

24th July 2003

Lisa Gropp,
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Native Vegetation Inquiry,
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Dear Madam,

RE: IMPACTS OF NATIVE VEGETATION & BIODIVERSITY REGULATIONS

I refer to the current inquiry being carried out into the above regulations by the Productivity Commission, and attach Cardwell Shire Council's submission for consideration.

The submission has been prepared by Cardwell Shire Council, in conjunction with the Development Bureau of Hinchinbrook and Cardwell Shires Inc.

Should you have any questions, please contact Belinda Jackson (Town Planner) on Ph: 40 439 143.

Yours faithfully,



MAL MALLYON
CHIEF EXECUTIVE OFFICER

CARDWELL SHIRE COUNCIL

SUBMISSION ON IMPACTS OF NATIVE VEGETATION & BIODIVERSITY REGULATIONS

The introduction of the Vegetation Management Act (VMA) in addition to the Environmental Protection and Biodiversity Act (EPBC Act) has resulted in substantial impacts of a negative nature on agricultural production within the Cardwell Shire Area. These impacts are largely related to a reduction in productivity of agricultural land and subsequent flow on effects relating to social and economic conditions of rural communities. It should be noted that the total value of the sugar industry in the Cardwell Shire Council area is \$65 million and the total value of other agricultural industries is \$81 million which combined represent 62% of the total value of base industries operating in the Cardwell Shire. Therefore the continual viability of the agricultural sector of the economy is essential due to its substantial contribution to the income of the Shire.

The impacts of the Vegetation Management Act and Environmental Protection and Biodiversity Conservation Act are outlined below on the various areas being investigated by the Productivity Commission.

Area of Investigation:

The impact of the Environmental Protection and Biodiversity Conservation Act and the Vegetation Management Act on farming practices, productivity, sustainability, property values and returns, landholders' investment patterns and the attitude of finance providers, and on other economic activities such as infrastructure development and mineral exploration, and flow on effects to regional communities, arising from the regulation of native vegetation clearance and or biodiversity.

Submission: Overall the EPBC Act and VMA have a negative impact on farming practices and productivity and this is attributed to a reduction in land being available for the expansion of rural activities due to portions of Rural zoned land being identified as endangered regional eco-systems. In many cases farmers have intended to eventually expand and in some instances diversify their agricultural activities to ensure the future viability of their farms. With the introduction of the EPBC Act and the VMA this ability for farmers to expand and diversify has been reduced and in some cases eliminated making many farms unsustainable and consequently unsuitable for agricultural production unless amalgamation of adjoining allotments is possible.

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In general property values of rural zoned parcels that are affected by the EPBC Act or VMA have decreased as following the introduction of this legislation the useable area of land has been reduced. For instance when considering the unimproved capital value of land within the Shire, Council is aware of an instance where the property value has decreased from \$120,000 to \$100,000 as a result of the property containing endangered regional ecosystem.

Due to less security being available by the borrower in addition to the land values of mortgaged properties being reduced, financial institutes are less likely to provide finance or will only provide a reduced amount of finance as compared to the amount of finance that would have been previously provided prior to the EPBC Act and VMA being introduced. This limits the ability of the farmer to make improvements to the farm or purchase adjoining properties in order to expand and ensure viability.

The aforementioned points have flow on effects to the non-agricultural sectors as due to less productivity there are less employment opportunities available and therefore a reduction in population occurs. Subsequently a portion of existing commercial and business developments servicing the rural communities will become less viable and therefore the range of goods and services available to the public will be reduced which in turn also leads to less employment opportunities in the non-agricultural sector. Due to there being less employment opportunities an aging population is likely to result as the younger residents, once finished school, are likely to leave the Cardwell Shire in pursuit of employment opportunities.

However, it is considered that the actual negative impacts resulting from the introduction of the EPBC Act and VMA may be substantially different from the perceived impacts and this is largely as a result of most farmers having a limited understanding of the legislation. Therefore it is considered necessary that further training and workshops be held to the general public on the EPBC Act and VMA.

