



FINAL REPORT OF THE **Native Vegetation Working Group**

25 January 2000



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INTRODUCTION

Most of Western Australia's farmland has been cleared and developed in the past 100 years. We have now reached the limit of expansion, and there is now a high level of agreement across the community, rural and urban, that the time of broadacre clearing has passed. Amongst the challenges facing us is to determine a useful and well supported future for bushland in our farming areas. Indeed, unless there is a substantial increase in tree and bush cover many of the farms established in the last hundred years may fall victim to increasing salinity.

The farming community can reflect with pride on their response to our growing awareness of these challenges. Farmers who only a few decades ago were clearing land 'at a million acres a year' have built one of the most successful landcare movements in the world. Conservation farming techniques such as minimum tillage have become standard practice for most farmers. Many thousands have protected their remaining bushland and are planting trees and shrubs at an unprecedented rate.

It is important that these changes proceed equitably, and that the costs of retaining the bushland we are all seeking should not unfairly fall on too few individuals. Benefits are needed for landholders who have voluntarily chosen to retain bushland, along with assistance for those who have suffered significant disadvantage from the recent tightening of clearing controls.

This report sets out a range of mechanisms aimed at both assisting in the protection and management of bushland, and ensuring that the costs are spread more equitably across the whole community. We believe it provides the first comprehensive framework of action on this issue. However, the Working Group recognises that there is still much to be done, and we have tried to place our recommendations into an ongoing program of further development.

In preparing its report we have also been mindful of the work proceeding on a number of associated fronts, including through the State Salinity Council, regional natural resource management initiatives, and on the ground catchment and landcare groups. The mechanisms we have developed are intended to complement and strengthen their efforts.

Alex Campbell
CHAIRMAN
NATIVE VEGETATION WORKING GROUP

EXECUTIVE SUMMARY

Background

The Minister for Primary Industry established the Native Vegetation Working Group in order to 'develop mechanisms that minimise the economic burden carried by individual landholders in the protection and retention of privately owned bushland in agricultural areas.'

The group was comprised of:

Alex Campbell	Chairman
Rex Edmondson	Deputy Chairman
James Ferguson	WA Farmers Federation (to September 30, 1999)
Des O'Connell	WA Farmers Federation (during January, 2000)
Lawry Pitman	Pastoralists and Graziers Association
Alan Bell	Real Estate Institute of WA
Keith Bradby	Agriculture Western Australia
David Hartley	Agriculture Western Australia
Rachel Siewert	Coordinator of the WA Conservation Council was seconded to the group and participated in all meetings

The group met during 1999 and early 2000. During 1999 it produced a discussion paper and held a workshop for representatives from farming bodies, community groups, local government and key agencies. Its initial report was available to the producer bodies from September 1999, and their comments were incorporated during January 2000.

Guiding principles

Key principles underpin the approach adopted by the Working Group. These include:

- recognising that there is no longer a well defined legal right to clear;
- accepting that there is no right to compensation where landholders are prevented from causing downstream harm;
- recognising the severity of the landscape crisis we are in;
- rewarding farmers for behaving responsibly;
- government showing leadership on its own land;
- providing assistance where viability is lacking;
- farmers owning and managing bushland as an integral part of sustainable farming;
- land unsuitable for farming not being considered for any equity assistance;
- community able to clearly identify what its rights are, what government requirements are, and to be involved in the development and application of assistance;
- not expecting the current generation of landholders to pay for past mistakes; and
- applying assistance measures in an integrated manner.

Additionally, the group considered that that it would be inequitable to provide assistance packages for landholders prevented from clearing without also providing similar packages to those who voluntarily stopped clearing their properties many years ago, when the problems of salinity and biodiversity loss first became apparent.

Overall approach

Recognising the complexities involved, the Working Group agreed that there is no single state-wide mechanism that can be adopted. Instead an overall approach that covers four interrelated areas of action was developed. This will provide choice to landholders, and can be readily varied to suit different areas and circumstances. It involves:

Gaining greater acceptance by landholders that having areas of well-managed bush on their property is an integral part of operating a productive and sustainable farm.

Removing disincentives and adding incentives that affect a landholders' ability and willingness to own and manage large areas of bushland.

Utilising market based approaches to the fullest possible extent, before programs that interfere with the free market are introduced.

Acting to resolve difficult cases. Where other measures fail, providing both compassionate and active intervention to address the needs of the families affected and the landscape at large.

Individual and community benefits of vegetation retention

Virtually all catchments in agricultural areas are recognised as being already below their optimum level of deep rooted perennial vegetation. It is possible to revegetate for hydrological purposes for between \$800 to \$2000 per hectare. Replanting for biodiversity purposes is a much more expensive option and is likely to cost a minimum of \$4000 per hectare, and as much as \$15 to 20,000 per hectare. This suggests that the true value of standing vegetation is generally far more than the market or financial values of the land, and that in WA the definable costs of clearing so outweigh the benefits that more detailed analysis is unnecessary.

These values are often not well appreciated, so the Working Group are recommending an increased effort by AGWEST and other groups to collect and disseminate better information on the benefits and costs of owning bushland.

The Working Group considered the economics of clearing, but felt that these were not a sound basis from which to estimate levels of assistance. While clearing controls have disrupted the business plans of a number of landholders, and in some cases may have rendered the farming operation (existing or proposed) unviable, the imposition of controls fits into the category of a business risk, no different from the everyday risks facing all businesses.

Information provided by the property industry suggests that there is an increasing market demand for bushland, and the Working Group considers that there is considerable scope to expand the conservation market for bushland. This would assist landholders economically and increase the level of private investment in bushland management. More detailed analysis is needed on the trends associated with the market for bushland in Western Australia. This information can guide market-based programs to assist farmers.

Equity issues in the application of clearing controls

The Working Group is aware of a number of situations where significant inequities exist in the exercise of clearing controls in agricultural areas. These need to be applied evenly and through a clearly understood process.

Changes are recommended in a number of areas, including:

- government agencies, utility companies and local governments proposing to clear on public land being subject to the same level of scrutiny as private landholders;

- landholders given a 'non-objection' to clearing prior to 1991, but who haven't yet cleared, to have their proposal re-assessed;
- legislation so that landholders can register their tree plantings, and ensure their right to harvest those trees;
- assistance procedures in the controlled catchments of the south-west to be the same as elsewhere in the state; and
- agencies involved in the operation of clearing controls to further rationalise and simplify the application of those controls, and ensure that easily understood information on the controls is readily available to landholders.

Options

No single scheme can hope to match the range of situations and circumstances where landholders need assistance. The Working Group considers there is a need for a wide range of programs that give landholders maximum choice in deciding on the options, or mix of options, that are most suited to their needs. In providing this range, the Working Group considers it is best to modify and increase the effectiveness of existing programs, with new programs only introduced to fill clear deficiencies.

Additionally, any specific incentive, adjustment and assistance measures should, for the present at least, be based on market processes and evidence, with extra allowances for environmental or welfare considerations clearly identified as such. The mechanisms that have been developed reflect these issues.

Gaining greater acceptance by landholders

There needs to be an increased effort by AGWEST to collect and disseminate better information on the benefits of owning bushland, in both the short and long term, and on incentives available to landholders. These should include specific AgMemos, a brochure package developed and produced in cooperation with regional groups, and a broad range of advice on business options for farmland included in the various farm business development programs that AGWEST operate.

Removing disincentives and adding incentives

'Conservation is among the most highly taxed land uses in Australia ... land that is managed for business purposes and monetary donations to charities receive more favourable taxation treatment than land that is owned and managed for the protection of high conservation value native vegetation in the public interest'

There needs to be significant changes made in a number of areas. Examples include:

- gaining Land Tax exemptions for conservation ownership of bushland;
- gaining rate reductions for bushland where conservation management is in place - under the Local Government Act Shire Councils can do this in a relatively 'revenue neutral' way, and the Working Group propose a degree of assistance to help them do this;
- making sure that any taxation benefits available to landholders with bushland under covenant is broadly available, and is not just for areas where nature conservation is the priority;
- continuing the Remnant Vegetation Protection Scheme for a further five years, and broadening its application;

- providing incentives that help landholders to widen and protect road verges; and
- working with the Federal Government to further extend tax deductibility for conservation management of bushland.

Utilising market based approaches to the fullest possible extent

Significant extra investment is needed into bushland protection and management, and mechanisms are needed that encourage some of this investment from the private sector. Measures to do this include:

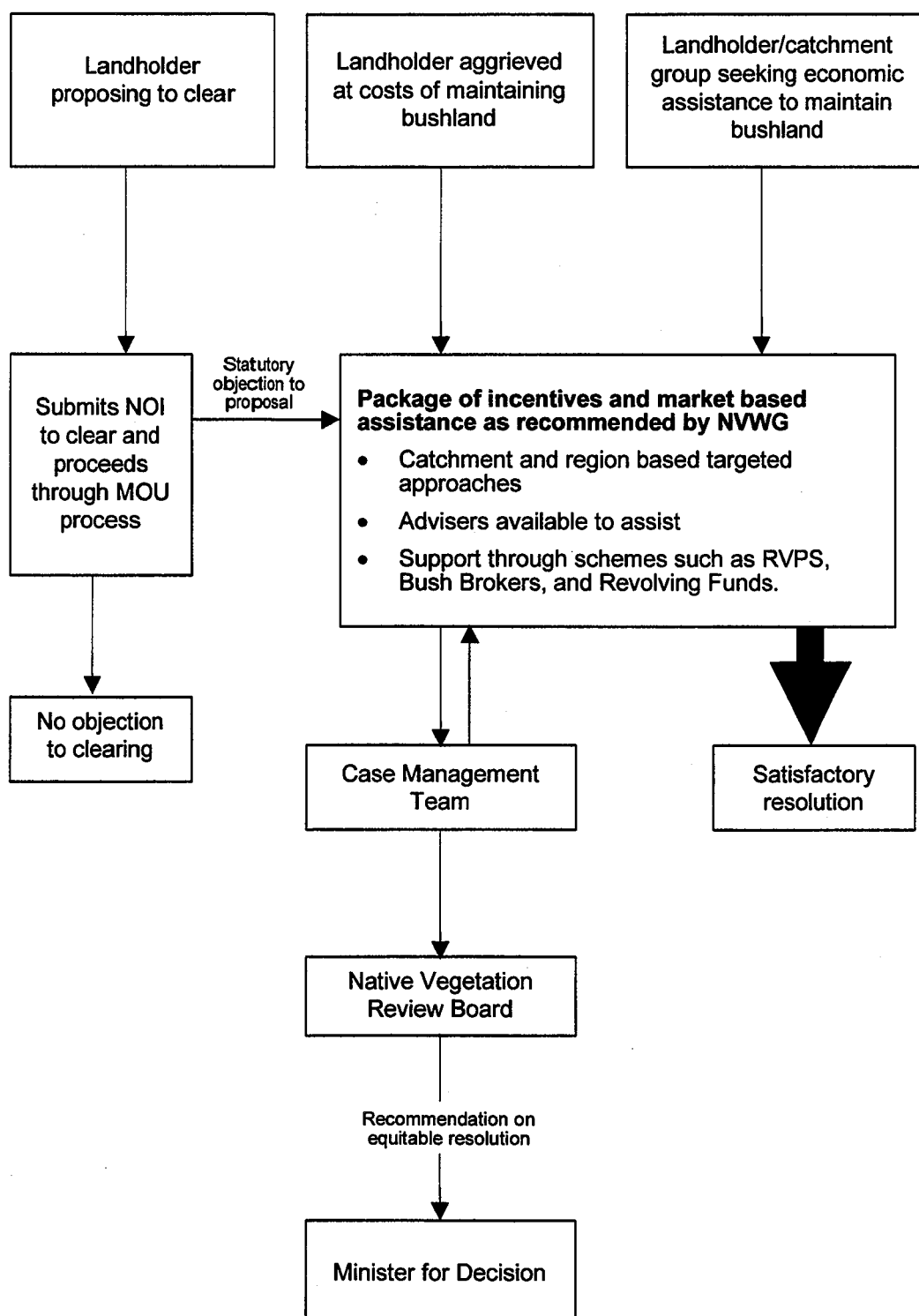
- enabling landholders to trade in large blocks of bushland separate to the cleared parts of the farm – a ‘subdivision for conservation’ policy is already being adopted by the WA Planning Commission, and extra assistance can be provided by AGWEST to landholders wanting to take advantage of this opportunity;
- support for the establishment of the *Bush Brokers* program - to stimulate the market for bushland and to assist real estate agents improve their skills in marketing bushland; and
- establishing a ‘revolving fund’ that can purchase land on the open market, have certain management agreements and/or conservation covenants placed on it, and then be resold.

Acting to address unresolved cases

To assist in the resolution of difficult cases, the Working Group supports the establishment of a **Case Management Team** (or Teams if the level of demand requires it) that can work with the landholder to explore the available options. Where these prove inadequate, the Working Group propose a **Native Vegetation Review Board** to review the individual cases and make recommendations to the Minister. This Board will operate totally separate from the statutory process through which clearing controls are managed. The relationship between the Board and the other relevant processes is outlined in the attached flow chart.

The Working Group consider that the priority need is in the short term, while landholders adjust to clearing controls, and that the Native Vegetation Review Board should only operate for five years. After that time a public review process should be undertaken to determine what process, if any, should take its place.

Relationship between protection and management processes



1. BACKGROUND

1.1 Terms of Reference and membership

The Native Vegetation Working Group was established by the Minister for Primary Industry. Its Terms of Reference are:

To develop mechanisms that minimise the economic burden carried by individual landholders in the protection and retention of privately owned bushland in agricultural areas.

In doing so to:

- **Give particular attention to the economic circumstances of farmers affected by clearing controls.**
- **Ascertain both the individual and community benefit of native vegetation retention.**
- **Determine the viability of enterprises from a whole farm perspective.**
- **Consult with and take written submissions from the State Salinity Council, Soil and Land Conservation Council, landcare groups, producer bodies, environmental interest groups, the real estate sector, and other relevant groups and individuals.**
- **Develop options for integration with existing assistance packages such as FarmBis, Better Business, Natural Heritage Trust and any other relevant schemes.**
- **Explore options for catchment, region or community based approaches.**
- **Explore market based approaches.**
- **Outline strategies for where market based solutions are inadequate.**

The Working Group was composed of the following members:

Alex Campbell	Chairman
Rex Edmondson	Deputy Chairman
James Ferguson	Executive Director, WA Farmers Federation (to 30 September 1999)
Des O'Connell	Land-Use Committee Chairman, WA Farmers Federation (during January, 2000)
Lawry Pitman	Natural Resource Management Committee Chairman, Pastoralists and Graziers Association
Alan Bell	Immediate past President, Rural Chapter, Real Estate Institute of WA
Keith Bradby	Policy Officer, Sustainable Rural Development Program, Agriculture Western Australia
David Hartley	Executive Director, Sustainable Rural Development Program, Agriculture Western Australia
Rachel Siewert	Coordinator of the WA Conservation Council was seconded to the group and participated in all meetings. Ann Revell from Agriculture Western Australia provided executive support.

The initial report was completed by 30 September 1999. In January 2000 the Minister asked the Group, through its Chairman, to update the report and address some issues that had been discussed in correspondence with the producer groups. This was done at a special meeting held on 19 January. At this meeting, Des O'Connell took the place of James Ferguson, who had left the Farmers Federation.

1.2 Consultation process

The Working Group is composed of individuals who all have long and varied experience with the issues before it, including a direct association with landholder and community interests.

Following their first meeting, the group wrote to more than 30 groups seeking written comment. The Group also utilised information drawn from other consultative processes, including the revision of the State Salinity Action Plan, a seminar on Incentives held by GeoCatch in April 1999, and a workshop on *What now for bush blocks and saline areas?* held by the South Coast region (SCRIPT) in May 1999¹.

A discussion paper was developed to provide information and stimulate further input to the group. Forty-five representatives from a range of industry bodies, community groups, local government and key agencies attended a workshop on 19 July. A range of views were expressed and the agreement reached has been incorporated into this report. Additional written submissions were received from some of those at the workshop and there has been ongoing consultation on the matters raised².

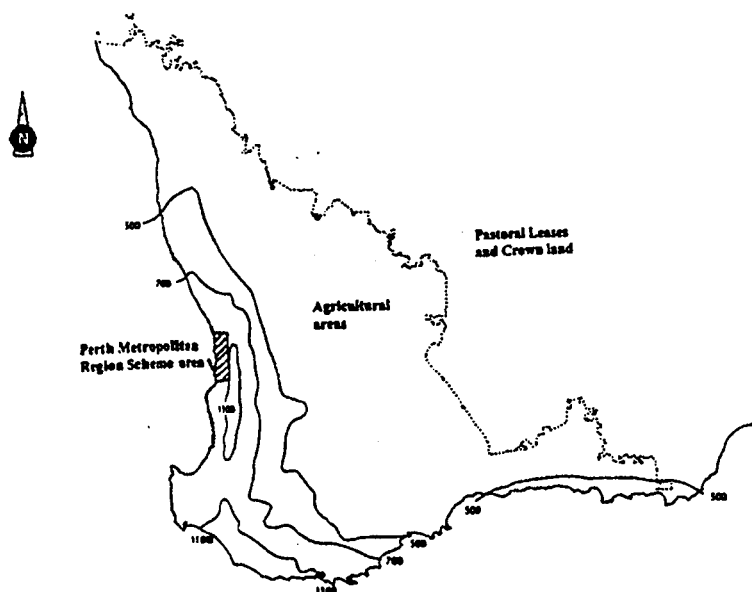
1.3 Geographic scope

As directed by the Terms of Reference, the Working Group has confined its deliberations to agricultural areas. These have been defined as rural zoned land in southern Western Australia, south or west of the eastern boundaries of the main agricultural areas. It does not include the pastoral areas. The Working Group notes that there are native vegetation management issues in the pastoral areas that would also benefit from further mechanisms of assistance.

