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### Productivity Commission Submission

## Inquiry on the Impacts of Native Vegetation and Biodiversity Regulations

### **The Act**

The Native Vegetation Conservation Act (1997) in NSW aims to achieve sustainable native vegetation management for the benefit of the whole community. It provides a framework for government and community to work together through Regional Vegetation Committees (RVC). But it also imposes regulations and costs on farmers by reducing their ability to manage their farm, without compensation. This policy approach results in poor outcomes for the environment, the economy and for farming communities.

### **Regional Vegetation Management Plans (RVMP)**

A RVMP is developed by the RVC for managing native vegetation. The plans may;

- Identify areas where native vegetation can be cleared without application
- Identify areas where an application to clear will be needed
- Allow clearing exemptions to be developed according to regional requirements
- Highlight areas where the condition of native vegetation should be improved
- Recommend areas that should be revegetated.

With all these plans already done in draft form why are communities still unhappy with the process if they were adequately consulted.

### **Is Compensation Required?**

The Australian Constitution contains the view that individual freedom should exist alongside a limited role for government. Section 51(xxxi) requires that if the government acquires property from any State or person, it does so on just terms. Just terms have been defined by the High Court as 'full and adequate compensation' where the acquisition is a compulsory taking.

Compensation is required when governments act to provide the public with some good (e.g. a wildlife habitat or the preservation of historic buildings). The public has to pay for the goods it wants and takes, just like any private person would have to.

Land which is taken should be compensated, whether it is for roads, pipelines or conservation. The federal government must take the burden of helping to paying land owners which are losing land they previously had right to. Farmers are already surrogate parks managers with 46% of the native forest on leasehold land and 24% on private land (Source: National Forest Inventory, 2003). This enormous amount of land has potential to greatly benefit not just the land owner but the whole of society.

There is what economists call a market failure which is inhibiting progress. The full costs of products are not factored into the price of the goods. If cheap food is what our society demands then the farmers will never be able to afford to cover the cost of environmental degradation and continue to be profitable. There must be an incentive given for the farmer to be able to cover these costs.

## **Compensation**

Compensation could take many forms;

- Farm subsidies for goods and services
- Handouts for restructuring
- One off payment for a loss of production
- Custodian payments for property owners to work for the good of the community
- Rate reductions

The rate of compensation should reflect what the community is going to get out of it;

- Water quality could be improved, through better catchment management.
- National parks could be expanded into private property, conserving threatened and endangered species.
- Air and soil quality increased.

These benefits will be for all people and should be paid for by everyone. Farmers which look after remnants that have a high conservation value should be payed more than farmers with degraded remnants. This would provide incentive for farmers to keep there native vegetation and manage it in line with sustainability guidelines by keeping it free of weeds and feral animals.

The highest compensation rate should not be easy to reach, but not impossible. The payment should be performance based. Compensation should be payed per hectare of land conserved. Areas with the highest value toward the community and the environment would be payed the highest rate.

## **Payment**

The different levels of payment would increase incentives for the farms with the lower rates could find out what needs to be done to the land to reach the next level, and increase the income of that land for the next payment. As their remnant increases in conservation value then compensation would increase accordingly (eg fencing, weed control).

The money should come from those who are making the most money out of degrading our environment, a tax on pollution emitters. This would be an incentive to reduce pollution, or pay money for the implementation of private property reserves. This can only be done effectively at a federal level.

## **Enforcement**

If reserves are degraded through fire, salinity, weed or feral infestation then compensation should be decreased accordingly. Warnings can be given with fines being a last resort for serious breaches. Educating farmers on why there land is special will bring better results than enforcing unwanted reserves on there land. Only by putting a dollar value on the conservation of our environment will the land owners give it the attention it deserves.

Yearly inspections to verify the value of the land may not be feasible for all private land but some inspections must be done to ensure the money is well spent. If 1 to 5% of private reserves were audited every year with fines for breaches (comparative to there size) most farmers would voluntarily report the status of there vegetation remnants.

Enforcement of the current legislation is not possible for all areas. Remote sensing needs to be advanced to the point where the technology and funding are in place to target breaches of land clearing anywhere in the country.

## **Consultation**

Education rather than prosecution is the best way to go. Consultation and educational field days would help to bring farmers on side. It must be left up to local committees to identify the concerns which are of the most need of funding in there area.

Farms identified as being of conservation value must have the co-operation of the land holder, and the community. Warnings can be given with fines being a last resort. Educating farmers on why there land is special and paying them for the conservation vale will bring better results than enforcing unwanted reserves on there land.

## **Focus spending**

Flexibility for each local region is essential. Some regions have most of there vegetation types adequately reserved in national parks and state forests. The priority for conservation should be focused in the regions where there are rare flora and fauna types that are not reserved adequately.

Rare and endangered species must be protected but will making reserves on private land solve the problem these animals face. If land is already reserved but not adequately protected from fire, weeds and feral animals then money would be best spent on enhancing the value of current reserves.

## **Conclusion**

We must develop unique Australian farming practices which are able to incorporate and enhance the natural values of our environment. Instead of asking how much money can be made out of the land, we must ask how long this land can be productive. Farmers which look toward the future will keep there land in good condition. Farmers that don't will not stay in business when the loss of productive land becomes too great.

The task of altering farming practices in order to sustain food production will require a National approach. We must be united towards saving the land on which we depend and develop a truly unique Australian land management.