SAFF Submission to the Productivity commission on the Impacts of Biodiversity and Native Vegetation Regulations

1st August 2003

Dr. Neil Byron
Commissioner
Native Vegetation Inquiry
Productivity Commission

Dear Neil,

The South Australian Farmer’s Federation thanks the Productivity Commission on the ‘Impacts of native vegetation and biodiversity regulations’ for the opportunity to present to the Commission the Federation’s view of the effects the legislation and associated regulations have had on agricultural production and landholders in South Australia. The Federation’s submission will concentrate on South Australian legislation as the Federal Environment Protection and Biodiversity Conservation Act (1999) has had little impact in this state. Presented with the Federation’s, are a series of submissions (Appendices A- I) by individuals and groups which have been presented to the Federation, which it forwards to you as evidence in support of the views presented. Whilst the scope of the brief the Commission has presented is enormous, the purpose of the Federation’s submission is to attempt to demonstrate, as simply as possible, that the current legislative approach to the management of native vegetation in particular and the environment in general - despite the use of draconian regulatory measures - has failed to achieve satisfactory environmental and social outcomes.

Continuing public concern at environmental degradation in this state as well as the rest of Australia has generated support for increasingly restrictive legislation rather than a proper assessment of the success or failure of the underlying policy principles. Simply put, the Federation’s view is that by pursuing a simplistic, protectionist model focusing solely upon the preservation of all vegetation, current legislation and regulatory models in South Australia have failed to achieve equitable ‘triple bottom line’ outcomes. The need to pursue increasingly invasive legislation over a 20 year period, clearly indicates that the current approach continues to fail the environment as well as rural communities.

With regard to the national aspect of this enquiry the Federation’s key recommendation to the Commission is that it pursues the development of policy instruments which adequately address all of the issues associated with managing Australia’s landscape. Specifically the Federation supports compensation, possibly through the development of market based instruments which are able to reflect the full - actual and opportunity - costs of pursuing environmental outcomes.
At the state level the Federation believes the current Acts governing Native Vegetation need to be opened and reexamined to make it possible for landholders to operate within its guidelines. The Federation is also exceedingly concerned at the apparent lack of accountability of Native Vegetation Council Officers. In regard to this issue, the Federation believes that a thorough investigation into the operational practices of this body should be pursued to ensure the integrity of this office which is currently in question amongst many landholders.

Yours sincerely

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History and Purpose of Native Vegetation Legislation in SA

South Australia has a long history in the development of legislation to **protect and improve** the natural environment, culminating in the Native Vegetation (Miscellaneous) Amendment Bill 2002, which was designed to prevent further broad acre clearance in South Australia -

- The Heritage Agreement Scheme was introduced in 1980
- The controls of the Heritage Agreement Scheme were introduced by regulation under the Planning Act in May 1983
- The Native Vegetation Management Act came into operation on the 21st of November 1985
- The Native Vegetation Act was introduced in 1991
- In 1999 a review was undertaken of the Regulations under the Native Vegetation Act 1991
- The 1991 Act was reviewed in 1999
- On the 28th of November 2001, the *Native Vegetation (Miscellaneous) Amendment Bill 2001* was passed by the House of Assembly. The Bill lapsed as a result of the State election
- After a change of government, the *Native Vegetation (Miscellaneous) Amendment Bill 2002* was drafted - minor changes to the 2001 Bill were added to further strengthen the legislation
- The 2002 Bill proposed changes to the *Native Vegetation Act (1991)* and also the Regulations.
- Draft Changes to the Native Vegetation Regulations 2003 are currently being drafted

An examination of the evolution of this legislation indicates an increase in the severity of both the restrictions and associated penalties put in place to protect native vegetation. Clearly this process has been motivated by a perceived need to protect the environment ‘at any cost’ rather than a mature assessment of the ecological and economic tradeoffs involved.

