

# **Submission from the Inverell-Yallaroi Regional Vegetation Committee to the Inquiry into the Impact of Conservation Controls imposed on landholders.**

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## **Profile of the Inverell-Yallaroi Regional Vegetation Committee**

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### **1.1 Membership**

The Inverell- Yallaroi Regional Vegetation Committee has been formed under the NSW Native Vegetation Conservation Act 1997. The Committee was appointed by the Hon. Mr. Richard Amery, MP, Minister for Agriculture and Minister for Land and Water Conservation on 28<sup>th</sup> July 1999.

The newly appointed members represent a wide range of interests across the community including Landcare, rural interests, NSW Farmers, nature conservation, local government, scientific expertise and aboriginal interests. A representative was also drawn from the Department of Land and Water Conservation, NSW Agriculture , National Parks and Wildlife Service, and Catchment Management Board.

Representation of various interests from across the community will ensure a plan that develops regional solutions and caters for regional needs.

### **1.2 Role**

The committee is responsible for preparing a draft regional vegetation plan that provides for the conservation and management of native vegetation in the Yallaroi and Inverell Local Government Areas. In developing the Plan the Committee must consider matters relating to the social and economic aspects of land uses as they relate to native vegetation management.

The committee will develop strategies to conserve native vegetation and native species. In doing this they must also consider how they will protect land and water resources, how the plan will impact on the social and economic framework of the region's community and how the plan fits with other plans and legislation.

#### Statement of purpose

“To plan for and promote the conservation and sustainable management of native vegetation to meet the social, economic and environmental needs of Inverell/Yallaroi Shires.”

## Key Messages

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- ⌘ The Committee is developing a plan that will encompass quality of life, economic and environmental aspirations of the Inverell-Yallaroi community. Not only are we interested in developing a plan that conserves through protection but also conserves native vegetation through multiple benefit management. That is, we expect to develop a plan that will provide for a continuum of management from the “lock up, maximum protection, single use” level through to the “multiple use, multiple benefit” level.
- ⌘ Many landholders are bearing the brunt of past Government policy and lack of understanding of environmental issues and their management. Though we, by no mean suggest that all landholders have been managing the land in a sustainable manner, society needs to recognise landholders as the custodians of the land and help them fulfil their duty of care. The land base is the ultimate wealth base of our society. We need to maintain this for a prosperous society.
- ⌘ The Committee strongly supports the sharing of the costs of public good conservation amongst the wider community, especially the economic costs to landholders. There are a number of issues, as outlined below, which should be taken into account when determining how and when to share costs.
- ⌘ There is an urgent need for the value of native vegetation to be recognised. This would include both the commercial values as well as the environmental health values.
- ⌘ One of the primary messages the Committee wish to express is although the recognition of the need to value conservation is growing, the need to value those who manage the land is just as essential to achieving sustainability for all.  
If we do indeed value native vegetation then it follows that society also needs to “value” the good land manager. The question is therefore multi-pronged. We need to develop an awareness amongst the whole community of the value native vegetation. We need to develop an awareness and respect of land managers as the custodians of native vegetation and a healthy environment. We need to develop mechanisms to assist those custodians in fulfilling “OUR” expectations
- ⌘ Basically we all can't have everything we want, there will be a need for compromise. The Inverell-Yallaroi Regional Vegetation Committee draws a range of interest groups together to look at how we can accommodate most people's needs while minimising conflicts. This will need to occur across the board with some direction provided from both a State and Federal level. We need to know what the expectations are at these levels at the outset so we can include them in our deliberations.
- ⌘ There is lots of talk about equity in natural resource management including sharing the burden of conservation across the current generation and between generations. Equity goes two ways. We need to share the burden amongst today's society. However another perspective is that if we don't act now we will be compounding the inequity issue for tomorrow's communities. In many cases, the existence of inequity is a symptom of a lack of value, commitment and actions in the first place. Equity goes two ways.

## The benefits and costs of native vegetation conservation

<b>Costs to the landholder</b>	<b>Community Benefits</b>	<b>Benefits to landholder</b>	<b>Community costs</b>
<ul style="list-style-type: none"> <li>▪ Perceived loss of production through development rejection</li> <li>▪ Land value decreased (due to current restrictions)</li> <li>▪ Borrowing margins affected</li> <li>▪ Cost of revegetation works or other remedial works</li> <li>▪ Costs of degradation issues (of not doing anything)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ecologically sustainable agriculture</li> <li>▪ Niche markets</li> <li>▪ Increased biodiversity</li> <li>▪ Long term sustainable production</li> <li>▪ Maintenance of genetic base</li> <li>▪ Export earnings - maintains National balance of payments</li> <li>▪ Clean air</li> <li>▪ Clean water</li> <li>▪ Inter-generation equity</li> <li>▪ Aesthetics</li> <li>▪ Down catchment(off site) environmental benefits (eg salinity protection)</li> <li>▪ Tourism</li> <li>▪ Increased carbon storage especially old carbon (should value)</li> <li>▪ Meeting Australia's International obligations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase in land values</li> <li>▪ Increased production</li> <li>▪ Increase biodiversity</li> <li>▪ Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>▪ Foregone short-term potential agriculture production</li> <li>▪</li> </ul>

### **Some specific costs:**

All rural landholdings are now subject to the Native Vegetation Conservation Act that was introduced in New South Wales in late 1997.