Within the agricultural areas it is estimated that there is around 2.4 million hectares of privately owned bushland. Needless to say, the majority of this is valued by the landholder, and considered an integral part of their farming operation.

¹ *Protecting Conservation Values on your land: finding the incentives and removing the disincentives.* GeoCatch Seminar held in Busselton on Thursday 29 April 1999.
What now for bush blocks and saline areas? SCRIPT workshop held in Albany on 17 May 1999.

² Copies of submission and workshop summaries are available from the Executive Director, Sustainable Rural Development Program, Agriculture Western Australia, Northam.



Eastern and northern extent of the main agricultural area in southern WA, west of the pastoral zone, with main rainfall isohyets and the Perth metropolitan area marked

It is not possible to say what proportion of the 2.4 million hectares will be specifically affected by the findings of this Working Group, as there are numerous variables involved. These include the soil types (and subsequent suitability for agricultural use), the percentage of bushland held on each property, and the intent of the owners.

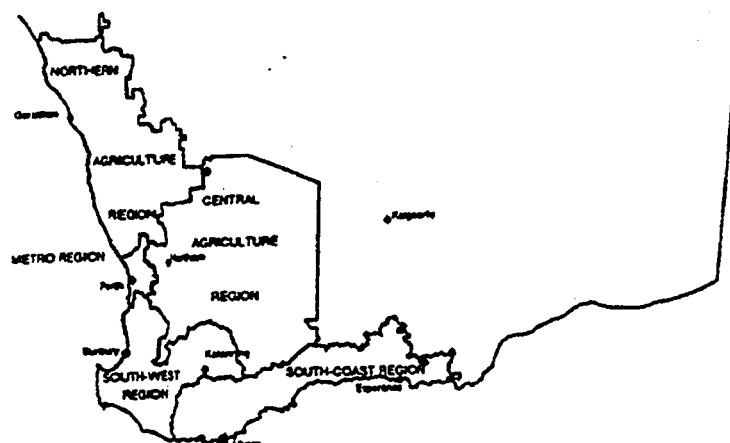
The Working Group is aware that an array of arrangements is being discussed through the Bushplan process for the Perth metropolitan area³, which contains considerable agricultural land subject to controls imposed by the Commissioner for Soil and Land Conservation. There is likely to be little conflict between the issues and mechanisms raised in either process. This is particularly the case as the market value of both farmland and bushland in peri-urban areas is already generally well above its value for agricultural production. Hence clearing controls applied in the metropolitan area largely affect the speculative value of the land, as distinct from its productive potential for agricultural use.

Figures supplied by the Commissioner for Soil and Land Conservation for the agricultural areas show that since clearing controls, under the Soil and Land Conservation Act, were introduced in 1986 some 1380 landholders have been directly affected, and objections to clearing were lodged over 104,218 hectares⁴.

The agricultural zone is covered by four clearly defined regions, which either have or are developing their own regional programs and initiatives. These are accepted as defined regions through a number of administrative processes, including the Sustainable Rural Development program of Agriculture Western Australia, the Natural Heritage Trust allocation process, and the emerging Natural Resource Management framework for Western Australia.

³ As designated in the Metropolitan Region Scheme.

⁴ Commissioner of Soil and Land Conservation (1998) *Annual Report 1997-1998* p 7.



The four recognised natural resource management regions of the southern agricultural area of Western Australia

These regions provide an excellent base from which a number of the mechanisms developed by the Working Group could be fine-tuned and applied.

1.4 Policy scope

It is recognised that strong clearing controls are generally well supported, as long as individual landholders are not overly disadvantaged for the broader good. Evidence of this is in motions passed during the last nine months by the Salinity Council Reference Group, the Salinity Council itself, the Soil and Land Conservation Council and the WA Landcare Conference.

But while the issues being addressed by the Working Group have arisen in relation to clearing controls, they are much wider than just the immediate impacts of the controls. Significant changes are needed if we are to minimise the impact of land degradation and biodiversity loss.

The Working Group has had to consider where the priorities for action lie. For example, it would be inequitable to provide assistance packages for landholders prevented from clearing without also providing similar packages to those who voluntarily stopped clearing their properties many years ago, when the problems of salinity and biodiversity loss first became apparent.

In Western Australia's agricultural areas the pattern of survey and settlement was developed with a singular focus on agricultural ownership and management, based on a very small number of commodities. We are now seeing a rapid diversification of both the economic base and community structure in many of these areas, along with changes in what we as a community value in those landscapes. The issue of bush ownership and management is symptomatic of this.

The Working Group considers that there is an overall need to assist landholders operate beyond the cadastral confines imposed in the last 100 years, and to introduce a much greater level of flexibility into land ownership. There is a need to attract considerable outside investment into the future of rural landscapes. There is also a need to introduce greater flexibility into our current concepts of land ownership, as is possible through legal mechanisms such as strata titling, and *profit a prendre* titles. Additionally, with salinity reducing the business viability of many landholders, there may be a need for a broader range of assistance packages.

The Working Group also recognises that not all the important remnants are on private land. Apart from land already managed to retain hydrological and nature conservation values, there are considerable areas of vegetated public land in agricultural areas. During the course of undertaking its specific tasks the Working Group identified some broader issues and policy needs relating to the ongoing management of public lands. These are raised through the report, and recommendations made on processes needed to better address them.

In particular, the Working Group considers that a serious inequity would exist if government policies expected landholders to protect and manage privately owned bushland and undertake significant revegetation work, but did not also act to ensure those areas directly under government control were also well protected and managed.

Many issues need to be addressed on a whole of government basis, and it is hoped that issues raised in this report can be considered further through mechanisms such as the Salinity Action Plan and the emerging natural resource management framework.

1.5 Natural resource management context

Landcare in Western Australia has evolved on a cooperative basis, and continues to do so. In recent years support for community based approaches has become more formalised through regional initiatives.

In its deliberations the Working Group has been aware of the new natural resource management strategy under development by the Federal government and that, consequent on discussions at state level, a more regionalised framework for delivery of government support to natural resource management will emerge in the near future. A map of the regions adopted at present is shown on page 10.

The Working Group considers that recommendations in this report may need further fine tuning at a regional level, and should be implemented in conjunction with regional strategies wherever possible.

With this in mind proposals recommended in this report seek:

- improvements to existing programs that help them target bushland issues in more integrated and cost effectiveness ways;
- regional and catchment based approaches where the issues of vegetation protection and landholder equity are addressed cooperatively in an integrated approach; and
- addressing landholder concerns on an individual basis only where the more cooperative approaches are not possible.

It is recognised that it may take some time to bring regionally based approaches into operation, if only due to the need for a full consultative process. Therefore the Working Group propose mechanisms for the immediate future to assist individual farm businesses in significant need, and for these arrangements to operate while regional frameworks are further developed.

It is also recognised that there are sub-regions within the agricultural areas where the problems of bushland retention are particularly acute, and these sub-regions often also suffer from serious land degradation and poor farm viability. It is here that a focused structural adjustment program could most usefully operate. However, to have the support of the local landholders such a program would need to be developed sensitively, and the most appropriate way for this to occur is through the existing regional groups.

Regionally based programs can be built from a mixture of funding sources, not all of which would originate in government. A case exists for a levy system across the industry, or across a region, that funds the purchase of bushland from individuals. The levy for this could be relative to the percentage of a farm cleared, so that the farmers with least bushland pay the highest levy.

Such a scheme for rural areas, if developed and supported by landholders, and particularly if regional biodiversity values were also being protected, would stand a strong chance of attracting matching support from government, possibly even through a specific levy on the whole community.

1.6 Statutory context

The Terms of Reference specifically require the Working Group to consider economic issues associated with bushland protection and retention in agricultural areas, along with the specific economic circumstances of farmers affected by clearing controls. This involves the consequences of a number of statutory controls.

1.6.1 Legislative controls that protect bushland

The State Government exercises a number of controls on the destruction of vegetation, through a range of statutes. These include:

- Soil and Land Conservation Act 1945
- Country Areas Water Supply Act 1947
- Wildlife Conservation Act 1950
- Environmental Protection Act 1986
- Heritage of Western Australia Act 1990
- Town Planning and Development Act 1928
- Local Government Act 1995
- WA Planning Commission Act 1985
- Metropolitan Region Town Planning Scheme Act 1959
- Main Roads Act 1930

Some local government authorities also exercise controls.

1.6.1.1 Soil and Land Conservation Act

Under Part II section 7 of the Soil and Land Conservation Act, the Commissioner is empowered to exercise powers and functions and carry out duties conferred or imposed on him by the Act. Under Part III section 13, the general function of the Commissioner is the prevention and mitigation of land degradation. Part I section 4 states that land degradation includes the removal or deterioration of natural or introduced vegetation that may be detrimental to the present or future use of land. The power this gives the Commissioner can be exercised whenever the Commissioner considers it necessary to prevent land degradation.

Under Section 32 (1) of the Act the Commissioner can place a Soil Conservation Notice on a property to prevent further damage, aid regeneration of the vegetation, and to require the landholder to undertake any such works that are required to address land degradation concerns. The Notice will specify a period within which the Commissioner's directions are to be implemented, and may be placed as a memorial on the title of the land (Section 34A (1) of the Act).

The powers of the Commissioner to control land clearing under the Soil and Land Conservation Act were not applied during the post World War II period of rapid agricultural expansion. Increasing awareness of the linkage of land degradation to clearing

led to the introduction of regulations under the Soil and Land Conservation Act. These were gazetted and became effective from 1 January 1986, and place an obligation on landowners to notify the Commissioner of Soil and Land Conservation of their intention to clear more than one hectare of land for a change of land use. The Commissioner has 90 days in which to object to notified clearing.

Additionally, the Commissioner has power to prevent the removal of individual paddock trees where their removal will be detrimental to the present or future use of land. This is under the general provisions of the Soil and Land Conservation Act, and is not notifiable under Regulation 4 of the Act, unless more than one hectare of trees is removed and their removal changes the land use (i.e. from grazing to intensive horticulture).

Clearing controls have been progressively tightened through the 1990s due to growing awareness of the serious threats faced by farmers and the state through salinity and the loss of tree cover. Changes in government policy have been largely implemented through the introduction of new administrative guidelines and procedures aimed at discouraging land clearing.

Between 1986 and 1990 it was the Commissioner's policy to prevent the clearing of land of low agricultural capability. This included deep sand, rocky soil and drainage lines. It was clearly stated at that time that the regulations were not intended to restrict clearing of 'good arable land.'

By the early 1990s it was evident that salinity was an extremely serious threat to agriculture in Western Australia. However landholder groups have been cautious of supporting clearing restrictions, even where these are clearly needed to protect downstream properties. In the one instance of tight controls introduced at the request of a landholder group, land clearing has been prohibited since 1991 in the Bruce Rock Land Conservation District, by special regulation requested by the LCDC.

New regulations for the administration of land clearing controls were introduced in November 1991. Revised sub-catchment vegetation levels and salinity guidelines were introduced at the same time, and remain in effect. Included in the new regulations was a clause that required landholders to commence substantial clearing of a proposal after two years. If they failed to do so the Commissioner's 'non-objection' lapsed, and a new Notice of Intention needed to be lodged if clearing was again proposed. This clause was not made retrospective, and doesn't apply to landholders that lodged their Notice of Intention prior to November 1991. As a consequence some landholders still have legal permission to clear on the basis of assessments made under the guidelines used in the 1980s.

The introduction of new regulations and guidelines in 1991 did little to reduce the level of land clearing. In April 1995, Cabinet directed that "existing controls on clearing under the Soil and Land Conservation Act and the Country Areas Water Supply Act be augmented by a system to ensure that other natural resource conservation issues are considered before any further clearing occurs on private land". They also directed that "in Shires with greater than 20% total remnants the Commissioner of Soil and Land Conservation will decide on the need to inform the Environmental Protection Authority of any clearing proposal, in accordance with an agreed Memorandum of Understanding"⁵.

Measures to commence the implementation of these directions were announced by the Minister for Primary Industry on 17 May 1995. A further step was taken to improve the implementation of the Cabinet decision with the announcement on 10 April 1997 of *The*

⁵ *Memorandum of Understanding between the Commissioner of Soil and Land Conservation, Environmental Protection Authority, Department of Environmental Protection, Agriculture Western Australia, Department of Conservation and Land Management, Water and Rivers Commission for the protection of remnant vegetation on private land in the agricultural region of Western Australia, 1997 p 2.*

Memorandum of Understanding for the Protection of Remnant Vegetation on Private Land in the Agricultural Region of Western Australia (MOU).

This MOU brought together the various powers existing under the Soil and Land Conservation Act, the Country Areas Water Supply Act, the Wildlife Conservation Act and the Environmental Protection Act. A single evaluation process with four distinct levels was developed across these bodies, with the Commissioner of Soil and Land Conservation currently administering the first three levels.

Rural land clearing 'approved' under these arrangements declined from around 5000 ha/yr to less than 1000 ha/yr⁶.

On 5 March 1999 the Minister for Primary Industry announced that he had introduced stringent administrative arrangements to control future agricultural land clearing. The onus is now placed clearly on the landowners to prove that any proposed land clearing will not cause land degradation, and that environmental impacts will be minimal⁷.

The new policy requires landholders to produce a range of information on the likely impacts of their clearing proposal. These administrative arrangements have placed proposals for agricultural development on a similar basis to those development proposals received by government from other industries, who have been funding and presenting for assessment their own proposals for at least 10-20 years.

Relatively few clearing proposals were being received following the 1997 MOU, and since the new policy was announced the number of land clearing proposals received by the Commissioner has dropped further.

The Soil and Land Conservation Act does not provide compensation to landowners adversely affected by land clearing controls.

Clearing for the establishment of plantations

In 1988 the Minister for the Environment adopted advice and recommendations from the Environmental Protection Authority that clearing of native vegetation on private property for the purpose of producing woodchips, or for the establishment of plantations, was in general environmentally unacceptable and should not be permitted except in individual cases authorised by the Minister for the Environment.⁸

In February 1989, the Minister for the Environment delegated to the Commissioner⁹ the power to authorise the clearing of native vegetation for the establishment of plantations for woodchips on the basis that:

- not less than 20% of any area notified would remain uncleared and may have to be fenced and protected from degradation;
- the requirements of the Soil and Land Conservation Act were satisfied; and
- the uncleared area was selected to protect nature conservation and landscape amenity values.

⁶ Commissioner of Soil and Land Conservation (1998) *Annual Report 1997-1998* p 7.

⁷ Media release (5 March 1999) Minister for Primary Industry.

⁸ EPA Bulletin 329 (July 1998) *WA Chip and Pulp Co Pty Ltd*.

⁹ Delegation No. 2, Environmental Protection Act 1986 Section 18(1) Delegation (No. 2) *Government Gazette WA* 27 January 1989.

Clearing by Local Government and utility companies

Roadsides are often the most significant areas of remnant native vegetation in agricultural areas. This gives them an important role in regional soil and land conservation, ... In addition ... roadsides represent random traverses across the landscape, and hence provide for the retention of those vegetation associations that have been preferentially cleared for agriculture. Approximately 20% of threatened flora populations in Western Australia are found on road reserves, demonstrating their importance for nature conservation in this state¹⁰.

Section 17 precludes the Commissioner from issuing a Soil Conservation Notice in relation to any work carried out by a Government department or public authority. In the case of clearing easements such as for power lines and pipelines along roads, the definition of owner and occupier for Regulation 4 does not include persons or organisations with a right over an easement. Therefore, they may not be required to notify clearing under Regulation 4 of the Soil and Land Conservation Act.

Main Road road reserves are actually vested in the Main Roads Western Australia, while other road reserves are often unvested crown land over which the appropriate local authority has management responsibility in relation to road construction and maintenance. While legal powers probably exist to regulate clearing along roads, they are rarely applied. By agreement, Western Power, Main Roads Western Australia, Water Corporation, Department of Conservation and Land Management, and a number of local government authorities now notify certain types of land clearing to the Commissioner. However, they can clear on public land and road or rail reserves without undergoing the level of justification required of private landholders. There are concerns that inappropriate clearing does still occur.

Additionally, local governments have the right to clear bushland for gravel pits. While there have been a number of Notices of Intent for this received in the past year, few are subject to the level of environmental evaluation it is believed that there are many further cases not subject to any form of evaluation.¹¹ The situation is worse in the controlled catchments of the South West, where controls on landholders can restrict the destruction of even a single tree, yet large areas of bushland along roads are routinely destroyed for road widening.

The continuation of clearing controls that are considerably more onerous for private landholders than for state and local governments, or for utility corporations, is clearly inequitable. See Section 5.2 on page 34.

1.6.1.2 Other Statutory Controls

Country Areas Water Supply Act (CAWS)

The CAWS Act was amended in November 1976 by the inclusion of Part 11A for the control of clearing in the Wellington Dam Catchment Area for the purpose of protecting the water resource. In December 1978 the Act was further amended to control clearing in the Mundaring Weir and Denmark River Dam Catchment Areas, and the Kent and Warren River Water Reserves. In 1990 the Wellington Dam Catchment Area was split for administrative purposes into the Harris River dam and the Wellington Dam Catchment Areas.

¹⁰ Letter from Chairman of the Roadside Conservation Committee to the Chair of the Native Vegetation Working Group, dated 19 August 1999.

¹¹ Letter from Chairman of the Roadside Conservation Committee to the Chair of the Native Vegetation Working Group, dated 19 August 1999.

In these areas any clearing of indigenous vegetation without a licence is an offence except where the need to obtain a licence is specifically exempted by the CAWS Act or the Regulations to the Act. Where a licence is granted to clear scattered paddock trees, parkland cleared vegetation and small areas of vegetation generally less than 1 hectare in area, conditions are attached to the licence requiring the applicant to plant twice the equivalent area cleared to improve water quality. Such areas of planted vegetation are usually protected by Agreements to Reserve with memorials registered on land titles (using the facilities of the Soil and Land Conservation Act).