**Overall problems with the current Act**

The overall net result of this legislative process has been to transfer the majority of the costs and responsibilities for the ownership and management of native vegetation and biodiversity – which are presumed to be outcomes desired by the greater community – to private individuals. This has been pursued with almost no consideration for either direct loss of income or to the significant contributions and efforts required to manage remnant native vegetation. Governments of the day have made token efforts regarding the issue of compensation by offering minor monies for land managed under Heritage Agreements.
History of Compensation under the Native Vegetation Acts;

- The Heritage Agreement Scheme was introduced in 1980 by the Liberal Government.
- Under the scheme, landholders were encouraged, through selected incentives, to voluntarily retain and manage remnant vegetation areas. In return, a heritage agreement was entered into to secure the conservation of the land—generally in perpetuity.
- Under the Native Vegetation (Miscellaneous) Amendment Bill 2001—the idea of ‘set-asides’ was introduced. ‘Set-asides’ are attached to clearance approvals and operate by enabling a landholder to clear a specified amount of native vegetation provided that they revegetate a specified area on their property.
- In situations where there is no available space on a property for a suitable ‘set-aside’, the Bill proposes that a landholder may purchase an environmental credit from another landholder in the locality.
- The environmental credit system provides an incentive for landholders to revegetate with local indigenous species. To be entitled to an environmental credit the landholder must enter into a heritage agreement with the Minister.
- Money gained by a landholder when selling a credit is paid into the Native Vegetation Fund. The NVC will retain the portion of the payment required to manage the heritage agreement land for a period of fifty years, after which any surplus is returned to the heritage agreement owner.
- This ensures that the heritage agreement owner has continued funding to manage the area.

- In 2001/2002, 35 applications covering 1815 hectares of native vegetation were approved by the NVC for protection under the Heritage Agreement Scheme. Of these 35, 9 were approved covering 970 hectares by the DEH.
- Under the Heritage Agreement Scheme the Minister releases the owner from payment of rates and taxes on that land and may construct fences to bound that land.
- IN 2001/2002 $500,000 was allocated for fencing Heritage Agreements
- $84,000 was allocated for the Heritage Agreement Grant Scheme

In early 2002, 1266 heritage agreements had been signed for the protection of 560,000 hectares of land. The Heritage Agreement Grants Scheme has provided some assistance for managing native vegetation held under heritage agreements.

Heritage Agreement Grants Scheme

- To assist holders of heritage agreements with the conservation management of their land, a grant scheme was introduced in 1995.
- Any activity which benefits the conservation of the area (except for fencing, which is funded separately) will be considered for financed assistance. Projects assisted so far include the development of management plans; the mapping of vegetation types, important native species, and weeds; coordinated pest animal and weed control programs; and repair of damaged land within heritage agreement areas.
As with other grant schemes the applicant will be required to contribute an amount equivalent to the funding being sought, this contribution being in the form of funds, labour or materials.

Smaller grant programs are available for regional initiatives and revegetation. Natural Heritage Trust programs such as Bushcare, Landcare and Rivercare provide opportunities for protection of native vegetation and revegetation.

It is important to compare these figures with the official overall clearance rates -

**Clearance of Native Vegetation:**
- Approximately 982,000 square kilometres, or 13% of Australia’s native vegetation has been cleared or substantially modified since European settlement.
- In SA only 99,473 km² of native vegetation have been cleared (18%) since European settlement in comparison to 304,043 km² in QLD.
- In 2000 South Australia had the second lowest percentage of estimated annual clearance of woody vegetation clearing only 1,600ha compared to Queensland with 425,000ha.

Clearly the degree of compensation which has been offered to date is trivial in comparison to the losses which have been born by rural communities!

The current regulatory environment in South Australia which prevents all broad acre clearing has resulted in a blanket of protection being thrown over all native vegetation – irrespective of a regions current native vegetation cover. In South Australia, there is clearly no potential for any new development which would require extensive clearance. A public debate now rages over landholders capacity to manage properties in a traditional manner as re-growth and woody weeds are given significant protection under specific clauses of the current Act. Individual farmers are now obliged to negotiate over individual trees and woody weeds which may interfere with agricultural practices rather than consider developing un-cleared parts of their properties.

**Economic Losses Attributable to Native Vegetation Regulations**
Determining the regional impact of current legislation is a major task beyond the scope of this submission. However, at the very least it should be considered to be rather more than the regions combined individual losses. The synergistic effects of such losses can only be measured in what has not occurred – secondary industries which have not sprung up as a result of regional prosperity. Perhaps the greatest indicator is the decline in a regions population – particularly of younger people.

