

## Environmental Fundamentalism

**Australian farmers are frequently accused of adopting unsustainable agricultural practices. In response, Governments have progressively added to areas locked up in conservation reserves, and implemented regulatory policies that remove the rights of owners of farmland in order to achieve environmental benefits enjoyed by the whole community.**

**These policies are indicative of an increasingly fundamentalist approach being taken on environmental issues. Preservation of all aspects of the environment is placed above any other consideration, and environmental regulations remain completely immune from the normal tensions inherent in policy making, where community costs and benefits are carefully weighed up. It is this fundamentalist approach to environmental policy, rather than farming, that is likely to prove unsustainable in the long run.**

A landholder in north-west New South Wales recently sought permission to be allowed to clear native scrub regrowth on a relatively small proportion of his land; however, bureaucrats employed by the NSW State Government refused the request. Amongst the reasons given for the refusal were:

- that the area contains habitat or potential habitat for threatened or endangered species;
- that the area is adjacent to an area considered to be of environmental significance;
- that the area contains vegetation communities which are in unusually good condition;
- that the proposed area is visible from a local road and would therefore impact on the scenic quality of the area, and
- that the ecological communities present on the land are considered to be under-represented in terms of conservation targets, and therefore are to be preserved.

Almost simultaneously, landholders in central Queensland have been advised that Bluegrass dominant grasslands of the Queensland Brigalow Belt Bioregions have been listed as a nationally endangered ecological community “because it (Bluegrass) has declined in distribution to approximately 10% of its former range.”<sup>1</sup>

Those farmers owning land in the identified region, and who are unfortunate enough to have maintained pastures in which the relevant species dominate, now find they must seek Commonwealth ministerial approval for normal farm management decisions that may impact on an area of more than 20 hectares of that land. As the guidelines associated with the listing note, such management decisions include “improving Bluegrass grasslands (through fertilising, irrigating, sowing exotic pastures)” or “Ploughing and/or conversion to other land uses such as cropping” or “intensifying grazing pressure such that the listed Bluegrass ... is likely to be degraded.”

In both these cases, the landholders are being restricted from making productive use of privately owned farmland – land that was purchased as a business investment – purely to comply with Government policies aiming to achieve public-good environmental objectives purportedly desired by the entire community.

To many Australians living in the environmental wastelands that are coastal urban communities, the response of the Government bureaucrats may appear reasonable. The fact that the landholders in question are potentially left with unsustainable farming enterprises, and that the area in question in the NSW case may quickly become economically worthless and a haven for feral pests and weeds probably does not even register.

The incongruity evident in imposing these restrictions on farmland, but approving the clearing of a much larger area of bushland on Sydney’s fringe to ensure suburban land prices remain at acceptable levels also probably never occurs to the majority of urban Australians.

These decisions by bureaucrats are not isolated incidents, and are evidence of the increasing fundamentalism apparent in the Commonwealth and State environmental bureaucracies that are charged with making decisions about the future development of natural resources in Australia.

<sup>1</sup> Commonwealth of Australia 2001, *Guidelines for determining whether a farming activity will have a significant impact on listed Bluegrass community*, [www.ea.gov.au](http://www.ea.gov.au)

Preservation of all aspects of the environment, irrespective of any other consideration is the core tenet of this fundamentalism. Other elements include the concepts: that human disturbance of the environment (either via management or by introducing non-native species) is always harmful; that any development should only be allowed if it has a neutral or positive impact on environmental values; and that the 'rights' of the community to preserve elements of the environment subsume any other rights that individuals may hold.

### Human disturbance and environmental harm

The belief that any intervention by humans inevitably results in environmental harm is the basis for the declaration of wilderness areas, and to a lesser extent, other forms of conservation reserves. The exclusion of human intervention is assumed to result in a situation where the various natural elements present in the area will reach some form of stable equilibrium, and remain protected for the benefit and enjoyment of future generations.

This raises some interesting philosophical questions that go to the heart of much of the debate about the value of the environment. It requires an initial assumption that man is not part of the environment, but is instead a 'different' species, somehow distinct from, and innately antagonistic to the natural world. It assumes that something can only be truly 'natural' if man is excluded.

