

3 April 2014

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600
By email: ec.sen@aph.gov.au

Dear Secretary

Re: Inquiry into Environmental Offsets

The National Farmers' Federation (NFF) welcomes the opportunity to make a submission to the Senate Standing Committee on Environment and Committee's inquiry into environmental offsets.

NFF is the peak national body representing farmers and the agriculture sector across Australia. The NFF's membership comprises all Australia's major agricultural commodities. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. While our members address state-based 'grass roots' or commodity specific issues, the NFF's focus is representing the interests of agriculture and progressing our national and international priorities.

The *Environment Protection and Biodiversity Conservation (EPBC) Act 1999* requires farmers to gain Commonwealth approval on matters of national environmental significance. Such matters include activities on heritage listed sites, Ramsar listed wetlands, nationally threatened animal and plant species and ecological communities.

NFF's major concerns with the current offsets policy are twofold:

- that offsets are generally not feasible for agriculture applications under the EPBC Act
- agricultural land is often the 'target' of large enterprises, such as coal mines, seeking to offset the impacts of their developments.

Offsets for agricultural applicants

The NFF generally supports the use of offsets. While the application of the EPBC Act allows for approval of projects with offset provisions, in reality, realistic offset opportunities in the agriculture context are limited.

With the establishment of the one-stop shop model, there is an opportunity to further align the offset policies of the State and the Commonwealth. Such alignment will avoid the current confusion of separate offset requirements by the different jurisdictions.

The current offset policy of the Environment Department for the EPBC Act requires 90% of offsets to include direct offsets – that is “...actions that provide a measurable conservation gain for an impacted protected matter. The policy does consider deviation from the 90% minimum offset requirement only in certain circumstances. In the farming context, offset conditions may restrict development that could result in productive and environmental benefits. The EPBC Act focuses narrowly on the significance of the impact of the removal of trees for example, without consideration of the potential for broader environmental benefits that may arise from the change in practice.

An example of this is requirement to refer for approval the removal of isolated paddock trees that may have a significant impact, to adopt controlled traffic and precision cropping practices. Precision cropping has many benefits, including reduced chemical and fertiliser use (and run-off into water ways), reduced soil compaction, and considerably lower fuel consumption with associated reductions in emissions.

In reality, farmers will generally meet the offset requirement from within their current land resources. Unlike larger industries, the purchase of additional land to achieve the offset is unlikely (see discussion below). Unrealistic offsets that are too costly to implement will mean that many proposed developments will not proceed. NFF advocates a more flexible approach based on the nature of the project, the availability of direct and indirect offsets and whether the offset delivers improved environmental outcomes for the protected matter.

Impact of offsets on agricultural land

The requirement for direct offsets may be constrained by the availability of suitable areas of land for protection. The scale of offsets required for major developments can result in the acquisition of farming properties by the developer to achieve the offset provisions. This in effect means that land once may have been used for agriculture is ‘locked up’ to meet the offset requirement.

An example of this is the approval granted to Mount Pleasant mine to clear 2,591 ha of White Box Yellow Box Blakely’s Red Gum Grassy Woodland and Derived Native Grassland¹. The approval required the proponent to acquire and protect 12,875 ha of the Ecological Community. In addition, the proponent was required to protect 8,475 ha for regent honeyeater and swift parrot, 8,475 ha for spotted-tail quoll and 8,475 ha for the greater long-eared bat. The scale of the offset required compared to the proposed impact, means that increasingly, agriculture land will be used as the offset.

While it is recognised that individual farmers will – and are entitled to - make their own decisions, the long term outcome for the sector is that agricultural land is targeted for land use change, and the sector as a whole bears the costs through

¹ see <http://www.environment.gov.au/epbc/notices/assessments/2011/5795/2011-5795-approval-decision.pdf>

reduced production. While NFF has advocated this view point to governments over time, there has been limited consideration of the likely impacts of offset policies on our sector.

Should you require clarification on any issue arising from this submission, please do not hesitate to contact Ms Jack Knowles, Manager NRM Policy on 02 6269 5666 or by email jknowles@nff.org.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'Matt Linnegar', with a large, stylized initial 'M'.

MATT LINNEGAR
Chief Executive Officer