Whilst regional economic decline cannot be wholly blamed upon one set of prescriptive regulations, the rapid decrease in farm numbers in South Australia in recent years (9% 1993 to 1999) is the clearest indicator possible of the pain felt in rural communities as ever increasing numbers of farms become unviable. It is impossible to argue that the inability to fully develop farm businesses as a result of the South Australian native
vegetation legislation has not had a part to play in this drawn out drama. It is simply exceedingly difficult to quantify its contribution to agricultural and regional decline.

It is important to note that remnant native vegetation is not always an insignificant corner of a property – many landholders in the South East of South Australia hold several thousand acres of native vegetation. The region comes close to achieving a net native vegetation cover of 20%. Parts of this state have more – Elliston (western SA) has over 60% of its original 60% native vegetation cover. Farmers from this region feel particularly hard done by and believe strongly that excessive restriction of farming by native vegetation regulations has cost individual farmers and the region dearly (Appendix H).

Whilst it is exceedingly difficult to accurately model the effects of such losses at a regional level, individual cases can give a sense of what has been forgone by individual on behalf of the community. A good case study can be found in the Adelaide hills – Cornish/Mundy, others abound 6. Mr. W Cornish a horticulturalist, inherited 250 acres from his uncle of undeveloped hills scrub which he was unable to develop the land as part of his enterprise because of clearance restrictions. He finally sold the land to a neighboring national park for $175,000.00. His near neighbour Mr. J. Mundy, also a horticulturalist – who had developed his land prior to clearance restrictions - was able to sell 82 acres of developed country for $485,000.00. A 1 acre block adjacent to the two properties has subsequently sold for $120,000.00.

Clearly there is a vast disparity between the cases. The loss of potential income associated with restrictions on clearance has had the same economic effect upon the individuals involved as the embezzlement of superannuation funds would have in other quarters. It is the Federation’s view that there would have been the profoundest of outcries in the general public – and prompt government action - if the same losses were incurred in businesses and investments favoured by urban Australia.

The Cornish/Mundy case also illuminates an inherent hypocrisy in current policy. If native vegetation was truly valued by governments and the community, the pristine scrub block should have been the most valuable of the properties rather than the least!

The current legislative environment fails Native Vegetation and Biodiversity

The underlying philosophy of current legislation appears to be the Precautionary Principle – blanket protection of native vegetation is presumed to deliver environmental/native vegetation/biodiversity outcomes without any checks or balances established to ensure or demonstrate that this actually occurs. There are no performance criteria or environmental/native vegetation/biodiversity targets established under the current state Act to ensure that this regime is achieving its intended objectives. Nor are there any undertakings political or otherwise to pursue this question.

Furthermore, it is the Federation’s view that the Precautionary Principle is an ineffective intellectual basis for the development of management policy for native vegetation or any
other natural resource. Whilst it has appeal in some quarters, it clearly fails to foster active management of native vegetation to ensure its proper maintenance for improved biodiversity outcomes through time. In fact this philosophical position is a fundamental flaw if the purpose of the Act is to not just preserve but to improve the ‘natural environment’.

Whilst exclusion of stock and protection from clearing is a benefit for native vegetation it does not protect it from incursions by pest animals and weeds - native vegetation needs an active management process requiring committed on ground expertise and long term investment to ensure its survival into the future.

**Fire as a clearance activity**

The current *South Australian Native Vegetation Act (1991)* treats fire as a clearance activity. Fire is a natural and essential process for native vegetation and appropriate fire regimes are an integral part of ensuring maximum biodiversity in the Australian landscape. Many regions of this state, national parks included, suffer from degradation of stands of native vegetation and the fauna which resides in it as a result of inappropriate fire regimes. Parks such as Messent in the South East of South Australia have flourished as a result of recent fires. Clearly the anti fire policy which has prevailed until very recently has contributed significantly to environmental decline in this state.

The treatment of fire as a clearance activity is also a significant difficulty for landholders who are hamstrung in their farm management practices to manage pests and weeds in native vegetation. Snails are a major pest in cereal growing areas. They take refuge wherever possible, including in remnant vegetation. Fire, the preferred and most effective management tool for farmers is difficult or impossible to use because of native vegetation regulations, leaving farmers exposed to increasing snail populations as they search for other long term options such as biological control measures.

