itself could be regarded as a public good, particularly in the present context of striving for sustainable rural communities.

(b) Impacts and Costs

The cost/benefit study of voluntary riverbank restoration conducted by the Mary River Catchment Coordinating Committee has been previously mentioned. It is suggested that direct contact be made with that organisation to obtain the details. Similarly, Greening Australia (GA), particular GA Queensland, has considerable experience in competitive tendering for on ground rehabilitation works and should be familiar with the quantitative costs and benefits

The University of New South Wales School of Economics and Management, University College, Canberra, has extensive experience in choice modelling as a means of valuing environmental action and conservation issues and may have some insights of special interest to the Inquiry. Landcare Australia Limited and state landcare peak bodies offer annual awards for several categories of landcare. The recipients of these are judged on their contributions, including on ground conservation activities. Presumably these are costed and the benefits described, and the information is in the public domain.

Barung Landcare has extensive experience with voluntary resource conservation measures on private land. This extends to:

- protection, enhancement and linking of remnant vegetation;
- riparian zone restoration and revegetation, mainly in the interest of water quality;
- revegetation of community land with both a resource management and aesthetic benefit; and
- supporting landholders to design and undertake their own land restoration and conservation.

The costs of these activities and their impacts/outcomes vary widely and are very site specific. The timespan to achieve benefits/outcomes may also need to be counted in decades rather than years. Several important immediate outcomes, however, are evident, viz:

- voluntary activities by private landholders in conjunction with support from Barung Landcare have drawn very significant voluntary community assistance, particularly labour to undertake preparation and tree planting activities; and
- there has been a major economic benefit to the community by increased local expenditure, job and business creation and the drawing in of funds from outside.

In other words there has been a very significant building of social, natural, intellectual and financial capital associated with local voluntary activities. The financial aspects are difficult to quantify, but they extend to:

- the operation of a significant plant nursery turning over more than \$100,000 per year and employing several people;
- five Green Corps teams and the funds they bring;
- the establishment of a new business by local youth specialising in land rehabilitation and supporting the on going operations of other similar businesses; and
- BHP funding in excess of \$100,000 over 3 years for community revegetation activities.

Significant intellectual capital may also be generated. In the case of Barung Landcare there has been a great expansion in knowledge about the propagation and growing of rainforest species, land preparation techniques and maintenance techniques. Similar information from other groups under other circumstances could be the basis of an expansion of current and new business. It is now feasible, for example, to consider farm forestry based on rainforest cabinet timbers instead of only on Eucalyptus species.

(c) Assistance for Landholders

The experience of Barung Landcare is that a significant proportion of landholders in the region would like to undertake sustainable land management and private conservation on their own initiative. Under these circumstances a major need is information on how to go about conservation and land rehabilitation and on sources of necessary materials and plant stock. In practice it is not unusual to find that the amount of financial assistance needed is surprisingly small.

Barung has run a “Streams of Trees” program focussing on riparian rehabilitation based on limited funds, both in cash and through the provision of plant stock. This required at least matching funds by landholders, including in kind for labour. The most common result was a much greater than one for one input by landholders and a rapid take up of the program. Similarly, it has been noted for some landholders that neighbourhood physical assistance on one day for planting is all that is required to trigger conservation action.

The issues statement for the inquiry raises an important aspect to which greater attention needs to be given by governments at all levels. The community has for too long been expected to accept that governments at different levels have different responsibilities and programs for conservation and that it should be capable of both knowing what these are and acting accordingly. At the same time it is encouraged to take a holistic approach which often collides with intergovernmental differences in roles and responsibilities. It is time that government found a seamless way to handle its interaction with the community on conservation and sustainable resource management. This could be expected to free more funds for “real” on ground action, instead of dissipating energy in finding out who deals with what, why and how.

(d) Sharing Costs

Cost sharing raises many issues for which there are a variety of responses and the potential for conflict depending on personal world views, individual interest, context and particular goals. At the same time there is probably a need to distinguish between actions for sustainable resource management and the conservation of biodiversity. In the first case it should be possible to assess the costs involved. However, in the second case it is most likely that whatever assessment is placed on the cost of lost biodiversity

this will almost invariably be based on the wrong criterion. Who for example has the wisdom to know whether a particular species should be valued for its pharmacological potential, as a source of a valuable gene, as a natural pest control agent or for something less dramatic like timber production, as a bush food or simply a key species harbouring a pollinator. These things change as new knowledge and technology develops and this is what the precautionary principle is all about.

