

Post Draft Submission: Dr John Cooke

Draft Recommendations into Regulation of Australian Agriculture

1. The purpose of this Post Draft Submission is to respond to the Productivity Commission's *Draft Recommendations into Regulation of Australian Agriculture (The Draft Recommendations)*.
2. This *Post Draft Submission* will focus on *Draft Recommendations* relevant to environmental regulation, protection and enhancement of native vegetation and future environmental management of pastoral leases and public land of Australia.

The burden of regulations pertaining to protection of native vegetation at a national scale.

3. Much of the evidence and observation provided in the case studies relate to localized issues for which there has not been any independent evaluation of the merits or otherwise of the claims made. The information provided in the *Draft Recommendations*, does not establish that land clearing is posing an unreasonable burden on Australian agriculture at a national scale.
4. The following important economic and practical imperatives are not addressed in the *Draft Recommendations*;
 - a. clearing of native vegetation is generally associated with land on the margins of sustainable agriculture, and that the most productive land has already been cleared of its native vegetation,
 - b. for the vast majority of farms and farming areas across Australia, there does not appear to be a strong argument for clearing more land,
 - c. the likelihood of economic failure and further environmental damage is high,
 - d. the cost to public values of additional land clearing is not taken into account in many of the references cited, and
 - e. The substantial benefits that accrue to farming through having access to public land and public resources for water supply, transport and services.
5. At a national scale, the burden of regulation caused by environmental management should be evaluated as a component of a comprehensive nationwide strategy addressing environmental management for agriculture in Australia. No such national framework exists and relevant policy is fragmented at the national level.
6. Australian agriculture is viewed as clean and green and this hard fought reputation should not be put at risk through the further clearing of land.

The burden of regulations pertaining to protection of native vegetation at a local and farm scale.

7. The *Draft Recommendations* rightly identifies that the regulation and administration of regulations pertaining to land clearing has become burdensome. At the farm and local landscape level the *Draft Recommendations* are sensible and may lead to practical outcomes.
8. Some of the causes of concerns, eg the management constraints that remnant single trees have on the ever-increasing size of farm equipment, is broader than just the clearing of the trees. The size of machinery is also an issue for transport of the machinery along roads. The GPS systems that are used to guide the large machinery could be utilized to guide the machinery around vegetation retained and enhanced as an offset for the clearing. This issue would be best addressed at a farm and local scale, within an agreed regulatory framework.
9. Any revision and improvement of regulations and administration pertaining to clearing of native vegetation, should take account of the full cost and benefits impacting on both private and public values,
 - a. government supported investments such as that directed at irrigation development in northern Australia should ensure that environmental offsets are part of the project and not be left to landholders to argue the case later,
 - b. where the clearing of land is one component of a raft of matters that are required to be addressed eg irrigation development, then the evaluation and approval processes should be coordinated,
10. The high number of submissions, relevant to other matters before the Commission, should not be taken as a measure of the burden of regulation. The submissions and case studies appear to be localized to parts of NSW and Queensland. The *Draft Recommendations* do not shed light on the underlying cause of the apparent regional variation in the level of concern. Objective assessment is warranted.

Evidence underpinning the burden of regulation involved in native vegetation protection is limited and localised.

11. The Davidson *et al.* appears to be the only contemporary broad-scale research focusing on the cost to agriculture of native vegetation management. It focuses on a band of land in New South Wales.
12. The model used by Davidson *et al.* contains a number of limitations that should be considered in any discussion around native vegetation management. For example;
 - a. the release of carbon upon clearing was not taken into account in the model and hence the release of carbon upon clearing is treated as a right rather than as a cost of clearing,
 - b. the deterioration of water quality and salinity impacts should also be treated as a cost against land clearing,

- c. the land capability assessment tool used in the modeling may be at a scale too coarse to adequately describe capability of the landscape to support cropping. The scale at which land capability is mapped is crucially important in marginal cropping areas. The implied assumption appears to be that all land within the sub zones has equal reliability for cropping, This is unlikely to be the case, and
 - d. the cost of clearing assumed as \$30-\$150/ Ha seems very low and this needs better justification.
13. Campbell *et al.* in commenting on the Davidson *et al.* research highlighted that the cost of native vegetation retention was ranked 9th out of the 9 factors assessed by Davidson *et al.* and concluded that;
- a. for most landholders in NSW, the existing regulation around native vegetation presents a minimal cost and potential benefit, and
 - b. that changes to address the impact on the small minority of farmers would have no overall impact on the economic output on NSW agriculture.
14. Davidson *et al.* put forward some general principles that should be taken into account in the development and revision of regulations and administration of native vegetation management. The general principles are sensible, but would need to be applied with caution.

Summary

15. The information provided in the *Draft Recommendations*, does not establish that land clearing is posing an unreasonable burden on Australian agriculture at a national scale. Much of the evidence and observation provided in the case studies relate to localized issues for which there has not been any independent evaluation of the merits or otherwise of the claims made.
16. The *Draft Recommendations* rightly identifies that the regulation and administration of regulations pertaining to land clearing has become burdensome. At the farm and local landscape level the *Draft Recommendations* are sensible and may lead to practical outcomes.
17. Australian agriculture is viewed as clean and green and this hard fought reputation should not be put at risk through the further clearing of land.

References

- Davidson, A., Lawson, K., Kokic, P., Elliston, L., Nossal, K., Beare, S., & Fisher, B. (2006). *Native vegetation management on broadacre farms in New South Wales: Impacts on productivity and returns*. ABARE eReport 06.3, Canberra, March. Retrieved from http://data.daff.gov.au/brs/data/warehouse/pe_abarebrs99001222/pc13335.pdf
- Campbell, R. and Scarlett, A. 2014 Economics , agriculture and native vegetation in NSW The Australian Institute <http://tai.org.au/content/economics-agriculture-and-native-vegetation-nsw>