The Water and Rivers Commission administers the CAWS Act and is responsible for the granting of licences in the controlled catchments. Where an application for a licence to clear is refused, a claim for compensation may be lodged with the Commission. When compensation is paid it is only in relation to 'injurious affection' resulting from the refusal to clear.

Wildlife Conservation Act

This Act provides for the protection of flora and fauna, and can prevent clearing on Crown land or private land where gazetted species (declared rare flora and threatened fauna) are known to occur at specific sites. The Act is not generally used to prevent rural land clearing. The Department of Conservation and Land Management maintains a rare and priority flora database.

A new Biodiversity Conservation Bill is currently being drafted.

Environmental Protection Act

The powers of this Act are used to assess any land clearing likely to have a significant impact on the environment, principally through loss of biodiversity. It has also been used to assess land degradation impacts. Clearing proposals are usually referred by the Commissioner of Soil and Land Conservation to the Environmental Protection Authority (EPA) for consideration, following advice from the inter agency group.

Following assessment, the EPA makes a recommendation to the Minister for Environment who may or may not approve the land clearing and set binding environmental conditions. The formal assessment process typically takes longer than 18 months to complete, and requires the proponent to supply any information required for the assessment.

Land clearing proposals are less likely to be favourably considered if they cover land identified in the Conservation Through Reserves Committee process, and subsequent 'System' studies, or areas gazetted under Environmental Protection Policies. In a number of recent clearing assessments the EPA has recommended that clearing not be allowed to occur if it would result in less than 20% native vegetation remaining on the property.

Other legislation

A number of Local Government shires impose land clearing controls under the Town Planning and Development Act. These are generally applied when intensive agricultural industries and farm forestry developments are planned for rural land.

The Land Administration Act regulates the clearing of certain categories of Crown land, such as pastoral and other land over which a grazing licence has been issued.

1.6.2 Gaining clarity

From its review of land clearing legislation the Working Group has concluded that there is a great deal of uncertainty surrounding the rights of landholders, and the precise procedures applicable in certain circumstances.

The Working Group considers there is a clear need to further improve the level of clarity and integration in the application of controls.

2. GUIDING PRINCIPLES

The Working Group developed these principles to guide their deliberations.

1. There is no longer a well defined legal right to clear, and what rights there are come with responsibilities.
2. When landholders are prevented from causing harm to downstream properties, through the offsite environmental impacts of their clearing or inappropriate use of the land there is not, and never has been, a legal or moral right to compensation.
3. We have lost enough land and biodiversity, and are in a landscape crisis! We need to help farmers who:
 - are suffering from salinity;
 - have already conserved significant vegetation areas; or
 - still want to clear.
4. It is better to reward than to penalise.
5. Government has clear roles and responsibilities to fulfil. These include:
 - mediating equitable and responsible land management;
 - protecting the rights of landholders from the damaging actions of other landholders; and
 - showing leadership on its own land.
6. Lack of individual profitability or viability is not an argument for continued clearing, but it does demonstrate the need for assistance.
7. Farmers need to recognise that ownership and management of bushland on their property is an integral part of sustainable farming, and that in areas where little bush remains there is a need to revegetate.
8. Areas that can reasonably be considered as unsuitable for agricultural use following clearing will not fulfil criteria for equity assistance, but may fulfil criteria for management assistance.
9. The community needs to be able to clearly identify what its rights are, what the government requirements are, and to have a meaningful involvement in the development and application of assistance packages. This involvement is most appropriately managed through recognised regional groups.
10. The current generation of landholders should not be expected to bear the cost of past mistakes, nor should future generations be expected to pay for current mistakes.
11. Where the community is paying for a community benefit it should involve a fair recompense to an individual leaving them no better or worse off.
12. Any assistance measures need to be applied in an integrated manner if maximum value is to be gained from them. This includes measures that target farm business viability, biodiversity imperatives and the control of land degradation.

3. OVERALL APPROACH

Addressing the future of bushland on private land, and the ownership responsibilities and associated costs this involves, is a complex matter. There is no single state-wide mechanism that can be adopted. Instead we need a range of approaches that provide choice to landholders, and are readily varied to suit the areas and circumstances they are applied in.

In developing mechanisms to assist landholders protect and retain bushland the Working Group has adopted an overall approach covering four interrelated areas of action. These involve:

Gaining greater acceptance by landholders that having areas of well-managed bush on their property is an integral part of operating a productive and sustainable farm.

Removing disincentives and adding incentives that affect a landholders' ability and willingness to own and manage large areas of bushland.

Utilising market based approaches to the fullest possible extent, before programs that interfere with the free market are introduced.

Acting to address unresolved cases. Where other measures fail, providing both compassionate and active intervention to address the needs of the families affected and the landscape at large.

These approaches are discussed briefly here, and then form the framework of the policy options outlined in the following section.

3.1 Greater acceptance by landholders

Agriculture in southern WA is still close to its main expansionist period, with most farmland having been cleared and developed this century, much of it since the Second World War. Throughout this time of expansion the culture of farming areas tended to be focused on the massive task of clearing the bushland.

The people who first settle a virgin area are close to the natural landscape ... but they are sometimes impatient with it, as are also the next generation, and it is not until natural bushland, by an insidious diminishment, achieves the status of a 'museum area' that its intrinsic value is realised by the people who have unconsciously imposed this new value on it¹².

We are now at the period of our history where there is a widespread general appreciation of our bushland. This is not just brought about by the 'gradual diminishment' outlined above, but also by increased appreciation of the role of native vegetation in maintaining stable and productive landscapes, and the special richness and uniqueness of Western Australia's plant and animal life.

The need to assist landholders appreciate how valuable their bushland is was raised in the 19 July workshop as of considerable importance. Landholders present spoke strongly of the acceptance they had gained, of the need for large parts of the farm to be under bushland, and the enjoyment many gained from this.

¹² Barbara York Main (1967) *Wodjil and Tor*. Jacaranda Press.

3.2 Removing disincentives and adding incentives

There is a need to remove the significant imposts and penalties that landholders with large areas of vegetation still face. These imposts need to be replaced with positive incentives that draw investment dollars into bush conservation and management.

The costs and impediments include measures such as local government rates, which apply to all landholders, and specific costs such as land tax, which only apply to some landholders, particularly those who manage the land largely for conservation values.

The incentives available generally fall well short of the actual costs of ownership, and particularly fail to significantly meet the costs of management to maintain conservation values for the public good. This is particularly serious where landholders and groups seeking to adopt innovative ownership and management options find themselves facing policies, procedures and regulations that were framed some decades ago when clearing was promoted through government policy.

On the issue of achieving equity across a catchment, while there are a number of programs that can be useful, there are few mechanisms of assistance in place that enable groups to bring these programs together.

3.3 Utilising market based approaches

There are significant opportunities to more fully stimulate and utilise the market as a means of achieving the equitable protection and management of remnants. Our rural and agricultural landscapes are changing from being predominantly landscapes of production to being landscapes that also provide significant services, such as lifestyles, leisure experiences and environmental products. These enable the landowner to use vegetation for productive and profitable purposes.

However, in many cases the current landholders are unable or unwilling to use their land in this manner. Through sale of the land to an owner prepared to accept the obligations of conservation management, the current owner is able to access the capital they have tied up in bushland. The sale may also bring some fresh skills and perspective's into rural areas that badly need them, thereby assisting to diversify rural economies and populations.

3.4 Acting to resolve difficult cases

The Working Group propose programs of active intervention by government in those areas where incentive and market based mechanisms have not been fully effective, and where there is a clearly definable need. However, the priorities for action need to be set. Should the government fund special incentives for landholders prevented from clearing in recent years, ahead of providing similar assistance to those who voluntarily ceased clearing when the extent of degradation in their catchment became apparent? Additionally, while the relatively small number of landholders still wanting to clear feel disadvantaged, there is a much larger number of landholders whose viability is being undermined by the spread of salinity.

While full implementation of the approaches outlined in the State's Salinity Action Plan will reduce the total area damaged, there will still be significant losses, and significant economic impacts. The salinity prediction mapping now available gives us clear insights into scale of damage possible in the future.

In specific relation to clearing controls, if incentive and market based solutions fail to settle a landholders problems, there will need to be some principles applied in order to determine:

1. The 'genuineness' of the problem.
2. The appropriate scale of assistance that should be offered.

4. INDIVIDUAL AND COMMUNITY BENEFITS OF VEGETATION RETENTION

A lack of readily available information on the costs and benefits of retaining bushland is hampering development of the new approaches and mechanisms we need. What is clear is that the current processes distribute these costs and benefits quite unfairly, and fail to adequately account for off-site impacts and non-market values and costs.

The role of the working group is to recommend what can be done to assist the better protection of recognised values while minimising the direct cost on individuals. On that basis, only a brief outline of the benefits has been compiled.

The benefits of maintaining bushland on farms range from the broad to the specific. They include its value in:

- conserving woody vegetation as part of internationally agreed efforts to reduce carbon release to the atmosphere;
- maintaining a hydrological balance (or slowing the rate of further decline), particularly in areas where other properties are already under threat from salinity;
- reducing land and stock exposure to climate extremes, such as storms and strong winds;
- retaining the last fragments of already over-cleared ecosystems, both broadly and for the conservation of locally special species and habitats;
- making the farm and the region a good and healthy place to live;
- sustainably managing areas that would need expensive management if cleared;
- providing scope for diversification; and
- pure enjoyment.

In economic thinking, these attributes can be broadly separated into two overlapping categories; private benefits and public benefits. Private benefits accrue to the owner of the bushland while the public benefits accrue to others outside the farm boundary, including neighbouring producers and the community at large.

The broad public benefits can be very difficult to express in financial terms. However, the physical and economic reality is that virtually all catchments in agricultural areas are recognised as being already below their optimum level of deep rooted perennial vegetation, for either hydrological, general landscape or biodiversity reasons (or all of these). It is possible to revegetate for hydrological purposes for between \$800 to \$2000 per hectare. Replanting for biodiversity purposes is a much more expensive option and, depending on the degree of restoration sought, is likely to cost a minimum of \$4000 per hectare, and generally much more. It is understood that mining companies such as Alcoa can spend between \$15 to 20,000 per hectare to revegetate mine-sites with an approximation of the original bush.

This suggests that the true value of standing vegetation is generally far more than the market or financial values of the land, and that in WA the definable costs of clearing so outweigh the benefits that more detailed analysis is unnecessary.

The broad benefits of bushland will also vary from area to area. One view expressed at the 19 July workshop was that 'the first 10% to be cleared was probably at little expense, but the last 10% has been at an horrific expense'. While this view may generate some argument, it does encapsulate the fact that clearing of the poorer quality soils, which are generally of higher biodiversity value and situated on hydrological recharge areas, has contributed significantly to the current environmental and economic problems being faced by rural communities.

At a catchment level, where clearing of bushland is likely to reduce production in other parts of the catchment, the individual benefits of clearing need to be balanced against the broader damage caused. Delineating these costs will be particularly useful in addressing inequities between neighbours where most landholders have already cleared and the costs of retaining some hydrological balance rests on a few individuals.

In this context it will also be useful to include the importance of other external costs, such as the financial impact of siltation or eutrophication, that are typically more difficult to quantify because much of the impact can be primarily ecological in nature. Additional costs include the expenses involved in retaining bushland in good condition, such as managing weed invasion.

From a scientific viewpoint, an additional difficulty in assessing the 'total' value of an area of bushland in southern WA is the lack of scientific knowledge. It is thought that around 20% of the flora is unnamed, and the discovery of previously unknown populations of both plants and animals is relatively common.

One outcome of the 19 July workshop was the view strongly expressed by a number of participants that the benefits gained from bushland by a landholder increases significantly if they are assisted and encouraged to improve their knowledge and appreciation of their bush. The work of local bushcare groups, wildflower societies and the like is seen as of great importance, along with programs such as *Land for Wildlife* and *Living Landscapes* which help landholders understand and appreciate their bushland and provide advice on management techniques.

The Working Group supports the continuation and expansion of programs, such as Land for Wildlife and Living Landscapes, that assist landholders appreciate and gain greater benefit from the bushland on their property.

4.1 Economic costs and benefits of owning bushland

Conservation of vegetation is neither an alternative land use nor an opportunity cost – it is an investment in natural capital, which underwrites material wealth.

Conservation of biodiversity means much more than just protecting wildlife and its habitat in nature reserves. Conservation of native species and ecosystems, and the processes they support, the flows and quality of rivers, wetlands and groundwater, and soil structure and landscapes are all crucial to the sustainability of primary industries.¹³

The retention and management of bushland is an investment in the sustainability of agricultural systems and landscapes in general. As such, the discussion needs to focus on how the investments can be maximised and distributed equitably between investors and beneficiaries. The outcomes we are seeking are:

- an increased investment in bushland retention that delivers higher public benefits and smaller individual inequities than at present; and
- processes where the longer term capital costs of unsustainable practices receive greater consideration alongside the net annual cashflow considerations that tend to dominate.

4.1.1 Private benefits of retaining vegetation

The total value of bushland conservation includes aesthetic value, existence value, option value and bequest value. While only some of these produce immediate financial returns, most are eventually reflected in the land's capital worth.

¹³ ANZECC (1999) *Draft National Framework for the management and monitoring of Australia's native vegetation*. Environment Australia, p 133.

These values are difficult (if not impossible) to quantify over the short term, which is one reason why most economic analyses focus on the immediate financial benefits. Additionally, it is difficult to quantify the importance bushland plays in maintaining the productive capacity of a farm, through maintenance of micro-climate, hydrological stability, improved saleability, and through maintaining the physical and mental well-being of the landholder.

The three broad options for utilising bushland to derive direct financial benefit are through:

1. utilising it in its current state (e.g. seed collecting, wildflower sales, tourism);
2. selling the bushland and investing the money in alternative assets; or
3. clearing the land and developing it for agriculture or other enterprises.

Assessing private economic benefits involves quantifying the financial returns of the most profitable enterprise, as determined by comparing income streams from alternative enterprises or strategies. Factors to be considered in this include the risk of the investment, the impact this has on net cash flow, and the individual level of indebtedness.

A number of studies have examined the benefits of clearing to individuals, and a lesser number have examined the benefits of utilising the bush¹⁴. However these studies have generally been very narrowly focussed, and have not considered the external (or public) costs and longer-term issues. It is considered likely that there is an element of market failure occurring because of lack of research and development into the values of bushland, particularly the economic uses.

Limited work has been done on the overall profitability of bush-based enterprises, such as wildflower and seed picking. This work indicates returns can vary widely, from a minimal figure to over \$1500 per hectare for a highly successful ecotourism enterprise¹⁵. While the returns are often reasonable, it needs to be noted that these are largely niche markets, and will not be accessible for many landholders. Also, many of these industries have developed considerably since the figures were collected. Some of the industries involved do not lend themselves to hectare by hectare analysis.

The Working Group considers that one simple way to ensure that benefits start to outweigh costs is to ensure that landholders have ready access to clear, easily understood information on the range of incentives, assistance packages and management options available.

The Working Group recognises the valuable work being done, on economic and broader fronts, through initiatives such as Land for Wildlife, Living Landscapes and the Centre for Australian Plants.

The Working Group sees a need for further research into the sustainable economic values and uses of bushland, particularly those of benefit to existing landholders.

Recommendation 1 (4.1.1)

The Working Group recommends an increased effort by AGWEST to collect and disseminate better information on the benefits of owning bushland, in both the short and long term, and on incentives available to landholders. These should include specific AgMemos and a brochure package developed and produced in cooperation with regional groups.

¹⁴ For example see Safstrom, R. (1997). A framework for evaluating proposals to clear native vegetation for agriculture in the transitional rainfall zone of Western Australia. Unpublished Masters dissertation, University of Western Australia. Additionally, AGWEST has done a number of budgets for individual situations, which we have drawn on in a general sense.

¹⁵ ACIL Economics (1993) *Making Profits from farm bush*. Report to CALM.

4.1.2 Private costs of owning bushland

It is important to recognise that, whatever the benefits there can be significant costs involved in the ownership of bushland. For many landholders the most pressing concern is the opportunity cost. They feel that they have considerable capital tied up in the ownership of the land, and that their inability (real or perceived) to use that capital to earn income is a cost.

The other main costs are local government rates, maintenance of fences and firebreaks and management costs such as controlling feral weeds and animals. These vary considerably from district to district, and are a considerable burden for some owners. A number of landholders have contacted AGWEST staff in recent years seeking assistance to gain reductions in these costs. Local Government rates are often the most pressing item, with some blocks attracting a rate burden between \$1-3000 per annum, even in the wheatbelt.

The other major cost item is management, particularly if the bush is degrading through rabbit infestation or hydrological impacts or similar. In these situations the costs of management for a large area is often beyond the individual farm budget.

4.2 Economics of clearing for property development

While current government policy precludes further clearing in most situations, the costs and benefits of clearing land are briefly discussed in order to draw some conclusions about the financial impact of clearing controls on individual producers. The discussion in this section concentrates on individual costs and benefits, and does not include an estimate of broader costs and benefits.

During the preparation of this report a number of individual farm budgets have been reviewed, along with studies that examine the economics of clearing and subsequent farm development¹⁶. However, these budgets and studies are not cited specifically, due to privacy issues, the regional and local variability involved, the impact of rapidly changing terms of trade, the variability of enterprises proposed to follow the clearing, and the subsequent difficulties of extrapolating the detailed information into a general picture. To fully consider the individual economic benefits of clearing there is also a need to consider the cost of vegetated land as opposed to cleared land, and both markets are changing rapidly.

The costs of clearing are generally easy to identify for any given area, and include chaining or windrowing, firebreak establishment and burning, root ripping and blade ploughing and post fire ploughing. These vary from district to district.

There is even greater variation in the costs of establishing the agricultural enterprise. Broad acre costs are relatively easy to identify, and include such items as fencing, water supply, pasture and fertiliser, but again there is enormous variability between enterprises and districts.