A similar outcome occurs with rye grass. Herbicide resistant rye grass is a major agronomic problem in this state. Low level selection pressure for resistance – the net effect of spray drift into roadsides and native vegetation - is the perfect mechanism for creating herbicide resistance on farm. The inability to burn such weeds in native vegetation prior to seed set allows for the development of a pool of resistant plants resulting in a burgeoning pasture rotation problem along with an increased exposure to Annual Rye Grass Staggers (rye grass is the major host to a complex of pathogens which kill stock as a result of the secretion of a powerful toxin from infected seed heads). Clearly allowances should be made to current restrictions on fire use to ensure optimal biodiversity outcomes and sensible on farm management regimes.

**Re-growth Management**

Restrictions over re-growth clearance in South Australia are currently causing major difficulties for landholders through much of the state, but particularly through the South East. The current regulatory regime prevents clearance of re-growth after specific time
frames. Poor communication has resulted in the community being confused – 5, 7 and 10 years are often quoted. The official exemption period is currently 10 years for grazing and 5 years for any other clearance activity. This approach to managing re-growth is proving to have major consequences for land managers. The time frames used are arbitrary and do not reflect practical realities. To manage a property within the required time frame would require a landholder to thoroughly clear any re-growth on a property on a strict schedule –or risk prosecution if the time guidelines are broken. The use of satellite imagery has given the Native Vegetation Council extraordinary overview capacity!

In the case of the five year rule, a landholder would need to actively clear re-growth on 20% of a property each year. On large holdings of 10 – 20,000 acres this would amount to clearing any re-growth on 1- 2,000 acres per year! Few landholders would normally pursue clearance in such a rigorous manner – pasture improvement plans for large (and commercially viable) properties would typically run over decades not a five (or even a ten) year cycle.

This is a particularly perverse outcome as landholders may in future feel obliged to clear much more extensively than they normally would for fear of losing their capacity to develop their farms. The history of property development restrictions in this state has clearly rewarded those who have cleared as aggressively as possible and penal those who have chosen to protect natural habitat.

Furthermore, such time lines presume a capacity to undertake the clearing regularly – such an attitude completely ignores the financial realities of farming enterprises – a decade long depression in wool prices through the 1990’s left many landholders with limited capacity to pursue re-growth clearance. An increase in commodity prices in more recent years has generated funds for on farm works - including pasture renovation. Unfortunately a significant number of landholders have now run foul of the current re-growth rules resulting in genuine fear and frustration in local communities.

This is particularly frustrating for those who have at the same time set aside native vegetation in Heritage Agreements out of desire to protect the natural environment. The Federation is aware of a number of landholders in this predicament, including the case of K McBride. Mr. K McBride has placed a Heritage Agreement on a block of native vegetation along a creek line on his property near Kingston in the states South East as it was identified as valuable native vegetation during the development of the South East Drainage Scheme. He has recently received a ‘please explain notice’ from the Native Vegetation Council regarding re-growth clearance he has undertaken elsewhere on his property\(^{10}\). An allegation he vehemently denies. Such an approach is unlikely to achieve positive community attitudes and the treatment of native vegetation as a valuable resource which should be treasured!
Rangeland Issues

Rangeland management appears to be under increasing pressure from interference by the Native Vegetation Council. Historically the rangelands in South Australia have been managed by the Pastoral Board under the auspices of the *Pastoral Land Management and Conservation Act (1989)*. By definition all grazing on a pastoral lease is of native vegetation. The lease grants the right to graze this vegetation. Pastoral lease holders management practices are closely scrutinized by the Pastoral Board, who set stocking rates on the basis of the Total Grazing Pressure on a lease. This is set in response to an examination of the state of the vegetation on the lease. Stocking rate is the only management variable available to lease holders. Infestations of rabbits, kangaroos or even locusts all result in a decrease in the number of stock which can be carried on lease.

