

SUBMISSION

to

THE HOUSE of REPRESENTATIVES STANDING COMMITTEE on ENVIRONMENT and HERITAGE

Public good conservation – Impact of environmental measures imposed on landholders

Preamble

The Otway Planning Association is a group of like minded individuals whose primary aim is to ensure that the character of the Otways is preserved. Our particular focus is on planning and environmental issues. Most of our members are local to the Otway region, however some members reside in Melbourne, but visit the area regularly. The Association recognises the importance of conservation on freehold land to protect the environment by maintaining biodiversity, and the potential same has in promoting the economic advancement of the region through sustainable farming and responsible tourism.

A major objective of our Association is to ensure the protection of the indigenous flora and fauna of the Otway region.

Background

The Otways are recognised for their natural beauty and environmental diversity which results from the region's location next to Bass Straight, its topography, soil profiles and climate. The foregoing have contributed to the formation of a considerable number of ecological vegetation classes (EVC), some of which, such as the 'Cool Temperate Rainforest' EVC, are rare and protected in the State of Victoria. This together with a considerable number of pristine rivers with waterfalls, other high quality landscape values, and the Great Ocean Road have resulted in the development of a substantial tourism industry in the area. The Otways also support a viable farming industry on land classed as some of the most productive in Victoria¹, and a timber industry which is involved in logging native forest and plantations on both freehold and crown land.

Identification of poorly represented EVC's in the area has been assisted by the recently completed 'West Victoria Regional Forest Agreement'. This should assist in their protection.

The Colac Otway Shire has exhibited a major amendment to its planning scheme (Amendment C2) which seeks to protect landscape, water catchments and some native vegetation values with 'overlays', and by rezoning most farming land in the Otways, under the Shire's planning control, from 'Rural' to 'Environmental Rural'.



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¹ Rural Land Mapping Project prepared for the Shire of Otway

While the Association supports the Amendment, the vast majority of landholders do not. They see the Amendment removing their right to use their land as they see fit. The matter will be heard by an Independent Panel.

During the public debate considerable concern was expressed by landholders that their land was being devalued as opportunities were denied to harvest timber on their properties (some properties only), or that they could not develop same to their full potential. A number of landowners advocated that they should be compensated for their loss.

By far the majority of landowners were not aware of existing legislation or regulations which affect their properties.

Discussion

The Association considers it essential to protect what remains of our natural heritage, particularly those areas which feature rare and/or endangered flora and fauna, or a high degree of biodiversity.

Unfortunately, due to a number of reasons, which include poor land use planning controls, local government's inability to ensure compliance with their permit system, landowner's ignorance and at times their disregard of the permit system, considerable environmental damage has been and continues to be inflicted on freehold land.

Local Government Planning Schemes.

The first step in addressing the above problem is for local government to ensure that their planning schemes clearly indicate the protection afforded by Commonwealth and State Government Acts and Regulations on freehold land within their Shire/ Municipality. Planning schemes should then be further refined to be consistent with those of adjoining local government areas and reflect the local mix of interests and industries, having regard to the long term. For example, the Otways support an important water harvesting industry, a strong and growing tourism industry, a viable agriculture and a native forest and plantation based timber industry. While the tourism, water harvesting and agricultural industries can readily coexist, provided adequate planning controls are available, the environmental² and visual impact of logging brings the timber industry into conflict with the water and tourism industries.³ Planning controls should therefore be introduced to minimise same in the short term and eliminate conflict in the longer term by redirecting logging out of native forests into plantations outside proclaimed water catchments.

Recent events, following the exhibition of the Colac Otways Shire's Planning Scheme Amendment C2, have shown that the general community is unaware of existing planning regulations including environmental acts and regulations. Furthermore, the prevailing attitude is that these regulations and other planning controls impact on the landowner's ability to use their land as they see fit and are therefore met with considerable hostility. So much so that in the case of Amendment C2 the Shire's Council has determined to substantially roll back its position.

Some of the comments made during the Amendments exhibition phase were erroneous and mischievous but were accepted as facts by many, while others centred around the perceived loss of potential income⁴ and sought compensation which no one believed would be forthcoming.

² The steep topography of the Otways leads to massive soil disturbance during harvesting operations, erosion and landslip which affect water quality and biodiversity. Available water volume is reduced by replacing mature forest with rapidly growing forest. Clearfell operations are known to result in a loss of biodiversity.

³ The Association is in the process of conducting a survey dealing with a number of planning issues, one of which relates to logging. Results to date clearly indicate that visitors to the Otways are unfavourably impressed by logging operations in the area.

⁴ Logging a patch of protected forest etc.

It is therefore quite obvious that any such amendment must be preceded with community consultation and education for it to succeed.

Landowner compensation

With respect to compensation, the Association accepts that funds will always be limited and that it is therefore necessary to carefully target same. Compensation should be made available where there is a substantial and real impact on the viability of an enterprise and where it is impractical to make changes to it which address the restrictions imposed. In instances where the landowner is willing to make substantial changes to his enterprise, free technical/business and other assistance, such as low interest loans, should also be provided by government. In assessing the need for compensation the likelihood of an increase in land⁵ value resulting from the public's increased awareness of environmental values should be considered.