To evaluate the impacts of the measures imposed on landholders we refer you to a property within the Inverell/Yallaroi area that was recently valued. The current sale is \$377,000 or \$134/acre. The value was arrived at using the following soil/vegetation classifications:

- Open cleared grassland (previously pastured) granite soil - \$170/acre
- Grassy Whitebox Woodland - \$230.00/acre
- Timbered granite country - \$35/acre

Incentives exist for open country to be planted to trees under the Kyoto Agreement and accrue carbon credits whereas already timbered country is excluded from attracting carbon credits.

The sample property was passed in at auction 2-3 years ago for \$466,000 or \$166/acre. Prior to the ramifications of the Native Vegetation Conservation Act impacting on the market and with much lower commodity prices. The current price reflects a drop of \$89,600 or \$34 per acre.

## **Issues to be considered**

### **Maximising opportunities**

In all cases, cost sharing should be based on priorities for the wider community. These priorities should be outlined in Regional Plans such as the plan being developed by the Inverell-Yallaroi Regional Vegetation Committee. These Plans will need to be reviewed at a State and Federal level to ensure they are fulfilling State and National standards.

The implementation of any cost sharing arrangements is crucial in minimising waste while maximising return. Investment in conservation needs to be targeted yet accessible to landholders. While programs such as the Natural Heritage Trust can provide for strategic investment, opportunities are lost through the administrative process. We need to look at alternative methods. There are schemes operating in other states which provide direct access for landholders to incentives to allow immediate action or action when conditions are most favourable. One such scheme is the Land Protection Incentive Scheme in Victoria

administered by the Victorian Department of Land and Water Conservation. The Committee is interested to know how this and other schemes are operating, if they are fulfilling their goals and what unexpected outcomes have arisen, both positive and negative.

Plans such as the Inverell-Yallaroi Regional Vegetation Plan (under development) should be providing the direction for investment by identifying priority areas and activities that require financial or other assistance. These priorities will feed into Regional Investment Strategies developed by the NSW Catchment Management Boards. Once we have these strategies we could then utilise a number of schemes to resource them.

### **Rewarding past good management**

As we, as a society, become more aware of environmental issues, we need to make changes to how we do things. The implementation of new rules impacts unproportionally on those landholders who have in the past, maintained conservation areas. Under most legislation today, landholders who have been practicing best management principles can potentially be penalised in the future. Even incentive schemes can be rewarding the past's poor practitioners. For example, the Natural Heritage Trust provides funds for tree planting to landholders who have in the past cleared land unsuitable for clearing. As more trees are cleared there is less available for the "public good" and those who have maintain a proportion of trees on their properties may be restricted from clearing altogether.

As such, some landholders are bearing the brunt of past Government policy and lack of understanding of environmental issues and their management. Though we, by no mean suggest that all landholders have been managing their land in a sustainable manner, society needs to recognise landholders as the custodians of the land and help them fulfil their duty of care.

Good land managers are rarely recognised for their efforts. Though most environmental values are often not articulated in any quantifiable value, the carbon credits scheme is one exception. The scheme however places a value on new carbon credit (trees that are planted after 1990) while not valuing old carbon (including remnant native vegetation). This any many cost sharing schemes available today are aimed at sharing the cost of new conservation activity. Landholders who are managing land within capability and maintaining areas of native vegetation are not remunerated for their past efforts.

### **Off setting costs**

Determining the line between private benefit and public benefit is a difficult one. Environmental works are often thought of in terms of the cost to the landholder and the benefits to society.

The determination of any cost sharing principles must be robust and should include not only the benefits to the public and costs to the landholder but should also investigate the benefits to the landholder and the costs to the community (referred to as "Public Dis-service" below). The costs and benefits of not acting should also come into play. This is particularly important where a landholder's inaction would result in personal detriment.

### **Valuing public service versus public dis-service**

There are cases where inaction by a landholder could result in a community dis-service or in other words, a public cost. For example, the inactivity of a landholder to use water efficiently could potentially result in salinity issues further down catchment. This, as mentioned above, needs to be considered in determining cost sharing principles.