**Best pastoral practice has been to take water to stock rather than stock to water.**
The rationale behind this strategy has been to limit localized damage to areas surrounding watering points by increasing the number of watering points – fewer stock per watering point equates to less damage. The Native Vegetation Council has opposed this strategy under several clauses of the Act which protect re-growth and ‘un-grazed’ vegetation (the 10 year rule). The supposition of the Council on this issue is that stock are unable to graze country not immediately adjacent to established watering points. This view clearly ignores the practical reality that stock are able to access all of a lease in different seasons depending upon the incidence of rain and pasture growth. Preventing stock access to significant portions of a lease simply places more grazing pressure upon areas surrounding previously established watering points. **This strategy can only be seen as a perverse outcome of Native Vegetation Council operational guidelines.**

It seems inappropriate to the Federation that the *Native Vegetation Act (1991)* is used by the Native Vegetation Council to override the Pastoral Board. It is difficult to see how grazing of the rangelands could occur at all if the Native Vegetation Council pursued the principle of grazing as a clearance act. Clearly this is a case of uncontrolled bureaucratic expansionism! **It is the view of the Federation and of the pastoral industry that the Native Vegetation Act (1991) is not the appropriate Act for managing the rangelands.** The combined comments from pastoralists presented in appendix support this view.

The operational dialogue presented in Appendix B is an example of the Native Vegetation Council apparently extending its operations beyond its mandate by requesting that a pastoral company develop a wildlife plan for a pastoral lease which was gazetted in 1988 as a regional reserve. It is difficult to see how a wildlife plan could be requested by a body established to oversee native vegetation.

Accountability Issues

Technical Accountability

The Native Vegetation Council and its Officers have a profound image problem in South Australia. This is a result of the unpopular nature of the current Act, its regulations and of the interpretation and enforcement of the Act and regulation by the Councils Officers.
Enquiries regarding native vegetation matters represent a major proportion of concerned farmer calls to the South Australian Farmer’s Federation on natural resource matters. In an attempt to rectify the confusion that exists in rural communities the Federation has published a series of articles – written by Native Vegetation Council Officers - detailing the current controls on clearing and existing exemptions. The need to do this is evidence enough of a failure by the Council to properly communicate current rules and regulations to the general public.

Appendix D relates to the problem of managing woody weeds on a property near Morgan in South Australia. The owner of the property in question has difficulties with two particular woody weeds – *Accacia colletoides* and *Acacia nyssophylla*. Neighbouring properties have similar problems with other species. The spiny nature and water stealing capacity of these plants has drastically decreased returns from this landholders property. The property owner in question has sought to use exemptions to the prevention of the clearing of native vegetation specifically included in the 1991 Act for the management of native woody weeds. Permission to use this exemption has not been granted by virtue of the argument that the spiny nature of the weeds allows for the regeneration of other species! This clearly places the landholder in an impossible situation – unable to use an exemption specifically designed to deal with the problem he has to manage. This case is also a good example of the presumption that preventing clearance will have positive environmental outcomes without any obligation to ensure that this will occur. The Federation is of the view that the accountability requirements in this process completely one sided. Outside of resorting to the court process it is difficult to see how such decisions can be independently assessed. **This is an iniquitous position and one which the Federation believes requires proper independent review.**

**General Accountability**

Popular farmer mythology has demonized the operational Officers of the South Australian Native Vegetation Council. Their personal integrity and professional probity is regularly questioned at the individual farmer level. Dealing with the Council is considered the last possible resort on native vegetation matters – in case they come onto a property and interfere with farming practices. Clearly much of this is unfounded and based upon ignorance regarding what is or isn’t allowed under the Act. The Federation commissioned a series of articles on native vegetation regulations in an attempt to create some clarity on this issue. However, not all claims can be simply dismissed as ‘farmers persecution mentality’. The difficulties experienced by Mr. and Mrs. Maher (Appendix E) with their native vegetation management issues clearly indicate the type of difficulties which can be experienced by landholders. A number of particular issues stand out from their case. In particular, they believe that they have been subject to the abuse of the powers of office by native vegetation Officers in pursuing council policy - particularly policy which appears to extend beyond the powers granted under the Act.
Net Vegetation Gain Policy (NVGP).

The development of this policy is a good example of lapses in accountability with regard to administrative standards which is a charge often leveled at the NVC and its Officers. It is a feature of law that administrative policy may not exceed the powers of the parent Act or its associated regulations. The development and implementation of this policy is a clear example where the principles of proper administrative behaviour have been breached.