Financial assessment of specific land clearing proposals can show that while the expected returns are positive the overall viability depends on average crop yields or higher being achieved after development. Lower than average yields during the first few years can lead to levels of debt beyond the ability of many producers to pay.

¹⁶ Main papers drawn on were:

Safstrom, R. (1997). *A framework for evaluating proposals to clear native vegetation for agriculture in the transitional rainfall zone of Western Australia*. Unpublished Masters dissertation, University of Western Australia.

RAFCOR (1997). *Economic analysis of costs associated with clearing and farm development*. Unpublished file notes.

Notes prepared by Andrew Bathgate, AGWEST, drawing on a range of sources, including work done in the Esperance and Ajana areas.

Despite concerns that clearing land for broadacre agriculture is uneconomic, when considered in purely cash-flow terms it is still seen as a financially attractive option by some landholders, and this is supported by some of the economic analysis conducted for some areas. One written response to the working group has rightly pointed out that most WA farms have been gradually cleared over a period of time to become successful businesses. But it should also be noted that in many situations these same broadacre pursuits have difficulty meeting their ongoing environmental costs, such as would be the case if the overall downstream impacts were included as a cost to the up-slope landholder, particularly over the longer term.

In recent years a number of Notifications of Intent to Clear have been received for more intensive and high value enterprises such as viticulture, aquaculture, tree plantations, agroforestry, nurseries, gravel and sand extraction and minesite establishment. In these cases the clearing is more certain to be profitable to the individual.

After considering the variables involved, and the perspective outlined in Section 6.5, the Working Group does not consider the likelihood of profit to the individual from a clearing proposal a sound basis from which to estimate assistance mechanisms when a proposal is stopped.

4.3 Economic impacts of clearing controls on individual farmers

Clearing controls for broadacre agriculture have been in operation since 1986. The rigour of the assessment process has steadily increased since that time. Despite this, there are a number of landholders who feel economically disadvantaged by the controls, either because of their impact on long term business plans, or because they purchased properties in recent years on the mistaken assumption that they would be able to clear.

The Working Group has considered a number of case studies and all members have had personal or professional experience of specific cases.

The Working Group accept that clearing controls have disrupted the business plans of a number of landholders, and in some cases may render the farming operation (existing or proposed) unviable. However, they also consider that the imposition of controls fits into the category of a business risk, no different from the everyday risks facing all businesses. It is also recognised that clearing controls are often affecting farmers already severely buffeted by declining terms of trade.

In terms of the type and scale of economic impacts, a number of important themes can be identified.

Seeking improved viability from a small area

For a number of broadacre enterprises the clearing of the small percentage of the farm remaining uncleared is seen as improving their viability, but will only do so marginally, and within a few years they will again have to re-assess their economic position.

Lacking other business options

In many, if not most, cases where landholders have a substantial area of the farm vegetated (generally more than half) it is not so much the impact of the controls that hurt, but the lack of other business options. This is doubly frustrating when other business options, such as conservation based subdivision, are investigated and the farmer feels that 'red-tape' will also prevent that option from being implemented.

Unable to pay bushland costs

There are a number of landholders happy to retain the bushland, and not overly concerned at the opportunity cost of not clearing that bushland, but who feel they are economically unable to maintain the bush into the longer term. Cases are known where retired or semi-retired farmers have kept the bushland portion of their property, but then find themselves unable to meet the annual rates bill.

Lack of certainty

It is not just the clearing controls themselves that have an economic impact, but the manner in which those controls are both viewed by landholders, and administered by government. Where landholders fail to appreciate the full extent to which controls are applied, they enter the assessment process unprepared and often after having started to make some of the investments required to develop the land, such as purchase of plant and equipment. Conversely, where government procedures are unnecessarily convoluted and cause the assessment to stretch out over a number of years, then the costs to the landholder of keeping their plans 'on hold' are considerable.

Long term plans disrupted

Where landholders have owned the land for some decades, and had long term plans for the land in their overall business operation, the final realisation that clearing controls are in place can require a fundamental shift in their business planning. The disruption and need for changed plans is a cost in itself, and is further compounded by loss of income from the expanded farming operation. It can force a major re-alignment of the farming operation.

Recent purchases

Where landholders have purchased land in recent years (having exercised poor judgement on the likelihood of being able to clear), there is a variable market for re-selling the land at a price similar to the purchase price. A small number of instances are known where this has occurred. For many of these cases the purchase was seen as a 'cheap entry' point into farming. Clearing controls have largely removed this option from the agricultural industry, and this is an economic impact in itself.

Unable to sell property

A number of reports have been received of farms that contain a substantial percentage of bushland being hard to sell. This obviously delays the landholder's business plans.

Unwilling to review other business options

In a limited number of cases, the landholder has a deep desire to farm the land, and is not interested in pursuing other business options.

4.4 Economic costs of clearing controls

Apart from impacts on individual landholders, clearing controls also have a significant cost to the state government. Information from the four main agencies involved shows that a total of at least \$730,000 is spent in administering controls.

The Working Group considers that more streamlined processes will free up money for improved natural resource management by the agencies involved.

4.5 Market trends for bushland and farms with bushland

This section begins the process of drawing together market information. The property industry has commenced debate and analysis on both the value and the valuation methodology attached to 'environmental issues', including bushland. Additionally, the

industry tends to view the general terminology used for environmental issues as too broad to be used with clarity amidst the complexity of the property market.

Additionally, very little direct evidence is available from within Western Australia. Consequently the current analysis and debate is more directional than precise. However, a consensus of the general industry viewpoint has been gathered.

4.5.1 Market demand for bushland

Western Australia is a sparsely populated area still in a comparatively early stage of development. Consequently, in comparison to highly populated and industrialised countries we are only just starting to experience a marketplace focus on areas that provide solitude and natural values.

Demand for bushland varies from area to area, with an excessively high level of interest apparent in the higher rainfall regions and near areas of high population density, such as Albany, Mandurah and Margaret River. In the slightly drier regions it is again the near metropolitan areas (Northam, Toodyay, Beverley, York and slightly east), where there is moderate to strong demand, mostly price driven. In the wheatbelt areas there is an extremely modest interest level, again mostly price driven.

Comment from within the industry indicates bushland is in increasing demand, mostly because it is cheaper. However, there is strong evidence of increased interest in purchasing bush blocks rather than cleared land. This is particularly apparent in areas such as Albany, Margaret River, Boddington and Wandering.

Most interest is coming from people seeking lifestyle properties with some investment considerations attached. Market indicators to date evidence strong trend lines attached to the price of land rather than to its intrinsic value. There is very little evidence to support strong demand for environmental or conservation values.

However, a strong feeling within the property industry is that increased demand, and hence increased value, is needed to build the stronger climate that supports and progresses sustainability. It is considered that conservation needs to be 'sold' to the purchasing public on a universally common theme; promoted within the market place by government, conservation interests, industry and commerce.

It is considered important to encourage the community towards greater acceptance of bushland conservation as part of both the lifestyle and investment criteria that guide their land purchases.

Partial acceptance by the purchasing public of conditions on agriculturally zoned land is evidenced by purchasers in higher rainfall areas actively seeking out land with controls attached, particularly in respect of vegetation. Other important factors are size and privacy. For these and other reasons, the property industry considers one of the most effective means of dealing with vegetated property on a broad basis is through creating specific allotments with specific controls placed on them.

Finally, market related considerations are weighted by a perception amongst many potential buyers that can be called the 'Agricultural Factor'. This view is that because land is stated (and zoned) as being agricultural then farmers own and control that land.

The property industry has a concern with this perception, particularly at a governmental level. The industry considers that there is a reasonable body of evidence to suggest that the perception is having, and will continue to have, a negative impact on property values of a non-agricultural or lifestyle nature located in areas that are zoned for agricultural purposes.

The Working Group considers that there is considerable scope for expanding the conservation market for bushland in a manner that assists landholders economically and increases the level of private investment in bushland management. A proposal is outlined in Section 6.4.4 on page 50.

4.5.2 Value Models

Land valuations undertaken in Western Australia are predominantly based on market value. The most appropriate method of determining market value is by the use of comparable sales evidence, where it exists, and by other theoretical methods, including trend lines. These values vary from area to area, and with the conditions attached to the particular area and project. Numerous other models, which take into account the less direct environmental values, are being discussed and developed amongst the valuation industry and economists¹⁷.

However, it appears that these not reliable enough, accepted enough, flexible enough or directly relevant to the specific circumstances and solutions on which the Working Group is focused. The Working Group considers any specific incentive, adjustment and assistance measures should be, for the present at least, based on market processes and evidence, with extra allowances for environmental or welfare considerations clearly identified as such.

The Working Group considers that more detailed analysis should be conducted, preferably through the Valuer General's Office with assistance from the Australian Property Institute (WA), on the trends associated with the market for and value of bushland in Western Australia. This information can then be used to guide market-based programs that assist farmers.

5. GREATER EQUITY IN THE APPLICATION OF CLEARING CONTROLS

The Working Group is aware of a number of situations where significant inequities exist in the exercise of clearing controls in agricultural areas. If strong clearing controls are required, then the Working Group considers they need to be applied equitably. Specific instances where changes are required are listed below.

5.1 Powers of the Soil and Land Conservation Act

5.1.1 Clearing on public land

As outlined in Section 1.5.1.1 there appear to be legal and procedural difficulties involved in controlling some clearing on public land, particularly along road verges.

While legal powers probably exist to regulate clearing along roads, they are rarely applied. By agreement, Western Power, Main Roads Western Australia, Water Corporation, Department of Conservation and Land Management, and a number of local government authorities now notify certain types of land clearing to the Commissioner. However, they can clear on public land and road or rail reserves without undergoing the level of justification required of private landholders, and inappropriate clearing does still occur. **This is clearly inequitable, and its resolution was considered a high priority by those attending the 19 July workshop.**

The inequity needs to be addressed through statutory changes as appropriate, and through incentives and assistance that encourage, legally facilitate and financially support the voluntary relinquishment and subsequent conservation management of bushland on verges along local government roads.

¹⁷ Lally, Patrick (1998). *The role of valuers in an environmentally sensitive future*. The Valuer and Land Economist. Canberra. February 1998.

5.1.2 Sub-regulation 4(5) of the Soil and Land Conservation Act

When new regulations for the administration of land clearing controls were gazetted in June 1992 they included a clause that requires landholders to renotify if they fail to clear within two years of submitting their Notice of Intention to Clear. This clause was not made retrospective, and does not apply to landholders who received a 'non-objection' to a Notice of Intention lodged prior to 29 November 1991, when less rigorous assessment guidelines applied. This is clearly inequitable when compared to the rigorous examination of proposals now required of landholders.

Landholders who still hold a Notice of Intention that the Commissioner did not object to often consider they have a legal right to clear. However, the Commissioner now generally re-assesses these under his general powers, though the process has caused some confusion with landholders.

The Working Group considers that landholders who were given a 'non-objection' to clearing by the Commissioner for Soil and Land Conservation prior to 1991 have had sufficient time to exercise that legal ability, and should not hold a privileged position. If WA is to have a system of clearing controls on agricultural land they need to be applied evenly and through a clearly understood process.

5.1.3 The '20% rule'

Following the Cabinet decision on clearing controls announced in 1995, different administrative procedures have operated in different parts of the agricultural areas, based on the extent of vegetation in each shire or catchment. While the figure of '20%' is now accepted as a broad general guide, its specific application in a statutory context can lead to inconsistencies. For example, in some catchments it is already well recognised that if prevention of salinity is reliant on the area of perennial vegetation, then far more than 20% is required. The Commissioner's assessment guidelines, which were developed in 1992, already recognise 30% as the minimum needed in some catchments.

The Working Group feels that clearing controls exercised in specific locations need to be determined on the capability of that location to withstand changes without degradation resulting, not on general percentages of vegetation cover.

5.1.4 Tree Tenure

There is some concern amongst landholders in Western Australia that restrictions on clearing vegetation to prevent land degradation can be legally applied in situations where planted trees are to be harvested.

The Working Group supports the development of legislation that enables landholders to register their plantings, and ensures their right to harvest those trees at maturity.

Recommendation 2 (5.1)

The Working Group recommends that the Minister for Primary Industry and the Commissioner for Soil and Land Conservation require all clearing proposals, whether from the private or public sector, to be subject to the same clearing controls. To achieve this the Working Group recommends that:

- (a) as a matter of urgency, the application of and, if necessary, the wording of the Soil and Land Conservation Act be modified to ensure that clearing controls are applied equally across the private and public sectors;**
- (b) the Soil and Land Conservation Council lead discussions with local government, state agencies and utility companies involved in clearing on public land in order to develop the most practical methods of implementing clearing controls similar to those applying on private land;**

- (c) **landholders who have received non-objections to NOI's prior to November 1991 now be required to meet the same requirements as other landholders; and**
- (d) **all clearing proposals be assessed on their potential to cause land degradation or other environmental damage, regardless of the percentage of vegetation left, or to be left, in any given area.**

5.2 Controlled catchments

Since 1976 and 1978 special arrangements have been in place for five catchments in the South West, where clearing for agriculture was causing a rapid increase in the salinity of previously fresh rivers (See Section 1.6.1.2 on page 17). In these areas landholders are required to apply to the Water and Rivers Commission for a licence to clear indigenous vegetation¹⁸.

Where an application for a licence to clear is refused, a claim for compensation may be lodged with the Commission and more than \$36 million has been paid to settle these claims so far. Compensation is paid only in relation to injurious affection resulting from the refusal to clear. The landholder can still graze the area, and gain permits for selective logging. As a consequence many areas are still deteriorating. Additionally, only a single management goal, water quality protection, is sought through the controls, with biodiversity not specifically included.

While recognising the historical derivation of the controls in these catchments, it is now clearly recognised that the downstream resources affected by clearing in other parts of the state are just as worthy of protection.

The Working Group is concerned that inefficiencies and inequities exist in the application of a dual set of clearing controls in these catchments. It also considers that it is inequitable for one group of landholders to be able to receive direct compensation when they are refused permission to clear, while landholders in a similar position elsewhere in the state do not have this option.

Recommendation 3 (5.2)

The Working Group recommends a review of procedures for the controlled catchments so that any further assistance is provided on the same basis as is available in other agricultural areas of Western Australia.

5.3 Uncertainty and delays in the application of statutory controls

Despite legislation governing clearing in Western Australia having operated for many years, and the effort that has been put into the administration of controls, there is still considerable uncertainty amongst landholders on just what their rights are. There is also uncertainty, including within some sections of government, on precisely how some of the controls operate.

The Working Group is aware of the significant delays and duplication that has occurred in the application of clearing control processes, both before and after the development of the Memorandum of Understanding on clearing. These add significantly to the financial costs and economic uncertainty faced by landholders.

The Working Group considers that agencies involved in the operation of clearing controls in agricultural areas need to further rationalise and simplify the application of those controls, and ensure that readily understood information on the controls is readily available to landholders.

¹⁸ Figures used in this section were provided by George Kikiros of the Water and Rivers Commission, 28 September 1999.

6. OPTIONS

6.1 National and International Overview

A brief review of models adopted in other countries was conducted. These include:

United Kingdom: Countryside Stewardship Programme, which includes 10 year management agreements, encompassing crown payments for capital and management costs to conserve wildlife habitats. Also, the Environmentally Sensitive Areas Scheme (E.S.A.) encompasses 10 year agreements paid on a per hectare basis. Approximately 15% of agricultural land is covered by ESA's and 1994/1995 costs of operation totalled \$AUS130 million.

Switzerland: The Integrated Production Program (IPP), is a voluntary scheme whereby farmers are given standard amounts based on profits foregone in return for agreeing to certain restrictions.

European Economic Community: Landholders receive compensation if they agree via a management contract to maintain features of the landscape.

USA: The Wetlands Reserve Program provides for compensation payments in return for participants agreeing to a long-term (30 year) easement to set aside wetlands and implement management programs. The over 1,200 Land Trusts that operate are an excellent concept that can conserve both environmental and agricultural values.

South Australia: Heritage Agreements and associated legislation includes lease by the Crown of private land containing wildlife or habitat sensitivities with lease payments based on compensation for loss of economic capacity.

Victoria: The revolving fund operated by the Trust for Nature provides a useful model, though there is uncertainty as to why properties resold with conservation covenants have generally traded at or slightly below the original acquisition price.

6.2 Incentives and disincentives to owning and managing bushland

*Conservation is among the most highly taxed land uses in Australia ... land that is managed for business purposes and monetary donations to charities receive more favourable taxation treatment than land that is owned and managed for the protection of high conservation value native vegetation in the public interest*¹⁹.

At present landholders who retain significant areas of remnant on their properties (whether voluntarily or through clearing controls) find the land still attracts a range of taxes and charges. It is inequitable for these people to be penalised when significant public good is gained through the bushland they own. It can also be a disincentive for conservation based purchase, and lead to inappropriate subdivision, sale, clearing by stealth and other attempts to reduce the individual economic penalty and gain some economic benefit.

Two clear disincentives are land tax and rates. A recent CSIRO report noted 'the rationale for special consideration and concessions in relation to rates and land tax are based on the provision of a public benefit. For example, charitable, religious, sporting and educational organisations are generally exempt from rates and land tax'²⁰. With the public benefits that come from private ownership of large bush areas well recognised, it is clearly time that the owners of these received similar benefits.

¹⁹ Binnings, C and Young, M.D (1999) *Talking to the taxman*, CSIRO Wildlife and Ecology, Canberra (in press) p 3.

²⁰ Binnings, C and Young, M.D (1999) *Conservation hindered*, CSIRO Wildlife and Ecology, Canberra, p 25.

Even if disincentives are removed, landholders still face considerable costs in owning and managing bushland. A number of steps can be taken to reduce these costs in ways which improve the conservation management of the land.