Conservation covenants / agreements

The Association maintains that one of the most cost effective long term protection of high value environmental land can be achieved through conservation covenants which require ongoing environmental management.⁶ In many instances landowners entering into a conservation agreement will also be willing to forego income from permitted activities which are in conflict with the intent of the covenant. The Association therefore considers that incentives should be provided to landowners with the required commitment to enter into conservation covenants or agreements.

Even though conservation covenants are the Association's preferred method of showing the landowner's commitment to conservation, the Association realises that there is considerable reluctance by landowners to take out covenants as they are seen to adversely effect land values. Alternative conservation agreements should therefore not be excluded. However in each instance the agreement should be binding in law and included in the property's title.

Carbon credits

An alternate support structure to assist public good conservation measures would be to introduce a carbon credit system weighted to reflect the length of period a landowner is willing to lock up carbon in standing trees. Such a system should reward a conservation covenant or agreement⁷ holder with the highest credit rating per land unit⁸, landowners growing trees for sawlog production with a lower rating while the growing of plantation timber for woodchip production should receive the lowest credit rating. The advantage of this system is that it recognises the potential revenue foregone, not only by the covenant / agreement holder, but also by those growing saw log timber. Furthermore such a system reflects the level of environmental gain.⁹

⁵ The Association believes that in the longer term, as the public's awareness of environmental values increases, properties with those values will be in greater demand and as a result will obtain higher purchase prices.

⁶ Fencing to prevent stock access, weed, vermin and erosion control, nutrient management, revegetation etc.

⁷ Could include regeneration of river banks, wildlife corridors and other revegetation areas which will not be harvested and have identical controls to those applying to conservation covenants.

⁸ The weighting must be sufficient to differentiate the various levels. For example:

Conservation covenants/agreement, 5 credits per unit area; sawlogs plantations, 3 credits per unit area and woodchip plantations, 1 credit per unit area.

⁹ In the Otways blue gum plantations are intended to be logged every seven years after the initial ten year establishment period. Allowing for the high percentage of logging slash left on the coupe and burnt, and the average short life paper products achieve, carbon is not tied up for extended periods

The Association does not support the establishment of plantations on high quality agricultural land, but considers that the establishment of substantial shelter belts, or farm wood lots on cleared land should be encouraged. In this instance the level of carbon credits gained should be tied to farm management plans. This plan would determine the areas of existing or regenerated land where no logging or agricultural activities can occur, and areas for sawlog and /or woodchip production. Credits gained should again reflect the potential revenue foregone.

The advantage of such a system is that it would tie in industry with conservation activities and provide industry the opportunity to appear 'green', an ever increasing marketing advantage.

Recommendations

The Association recommends the following:

Education

The Association considers that there is considerable scope for public education highlighting existing legislation and regulations, the need to protect biodiversity, landscapes and other environmental values, and that to preserve same requires the provision of land use planning and associated regulations. The proposed education should attempt to change current ownership values to those which place greater emphasis on guardianship of the land and the need to preserve, or improve, the land's current environmental values for future generations.

Compensation

As previously noted the Association does not per se support the wide spread compensation of landholders for the imposition of environmental regulations which affect their land unless the landowner can demonstrate that same substantially affect the viability of the enterprise.

Depending on location,¹⁰ State Government should consider the purchase of properties rather than providing compensation payments.

Incentives to actively promote conservation covenants or agreements.

While the Association does not support the wide spread compensation of landowners, it does believe that assistance should be provided to those who actively participate in conservation measures as follows:

- State Government should provide a 100% subsidy for all legal fees, stamp duties, surveys etc which are required to establish conservation covenants.
- The application of conservation covenants should be actively supported by promotion through landcare groups, Catchment Management Authorities, Local Government and the relevant State Government Departments.
- As conservation covenants require a pro-active approach to protect the conservation value of a property, assistance should be provided in the form of subsidies for fencing, weed control etc.

Assistance should be restricted to conservation works only. Grants could be provided and controlled by Regional Catchment Authorities or equivalent bodies and provided to covenant holders on a priority basis.

- To provide partial compensation for income forgone¹¹, land rates imposed by Local Government should be reduced.

¹⁰ For example, if the land adjoins a National or State Park.

- In order to ensure Local Government support, Local Government should receive State Government grants to provide for the loss of rate revenue.

Weighting of carbon credits to promote public good conservation.

The Association strongly recommends that carbon credits are used to promote conservation practices along the following lines:

- Introduce a carbon credit weighting system which reflects the length of time and the volume of carbon locked up in standing trees.
- Introduce a carbon credit weighting system specifically aimed at improving existing or potential high quality farm land by tying carbon credits to farm management plans and the length of time and the volume of carbon locked up in standing trees.
- Publicly promote the application of the above systems.

In closing the Association would like to thank the Committee for the opportunity to make its submission and hopes that same will be of assistance.



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¹¹ As adequate maintenance of a covenanted property requires considerable additional input by the landowner, which substantially exceeds the proposed subsidies or grants, and in many instances prevents the property from being exploited within the current legislative restraints, some ongoing compensation should be provided.