The NVGP is a requirement when clearance consent has been at variance with the Act – it provides a positive mechanism to allow clearance in particular cases with a requirement to compensate the environment for the losses associated with the clearance.

Unfortunately its use has been extended to situations not seriously at variance with the Act. Subsequent amendments to the Act have then included this practice to legitimize departmental policy. Clearly the pursuit of the policy in the interim has not been a proper interpretation of the Act and its regulations and has contributed to community frustration and the lack of respect in which the NVC is held. The difficulties and associated costs with this policy have resulted in the cost of clearance becoming prohibitive. Clearance is now out of reach for Dry-land farmers etc – the Act can now be seen as an Act which implements regional and enterprise discrimination.

From the perspective of landholders, the state can be seen to have partaken of ‘resource raiding’ at the price of clearance consent. Perhaps the greatest inequity in this whole process has been the lack of mechanisms of appeal (other than resorting to the courts) against either process or the science underlying Native Vegetation Council decisions. In a democracy it is completely inappropriate that any section of the government is removed from scrutiny.

Summary of Issues and Federation Recommendations

The Federation is of the view that the current regulatory environment for the management of native vegetation in South Australia has created inequitable outcomes amongst rural communities through –

- Loss of income
- Destruction of landholder faith in public good measures in general – conservation in particular. Complete loss of faith in government and the Native Vegetation Authority/Council in particular
- Loss of certainty and increased perceived and real risk in a farming investment
- Loss of property development capacity creates immediate cash flow issues as well as threatens sustainability of a farming enterprise by limiting real and potential returns, increasing stresses associated with farming – reducing attractiveness of farming for the next generation.
- Decreased investment in environmental works as succession planning problems decrease current managers commitment to investing in long term sustainability
practices as there is a perceived need to ensure short term returns and a strong financial position for whichever direction the future brings.

• Creates perverse outcomes

In response to these issues the Federation recommends the following -

**Major Recommendations:**

• A review of the current *Native Vegetation Act (1991) and Regulations*, with the intent of developing of regional management of native vegetation based on Integrated Natural Resource Management principles which would be in accord with state and federal legislation

• The development of policy principles (preferably market based instruments) for the adequate compensation of landholders for losses which have arisen from current Acts and their incorporation into state legislation

**Other administrative issues which need addressing:**

• The Federation is of the view that the rangelands should be managed by the Pastoral Board and its Officers under the auspices of the *Pastoral Land Management and Conservation Act (1989)*, and that the Native Vegetation Council should not interfere with the workings of a body specifically established to manage the rangelands in an economically and environmentally sustainable manner.

**The Federation recommends:**

• A review of the 10 year grazing and 5 year clearance exemption rules to clearance as they create perverse outcomes

• A review of the operational practices of the Native Vegetation Council and its Officers.
References

1. Draft, Native Vegetation (miscellaneous) Amendment Bill 2001, Second Reading Speech


8. G. Klitcher (grain grower & vice President South Australian Farmer’s Federation) pers comm. 2003


Appendices

Appendix A  
Bell, Darryl, GV Bell & Sons  
Native Vegetation Act and its current impact on South Australian Pastoral Lease.

Appendix B  
Campbell, Greg - S.Kidman & Co Ltd  
Stock Water Point Development in South Australia.

Appendix C  
Gaden, Michael, Graythwaite Pastoral Company  
Problems with the Native Vegetation Act (1991) & comments on the draft changes to the Regulations under the Act.

Appendix D  
Lindner, David, Wonga Pastoral Company  
Native Woody Weed Issues.

Appendix E  
Mahar, Helen  
Discussion of Native Vegetation Legislation in South Australia and its administration.

Appendix F  
Seacomb, Nick, Department of Water, Land & Biodiversity Conservation  
Branched Broomrape Eradication Program

Appendix G  
Stone, Glen, Mount Magnificent Farm  
Impacts of Native Vegetation Legislation on the Fleurieu Peninsula

Appendix H  
Stott, Allen V.  
Impacts of Native Vegetation and Biodiversity Regulation

Appendix I  
Wandel, Michael, MR & JA Wandel  
The Effects of Native Vegetation Laws