6.2.1 State Land Tax

Bushland on non-agricultural properties (including those privately owned and managed solely for conservation purposes) can be subject to State Land Tax. Recently the owner of one large remnant received an annual bill of \$66,000²¹. Exemptions exist for landholders using the property for primary production or plantation purposes, and this has enabled farmers with bushland on their farms to avoid this tax. However, in Western Australia people owning land specifically for conservation purposes are not able to gain any exemption. Exemptions are possible for land subject to conservation covenant in NSW and South Australia.

The current application of State Land Tax is inconsistent with government policy on vegetation retention.

Recommendation 4 (6.2.1)

The Working Group recommend changes to the application of Land Tax in Western Australia so that landholders managing bush for conservation purposes are exempt. This exemption should be conditional on some documentation of conservation management, such as a covenant or management agreement.

6.2.2 Local Government rate charges

At present bushland is rated by local government authorities, and this often proves a difficult burden for landholders seeking to maintain and preserve their bush. A small number of local government authorities have shown commendable leadership by tackling this inequity through the development of mechanisms such as conservation zoning linked with differential rating. For example the Shire of Serpentine-Jarrahdale has a 50% rate reduction available to properties with an approved management plan and where the land is zoned conservation. The Shire also assists landholders to draw up these management plans.

While the rate relief provided can be significant for the landholder, in many shires there is not sufficient bushland held privately for this to have a large impact on the Shire's overall rate income, and any significant reductions can be offset by striking a slightly higher rate over cleared land. This means that rate relief can be introduced in a way that is 'revenue neutral' for the council and also has the benefit of sharing one of the costs of retaining bushland with landholders whose properties are cleared.

However, it must be recognised that some shires already have a very small rate base, and a substantial area of privately owned bushland. Special assistance packages, funded from the wider community through the State or Federal governments, may be needed in these circumstances.

The WA Municipal Association has shown some support for the introduction of rate relief schemes by individual councils, but has pointed out that there are costs involved in establishing such schemes, such as establishment of conservation zones and mapping. In its submission on Perth's Bushplan they propose a once off grant to each local government prepared to introduce rate relief for bushland. This grant would be sufficient to employ a contractor for a brief period to establish the scheme, with ongoing maintenance and operation of the scheme being the responsibility of the appropriate Local Government²².

²¹ After considerable negotiation and lobbying exemption was gained in this particular case by classifying the bushland as plantation.

²² WA Municipal Association (1999). Submission on Perth's Bushplan.

Additional concerns have been raised that rate reductions may not be appropriate where bushland is in small high value rural retreats, with the residents drawing the same level of services from the shire as residents on cleared land. This is an issue best resolved at local government level.

Another useful mechanism for encouraging and assisting landholders to retain bushland is through reforms to the valuation system. Rural property is rated on the basis of its unimproved market value. In 1999 the Valuer General produced a revised valuation policy²³, which considers the likely impact of the general clearing restrictions now in force in WA, and in particular any formal and/or registered clearing restriction or covenant where a reduction in market value can be demonstrated. This policy enables landholders to apply for re-valuation, and then receive the subsequent rate reductions. However, the valuation is still linked to the market value of the land. While it enables a number of landholders to receive some rate reductions, its benefits would be reduced if a parcel of land increased significantly in value, such as it could happen if it became a rural retreat.

Recommendation 5 (6.2.2)

The Working Group strongly recommends that Local Government use the ‘revenue neutral’ opportunity of differential rating, as available in the Local Government Act, to assist landholders maintaining significant areas of bushland on their properties. To achieve this the Working Group recommends:

- (a) rate reduction for bushland areas should be conditional on some documentation of conservation management, such as a covenant or management agreement;**
- (b) establishment of a grants scheme that assists rural shires to establish rate relief schemes. Based on an estimate made by WA Municipal Association, it is proposed that \$10,000 be provided to each eligible shire. This scheme should operate over 5 years and is estimated to cost no more than \$100,000 per year; and**
- (c) the Soil and Land Conservation Council initiate ongoing negotiations with the WA Municipal Association, and specific shires as appropriate, to determine the special needs of offering rate relief for privately owned bushland in areas with small rate bases and large percentages of private land under bush.**

6.2.3 Management assistance for neighbours of public land

Concern has been expressed at the extra management and fencing costs carried by landholders adjacent to large areas of publicly owned bushland. Whereas those with private land adjacent generally split the cost of shared fences with their neighbours, in WA the crown does not contribute, and the total cost falls on the private landholder.

This adds to concern in the community that the costs of bushland retention can sit unfairly on a few individuals, instead of being shared across the community. Additionally, it can increase private landholder concern at government purchases of bushland, for incorporation into the public estate as a nature reserve or similar.

It is acknowledged that the scale of fencing involved in WA is enormous, and nearly all landholders would have purchased their property in full knowledge of the fact that they adjoin public land, and were fully liable for fencing costs. This is particularly true for those landholders adjoining road reserves, where the only need for fencing is to keep their stock off a public thoroughfare.

²³ Correspondence from the Chief Valuer to the Commissioner for Soil and Land Conservation, 17 November 1998.

Under the Remnant Vegetation Protection Scheme and Bushcare program there is already scope for landholders with bushland adjoining other, publicly owned, bushland to gain funding support for fence construction where it is shifted in from the boundary to contain the bush. For land bordering certain rivers and streams the Water and Rivers Commission has provided fencing grants in the past.

In Victoria the State Government has moved to address some of the concerns held by landholders adjoining large areas of public land, where there are particular problems. A *Good Neighbour Program* has been established which endeavours to improve the control of noxious weeds and pest animals along public land boundaries.²⁴ Additionally, grants can be available through the Land Incentive Grants Scheme (particularly where animal pests are a problem) to help with the cost of fencing.

The Working Group sees value in a program along the lines of the Victorian Good Neighbour program being considered for adoption in Western Australia, as a means of integrating existing weed and pest animal control programs, and strengthening acceptance of publicly owned bushland in predominantly agricultural areas.

A recommendation on targeted use of the Remnant Vegetation Protection Scheme to assist landholders adjoining public land is made in Section 6.4.2 on page 41.

6.2.4 Federal taxation benefits

At present landholders engaged in primary production or other economic use of land are able to claim deductions for much of their land management costs. Landholders who buy and manage land for conservation purposes cannot. In fact, a recent CSIRO report commented that 'Conservation is amongst the most highly taxed land uses in Australia'.²⁵ Additionally, while some deductibility is available for landholders undertaking landcare work, there appears to be a need 'for the Tax Office to clarify the interpretation of land degradation to ensure it includes measures taken to manage and conserve areas of native vegetation'.²⁶

The Federal Government has recently strengthened tax relief for philanthropic investment by the provision for full deductibility of land donated to conservation organisations, irrespective of the date of purchase²⁷. This makes it far more attractive for a farmer, or any other landholder, to donate bushland to conservation bodies who hold and manage land, such as the National Trust.

Environment Australia and the Land and Water Resources Research and Development Corporation have funded CSIRO to undertake a number of studies on steps the Commonwealth could take to assist nature conservation on private land through incentives. The completion of these reports provides a timely opportunity for WA to lobby for implementation of the more useful elements they contain.

Recommendation 6 (6.2.4)

The Working Group recommends that the Western Australian Government make a formal request to the Federal Government for an extension of tax deductibility to include the conservation management of bushland.

²⁴ Victorian Department of Natural Resources and Environment (1999). Webpage 25 August 1999. <http://www.nre.vic.gov.au/plntanml/pests/goodnbp.htm>.

²⁵ Binnings, C. and Young, M.D. (1999). *Talking to the taxman*, CSIRO Wildlife and Ecology, Canberra (in press) p 3.

²⁶ Binnings, C. and Young, M.D. (1999). *Talking to the taxman*, CSIRO Wildlife and Ecology, Canberra (in press) p 25.

²⁷ Senator Robert Hill (28 March 1999). *Tax changes a boost to conservation and heritage*. Media release and attached papers.

6.2.5 Incentives and covenants

Covenants are voluntary binding agreements between a landholder and a body with appropriate statutory backing. They aim to ensure that the land is retained and managed for conservation in perpetuity. As such they are registered on the title of the land in question, and apply to present and future owners. Covenants can be for a set period of time, or permanent.

The Working Group welcomes the increasing availability of a range of covenanting schemes in WA, and the flexibility with which landholders can design and implement covenants to suit their particular circumstances.

The main covenant scheme in WA operates through the Soil and Land Conservation Act (1945). Agreements are in place over more than 1550 separate parcels of land, involving more than 86,000 hectares²⁸. These have largely resulted from where incentives have been given to encourage the landholder to covenant, such as assistance with fencing costs (30 year covenants), or where the landholder was given permission to clear some bushland if the remaining bush is fenced and protected.

Further such incentive programs could assist in determining the long-term future of bush areas. Incentives that could be offered include:

- assistance with subdivision and sale to conservation interests; and
- lifting of specific rates and taxes, including State Land Tax and Sales Tax on a transaction where a covenant results.

The National Trust and CALM also have covenant schemes that are currently becoming operational. An increasing number of people are supporting and using covenants, and it is increasingly appreciated that covenants are not necessarily as restrictive as people thought but can be flexible and negotiable.

There is a need for wider community discussion on whether financial incentives, such as tax and rate deductions, should only apply to properties that are under some form of conservation covenant. A recent CSIRO report has suggested that tax deductions for vegetation management should only be available for properties under conservation covenants, and infers that only properties with extremely high value for nature conservation be covenanted²⁹. Regardless of the principles involved, there is cause for concern that administrative costs of covenanting and associated programs can be quite high, and provide a bottleneck that slows down the ability to covenant and provide benefit³⁰. Additionally, the emphasis on nature conservation values alone will exclude a number of properties, and fails to recognise that both nature conservation and landcare benefits are gained from bushland areas.

As an example, the Soil and Land Conservation Act does not specifically recognise or protect biodiversity, and under the current proposals many of the 1550 landholders with covenants registered under that Act may not be eligible for tax relief.

The Working Group accepts the principle of rate and tax exemptions only being available for land with an additional level of protection, such as through a covenant or management agreement, and considers that there needs to be a sliding scale of benefits that match the

²⁸ This information is in draft form, and is likely to be an underestimate. Information supplied by Kelly Holyoake, Office of the Commissioner of Soil and Land Conservation, 10/6/99.

²⁹ Binnings, C and Young, M.D, (1999) *Talking to the taxman*, CSIRO Wildlife and Ecology, Canberra (in press) pp 28-42.

³⁰ Binnings, C and Young, M.D, (1999) *Talking to the taxman*, CSIRO Wildlife and Ecology, Canberra (in press) pp 28-45.

level of protection. Where other incentive programs are involved, such as rate and taxation benefits, the management agreements should be subject to periodic audit which determine the continuation of the benefits.

Recommendation 7 (6.2.5)

The Working Group recommends that the Soil and Land Conservation Council and AGWEST develop and implement a simple, flexible and economical covenant program that is available to landholders with interests beyond nature conservation.

6.2.6 Incentives to protect roadside vegetation

Roadside vegetation often provides hydrological, biodiversity and paddock shelter benefits. However, along a number of main roads and shire roads natural attrition, poor maintenance practices and road widening is steadily decimating the remaining vegetation on road reserves. There is a need for improved management practices. Just as private landholders are being asked to carry greater responsibility for the maintenance of bushland, Local Government and Main Roads Western Australia have similar responsibilities.

One option is to provide incentives that make it worthwhile for landholders to provide strips of land for incorporation into road verges, with the existing road verge remnant used as a natural seed source for revegetation. Main Roads Western Australia is already actively using opportunities to do this, as have some shire councils.

For example, The **Shire of Mullewa** in the northern wheatbelt of WA offers financial support to landholders who relocate fence lines away from roadways to increase the extent of roadside vegetation corridors. Council works with landholders throughout the Shire but has identified one specific 50 km section of road, with the aim of increasing the width of roadside reserve and vegetation along one side of the road from 20 metres to 45 metres. Both landholders and Council contribute to this scheme, with the landholder handing the land over to Council, and removing the old fence. In return Council pays the farmers for the materials for a new fence. Council covers the survey costs, and sprays the verge, and rips the area to kill exotics as required for the first few years. The landholders and community groups carry out the replantings.

The scheme commenced in 1990, and has cost Council about \$80,000 over 8 years, or approximately \$10,000 per year. Of the 19 landholders on the specific road, only two have not become involved³¹.

There is scope under the philanthropy provisions of the Tax Act for Local Government to undertake joint programs with conservation organisations so that a landholders donation of land for road verge widening is fully tax deductible. This would also have the benefit of putting the road verge extensions under a conservation covenant that give them added protection.

Concerns have also been expressed that in some circumstances the vegetation along old road reserves, which have not previously been used, is lost when the roads are developed, even though the new road could have been more easily constructed on adjacent cleared land. On a more positive note, some shires are reported to have upgraded roads by purchasing adjoining land and shifting the road pavement onto cleared land, conserving the existing roadside vegetation.

³¹ Thorman, Rob (1999). *Local government managing our native vegetation – some good examples*. Australian Local Government Association and Bushcare.

Recommendation 8 (6.2.6)

The Working Group recommends the introduction of an incentive scheme to widen and protect existing road verges through the allocation of \$100,000 per year for five years on a \$1 (state) for \$1 (LGA) for \$1 (landholder) basis.

6.3 Opportunities through planning

In discussion with landholders and groups it has become apparent that some current planning practices are viewed as restricting the ability of landholders to treat large areas of bushland as special areas requiring special ownership and management.

These concerns have come from both purchasers of bushland and from farmers. Both have encountered difficulty in trying to split bushland from an existing farm title, so that the bushland could be sold separately³². In May 1999 the South Coast Regional Initiative Planning Team (SCRIPT) held a workshop in Albany that focused on the fate of bushland on farms³³. The highest priority issue identified was the need for much greater flexibility in the ability to trade different land parcels.

Concerns that have been raised include:

- the planning system is often unwilling to allow bush areas to be split from large agricultural titles;
- where subdivision of bushland from farmland is achieved it is generally only after a drawn out and expensive period of negotiation with both the local shire and the Ministry for Planning. This is of particular concern where the need to conserve the bushland has motivated the purchase and subdivision;
- the planning system is seen to generally prefer rectangular or square subdivisions in rural areas, whereas subdivisions for bushland conservation are often best put along natural boundaries or the existing boundary between cleared and uncleared land; and
- conditions put on, or at least proposed for conservation subdivisions until the owners negotiate hard, are often the 'automatic' conditions placed on urban or peri-urban proposals. These can be either not necessary, or actually damaging to conservation values³⁴.

Additionally, landholders at the Albany workshop felt that the inability to readily split bushland from farmland, and then trade in both as separate units, is making it much harder to sell farming properties with large areas of bush attached. This was seen as an additional financial penalty arising from clearing controls.

The WA Planning Commission's Policy No. DC 3.4 does contain a general presumption against the subdivision of rural land, except in special circumstances. For this to change, the various planning implications of widespread creation of bushland (conservation) subdivisions need to be better researched. Certainly there is an absence of assessment criteria. Some questions might be:

- how to determine which parcels of bushland warrant special treatment because of conservation status;
- best size for viable conservation lots;

³² A number of case studies are being collected for a booklet in a joint project between the WWF, REIWA and SLCC.

³³ See *What future for bushland and salty areas* notes, SCRIPT, 17 May 1999.

³⁴ One of the Working Group members has personal experience of these in a conservation purchase on the South Coast. An example has also been documented from Doodlakine where neighbouring farmers have exchanged land so that a watercourse is between their property boundaries, instead of through the middle of both properties.

- is it appropriate to place the bush area on more than one title;
- should there be geographical variation, reflecting differing rural conditions in different parts of the State;
- should landholders have to meet normal planning requirements such as legal road access and fire management;
- will a particular covenanting process be preferred, and is it necessary to include domestic animals (dogs, cats etc.) in the provisions;
- how will conservation subdivisions be dealt with under a Town Planning Scheme? What zoning or reservation is best, and are special controls needed that presently do not exist in the dozens of schemes across the State that are likely to be affected?; and
- will the subdivisions bring new residents with demands for road upgrading and services? Could there be conflicts between 'lifestyle' residents and neighbouring traditional agricultural practices?

While these issues do need to be addressed, they are not insurmountable. For example, a suggested order of 'favouring' proposals could be established, such as:

1. Simple conservation covenant placed on the land, but some disturbance necessary to establish the lots ('least favoured').
2. Simple conservation covenant placed on the land.
3. Simple conservation covenant placed on the land, with no disturbance necessary to establish the lots.
4. Strong covenant placed on the land along with a management program, but where owner seems likely to make substantial profit.
5. Strong covenant placed on the land along with a management program, but where the proposal is barely viable financially and needs assistance ('most favoured').

Some 'pilot' success stories already exist. The *Leeuwin-Naturaliste Ridge Statement of Planning Policy* (LNRSP), which extends over portions of the Shires of Busselton and Augusta-Margaret River, identifies areas of high conservation and landscape value within which limited subdivision or development may be supported as an incentive for maintaining those values in perpetuity.

One of those land use categories is called Ridge Landscape Amenity. The policy states:

'for lots 40 ha and above, subdivision based on a ratio of one lot per 20 ha. Subdivision should be in clustered form - unless based on existing dwellings; or for lots below 40 ha at the date of Gazettal of this LNRSP, subdivision of one additional lot; or low-impact tourist development; subject to:

- no detrimental impacts on existing bushland other than for the approved development envelope and services;
- conforming with other policies under this LNRSP, particularly those relating to fire management; and
- the owner entering into an agreement for:
 - rehabilitation of the land or retention of vegetation other than for the approved development envelope and services;

- continued management of the land to guarantee the maintenance of conservation and landscape values in perpetuity; and
- an absolute caveat on the title of the lot to secure performance of the agreement in perpetuity.'

The WAPC has approved a small number of subdivision applications on this basis and has several more pending. Although in its infancy, the means of implementation are emerging. In some cases, the covenanting agency is the local government (where they are willing) using the Transfer of Land Act, in others it will be CALM or the National Trust (under their own legislation). Use of the Soil and Land Conservation Act is less likely because of its limitations.

