

Productivity Commission Inquiry into: Impacts of Native Vegetation & Biodiversity Regulations

Please find attached comments on impacts of native vegetation and biodiversity regulations from Murray Irrigation Limited (MIL). MIL operates Australia's largest privately owned irrigation company delivering on average 1.2 million megalitres of water from the Murray River, to 2,400 landholdings in southern New South Wales. As the implementation authority for the Murray Land & Water Management Plans, Australia's largest single funded NHT project with a budget of \$473 million over 30 years we believe we are well qualified to comment on native vegetation issues in this region. We believe that there are serious problems in our area and welcome the opportunity to comment. If further clarification or information is required please contact our Environment Manager Alex Marshall on 03 58819331.

(a) Current disincentives for involvement in vegetation protection & enhancement

▪ ***Vegetation Legislation***

Landholders are reluctant to implement vegetation works because of concerns regarding current legislation relating to vegetation clearing and threatened species. An attitude of "don't tell anyone if you have sighted a threatened species" is held by the majority of landholders. This is due to a combination of a lack of understanding of the current legislation and a regulatory approach taken by state government departments.

A lack of understanding of the current legislation has led many landholders to believe their business will be adversely impacted if they implement vegetation works which bring about environmental improvement on their property or if they admit they have a threatened species in their area.

There are a number of examples where state departments have taken a strict or impractical interpretation of legislation or a recovery plan that has led landholders to feel that Government departments run a dictatorship rather than a cooperative consultative approach to achieve a common goal. This distrust of Government has led to a lack of involvement particularly in vegetation initiatives as landholders feel by being involved they may bring more scrutiny upon themselves now or in the future if the rules change.

It is also apparent there is a lack of consistency in the treatment of different applications for vegetation removal/clearing, and also in the offset requirements for similar clearing applications. Whilst flexibility is an important component in assessment, inconsistent interpretations and administration is not desirable, and leads to further frustration within the community.

▪ ***Vegetation incentives***

NHT incentives available to landholders (\$1,500/km for fencing) do not reflect a reasonable share of the true cost of the work to the landholder. Most incentives established eight to ten years ago are now out dated and do not reflect the time and money outlaid by the landholder to undertake vegetation works. Vegetation incentives do not even account for the cost of materials to erect the fence let alone labour and management costs for weeds and vermin control.

The economic opportunity cost of lost production by setting aside land for vegetation activities is also not considered.

There is also a greater requirement to identify the 'public versus private good' of protection of native vegetation and the biodiversity it supports. Landholders do have a duty of care to maintain and protect their natural resources. To go beyond this requires significant resources – capital, knowledge and financial. If the broader community is after benefits that go beyond this 'duty of care', then the broader community needs to actively contribute. Government (as the agent of the broader community) therefore needs to provide the right mix of incentive to encourage land managers to go beyond this duty of care.

Within our region, there is serious concern about the requirement for landholders to enter into management agreements and/or covenants with agencies for the protection of native vegetation. This is a real concern where these are linked with higher financial incentives, which more closely reflect the real cost of native vegetation protection and enhancement.

- ***Concern over water availability***

Landholders have invested significant equity into irrigated farming (lasering, drainage reuse systems etc). The living Murray environmental flow debate is leaving landholders unsure of how much more to invest as they may have significant volumes of water taken away leaving their operation unviable. In addition the angst in relation to this issue has substantially reduced landholders confidence or trust in government.

(b) Options for the removal of such disincentives

- ***Real Consultation***

Recent government consultation has such strict terms of reference that community working groups have extremely limited input. Examples include the drafting of the Murray catchment blueprint or the groundwater sharing plan for this region. Both consultation processes have been a whitewash by state departments with no real community input.

More open community involvement from stage one of consultation processes is required with a bottom up approach allowing the community to be involved in the setting of terms of reference.

In addition to this consultation process, there needs to be a formal review of existing and proposed actions, to determine their effectiveness in meeting outcomes. This process must be open to public scrutiny.

- ***Education***

Despite local DIPNR knowledge of the misconceptions over vegetation legislation and associated recovery plans there has been no education program to dispel the misconceptions or to highlight the benefits. A thorough grass roots focused education program (backed with credible local knowledge) is essential to any improvement.

- ***True Cost Share for Vegetation Incentives***

Vegetation incentives need to reflect the true cost of vegetation works and develop a reasonable cost share based on private and public benefit principles. For this barrier to be removed there needs to be recognition of the full cost including opportunity cost and compensation by society who is demanding more environmental protection.

In addition, concepts such as biodiversity credits etc have been in the public arena for some time. However, there has appeared to be very little progress made in bringing these concepts to reality. Such schemes offer landholders real opportunities, and would provide real incentive to those who have previously, or who wish to undertake active management of native vegetation. Real effort must be made in progressing these beyond the concept stage.

- ***Better Scientific Justification***

It is apparent that most policy change is driven by scant science. Although MIL recognizes the relevance of the precautionary principle we believe that it has fostered a trend away from scientific first principles in the name of political expediency. It is inequitable to apply the precautionary principle to environmental issues but not to the social impacts of policy change. Hard evidence is needed where significant changes to natural resource management policy are having impacts on landholders and the impacts must also be addressed.

In addition to this lack of credible science, there has been little detailed socio-economic assessment made as to the impacts on individual landholders, industry groups, threatened species and to native vegetation itself as to the various (current) legislation and regulations. This assessment is an essential component to reforming native vegetation outcomes.

- ***Reduced beaurocracy***

There are a myriad of different pieces of legislation and regulation which are implemented to control and regulate native vegetation and biodiversity. And there are different organizations and departments, and even different departments within agencies, which are responsible for the implementation of the various levels of legislation and regulation. This beaurocratic minefield must be removed, and the level of red-tape which landholders need to progress through must be reduced.