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## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ENVIRONMENT AND HERITAGE

# INQUIRY INTO PUBLIC GOOD CONSERVATION – IMPACT OF ENVIRONMENTAL MEASURES IMPOSED ON LANDHOLDERS

# Submission by the Australian Conservation Foundation

May 2000

### Dear Committee members,

Thank you for the opportunity to make a submission to this inquiry. The Australian Conservation Foundation campaigns to protect, restore and sustain the environment. We believe that the welfare of society is dependent on the protection and conservation of the natural environment, and that conservation measures are therefore in the broader public interest. We also believe that in many instances, conservation measures may also benefit landholders and private individuals, through more efficient use of resources, increased security of the natural resource base, improved health and amenity, and through other means. However, where a disproportionate cost may be borne by an individual, enterprise or group due to a conservation initiative or regulation, it is important that fair and effective means of sharing or reducing that cost be found, so that conservation measures can proceed in the interests of the broader community.

We draw the attention of the Committee to a large number of reports and inquiries which have already been produced or undertaken in this area of public policy, and recommend that the Committee consider these in depth before finalising their deliberations (see bibliography). These issues have been under active consideration since at least the early days of landcare in the late 1980's.

The ACF, in an alliance with the National Farmers Federation, were important drivers of the early landcare movement.

On May 15<sup>th</sup> 2000, ACF and NFF released a major new report which, for the first time, outlines the total cost of repairing Australia's land and rivers. The report finds that land degradation currently costs Australia \$2 billion a year, and that a public investment of around 3.7 billion a year over ten years will be required to protect rural landscapes and biodiversity, and that this amount will need to be almost matched with private sector investment. Overall, this investment has the potential to generate an annual return of 6.5% for the next 100 years. We attach this report for your information, and intend that it be taken as an integral part of this submission.

Given the wide range of existing information, research and policy available in this area, we have kept our other comments to the Inquiry brief, but are happy to add further information if requested at any stage, including through provision of oral evidence to the Committee.

In terms of the impact on landholders and farmers in Australia of public good conservation measures imposed by either State or Commonwealth Governments it is important to note that other sectors of society also are subject to regulations and legislation which pertain to "public good conservation". Land use planning law, pollution control law and heritage protection law all require urban and rural residents, companies and individuals to exercise a level of responsibility. The responsibilities, as well as the rights, which go with freehold and leasehold entitlement to land are embodied in many statutes and in common law.

This law and regulation is designed to express the reasonable expectations of Australian society that our environment, natural heritage and productive capacity will be protected and maintained for the benefit of this and future generations and to protect the intrinsic values of the environment itself.

Scientific understanding of natural resource management in Australia is advanced, but nonetheless is still developing (e.g. with the application of satellite imagery and geographic information systems to analyse land use and land systems data to determine the effects of different land management regimes on the health of soils and vegetation, or to assess the extent of depletion of different vegetation communities).

Changes to laws, regulation and to land management practices are evolving to reflect these developing scientific understandings. For example, our knowledge of dryland salinity problems early last century was insufficient to alert us to the widespread and costly effects of salinity on farm enterprises and biodiversity which are now evident. However, with our current knowledge (e.g. the Murray-Darling Basin Salinity Audit), it is now clear that salinity is caused by clearing of native vegetation, and that it has costly repercussions not only for individual farm enterprises, but for local governments, for road authorities, and for the nation as a whole. It is therefore important that land management law and regulation, as well as extension and support programs, reflect this new understanding of the importance of controlling land clearing and avoiding the mistakes of the past in this and other areas of natural resource management.

Public good conservation measures such as controlling land clearing and dryland salinity will in most cases have a positive impact on farmers and landholders, as has been recognised in many areas in southern Australia where there is widespread support for land clearing regulation amongst landholders themselves. In some cases, landholders may also benefit from regulation of activities beyond their own properties, eg where clearing controls have averted the threat of salinity elsewhere in a catchment. Likewise, the large contribution which land clearing makes to Australia's greenhouse gas emissions is an important consideration, as the farming community is quite vulnerable to climatic perturbations. In terms of risk management for the agricultural industry, it would be prudent to minimise climatic instability by limiting greenhouse gas emissions.