In another example, AGWEST has already been able to secure a streamlined subdivision process for properties being handled under the Natural Resource Adjustment Scheme. Support in principle was gained from the Commission for a relaxation of their Rural Subdivision Policy for a limited number of proposals where a conservation covenant was applied to the bush area as a result of the subdivision. These covenants can be adapted to enable discrete residential areas on the site.

This is considered important, and the experience of the Trust for Nature in Victoria is that a covenant needs the ability to include a residence on the property if the property is to be marketable. For this reason, and also to improve the 'usefulness' of the property and the owner's ability to claim costs of management under the existing tax laws, there are benefits in including small areas of agricultural land with each bush property.

A draft Agricultural and Rural Land Use Planning Policy, which contains 'Subdivision for Conservation' provisions, has been released for public comment³⁵. Under the guidelines being proposed the WA Planning Commission may approve the placing of remnants on separate title, irrespective of zoning, where such areas are identified as worthy of protection in an endorsed strategy or through a specific assessment. A number of specific conditions also need to be met, such as a Conservation Covenant being placed on the title, and these are outlined in the draft Policy. The public comment period will be important in ensuring that the final guidelines meet both planning and sustainability needs.

However, there will be little future in creating these allotments if they are not marketable. While a more complete analysis and determination is required, the general opinion of the property industry stresses the importance of land size factors (the relative ability to sustain differing ownership structures in relation to differing regions) in assessing the marketability of a proposal.

For example, in high rainfall areas with attendant population density and high demand factors 100 acres (40 ha) may be appropriate, whereas in wheatbelt country 500 acres (200 ha) may be the optimum size. In both cases though the vegetation would need to be in block form, and not scattered throughout the property.

In terms of possible minimums, from a marketing viewpoint, early opinion indicates that in the above 700 mm rainfall areas this could be as low as 10-20 acres (4-8 ha.). In 450-700 mm rainfall areas with proximity to the city the minimum size could be 50-100 acres (20-40 ha), while further eastward it would be in the range of 250-500 acres (100-200 hectares).

³⁵ Western Australian Planning Commission (October 1999), *Agricultural and Rural Land Use Planning policy – Town Planning and Development Act Statement of Planning Policy No. 11*, Government of Western Australia.

The Working Group recognises that in some cases improved arrangements for subdivision and 'conservation sale' of bushland will give landholders 'windfall' profits. This is seen as a healthy and desirable expression of increasing community acceptance of the value of bushland. The only concern would be if considerable profits were made from a situation where significant public funds had been used.

Recommendation 9 (6.3)

The Working Group strongly supports the principle of 'subdivision for conservation' purposes, and recommends:

- (a) early adoption of such an approach in Western Australia; and**
- (b) establishment, for a limited period, of a technical group to facilitate and assist early implementation of the 'conservation by subdivision' approach.**

6.4 Programs of assistance

No single scheme can hope to match the wide range of situations and circumstances where landholders need assistance. The Working Group considers there is a clear need for a wide range of programs that give landholders maximum choice in deciding on the options, or mix of options, that are most suited to their needs. In providing this range, the Working Group considers it is best to modify and increase the effectiveness of existing programs, with new programs only introduced to fill clear deficiencies.

6.4.1 Natural Resource Adjustment Scheme (NRAS)

The NRAS was developed to assist farmers who have applied to clear bushland on their land and have had those applications rejected by government. The scheme is a \$1.5M program with two to three years to run, and is 100% funded through the State Rural Assistance Fund.

A number of assistance options are available, with registration of a conservation covenant on the title of the property being common to them all. Assistance can include:

1. Payment to the landholder to retain bushland (payments are based on current market value at the time of commencing negotiations with the applicant).
2. Payment to meet subdivision costs where this is needed to place the bush area on a separate title.
3. Assistance in the coordination and negotiation of the sale of land, if the landholder wishes to sell.

A number of eligibility requirements apply. The scheme is open to landholders who have had a Notice of Intention to clear rejected (in full) by the government after 17 May 1995. The end date was recently extended to include landholders who notify to clear bushland on their land prior to 31 December 1999. The land must be zoned rural and have greater than 20% of bushland at the time of submitting the NOI.

Since its inception, the scheme has handled 24 applications. To date, 4 approvals of assistance totalling \$139,962 have been made, and the Corporation is still negotiating with another 12 landholders. Informal assistance has led to 3 parcels of land being purchased by conservation interests³⁶.

³⁶ Information supplied by James Hamersley, NRAS Manager, AGWEST Farm Business Unit, September 1999.

Operation of the scheme has demonstrated that with some well placed encouragement and assistance, conservation buyers can assist a significant number of farmers to unlock the capital they currently have tied up in bushland for which permission to clear has been refused, at minimal cost to government.

Given experience gained over the past two years, there are opportunities to extend links with other groups and assistance schemes, both private and government. These include the Australian Bush Heritage Fund, the WA Landcare Trust, Greening Australia WA, and the Commonwealth's Environment Australia (EA).

The Working Group believe that the NRAS has been an important interim scheme. However, there are concerns that its current focus is too narrow, in that it:

- 'rewards' some farmers who probably purchased their land knowing they would not be able to clear;
- excludes those who have not formally submitted an NOI, even though they may be just as disadvantaged as landholders who have;
- has limited ability to formally assist in land trading; and
- focuses on what is essentially an incentive or compensation payment to the detriment of cheaper solutions.

Opportunities can now be identified to expand the work undertaken at present by NRAS in order to meet the broader range of needs associated with the protection of bushland, particularly through assistance in land trading.

Recommendation 10 (6.4.1)

The Working Group recommends that the Natural Resource Adjustment Scheme continue until broader based programs can be implemented.

6.4.2 Remnant Vegetation Protection Scheme (RVPS)

The State's Remnant Vegetation Protection Scheme (RVPS) has operated since 1989, supplying over 1,300 grants to landholders for the fencing and protection under 30 year covenant of over 50,000 hectares of remnants assessed as important. The Scheme provides \$1,200 per kilometre for fencing, in return for a 30 year conservation covenant over the land. Similar funding is now available through the Federal Bushcare program.

Funding for the RVPS is currently set at \$900,000 per year, and under current arrangements will cease after the 1999/2000 financial year.

In the past landholders who enter into a formal Agreement to Reserve over bushland, as part of a 'trade-off' for the Commissioner not objecting to clearing some bushland, have been eligible for RVPS assistance to fence the land. RVPS funds are not available for land under a Soil Conservation Notice. In August 1999 the Minister accepted a recommendation from SLCC that the scheme should no longer be available to landholders legally able to clear some of their bushland³⁷, and this is supported by the Working Group.

The Soil and Land Conservation Council has recently devolved management of the RVPS to regional initiative groups, except for a specific allocation of \$100,000 per year priority allocated for the specific purpose of fencing areas where the landholder has voluntarily withdrawn a clearing proposal.³⁸ There is also interest in widening the scheme to assist landholders with the costs of management, such as through weed eradication.

³⁷ Letter from Minister for Primary Industry to the Chairperson of SLCC dated 5 August 1999.

³⁸ Schedule 8, *Memorandum of Understanding between the Commissioner of Soil and Land Conservation, Environmental Protection Authority, Department of Environmental Protection, Agriculture Western Australia,*

Recommendation 11 (6.4.2)

The RVPS should be continued for a further five years, at the existing level of \$900,000 per year, and be reviewed by the Soil and Land Conservation Council on order to develop a broadened format that:

- (a) operates in close conjunction with revegetation schemes and on an integrated catchment wide basis;**
- (b) provides a broader range of assistance to landholders, including funds to support appropriate subdivision and fencing in return for a permanent conservation covenant; and**
- (c) targets areas of bushland adjoining public land.**

6.4.3 AGWEST farm business and farm planning programs

Through its Farm Business Unit AGWEST manages a number of grant, assistance and training programs. These include the Natural Heritage Trust, the State Landcare Program, and schemes overseen by the Rural Adjustment and Finance Corporation (RAFCOR). This section briefly reviews those programs overseen by RAFCOR.

The Working Group is of the opinion that improving the sustainability of farming is necessary to maintain the economic performance of farm businesses, and is the single most important issue in the long-term continuation of a number of farming enterprises.

Consequently, there is a need for:

- a broad range of advice on business options for bushland on farms to be brought together into a 'one stop shop' package, and be available through the AGWEST Farm Business Development unit and its various programs;
- business assistance programs to be underpinned by a clear set of sustainability principles, which ensure that monies are not granted to projects that may cause undesirable environmental impacts, such as clearing or degradation of bushland;
- existing farm business development programs to be made more attractive for, and relevant to, landholders seeking to protect, manage and possibly utilise bushland as part of their business operations (for example in ecotourism);
- all schemes, and Better Business in particular, to be promoted strongly as being able to provide information and advice on bushland protection and management, particularly on a group basis; and
- schemes to be adjusted so that they are more suited to providing the management and facilitation needs of groups seeking catchment scale reconstruction of boundaries and properties (as discussed in Section 6.4.7 on page 48).

Programs offered by AGWEST include the NRAS program, discussed in Section 6.4.1, and range outlined below.

6.4.3.1 Better Business

Better Business is this State's version of the Commonwealth's Property Management Planning program (PMP). It is funded approx. 50% Commonwealth and 50 % State. It involves group based planning and learning that will assist landholders and their families set goals for their farming enterprise and future.

Better Business could provide a more useful resource to assist groups discuss their options in relation to bush on farms, and to look at the possibilities of restructuring their enterprises to accommodate their desire to maintain the bushland without being financially disadvantaged. In these cases the clearing issue would simply be the catalyst for bringing the group together and facilitating the negotiation process of looking for options and alternatives to clearing.

Distinct advantages of the Better Business program include the fact that it keeps the decision making process with the people who live in the catchment, and that an outline for the negotiating process already exists. However, operation of the Better Business program has tended to drift away from sustainability planning, and it could provide more targeted assistance to landholders on bushland and biodiversity issues. The Federal Government's Environment Australia has contributed \$5 million towards the inclusion of nature conservation in the workshop series, but in WA the emphasis has been on traditional farm business approaches.

6.4.3.2 South Coast Productivity Grants

The South Coast Productivity Grant Scheme was the last regional initiative to be signed off before the Rural Adjustment Scheme ceased. It is funded approx. 70% Commonwealth and 30 % State. This is \$3.3M program over three years from 2/99.

The scheme was launched in February 1999. It is available to those farming families or groups of farmers who wish to set up and implement business plans which make their farms more productive, profitable, environmentally sustainable, and improve the management of seasonal and market risks or who wish to implement well-planned and innovative ideas.

Grants up to a maximum of \$10,000 are available to an individual farm business enterprise or individuals of a business group. Funds can be used for property development, enterprise diversification, property build-up, property amalgamation and professional advice for the development of appropriate alternative enterprises relevant to the South Coast region. Grants will be available every six months over a three year period and must be matched \$1 for \$1, with a minimum of 25% cash from the farm enterprise. An eligibility criterion includes the provision of a Business Plan. Additional support is available through FarmBis by way of Farm Business Planning Grants and Group Professional Advice Grants.

6.4.3.3 Progress Rural Western Australia

Progress Rural WA, a first in Australia for its innovative mix of programs, is 100% State funded. There is \$10M allocated over three years.

Broadly, Progress Rural WA has been developed to help create a more dynamic and positive rural WA. It contains a number of funding opportunities that look to encourage new agricultural related industries and businesses for the benefit of rural WA. It can provide funding support for a range of activities, including:

- research and planning to encourage projects that will result in new agricultural industries, improved techniques or technologies, or value adding ventures;
- projects which develop value adding or downstream processing enterprises;

- the development of new branding campaigns for regions; and
- funding experts from within Australia or overseas to impart worlds best practice³⁹.

Retention of bushland on farms is, along with revegetation, an essential business requirement if we are to continue the production of traditional food and fibre products from the farm. It is also a distinct business opportunity in itself, with products ranging from eco-tourism and farm stay, through forestry and flower/foilage production and a myriad of other commercial 'by-products'.

The Working Group considers that it would be useful to review Progress Rural WA guidelines to increase its role in supporting the development of innovative industries (such as farmstay and ecotourism) that assist landholders maintain bushland while gaining an economic return from it.

6.4.3.4 *FarmBis*

The FarmBis Program is a major Australian program run through the Commonwealth Department of Agriculture, Fisheries, and Forestry - Australia (AFFA). It is funded approx. 90% Commonwealth and 10 % State. There is \$10.3M available over three years, from October 1998 onwards.

FarmBis has a focus on training, and can provide grants for individual training, group training, and group professional advice. A major product within FarmBis in Western Australia is that grants are available for the development of Farm Business Plans to help farm families achieve their long term business and personal goals.

Recommendation 12 (6.4.3)

The Working Group recommends that the wide range of farm business development programs be broadened to include sustainability principles for the management and protection of native vegetation. These programs to be brought together and accessed as a 'one stop shop'.

6.4.4 Bush Brokers

The Bush Brokers partnership is a collaboration between the World Wide Fund for Nature Australia (WWF), the Real Estate Institute of Western Australia (REIWA), and the Soil and Land Conservation Council (SLCC). Agriculture Western Australia is also heavily involved in establishing and operating the partnership.

The partnership has been developed to draw outside investment into the protection and management of large areas of bushland. In doing so it will also economically assist landholders seeking to sell bushland, on the basis that a small commercial market already exists for some bushland, and that this market can be significantly increased.

The program being put in place to achieve this includes:

- a structured programme of trading in bush blocks to provide conservation benefits;
- training and the accreditation of estate agents in marketing and selling the values of bushland;
- working with other key bodies, such as the Ministry for Planning and Local Government, to clearly define constraints and procedures to the sale and purchase of bushland, and to develop with those organisations more streamlined policies and procedures;

³⁹ Agriculture Western Australia (1999) *Progress Rural Western Australia* (information package).

- producing a pamphlet, handbook, and manual; and,
- undertaking activities that stimulate the private market for bushland⁴⁰.

Operation of the Bush Brokers will provide landholders who have large areas of bushland with ready access to a strengthened market for that land.

Recommendation 13 (6.4.4)

The Working Group strongly supports the establishment of the Bush Brokers program, and recommends continued support by the Soil and Land Conservation Council and AGWEST for this initiative.

6.4.5 A Revolving Fund for Western Australia

Revolving funds have been proposed as a mechanism whereby land can be purchased on the open market, have certain management agreements and/or conservation covenants placed on them, and then resold. This is done to ensure that the conservation values of valuable areas are conserved 'in perpetuity' in an open and voluntary manner. They can also be a mechanism to achieve important conservation changes, for example a whole farm could be purchased, its titles re-arranged to assist in more sustainable management, and then sold with a conservation covenant in place.

While this has been done on an occasional basis by individuals, the only formal revolving fund in Australia is operated by the Victorian Trust for Nature. A small number of purchases have been made by the fund in the past ten years, and subsequently sold to conservation minded individuals with a protective covenant in place and a program of ongoing management advice available. The Trust also assists some Government agencies in the disposal of surplus government land. Where necessary, the Trust sells land below cost in order to ensure a good conservation outcome, and achieves 'top-up' of its funds from more lucrative trading, and from donations, bequests, and government grants.

Where it follows the model outlined above, a revolving fund is a nature conservation focused program, funded from a variety of sources, that operates in a similar manner (but with different objectives) to a structural adjustment program that includes land trading (see next Section).

The Commonwealth Government has a commitment to support the establishment of additional revolving funds in Australia. Funds will be allocated through the Bush for Wildlife element of the Natural Heritage Trust⁴¹.

Both the Victorian fund and the federal funding criteria focus on nature conservation. There is potential to extend the concept well beyond these confines, and for a fund to also protect other bushland values, such as its role in maintaining broad landscape amenity, water quality, and hydrological balance. A revolving fund operating in that context would play a valuable role in encouraging private investment in the protection and restoration of the rural landscape. There is also considerable scope to include a fund in a more general rural adjustment context, which would produce benefits for ongoing farm and industry viability, community and regional development, and implementation of remedial works to reduce the impact of salinity. The American Land Trusts⁴² provide a useful model for these. A Land Trust proposal is currently out for public comment in Queensland. This

⁴⁰ Soil and Land Conservation Council, World Wide Fund for Nature, Real Estate Institute of WA (December 14 1999) *Bush Brokers Memorandum of Understanding*.

⁴¹ Federal Coalition 1998 Environment Policy Statement 'Our Living Heritage', plus notes from Revolving Fund Workshop held in Canberra on 7 May 1999 by Environment Australia.

⁴² These can be accessed through the Land Trust Alliance website on www.lta.org/whatlt.html.

proposal also embraces values beyond nature conservation, including cultural heritage, scenic amenity and land rehabilitation⁴³.

The core functions of a revolving fund include arranging for:

- bushland purchase and resale;
- bushland marketing;
- conservation covenanting, and long term monitoring of 'compliance'. There is some recognition that no covenant can be 'totally secure in perpetuity';
- provision of management advice and assistance;
- ability to attract 'top-up' funding through bequests, grants of land etc.

To achieve these a reasonably independent body is needed that:

- can demonstrate permanence;
- has the legal ability to trade in land;
- has widespread community acceptability and goodwill;
- can provide tax-deductibility for donations of land and funds; and
- can employ a small group of entrepreneurial 'go-getters'.

Talks have been held between a number of parties in Western Australia on the establishment of a revolving fund, with members of the Working Group active in these discussions. A 'consortium' approach has been agreed to, and is being implemented through an establishment group comprising the National Trust, the WA Landcare Trust, the World Wide Fund for Nature, an independent consultant experienced in establishing programs with the National Trust, and the Department of Conservation and Land Management.

