7 November 2006

Dr John Williams
Commissioner
Natural Resources Commission
GPO Box 4206
SYDNEY NSW 2001

Dear Dr Williams

Amendments to the Environmental Outcomes Assessment Methodology

Thank you for the opportunity to comment on the changes to the Environmental Outcomes Assessment Methodology ('EOAM') that have been proposed by the Department of Natural Resources.

The NSW Farmers' Association ('the Association') welcomes changes to the native vegetation reform package which improve the efficiency of the system. We appreciate that the changes are a first step in this direction and we look forward to further changes in the near future, particularly those that address issues raised by the Association with the Ministerial Review Committee.

With regard to the current changes, the Association has some concerns which are detailed below:

General Changes
Section 4.2
The Association welcomes the exclusion of salinity hazard assessment when farmers apply to remove isolated paddock trees. The Association suggests that the Land and Soil Capability ('LSC') and Water Quality tools should similarly not be applied to these proposals. These proposals result in improved in-field efficiencies (less water, pesticide and fuel use), reduced soil compaction through controlled traffic, reduced soil erosion (as trees typically have bare patches surrounding them), potential for precision agriculture through Beeline technologies, and increased safety for farm workers. The inclusion of unnecessary and often counter-intuitive assessment steps works against acceptance of the tool by the farming community.

Section 5.4
Although the Association welcomes the ability for Southern Rivers Catchment Management Authority ('CMA') to utilise the thinning tool, thinning should not be limited in any areas of the State nor to any species. Vegetation benchmarks are used to identify healthy vegetation communities. Where these communities regenerate beyond these benchmarks the community begins to suffer as some species are lost or depressed due to excessive regrowth by a dominant species. In areas where this has become severe, and/or in steep slopes, soil erosion can occur which may also lead to a decrease in water quality. It is also recognised that any species, given the right conditions, may regenerate excessively, and to the detriment of the broader vegetation

community, soil and water. As such it is imperative that the thinning tool be made available to all areas of the State and to all vegetation species.

Similarly, the proposed paragraph in Section 5.4.2 restricting the stems to be removed should not be added. Excessive regrowth should be thinned to within benchmark limits.

Land and Soil Capability Tool

These changes relate to management actions that would be prescribed to land that is approved to be cleared. Once this land is cleared, it is classified as regrowth and farmers are able to manage the area as they see fit. The Association continues to strongly object to the prescription of management actions that dictate agricultural operations in areas designated as regrowth. In some circumstances the management actions are inappropriate and do not correlate with best management practices. In all cases, prescribing management actions limits farmers' flexibility to adapt to market and climatic changes. Many Property Vegetation Plans ('PVPs') that have been drafted have not progressed to an approval due to inappropriate and unnecessary management actions.

Some examples of these include:

- Maintaining mulch under rows in horticulture/viticulture. In many crops this will promote disease, which is the same reason for retaining the ability to burn crop stubble as required.
- Sowing crops by direct drilling or cultivating only to the extent necessary for seed germination/plant establishment. This limits any cultivation passes for weed control and would result in increased herbicide usage. For many crops, there are limitations on the herbicides available and registered for their use. This management action would inadvertently restrict the crops that could be grown in these areas.
- Restricting furrow/bay/basin irrigation to LSC classes 1 and 2. Earthworks are required for most irrigation developments, particularly where laser levelling is used to ensure the highest water-use efficiencies. Restricting this type of irrigation to LSC classes 1 and 2 is not based on science and could have severe consequences to land values.

Other management actions are financially unviable for many farmers, despite being desirable in ideal circumstances, some examples of this include:

- Maintaining a permanent sward/groundcover between rows and on all headlands in horticulture/viticulture operations and applying fertilizer to maintain groundcover and biomass in non-production areas is aesthetically pleasing and may reduce small areas that could be prone to erosion during dry periods, but this is an additional cost with no return to be borne by farmers.
- Monitoring regolith saturation and stability in LSC class 6 areas of horticulture/viticulture and managing irrigation water application rates and assessing drainage depths would require piezometers and logging infrastructure and technology in every applicable field. This is extremely expensive and would require extensive training for many farmers to be able to use this technology.
- Protecting or sheltering the soil from high wind speed (eg windbreaks, mulch) would require the planting of windbreaks throughout a property which may have limited potential for benefits.

The Association also strongly objects to the further requirement to develop lists of 'plans' as management actions. Within this report there are requirements for engineering plans, Acid Sulfate Soil Assessment and Management Plans, water erosion management plans, wind erosion control plans, and soil structure management plans. There are no details about what the content of these plans are, who they are to be presented to, how they will be assessed, the process by which they may be altered, etc. Natural resource management must be focussed on outcomes not processes, and the government must understand and have faith that farmers will not erode their own asset base through not employing required soil management and conservation works.