In terms of the policy measures adopted internationally to ensure the cost of public good conservation measures are ameliorated for private landholders, some work has been conducted on this topic by CSIRO Division of Wildlife and Ecology (see bibliography). We also understand that the Trust for Nature Victoria and the Australian Bush Heritage Fund have undertaken some exploration of philanthropic and other non-government contributions to the costs of acquiring and managing high nature conservation lands, as occurs in north America. However, we have not the capacity to undertake the research required to address this term of reference fully.

As to "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", we offer the following:

The Commonwealth can, in accordance with section 96 of the Australian Constitution (and Article 10 (e) of the Convention on Biological Diversity to which Australia is party) provide financial incentives and support to the States to encourage in-situ conservation and facilitate the institution of new legislative measures such as land clearing laws in Queensland. In the latter example, such financial assistance could and should be provided immediately, in view of the urgent situation in Queensland in terms of biodiversity decline, the medium term threat to drinking water and irrigation water quality which landclearing poses, as well as the long term threat it poses to productivity and farm incomes.

Provision of Commonwealth and State funds to assist with industry restructuring and incentive payments for appropriate conservation and natural resource management measures is a key way of ensuring that all Australians contribute to the necessary level of national investment in maintaining our rural landscapes. Provision of such funds has precedents in the restructuring the of forest and fishing industries to facilitate the introduction of new environmental measures, and is in the interests of the broader society as well as the farming community.

One caveat on this is that regulation of land use should not generally create an entitlement to compensation *per se*. The term "compensation" is often used rather loosely in regards to natural resource management. Compensation will rarely be appropriate or legally required when landowners are required to act within the ecological constraints of the land. Public assistance, other than "compensation" as such, is however one tool which can be applied to the task of encouraging landholders to conserve native vegetation or undertake other services which have an element of benefit to the broader public. In a sense, there is a balance which must be struck between the "user pays" or "polluter pays" principle and the "beneficiary pays" principle. In determining this balance, it is important that the notion of a duty of care, incumbent on landholders, be defined and given effect (see ACF submission to the Industry Commission, attached). A mixture of regulatory, market-based, incentive-based and voluntary approaches to achieving public good conservation outcomes is usually required, as outlined in our submission to the National Framework for the Monitoring and Management of Australia's Native Vegetation (attached), and the Framework itself.

It is also critical that public investment in conservation be targeted carefully at the most important areas, to ensure the most efficient use of limited funds in achieving progress towards measurable on-ground outcomes. In this regard, ACF are critical of the Natural Heritage Trust, which, although serving a useful awareness-raising and community development function and having some effect on conservation outcomes in specific local areas, has made little progress towards meeting the key national goals of reversing the decline in Australia's native vegetation, controlling salinity and restoring environmental flow regimes to waterways (see ACF review of the NHT, attached). In this regard, targeted investment in financial assistance for landholders in jurisdictions wishing to institute land clearing controls would have been a much more effective use of public funds, addressing the actual cause of dryland salinity and preventing the major cause of biodiversity decline in Australia.

Commonwealth and State financial contributions towards conservation and natural resource management should be core expenditure with bi-partisan support, not dependent on asset sales or one-off election commitments. The scale of investment required is outlined in the attached document, "National Investment in Rural Landscapes". The justification for this investment is also described, including the costs of land degradation, which are borne partly by the landholder, and partly by the broader public.

Thank you again for the opportunity to make this submission and we look forward to any invitation to present further information to the inquiry.

Charlie Sherwin Biodiversity Campaign Coordinator

#### **Bibliography**

This is not intended to be a comprehensive list of leading references regarding public good conservation, merely a taste. Nor do the ACF necessarily support allof the views in any of these publications. The following references, however, outline some key ideas and approaches currently being applied or explored or which have been aired in the recent past:

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#### List of attachments

ACF assessment of the mid-term performance of the Natural Heritage Trust, 2000.

ACF submission to the National Framework for the Management & Monitoring of Australia's Native Vegetation.

ACF submission to the Industry Commission inquiry into Ecologically Sustainable Land Management The Virtual Consulting Group & Griffin nrm Pty Ltd 2000, *National Investment in Rural Landscapes, An Investment Scenario for NFF and ACF with the assistance of LWRRDC*, NFF, Canberra, April.