It has been agreed that *Bush Bank* (the WA revolving fund) will be initially established under the auspices of the National Trust of Australia (WA). This will provide an appropriate existing framework for administrative, legal and reporting purposes. Within that framework an independent Chairman and a Board of influential people with relevant expertise will be established on a voluntary basis for at least the initial two years.⁴⁴

The other key requirement is the initial 'bank' that enables a fund to trade. The proposal from WA stands a good chance of attracting Federal funding support, but would also need substantial financial input from WA sources.

Recommendation 14 (6.4.5)

The Working Group recommends the establishment of a revolving fund to facilitate trading in land for conservation outcomes, including broad landscape sustainability and rural adjustment benefits. To achieve this it recommends that:

- (a) WA Landcare Trust assist in the development and implementation of a revolving fund for Western Australia, in conjunction with other appropriate groups, as a matter of priority.**
- (b) WA Government contribute \$1 million to the operation of a revolving fund, and seek \$2 million from the Commonwealth.**

⁴³ Department of Natural Resources (1999) *A proposal to establish a Land Trust in Queensland – Issues Paper*. DNR, Brisbane.

⁴⁴ Bush Bank Establishment Group (November 1999) *Bush Bank – saving great places*. Expression of Interest to Environment Australia.

6.4.6 Additional concepts in structural adjustment and land purchase

Structural adjustment is similar to the revolving fund concept discussed in Section 6.4.5, except that 'traditional' structural adjustment programs focus on narrow economic and agricultural goals, while 'traditional' revolving funds focus narrowly on nature conservation goals. There is considerable scope to combine the two.

Land purchase is an option through which the state can transfer funds to farmers economically disadvantaged by the need to keep a large area of bushland on their property, while also securing the bushland. However, there is a need to ensure that ongoing management can be arranged.

The \$45 million Gascoyne Murchison Strategy (GMS) provides a useful example of regional reconstruction that may also suit parts of the agricultural area where there are large areas of bush remaining on a number of properties, agricultural viability is low and land degradation hazards are reasonably high. The Strategy was the second last regional initiative to be signed before the Rural Adjustment Scheme ceased. It is funded approximately 70% by the Commonwealth and 30 % by the State.

The Structural Adjustment Component (\$8.6M over 3 years from April 1998) includes a program of Voluntary Lease Adjustment (VLA), focused on achieving structural and economic adjustment in the region. It allows the GMS Board, on behalf of government, to act as broker for the commercial subdivision of pastoral leases amongst neighbouring lessees and other parties, including CALM and the Indigenous Land Corporation. Participation in the process is entirely voluntary, and the GMS is able to contribute funds to commercially settle cases where there is substantial 'public good' achieved through retirement of unviable leases and increased viability through build-up of remaining leases. The VLA process is also seen as a valuable tool for targeted acquisition of pastoral land for the conservation reserve system.

Another example is the Land Aggregation Program recently established in Gippsland's Upper Tambo Valley by the Victorian Government⁴⁵. \$10 million has been allocated to the scheme, which is run through the Victorian Rural Finance Corporation, and operates in conjunction with a specific Land Rehabilitation Program.

The Land Aggregation Program targets an area where specific land degradation and farm viability problems had led to significant problems with downstream flooding, and there was little market demand for existing farms, with many landholders unable to finance their own remedial works or sell their properties. The Corporation purchases properties on a voluntary basis, at an agreed valuation, and then manages the land until it can be aggregated with other properties into a viable unit, or sold in parcels to neighbouring farmers. Areas of bushland are added to adjoining public land where feasible, and land that is considered too fragile for ongoing agriculture is retired and reforested. Where the bushland or the fragile area is too small or fragmented to be managed separate from the farm, covenants or management agreements are placed over it.

Elsewhere in Australia some local government authorities operate a levy system in order to repurchase valuable remnants, where these face threat of destruction. For example, in 1995 the Shire of Noosa, north of Brisbane, introduced a conservation levy on all rateable properties. In 1997 this levy was \$30 per property, which raised \$650,000. Funds generated by the levy are used solely for the purchase and management of environmentally significant land⁴⁶.

⁴⁵ Rural Finance Corporation (1999). *Land Aggregation Program – a program to aggregate non viable holdings into viable enterprises in the Upper Tambo Valley, Omeo and Benambra areas*. Leaflet, Rural Finance Corporation, Melbourne.

⁴⁶ Whitehead, M (1997) *Buying back the bush*, in Australian Local Government Environment Yearbook, 1997.

An urban example already operates in WA, through the Metropolitan Region Improvement Fund, which is administered by the WA Planning Commission. This purchase program is funded by the industry (through contributions from land development) that most of the land is purchased from. Over \$100 million has been spent in the past seven years acquiring bushland and other land required for regional open space⁴⁷. An additional \$70-100 million dollars worth of land has been identified for further purchase.

In the agricultural areas of WA the current community enthusiasm for revegetation has tended to by-pass the fundamental first step, securing the bushland we already have. Purchase of a threatened area (even if the main threat is a lack of positive long-term management) is much more cost effective than revegetation. This has already been done once in WA, where the Corrigin LCDC gained State Landcare Funding to purchase a large bush area. The bushland is now managed as a conservation reserve by the group, and is the focus of a cooperative program with Kings Park to re-establish populations of the rare and highly endangered Corrigin Grevillea.

Some funds are available, through the National Reserves System Program, for purchases that meet agreed state and national priorities for nature conservation. This program can provide up to two thirds of the purchase cost of a block of bushland, plus some extra assistance with immediate management costs. However, while the program is nominally open for application by the community, this is not well known, and there has been relatively few successful applications. The bulk of the purchases through this program are made by state nature conservation agencies, and the land is added to the national parks and nature reserves system.

Discussions with some LCDC's indicate that purchases, or facilitated sale to private interests under conservation covenant, is seen as useful in securing areas that have been identified as:

- being of high conservation value;
- integral to a sub-catchment plan already under-way;
- part of an important corridor link; and
- in need of ongoing protection and management.

Virtually all remaining bushland in agricultural areas fit these criteria.

The Working Group sees a need for information on structural adjustment and land purchase concepts to be collated and available to regional and catchment groups in order to stimulate discussion on their possible application in agricultural areas.

6.4.7 Facilitation for land trading within a catchment group

Including, but not limited to the need for bushland protection, there is a need for mechanisms which assist catchment groups to sit down together and deal with issues that cannot be resolved without some adjustment to property boundaries, and possibly land ownership. These include:

- aggregating the cleared and unsalted land into viable properties and the larger bits of uncleared land into viable and manageable units;
- developing binding cross-boundary arrangements for managing and trading in excess water; and
- constructively addressing the fate of properties becoming unviable due to salinity.

There will be considerable difficulties involved, and groups would be wise to proceed carefully.

⁴⁷ WA Planning Commission (1998). *Perth's Bushplan – draft for public comment* p 33.

Funding is likely from three key sources:

1. Government will have a role in facilitating and part funding some of these processes, in recognition of the broader community benefits that will be achieved.
2. Entrepreneurial approaches to land trading, such as the revolving fund model outlined earlier, can help groups self fund some of the changes.
3. Landholders throughout the catchment may well see sufficient benefit in using their own funds. For example, many will be already planting trees to lower the watertable on their own property, and it is always much cheaper to retain the existing trees, even if they are on another property.

Funding provided directly from catchment group members will also help address the inequity of some farmers being prevented from clearing because other farmers have already cleared extensively. This inequity is between farmers, not between an individual farmer and the government.

Mechanisms already exist through which catchment groups can act to address inequity. It is possible for Land Conservation District Committees, with the support of their communities, local government authorities and the Minister for Primary Industry, to introduce soil conservation rates or service charges⁴⁸. Rates are limited to six cents in the dollar of the value of the gross rental value of the land, or two cents in the dollar of unimproved value. There is no limit to the rate that can be applied for service charges, but they can only be used to fund a defined service or activity for a defined period of time. A number of Councils have already raised voluntary levies to support the ongoing employment of Landcare facilitators. Examples include Katanning Shire Council, Tammin and Cunderdin Shire Councils.

The Working Group supports the concept of sub catchment based restructure programs developed by landholders, and see a role for government in supporting their development.

6.4.8 Ongoing stewardship payments

A number of the written comments sent to the Working Group have raised the possibility of a program of ongoing payments to landholders with large areas of bushland in return for active management of the land to maintain its values.

The Working Group agrees that there is a role for these, but primarily over a short period for a particular outcome. The longer term implications and expense of stewardship payments requires further investigation and public discussion, and cannot be recommended at this stage.

6.5 Acting to address unresolved cases

The Working Group considers that the majority of problems can be resolved either by the use of incentive programs or through mechanisms that assist landholders to better exploit the marketplace. However, there will be a small number of situations where the range of mechanisms outlined in earlier sections of this report will not adequately resolve the dilemmas faced by landholders who consider the bushland on their farm to be an unacceptable burden. There will also be situations where incentive and assistance mechanisms do not provide a secure long term future for areas of bushland that provide benefit to downstream landholders, the broader community, or the environment in general.

⁴⁸ Sustainable Rural Development Program (1999). *Soil Conservation Service Charges*. Agriculture WA Information Sheet.

Within the Working Group there are considerable concerns at the establishment of mechanisms which merely 'compensate' the individual for a perceived loss of rights whose existence in law is doubtful.

6.5.1 Difficulties with compensation

There is a divergence of views within the community, on the appropriateness of compensation for bushland protection, and of individual rights to such compensation. While a long and protracted debate will no doubt continue on this issue, the Working Group has concentrated its efforts on the urgent development of mechanisms which provide a level of fairness and for which there is a high level of community support.

Government agencies involved in decisions that affect future land use often receive requests for government compensation from landholders who feel aggrieved at decisions made. This is at least partly because the incentive and market based options currently available are so inadequate that landholders currently perceive few other options than government compensation. This will change through implementation of the wide range of mechanisms recommended.

There is no constitutional right to compensation in WA where the use of land is restricted, even where that restriction may effectively prevent any productive use of the land. So a prohibition on clearing - even if it affected the whole of a person's land - would not appear to entitle that person to receive compensation. However, this interpretation is open to dispute, and the situation would benefit from being tested in a court of law. If this were not the case then any government restriction on private property rights (such as pollution controls on industry or local government building controls) could attract a compensation claim.

Notwithstanding the above, it is the Working Group's intention that the way forward is by negotiated settlement that recognises the existing rights and needs of landholders.

Some statutory rights do exist. The Land Administration Act (1997) provides that compensation is payable where land is 'taken' for a 'public work', such as a road widening, or damaged by entry (such as trucks servicing a power line) or from which material is removed (such as gravel)⁴⁹. Under the Town Planning and Development Act (1928) persons whose land values are *injuriously affected* by the making of a Town Planning Scheme are entitled to compensation, with the amount payable determined under the Commercial Arbitration Act, unless the parties agree to some other method⁵⁰. The Wildlife Conservation Act also contains provision for compensation where the occurrence of rare flora on someone's land has caused loss of use or enjoyment of their land⁵¹.

Additionally, the use of the word compensation carries with it numerous pre-conceptions, and entrenches the view held by some landholders that they have a right to clear, regardless of the damage it may cause. This view cannot be supported, and was ably addressed by one of the speakers at the recent Property Rights conference held by the Pastoralists and Graziers Association.

when government acts to secure rights – when, for example, it stops someone from polluting his neighbour's land – it is acting under its police powers and no compensation is due to the owner, whatever his (sic) financial loss, because the use – pollution – was wrong in the first place. Since there is no right to pollute, we do not have to pay polluters not to pollute⁵².

⁴⁹ Land Administration Act 1997, Part 9 and Part 10.

⁵⁰ Holthouse, S. (1999). Planning and property rights – a view from the WAPC. In *Taking property rights seriously*; papers from the Pastoralists and Graziers Association Property Rights Conference 25 June 1999. Pages 56-57.

⁵¹ Wildlife Conservation Act 1950, Section 23.

⁵² Nahan, M. (1999) Property rights and regulatory takings. In *Taking property rights seriously*; papers from the Pastoralists and Graziers Association Property Rights Conference 25 June 1999 pages 8-9.

The downstream degradation caused by clearing is comparable to 'pollution', even though this word is normally used in an industrial context. It should be noted though, that the same paper put forward the view that compensation would be required where government acted on the basis of broader public good, such as for the preservation of wildlife habitat or an historic building.

Compensation programs can also raise unrealistic financial expectations, encourage landholders who had no intention of clearing to apply for compensation, and be fraught with administrative complexities. Straight compensation also restricts the ability to gain maximum value from funds used, by integrating payments with other programs that address related needs, such as the need to halt salinity.

Compensation arrangements in the six controlled Water Supply Catchments of the South West they have proved very expensive per hectare protected, contained in-built inequities, and failed to address long term management costs and needs.

While compensation for preventing clearing may not be the most cost effective mechanism of addressing landholder needs and maintaining conservation values, a number of written responses received by the working group have urged the development of a compensation program, as distinct from other mechanisms of assistance. The arguments advanced for this include:

- government is seen as having taken rights from landholders through tighter controls on clearing; and
- the land was originally released by government for clearing, and long term investment decisions were made that relied on it being eventually cleared.

Additionally, if the trigger for intervention is because government regulation has stopped a clearing proposal, then any assistance would need to be based on calculations that take a number of factors into account – such as the opportunity costs, development costs, justifiable expectation to clear, and area involved.

The Working Group considers it of fundamental importance that eligibility be restricted so that landholders who did not intend to clear are unable to submit NOI's in order to become eligible for any assistance.

6.5.1.1 Example 1: Compensation payments in the controlled catchments of the South West

In 1976 and 1978 clearing restrictions were placed over a number of catchments in the South West, where clearing for agriculture was causing a rapid increase in the salinity of previously fresh rivers. The specific purpose of the controls was to preserve the potability of the water supply for current or future use. All catchments protected feed into current or proposed water supply dams.

The restrictions were imposed before the need to conserve vegetation was widely appreciated, and were a politically brave move. Many of the landholders had been encouraged onto the land through the Conditional Purchase Scheme since the 1950s. The provision for claiming compensation was included in the legislation because it was believed that the imposition of clearing controls would introduce serious financial and social problems for many farmers, particularly for those whose properties were in an early stage of development. It was decided that the State Government had had no course but to pay equitable compensation to those who had been disadvantaged.

In the Wellington catchment about 7000 hectares of cleared land was purchased and replanted under the Wellington Reforestation Program in an attempt to reduce the salinity of the inflow to Wellington Reservoir. This was done because, even with further clearing

controlled, the salinity inflow to the Wellington Reservoir would continue to increase as the full effects of prior clearing of vegetation were felt.

The valuation procedures used to determine payments in the controlled catchments may prove a useful model relevant to issues being addressed by the Working Group, and provide a tried and proven method of approach for circumstances suited to similar areas and regions. It utilised procedures in place under the then Public Works Act. While the market value of bush was an important factor, sales of bush decreased following the introduction of clearing controls. An alternative 'value of cleared land less the cost of development' model was developed and used⁵³. Landholders are not compensated for 10% of the property left uncleared 'in the interests of good agricultural and conservation practice'.

Compensation is paid only in relation to injurious affection resulting from the refusal to clear. The landholder can still graze the area, and gain permits for selective logging. As a consequence many areas are still deteriorating. There has not been any requirement for management agreements or for landholders to fence areas they receive compensation for, except where this has been part of subsequent agreements on the use of the land, such as for the logging of mature trees.

To date some 372 compensation claims have been settled for a total of \$36.36 million.⁵⁴ The majority of this land has stayed in the ownership of the farmers. An additional \$10.74 million has been spent on property purchase and \$5.855 million on reforestation of land on the Wellington catchment.

In total since 1976 about \$54 million has been spent in WA on compensation, salinity research, land exchanges and reforestation in the six catchments in which clearing is controlled under the CAWS Act. This expenditure is over half of that undertaken by the South Australian government for its entire agricultural area.

6.5.1.2 Example 2: The Land Administration Act 1997

The main relevant WA Act is the Land Acquisition and Public Works Act 1902. Its main features include:

- claims to be lodged within 6 months, but can be extended if the Minister is satisfied that an application is reasonable and made in good faith;
- compensation granted does not have to be monetary. It can be an exchange of property or provision of goods or services;
- where claims are not disputed they are to be settled within 90 days;
- disputed claims can be settled through a Compensation Court, which generally consists of a president and two assessors, one appointed by the claimant and one by the authority against whom the claim is made. The President is to be a judge of an appropriate local court, depending on the size of the claim;
- the Compensation Court has all the powers of the Supreme Court, so far as is necessary for inquiring into and determining the claim;
- compensation is to be based on real losses suffered, such as loss of land at agreed value, loss of rents, buildings etc at real value; and
- costs awarded at the discretion of the court.

⁵³ Rutherford, Duncan (1999) Historical aspects to compensation for clearing controls, paper given at 'The Remnant Vegetation Debate' Seminar held by the Australian Property Institute (WA) on 14 May 1999.

⁵⁴ Figures supplied by George Kikiros, Water and Rivers Commission, 28 September 1999.

6.5.1.3 Example 3: The South Australian experience

*The South Australian Heritage Agreement Scheme represents the largest per capita investment in a conservation project of any state or country in the world*⁵⁵.

South Australia has had a Heritage Agreement Scheme since 1980. Initially landholders could ensure legal protection over their bushland under future owners, through covenants on the title, in exchange for assistance with fencing and payment of local government rates. They have since become directly linked with payments to landholders who have been refused permission to clear.

Tight clearing controls have operated in South Australia since 1985. Controls were originally introduced through the Planning Act, but for legal reasons transferred to a new Vegetation Management Act in November 1985, which was 'an Act to control clearance and facilitate the management of Native Vegetation'⁵⁶. This Act was repealed in 1991 and replaced by the Native Vegetation Act (1991) which is 'An Act to provide incentives and assistance to landowners in relation to the preservation and enhancement of native vegetation', as well as fill the control functions of the 1985 Act⁵⁷. Under the Act there are very strong legal controls on clearing, with permission needed to remove single trees.