### **Broad Community Will to contribute**

Plans such as the Inverell-Yallaroi Regional Vegetation Management Plan will address this issue of the local level, however broad scale programs to increase community commitment to issues such as native vegetation management will be required. Again this reflects on valuing conservation and valuing landholders as custodians of the land.

### **Contribution mechanisms**

Collection point/sources of funds could include revolving funds. Other options have not been discussed.

### **On-going recognition**

Conservation is not a one-off cost. Most conservation activities are likely to carry with them, ongoing costs. The issue of once-off payments versus on-going payments needs to be explored. Political agendas need to be removed from the payments. For example, the Government of the day should be irrelevant as to whether a payment will be made or not.

### **Where does the buck stop**

When is there enough incentive? How much assistance is deemed reasonable when private and public benefits are taken into account. In all cases it would be expected that landholders will use land within the land's capability/suitability. The community needs to decide what happens should this standard not be met.

### **Costing off-site impacts**

Costing off-site impacts is a difficult but necessary task.

### **Maintenance**

Maintenance of conservation areas is a big issue. The ongoing costs and benefits to the landholder and public need to be analysed.

The cost-sharing scheme employed can impact on the level of maintenance continued. Experience in Victoria has shown that where full costs of conservation activities have been available, maintenance was neglected and the longevity of the works was reduced.

## **Cost Sharing Options**

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The Committee agrees that if there are certain expectations for environmental management and conservation activities are an essential part of this then we, as a society, needs to be prepared to pay for it.

Though the Committee is in the early stages of developing a plan, we have briefly discussed trade offs, compensation and incentive programs as part of our aim to increase community commitment to manage native vegetation. We have identified a number of options for further exploration as outlined below.

### **Stewardship payments**

Stewardship payments could be made where the landholder incurs a cost in conserving public good values. Stewardship payments could, for example, be useful in satisfy Australia's commitments to environmental issues such as greenhouse gas emissions. These types of schemes can effectively commercialise environmental values.

An example of a stewardship payment already exists in Carbon Credits. Unfortunately these carbon credits don't recognise old carbon or carbon stored in the soil.

The Committee believes this type of cost sharing arrangement should be explored, however consideration should be given to the following issues: equity, priority, monitoring, lack of commitment and effort from other sectors of the community eg manufacturing industry.

These issues are discussed in more detail above.

### **Payment for the maintenance of community standards**

It would be reasonable to expect some form of payment for maintaining standards that benefit the whole community where in meeting those standards the landholder incurs a cost at the expense of potential earnings.

This could be considered a form of stewardship payment. Landholders would need to demonstrate that they are working towards sustainability and the activities undertaken are beyond 'normal' farm practice. This could perhaps be defined by the public versus private

benefit ratio. This form of incentive would allow for potential future land use change within capability. For example we could provide a standard payment for the tonnes of carbon per hectare maintained on an annual basis.

There are some foreseeable problems depending on the standards adopted. The standards will need to be measurable, fair and not open to abuse. A carbon standard could potentially favour some geographic areas over others. A carbon standard may not equate to increased biodiversity, hence we would need a combination of standards. The standards could vary between geographic areas depending on the current and future issues, the level of those issues, the local best management practice and the values of the local community. State, federal and international standards would also need to be embraced.

### **Payment for conservation activities**

It would be reasonable to expect some form of payment for maintaining standards that benefit the whole community where in meeting those standards the landholder incurs a direct cost in undertaking the conservation works. This is similar to the current Natural Heritage Trust program and other programs which provide a proportion of the funds required to undertake specific works. There are a number of issues associated with this form of cost sharing and consideration should be given to the following issues: equity, priority, monitoring and maintenance. These issues are discussed in more detail above.

### **Recognise good management – need to define good management – set standards**

Setting standards as mentioned above could achieve this. Developing markets which reward good land management would be another option. There is also potential for accreditation schemes and awards.

### **Landuse within capability/suitability (off site impacts)**

Landholders must manage land within it's capability. Incentives should be provided only to facilitate the adoption of land management with it's capability.

Any program receiving public funds to facilitate the adoption of land capability management/best management practices needs to include a monitoring and evaluation component and must be of a finite life.

We also need to look at the ways we are promoting best practices to encourage adoption without the need for incentives.

### **Market based systems**

Again the current carbon credit scheme is an example of this.

Market based systems could integrate with the payments for maintenance of community standards as above. For example we could pay x\$/tonne carbon per year or pay x\$/ha of recharge area maintained under native forest.

## **Open Invitation**

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The work of the House of Representatives Standing Committee on Environment and Heritage is very pertinent to the activities of the Inverell-Yallaroi Regional Vegetation Committee. The Committee wishes to express their interest in meeting with the Standing Committee should the Standing Committee feel such a meeting would be worthwhile.

## **Further Information**

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