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It is recognized that monetary compensation is available to farmers that have property included within the Endangered Regional Ecosystem designation of the vegetation mapping however in most cases a one-off monetary compensation does not provide a sufficient incentive to enable the continual viable operation of the farm. It may contribute to a farmer having the ability to purchase an adjoining allotment in order to compensate for the area that can not be developed due to vegetation clearing restrictions however there are only limited farmers with the ability to purchase adjoining properties due to availability and financial reasons. Therefore if monetary compensation is offered it is unlikely to alleviate the long term problem relating to a reduction in farm viability.

Area of Investigation:

The efficiency and effectiveness of the above regimes in reducing the costs of resource degradation and the appropriateness of current distribution of costs for preventing environmental degradation across industry, all levels of government, and the community.

Submission: There is no doubt that the EPBC Act and VMA are contributing an additional planning control above the Planning Scheme that is resulting in a higher level of conservation. However, the effectiveness of this control particularly relating to the Vegetation Management Act is questionable as when viewing the maps it does not appear that the endangered regional eco-systems form habitat corridors but rather are isolated pockets of vegetation scattered throughout the Shire. It is also questionable as to whether the Cardwell Shire requires additional controls to conserve vegetation, particularly when considering that approximately 70% of the Shire is included within National Parks, Wet Tropic Areas, State Forests and World Heritage Areas.

It is considered that individual community members and the sugar industry are bearing the costs of the regimes as a result in a reduced level of productivity and therefore reduced income, with limited compensation.

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Area of Investigation:

Whether there is any overlap or inconsistency between Commonwealth and State/Territory regimes, including their administration.

Cardwell Shire Council has not previously assessed any applications that trigger the Environmental Protection Biodiversity Conservation Act and therefore are unable to comment on whether there is any overlap or inconsistency between Commonwealth and State and Territory Regimes.

There is considered to be an inconsistency with the intent of the State Planning Policy 1/92 - Development and Conservation of Agricultural Land and the Vegetation Management Act. The State Planning Policy contains a position statement, indicating that the Queensland Government considers that good quality agricultural land is a finite national and state resource that must be conserved and managed for the longer term. However despite this State Planning Policy the Vegetation Management Act results in significant areas of Good Quality Agricultural land that can not be used for agricultural purposes and hence represents an inconsistency with State regimes.

Area of Investigation:

The evidence for possible perverse environmental outcomes, including those that may result from perceptions of a financial impact, arising from the implementation of the above regimes.

No evidence of this nature are known to Council.

Area of Investigation:

The adequacy of assessments of economic and social impacts of decisions made under the above regulatory regimes.

Council is not aware of any assessments that have been undertaken on the social and economic impacts of the VMA and the E PBC Act.

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Area of Investigation:

The degree of transparency and extent of community consultation when developing and implementing the above regimes.

As far as Council is aware there was limited consultation carried out in the Cardwell Shire area on the VMA and EPBC Act however there was sufficient training on the Acts once introduced. It would have proved valuable to carry out consultation in such a manner that individual property owners were aware that the clearing of vegetation would be restricted on their site in order to establish the overall economic and subsequent social impacts of the VMA and EPBC Act.

Area of Investigation:

Recommendations (of a regulatory or non-regulatory nature) that governments could consider to minimise the adverse impacts of the above regimes, while achieving the desired environmental outcomes, including measures to clarify the responsibilities and rights of resource users.

1. Establish information kits that are prepared in a manner to ensure that farmers are aware of the legislation and its implications.
2. Where vegetation located on Good Quality Agricultural Land is identified as endangered regional eco-system and hence clearing is currently restricted, it is necessary for a balance to be achieved between the conservation of environmental values and the utilization of good quality agricultural land. For instance the land may be permitted to be cleared if a habitat corridor is retained. In instances where the conservation values of the vegetation are of high significance compensation must be provided. Rather than a "one off" compensation payment it is considered more appropriate that an annual compensation be paid representing the likely loss in income as a result of restrictions placed on clearing, particularly if the farm proves unviable without the use of the vegetated area.

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3. Review the existing vegetation mapping with a greater degree of public consultation in order to determine the economic and social impacts of including areas within the endangered regional eco-system category. Furthermore a greater level of consultation may result in improving the accuracy of identifying parcels that contain endangered regional eco-system