The Act is largely implemented through a Native Vegetation Council, whose functions include deciding on clearing applications from landholders and Roadside Development Plans prepared by local councils. Where clearing is refused the landholder can seek a financial payment, which is made in exchange for a Heritage Agreement that protects the vegetation and is binding on the property in perpetuity. The payment is calculated on the difference in market price resulting from the execution of a Heritage Agreement. Additionally, all rates and taxes applying to Heritage Agreement areas are usually waived.

Most of the larger clearing controls and significant payments were made in the ten years from 1985 to 1995. During this period 779 agreements were registered over 454,000 hectares, at a cost of \$68.4 million⁵⁸. Additionally, 'a number of properties made non-viable by the clearance controls were purchased by the Government. In such (sic) cases the native vegetation was incorporated into the parks system, and in others it was re-sold with a Heritage Agreement over the significant areas of vegetation'⁵⁹. When the costs of this, and provision of management assistance to landholders is included, between 1980 and 1995 'over \$81 million had been paid out to farmers under the scheme, of which 84% has been in compensation'⁶⁰.

The bulk of government expenditure is now focused on providing ongoing management assistance to landholders with agreements in place.

⁵⁵ Wotton, David (1995). Opening address. In *From conflict to conservation – native vegetation management in South Australia*. Seminar proceedings 21 November 1995 South Australian Department of Environment and Natural Resources. Pages 1-2.

⁵⁶ Best, Lindsay (1995). The management of native vegetation – the current situation. In *From conflict to conservation – native vegetation management in South Australia*. Seminar proceedings 21 November 1995 South Australian Department of Environment and Natural Resources. Pages 15-18.

⁵⁷ South Australian Government (1991). *Native Vegetation Act*. Preamble.

⁵⁸ Ibid Best (1995) above.

⁵⁹ Harris, Colin (1995). Native vegetation clearance controls – the South Australian experience. In *From conflict to conservation – native vegetation management in South Australia*. Seminar proceedings 21 November 1995 South Australian Department of Environment and Natural Resources. Pages 3-11.

⁶⁰ Ibid Wotton (1995) above.

6.5.2 Principles for resolving difficult cases

The Working Group considers that any direct government assistance to individual landholders needs to be based on some solid principles. These include:

1. Ensuring that landholders who enter the process feel that they have a range of options available (as outlined throughout this report).
2. Schemes of intervention that:
 - (a) are flexible, and able to consider special circumstances;
 - (b) include more than direct monetary support;
 - (c) only consider providing support in return for a clear benefit, such as purchase of the bushland or a covenant being placed over the bushland;
 - (d) gain the greatest environmental value possible from assistance measures; and
 - (e) consider the variables involved in each property.
3. The process of gaining government intervention to be triggered by:
 - (a) a landholder:
 - (i) after receiving an objection to a NOI from the Commissioner, or a refusal to clear from another agency,
 - (ii) because of a financial or other need to improve management of the bushland;
 - (b) a local government or catchment group seeking to improve protection and management of bushland as part of an integrated approach; or
 - (c) a State agency seeking to improve protection and/or management of natural resources.
4. Criteria for assessing eligibility would need to include:
 - (a) recognition that bushland is valuable and not always a burden on the landholder;
 - (b) an independent assessment to ensure the validity of any claim that a clearing proposal is necessary for continued farm viability; and
 - (c) evidence that genuine attempts have been made to resolve the problem through incentive and market based approaches.

6.5.3 A Special Assistance Process for addressing unresolved cases

The Working Group recognises the need for a process that provides special assistance to landholders concerned at the costs of managing bushland. It is recognised that the tightening of clearing controls since the Cabinet decision on clearing was announced in May 1995 has put particular financial strain on some individuals. We are in a period of transition between reasonably loose controls on clearing and stringent controls that will prevent most clearing proposals from proceeding.

The Working Group considers that the priority need is in the short term, while landholders adjust to clearing controls, and that the process recommended below should only operate for five years. After that time a public review process should be undertaken to determine what process, if any, should take its place.

The Working Group supports the establishment of a **Native Vegetation Review Board** that landholders can utilise when they consider that all other avenues to resolve their case have been exhausted. This Board will operate totally separate from the statutory process

through which clearing controls are managed. The relationship between the Board and the other relevant processes is outlined in the attached flow chart.

To assist in the resolution of difficult cases, the Working Group supports the establishment of a **Case Management Team** (or Teams if the level of demand requires it) that can work with the landholder to explore the available options.

6.5.3.1 Operation of the Native Vegetation Review Board (NVRB) and Case Management Team (CMT)

Composition

The Working Group considers that the Native Vegetation Review Board should consist of:

- an independent chairman with financial skills and a rural background;
- a person with experience in agricultural production;
- a person with experience in real estate in rural areas; and
- a person with experience in environmental management in rural areas.

The Working Group considers that, owing to the sensitivity of the issue, the effectiveness of the Board will depend on the skill, credibility and objectivity of those appointed.

Administrative support to the Board is to be provided by AGWEST.

The Working Group considers that the Case Management Team(s) would consist of two officers from AGWEST (with natural resource management and farm business development skills), and officers from other agencies as appropriate.

Process for gaining special assistance

A two-stage process is envisaged.

1. A landholder or group seeking assistance would initially apply to the Case Management Team. The Team would be equipped to provide assistance to the landholder or group in the application of available mechanisms to their problem, and would work cooperatively with the landholder(s) to resolve their problems through incentive and market based approaches. It is recognised that in a number of cases, particularly market based cases, it may take up to 12 months to fully explore available options. At the conclusion of the Case Management Team process documentation of the process followed, and the outcomes, will be prepared and available to the landholder and the Board.
2. After the landholder or group has been with the Case Management Team for 12 months, they can opt to continue with the Team approach, or apply directly to the Native Vegetation Review Board for special assistance. Special cases, where urgent assistance is required and market or incentive based options are clearly not relevant, can be referred directly to the Board by the Case Management Team.

A landholder who is aggrieved that their application to the Case Management Team has been rejected, or who consider that there has been an irreconcilable breakdown in the working relationship between themselves and the Team, are entitled to apply directly to the Board. However, if the Board considers this application to be frivolous, they can ask the landholder to continue with the team for a further 12 months.

Options for reviewing the application

The Board can make an immediate recommendation; or seek further advice before making a decision. This process is not to exceed 6 months.

Power to make recommendations

The Board's role would be to recommend to the Minister a range of options that may include some form of monetary assistance.

Review and improvement

Operation of the Board will provide an opportunity to constantly review the needs of landholders, and identify opportunities for improvements in policy and procedures. The Board should produce six monthly reports setting out broad issues they consider require further attention.

Period of operation

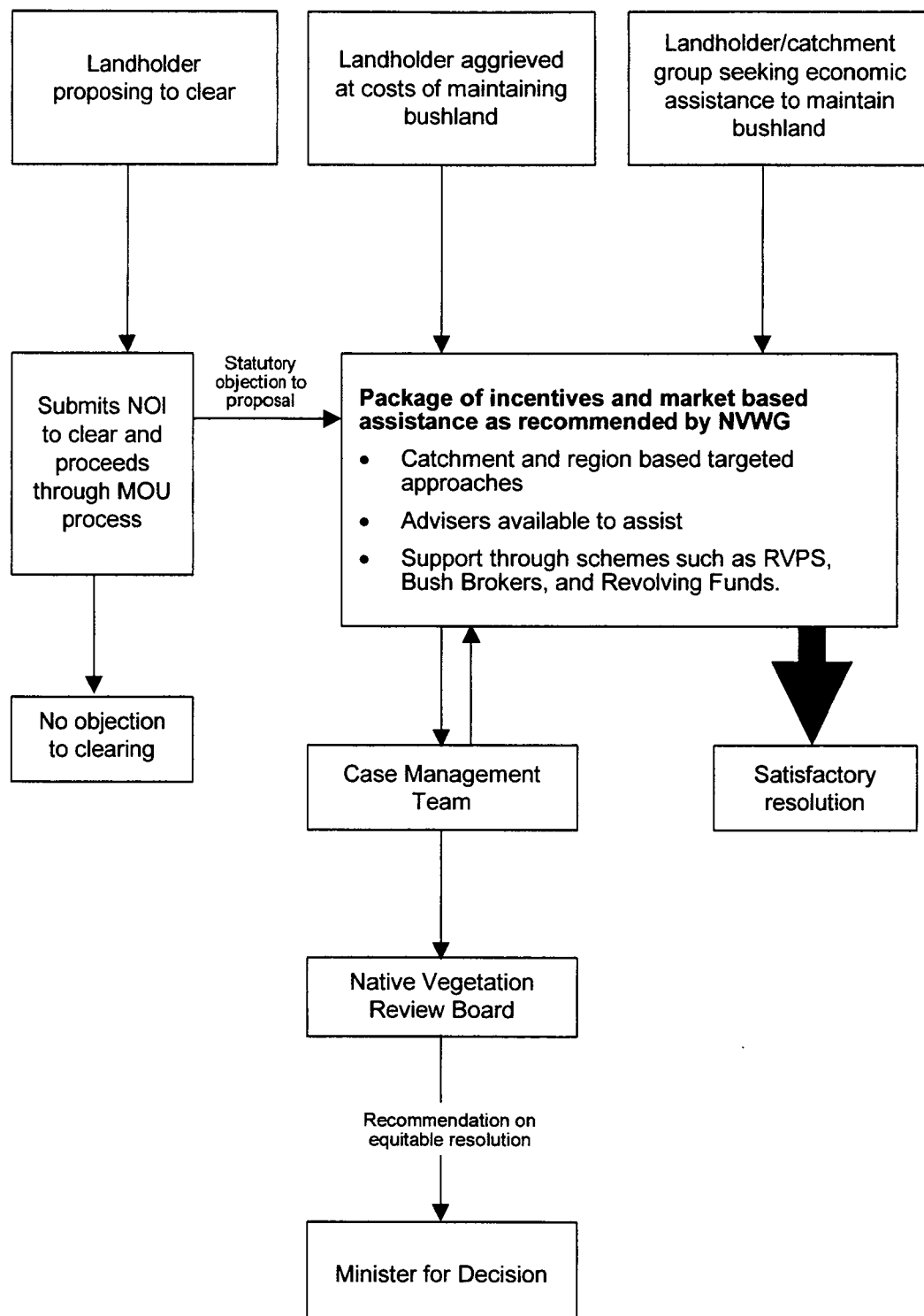
The Working Group considers that the Board should operate until 30 July 2005.

Recommendation 15 (6.5.3)

The Working Group recommends the establishment of a Special Assistance Process to support landholders needing help with the costs of owning or maintaining bushland. The process to include:

- (a) establishment of a Native Vegetation Review Board to consider those cases not fully resolved by incentive and market based approaches;**
- (b) establishment of a Case Management Team (or Teams) to provide detailed assistance to landholders seeking solutions through incentive and market based approaches;**
- (c) an initial \$500,000 per year for five years to be available in a fund for implementing Ministerial decisions following recommendations from the Native Vegetation Review Board, with this figure subject to annual review based on the level of demand; and**
- (d) no further applications for the Special Assistance Process to be accepted after 30 June 2003.**

Relationship between protection and management processes



7. RECOMMENDATIONS

Recommendation 1 (4.1.1)

The Working Group recommends an increased effort by AGWEST to collect and disseminate better information on the benefits of owning bushland, in both the short and long term, and on incentives available to landholders. These should include specific AgMemos and a brochure package developed and produced in cooperation with regional groups.

Recommendation 2 (5.1)

The Working Group recommends that the Minister for Primary Industry and the Commissioner for Soil and Land Conservation require all clearing proposals, whether from the private or public sector, to be subject to the same clearing controls. To achieve this the Working Group recommends that:

- (a) as a matter of urgency, the application of and, if necessary, the wording of the Soil and Land Conservation Act be modified to ensure that clearing controls are applied equally across the private and public sectors;
- (b) the Soil and Land Conservation Council lead discussions with local government, state agencies and utility companies involved in clearing on public land in order to develop the most practical methods of implementing clearing controls similar to those applying on private land;
- (c) landholders who have received non-objections to NOI's prior to November 1991 now be required to meet the same requirements as other landholders; and
- (d) all clearing proposals be assessed on their potential to cause land degradation or other environmental damage, regardless of the percentage of vegetation left, or to be left, in any given area.

Recommendation 3 (5.2)

The Working Group recommends a review of procedures for the controlled catchments so that any further assistance is provided on the same basis as is available in other agricultural areas of Western Australia.

Recommendation 4 (6.2.1)

The Working Group recommend changes to the application of Land Tax in Western Australia so that landholders managing bush for conservation purposes are exempt. This exemption should be conditional on some documentation of conservation management, such as a covenant or management agreement.

Recommendation 5 (6.2.2)

The Working Group strongly recommends that Local Government use the 'revenue neutral' opportunity of differential rating, as available in the Local Government Act, to assist landholders maintaining significant areas of bushland on their properties. To achieve this the Working Group recommends:

- (a) rate reduction for bushland areas should be conditional on some documentation of conservation management, such as a covenant or management agreement;

- (b) establishment of a grants scheme that assists rural shires to establish rate relief schemes. Based on an estimate made by WA Municipal Association, it is proposed that \$10,000 be provided to each eligible shire. This scheme should operate over 5 years and is estimated to cost no more than \$100,000 per year; and
- (c) the Soil and Land Conservation Council initiate ongoing negotiations with the WA Municipal Association, and specific shires as appropriate, to determine the special needs of offering rate relief for privately owned bushland in areas with small rate bases and large percentages of private land under bush.

Recommendation 6 (6.2.4)

The Working Group recommends that the Western Australian Government make a formal request to the Federal Government for an extension of tax deductibility to include the conservation management of bushland.

Recommendation 7 (6.2.5)

The Working Group recommends that the Soil and Land Conservation Council and AGWEST develop and implement a simple, flexible and economical covenant program that is available to landholders with interests beyond nature conservation.

Recommendation 8 (6.2.6)

The Working Group recommends the introduction of an incentive scheme to widen and protect existing road verges through the allocation of \$100,000 per year for five years on a \$1 (state) for \$1 (LGA) for \$1 (landholder) basis.

Recommendation 9 (6.3)

The Working Group strongly supports the principle of 'subdivision for conservation' purposes, and recommends:

- (a) early adoption of such an approach in Western Australia; and
- (b) establishment, for a limited period, of a technical group to facilitate and assist early implementation of the 'conservation by subdivision' approach.

Recommendation 10 (6.4.1)

The Working Group recommends that the Natural Resource Adjustment Scheme continue until broader based programs can be implemented.

Recommendation 11 (6.4.2)

The RVPS should be continued for a further five years, at the existing level of \$900,000 per year, and be reviewed by the Soil and Land Conservation Council on order to develop a broadened format that:

- (a) operates in close conjunction with revegetation schemes and on an integrated catchment wide basis;
- (b) provides a broader range of assistance to landholders, including funds to support appropriate subdivision and fencing in return for a permanent conservation covenant; and
- (c) targets areas of bushland adjoining public land.

Recommendation 12 (6.4.3)

The Working Group recommends that the wide range of farm business development programs be broadened to include sustainability principles for the management and protection of native vegetation. These programs to be brought together and accessed as a 'one stop shop'.

Recommendation 13 (6.4.4)

The Working Group strongly supports the establishment of the Bush Brokers program, and recommends continued support by the Soil and Land Conservation Council and AGWEST for this initiative.

Recommendation 14 (6.4.5)

The Working Group recommends the establishment of a revolving fund to facilitate trading in land for conservation outcomes, including broad landscape sustainability and rural adjustment benefits. To achieve this it recommends that:

- (a) WA Landcare Trust assist in the development and implementation of a revolving fund for Western Australia, in conjunction with other appropriate groups, as a matter of priority.**
- (b) WA Government contribute \$1 million to the operation of a revolving fund, and seek \$2 million from the Commonwealth.**

Recommendation 15 (6.5.3)

The Working Group recommends the establishment of a Special Assistance Process to support landholders needing help with the costs of owning or maintaining bushland. The process to include:

- (a) establishment of a Native Vegetation Review Board to consider those cases not fully resolved by incentive and market based approaches;**
- (b) establishment of a Case Management Team (or Teams) to provide detailed assistance to landholders seeing solutions through incentive and market based approaches;**
- (c) an initial \$500,000 per year for five years to be available in a fund for implementing Ministerial decisions following recommendations from the Native Vegetation Review Board, with this figure subject to annual review based on the level of demand; and**
- (d) no further applications for the Special Assistance Process to be accepted after 30 June 2003.**

BUDGET SUMMARY FOR RECOMMENDATIONS

The Working Group has not costed the implementation of all its recommendations, as the implementation of many of these require detailed costing at an agency level. Only funding allocations directly recommended are listed.

Recommendation	Total cost
5. Assistance to help local shires introduce differential rating for bushland	\$500,000 over 5 years
8. Road verge widening incentive for landholders	\$500,000 over 5 years
11. RVPS continue for a further five years, but be broadened	\$4.5 million over 5 years
14. Establishment of a revolving fund	\$1 million
15. Establishment of Special Assistance Process and a Native Vegetation Review Board to assist difficult cases	\$2.5 million over 5 years, (minimum) plus operating
Total	\$9.0 million

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Andrew Bathgate of Agriculture Western Australia's Economic Management Group for preparing the initial information on the costs and benefits of retaining bushland.

James Hamersley from the AGWEST Business Unit who provided the background papers on programs operated by the Unit, and suggested changes which could help landholders with bushland.

Andrew Watson, Deputy Commissioner (Regulatory) of Soil and Land Conservation, who prepared the initial material on legal mechanisms that protect vegetation in WA.

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Craig Whisson from the South Australian Department of Environment, Heritage and Aboriginal Affairs for information on programs in that state.

The Working Group has modified, to varying extents, material made available from numerous other people, whose contribution is also acknowledged. Responsibility for views and information contained in this report rests with the Group.