The question of cost sharing is a multidimensional problem. Its components encompass a number of principles, propositions and prerequisites including:

- the cost of sustainable management for our natural resources and the conservation of biodiversity must be internalised in the cost of production of goods and services derived from them;
- in our global economy the price received for goods and services is often determined by overseas prices or those of products delivered to Australia, but these may not include the internalised costs of environmental aspects mentioned and may not reach the level required to meet costs in Australia;
- if Australia wants to have the benefits of prices in the global economy it should be prepared to pay for the impact of this on the natural resources used in the production of Australian goods and services and their sustainable management (other countries actually have social programs for rural communities which achieve this);
- we must assess the full cost of sustainable resource management and biodiversity conservation before we can approach cost sharing;
- there must be equity in the arrangements developed such that those who embrace what is required without compulsion do not bear a greater cost than those who don't;
- the community needs to be fully informed of the costs involved, including the benefits foregone by loss of biodiversity and the full cost of degradation of natural resources; and
- the community should have the opportunity to decide whether the application of best practice and sustainable management of natural resources should be voluntary or an obligation.

Services have been mentioned above to include such aspects as water supplies and clean air. Without the balance sheet approach suggested in section 3 the juggling of all these variables would be hit and miss.

The political process has not yet succeeded in finding an answer to the complex situation described. The issues statement for the current Inquiry is indicative of the holes in the information and data base required and it seems unlikely that the Inquiry will be able to fully deal with the problems. This is occurring at the same time that some knowledgeable people express the view that it may already be too late for the environment. Action is required now rather than after further prolonged political analysis.

The balance sheet approach suggested should assist in the long term resolution of on going policy as well as specific circumstances. In the meantime it is important to take definitive action in the interest of our natural resources and biodiversity, which is seen to also be in the interest of all members of our community. Globalisation is a major impediment to the application of historical mechanisms to achieve this goal.

The following approach is recommended:

1. Proceed with measures, such as restrictions on land clearing, which are emerging as needs expressed by the community through the political process. In doing so, assistance should be provided to landholders whose enterprise based on the utilisation of the land is rendered unsustainable by the restriction applied. This should seek to move the enterprise to concurrent economic, social and environmental sustainability or assist transition to another sustainable use. The latter may include retirement of the land if necessary, taking into account the impact on the landholder.
2. Concentrate on finding and delivering the specific assistance required to trigger landholders to move from the position of wishing to or being prepared to undertake private conservation measures to putting this wish or willingness into practice.
3. Establish the incentive or measure required for landholders to apply best practice in sustainable land and resource management.

The cost involved should be paid for as a normal line item in both the Commonwealth and State budgets. There is a cost sharing in this which should be acceptable to the community at large. It overcomes the globalisation problem of prices and barriers to internalisation of costs and does not appear to be in conflict with international agreements on freedom of commerce and trade. It is also a contribution to the achievement of sustainable rural communities which is recognised as a need in the current Commonwealth budget.

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Barung Landcare was established in 1989 and is one of the oldest and most successful landcare groups in Queensland. Its membership is approximately 550, most of whom reside in the Blackall Range and surrounding areas including the headwaters of the Mary, Mooloolah, Maroochy and Stanley/Brisbane River catchments.

The Association relies heavily on its members and a local volunteer base to undertake an extensive landcare program including:

- education and training;
- a joint program with government agencies to support horticulturists implementing landcare principles;
- revegetation, remnant protect and enhancement of biodiversity; and
- land and riverbank restoration, water quality maintenance and farm forestry.

The resources to achieve this are generated from the operation of a specialist nursery for local species and an annual fund raising event (the Chainsaw to Fine Furniture Expo) or obtained from competitive external grants. The latter includes not only the Natural Heritage Trust but also BHP and local government schemes. The total budget in recent years has been in excess of \$500,000. However, it should be noted that private landholders in the area spend much more than this annually on landcare, either as cash or contributed labour, undertaking their own projects dealing with local issues in natural resources management. Their activities are supported by Barung Landcare through technical and planning advice and the availability of appropriate planting material.

The Association is managed on behalf of its members by an elected Management Committee. This committee of volunteers:

- establishes the overall direction of the organisation;
- manages the program of educational opportunities and landcare projects; and
- oversights and supports all paid staff.

The Barung Landcare Resource Centre and its native plant nursery is located in Maleny township in the Sunshine Coast Hinterland. The area is experiencing some of the highest population growth in Australia and is in transition from primary production towards a mixture of more intensive land use and rural living. Important local issues include:

- remnant vegetation is frequently limited to isolated pockets;
- infestations of woody and environmental weeds reduce biodiversity;
- uncertainty about the impact of dairy deregulation on the community and the land;
- new landholders lack experience in sustainable land management;
- slopes cleared of vegetation are subject to landslips and erosion; and
- septic sewerage systems and run-off from dairies or horticultural land may have serious negative impacts on water quality.