Invasive Native Species Module

While the Association welcomes the improvements that have been made to the Invasive Native Species ('INS') Module, the following points that have been raised by the Association have yet to be addressed:

- The INS Database needs full population of species and appropriate stem diameters. Technical support should be provided to CMAs to help them expedite this work.
- Retaining large stems can promote ongoing INS issues and limit production efficiencies and safety for farmers. A full mosaic landscape approach should be adopted for both large and small stems.
- There is no minimum threshold for INS management - that is, if you have 200ha INS and need to crop the country to rehabilitate the land, you are limited to cropping only 20% at a time, which is physically and financially unviable for small areas. On top of this, with the minimum of 50% groundcover and 75% native rule, it may take years before the next 20% of INS can be managed, by which stage all of the remaining areas will have become more degraded. A more practical approach must be found to the use of cropping for INS management.
- Lucerne is the only exotic species that can be used to prevent soil degradation after INS management. However lucerne is not an appropriate species for many soil and climate areas. Other exotic semi-perennial species should be identified that can be used to ensure the maintenance of the soil resource. In addition, provision must be made to provide adequate seed supplies for native perennial grass species.
- Treatment in riparian areas and in Endangered Ecological Communities ('EECs') is limited to spot treatment and burning, even where this is physically and/or financially impossible. CMAs should be given sufficient latitude to be able to assess individual applications and to determine what the most appropriate activity for each specific area should be.
- EECs that are also INS have not been addressed. Coolibah, for example, is part of an EEC, but as a single species can act invasively. Despite this, there is no scope for managing this problem.
- Credits for INS rehabilitation work should be provided within the PVP Developer so as to provide more scope for the conversion of INS areas to permanent cropping. In other words, INS rehabilitation should be treated as an offset credit to allow for other development work.

Outstanding Issues

A number of issues raised by the Association in reports submitted to the Ministerial Review Committee have not yet been addressed.

- The socioeconomic impacts of the Act continue to be a key issue for the Association. The structural adjustment package offered by the government will help only a few

farmers and does not begin to address the breadth of impacts the legislation has had on farmers.

- Trading between assessment tools to achieve a net environmental outcome has not been explored. Biometric (not including threatened species) is the only tool that allows for the recognition (albeit in a small way) of benefits of clearing, which biases the Developer against clearing. Each assessment tool must assess the total impacts, both positive and negative, of the proposal.
- The definition of regrowth has not yet been publicly clarified along practical lines.
- The offsets required by the tool continue to be excessive. The requirements for all of the listed threatened species must be reviewed and the details of the 14 species that were reviewed in this current process must be made public.
- Offset ratios are excessive due to: underestimation of the benefits of management actions; underestimation of the regenerative capacity of vegetation; inability to include positive aspects of clearing within most assessment tools; and inadequate acknowledgement prior good management.
- The Association understands that substantial work has been done by the Department of Environment and Conservation to improve the methodology for application under the Biodiversity Banking Act. It is essential that the EOAM and PVP Developer are amended to reflect this work as soon as is practically possible.
- Coastal farmers continue to be disadvantaged relative to other stakeholders as they:
    - don't have access to basic utilities without offsets
    - don't have access to many routine agricultural management activities
    - have tighter infrastructure buffers to work within
    - don't have access to the thinning tool
    - have a limited INS Database (no species are listed in Northern Rivers CMA)
- Some Local Environment Plans and caveats imposed as a condition of leasehold conversion to freehold remove the rights to Routine Agricultural Management Activities and other exemptions. This results in undue red tape, delays and frustration for farmers who are unable to manage daily operations due to these restrictions. The exemptions within the Native Vegetation Act should have precedence over other jurisdictions.
- CMA decisions are routinely being referred back to agency advisors and legal departments, introducing considerable delays in the assessment process. Further work needs to be done to increase the capability and confidence of CMAs to exercise their autonomy.
- The wording of PVP agreements is often ambiguous and is causing significant delays as farmers seek to understand the intent and consequences of contract. More work needs to be done to ensure that agreements are expressed in plain English that is easily understood by any stakeholder.
- Wetlands should have appropriate buffers and should not include ephemeral floodrunners. The Environment Protection and Biodiversity Conservation Act 1999 Important Wetlands Database was not intended to be used a database for the Native Vegetation Act and this inappropriate link should be removed.
- A huge part of Biometric is based on an interpretation of the Mitchell landscapes, yet the methodology used to develop this interpretation and resulting database has not been peer reviewed, is not published, nor is it public.
- Steep land should be based on 26 degrees as is the case in Northern Rivers CMA.
- Exotic species should be able to be introduced where native species cannot outcompete environmental weeds. This should not be considered as a clearing

application but as land rehabilitation. A policy under clause 28 should be developed by the CMAs to encourage this.

- Red light reports are still not being provided and are essential for farmers to be able to understand the new reform package and to reconsider their proposal towards options that may better fit within the legislation.
- Farmers' privacy was to be protected through disclosure of only GPS coordinates on the Internet. However with advances in technology, and software such as Google Earth freely available, even this information is identifying. Only CMA summaries should be available over the internet, with all personal details retained within the Department database.

Finally, I would like to thank you and the Natural Resources Commission for its diligent attention to this process. The Association hopes that you will continue to drive and resource ongoing improvements to the system. The progress achieved during 2006 is evidence of the government's commitment to an adaptive management approach to the native vegetation system. This approach, however, depends on maintaining a drive for improvement and a willingness to change within the teams responsible for implementation of the system. In this regard, the Ministerial Review Committee or a similar body should continue to meet to review progress.

Yours sincerely

Jock Laurie
President

PS: There has been a last minute round of changes to the EOAM as published on the NRC web site. The Association will make comment on these changes once they have been reviewed.