

Native Vegetation Inquiry
Productivity Commission
L132 Collins Street East
MELBOURNE VIC 8003

Dear Sir/Madam

Native Vegetation Inquiry

I have pleasure in submitting the attached documentation to the Native Vegetation Inquiry.

In recent years the ACT has devoted considerable effort to identifying its nature conservation assets and to developing strategies for meeting their management and protection requirements. Inevitably, many of them occur on occupied rural land, which in the ACT is held under lease rather than freehold.

Striking an appropriate balance between landholder duty of care and broader community responsibilities for nature conservation is a challenge that has led to a range of off-reserve conservation initiatives being developed by the Government as part of its rural policy. They are characterised by opportunities for increased security of tenure supported by financial incentives and underpinning regulatory arrangements designed to foster an ecologically and economically sustainable agriculture sector.

A summary of these initiatives is attached for the information of the Committee.

Should further information be required, our contact officer is Ms Sharon Lane, telephone (02) 62071911, Email: sharon.lane@act.gov.au.

Yours faithfully

Dr Maxine Cooper
Executive Director

PRODUCTIVITY COMMISSION INQUIRY
IMPACTS OF NATIVE VEGETATION AND BIODIVERSITY REGULATION

Submission from Environment ACT

INTRODUCTION

Environment ACT is the nature conservation agency of the ACT Government. It operates within the Department of Urban Services as the principle agency for the management of national parks and nature reserves, and conservation of native flora and fauna.

Together with the Planning and Land Management group of Urban Services, Environment ACT undertakes the development and implementation of policies and programs directed at supporting the Government's commitment to an ecologically sustainable agriculture sector in the ACT.

Three regulatory acts of the ACT are the key mechanisms for biodiversity regulation and protection. The ACT is the only jurisdiction that has only leasehold land tenure. There is no freehold land. A legislative requirement of all new rural leases is the development of a Land Management Agreement that must include management objectives and strategies for protecting conservation assets.

1. REGULATORY REGIMES IN THE ACT RELEVANT TO BIODIVERSITY PROTECTION

The Nature Conservation Act 1980 (ACT) protects native flora. Native vegetation is protected on all unleased land and threatened species are protected on all land. A licence is required to take native plants or remove timber on unleased land. A licence is required to remove timber from leased non-urban land. Licences are administered in accordance with prescribed criteria that include nature conservation considerations.

The Planning and Land Management Act 1988 (Cwth) establishes the Territory Plan. The Plan sets out objectives, controls and policies for land uses. The Plan also prescribes classes of defined decisions requiring mandatory preliminary assessment, including the removal of more than 0.5 ha of remnant vegetation.

The Land (Planning and Environment) Act 1991 (ACT) specifies procedures for environmental impact assessment. Guidelines prescribe native vegetation conservation considerations that must be addressed. The Act also provides authority for the administration of leased rural land. Rural leases require development of a Land Management Agreement whereby land management and nature conservation issues are identified and sustainable management measures agreed. Land Management Agreements must address the conservation requirements of native vegetation.

2. THE ACT LAND TENURE SYSTEM

Land tenure in the ACT is exclusively leasehold. In 1996, the Government commenced a review of rural land policy. A new rural policy was launched in March 2000. This involved moving away from short-term lease arrangements to 99-year

terms. The main objective of long-term tenure is to give producers security, which would be conducive to long-term investment and encourage management practices directed at sustainable production rather than short-term gains.

The new rural policy is characterised by the availability of 99-year leases in predetermined areas and, as a prerequisite for new rural leases, the development of Land Management Agreements for sustainable use of the land.

A range of incentives have been developed to encourage lessee participation in the scheme and in recognition of the important role they play in managing and protecting community nature conservation assets that occur on their land.

To date around 50% (86) rural lessees have signed 99-year leases.

A Land Management Agreement proforma is at Attachment A.

3. LAND MANAGEMENT AGREEMENTS

In the ACT, Land Management Agreements are a mandatory component of all new lease arrangements. They identify features and areas having special conservation value and set out management measures required to achieve agreed conservation outcomes. Land Management Agreements are reviewed at 5 year intervals. Where new conservation values are identified, there is provision for amendments to Land Management Agreements to be initiated before the regular review period is reached.

Land Management Agreements are prepared by the prospective rural lessees and are jointly agreed by the lessee and Environment ACT. To assist with the development of the Land Management Agreement, Environment ACT provides a full inventory of the conservation value of the land including descriptions of flora, fauna and ecological associations.

A dispute resolution process is included within the Land Management Agreement. To date there has been no requirement to activate this provision.

By 2006 it is expected that all rural leases in the ACT will be covered by Land Management Agreements.

In Section 3.3.3 of the Land Management Agreement, question 5 asks: *Has the presence of sites of significant environmental value on your lease affected agricultural productivity?* All lessees that have signed a Land Management Agreement have answered 'no' to this question.

4. INCENTIVES TO PROMOTE SUSTAINABLE AGRICULTURAL ENTERPRISES

Sustainable farming in the ACT requires that lessees be able to pursue different types and scales of enterprise, and achieve a level of profitability that meets ongoing maintenance costs and allows for capital purchases. Security of tenure is an important consideration when making investment decisions. Ninety-nine year lease

arrangements provide the security and promote long-term investment decisions that promote sustainable land management practices.

The Government has provided incentives that facilitate a transition to long-term *ownership* of leases rather than a continuing land rental arrangement. This involves a lessee buying out the land rental component of the lease at a concessional rate and purchasing any Government-owned improvements on the land.

The landholder's continuing contribution to conservation of environmental assets is recognised by valuing the land for rental buy-out purposes in terms of stock carrying capacity rather than market value and applying a discount to that valuation.

In return for the foregone market revenue from the new leasing incentives the Government secures entitlements and rights, including measures for care of the natural environment. Provision has been made for some of this revenue to be recouped if a rural lease is sold on the open market within the first 10 years of a new lease being granted.

5. FINANCIAL ASSISTANCE

Rural Conservation Fund

The Government has established the Rural Conservation Fund as a financial assistance scheme for off-reserve conservation of biodiversity. It is designed to fund projects for leased rural land that are important to conservation of the biodiversity of the ACT and that involve a direct financial cost that would be an unreasonable burden for the landholder to meet in its entirety.

Where the project involves a continuing commitment by a lessee to a particular management strategy for the land, relevant details of the commitment may be included in the Land Management Agreement for the land in question. The intention is to protect the investment made in terms of longer-term conservation outcomes.

ACT Environment Grants Program

The ACT Government operates an Environment Grants Program designed to assist community groups deliver projects and services that provide important environmental benefits to the ACT and the surrounding region. As an incorporated group, for example a rural Landcare or Catchment group, landholders are eligible to submit a conservation project for funding assistance if broader community benefits are identified as outcomes.