The difficulty with this concept is that human intervention is not the only factor that causes change in the natural world. Fossil records show that variations in climate over time have resulted in regular species extinction over millions of years. Specific weather patterns can also cause super-abundance of certain species – such as plague locusts – that result in dramatic environmental changes. Bacterial or viral species can also cause devastating disease in certain species, and result in long-term changes that are entirely independent of any human involvement.

The difference between a naturally induced change in the species present in a region and a human induced change is often extremely difficult to identify, because the elements that make up the environment are never static. Even establishing an initial reference point to measure species change incurs the risk that the reference point was in fact an aberration, and therefore change is inevitable. The evidence of extensive human settlement and agriculture during the last millennium in now permanently-frozen Greenland is a telling reminder that the environment is far from static, and that natural variation is the norm, not the exception.

This makes debates about the nature of the environment in Australia pre-European settlement, and the desire to preserve a significant proportion of the landscape in that form somewhat problematical. There is growing evidence that the pre-European Australian environment was already substantially modified by aboriginal activities practiced for over 40,000 years. The dilemma is which 'natural' state of the Australian environment should be preserved? Should an attempt be made to create a pre-aboriginal environment, or

should the landscape as modified by aboriginal influence be that which is preserved?

If the latter is seen as desirable, then the exclusion of humans may in fact not achieve the required result. Countless examples exist where blanket native vegetation management regulations, such as those applying in NSW, combined with the suppression of natural and managed fires results in the land being progressively choked with thick scrub regrowth. The end result is a landscape that in no way resembles the pre-European state described by early explorers and settlers.<sup>2</sup> It is also a landscape in which biodiversity (at least as gauged by the presence of larger birds, animals and diverse plant species) progressively decreases. The areas without management also become increasingly vulnerable to cataclysmic fire episodes, such as those in the Royal National Park near Sydney in recent years.

Somewhat ironically, it is probably the removal of human influence from areas in Australia that will constitute a significant change, and potentially cause greatest environmental harm. Species existing in a region that has been subject to periodic natural and man-made fire episodes for thousands of years have adapted to that environment, as is evidenced by the wide range of Australian native plants that germinate after exposure to fire or smoke. Suppression of these fire episodes will result in other species taking over, which disadvantages those species adapted to the prevailing conditions.

Cypress pine regrowth that is now taking over large areas of northern NSW is a classic example of this phenomena. In the absence of regular burning, periodical mechanical clearing is probably the closest proxy to the 'natural' conditions that previously prevailed. This is now effectively banned under State legislation.

A related aspect of this issue is the popular currency that has developed to describe the state of the environment in Australia. An increase in the amount of land locked up in conservation reserves by Governments is touted as proof of good environmental outcomes, despite those areas often becoming havens for pests and weeds and being poorly managed. Conversely, statistics detailing the extent of clearing of native vegetation are regularly given the shock-horror headline treatment, especially by media servicing urban populations living where native vegetation has long been obliterated. The irony, of course, is that the areas cleared may in fact be managed in a state closer to their pre-European 'natural' condition, than the areas locked up in reserves.

This is not to say all reserves result in poor environmental outcomes, or that scrub clearing will automatically improve biodiversity, but it does highlight the fallacy in the concept that the exclusion or regulation of human intervention automatically results in better environmental outcomes.

<sup>2</sup> See, for example, Ryan & Starr.(1995) *Cunninghamia* 5(2)285-328 and subsequent debate in that Journal involving Benson & Flannery.

## Impacts of development on the environment

A second component of the fundamentalist approach now being taken by State bureaucracies is the requirement that any proposed development must have either a neutral or positive impact on environmental values before it is allowed to proceed. Examples of this policy have arisen where farm land developments have been proposed. The response from the relevant agency has been an approval as long as the landholder permanently sets aside an area for conservation purposes of four to six times the size of the proposed development. This conservation requirement is presumed to generate sufficient 'credits' to offset the 'debit' created by the proposed development.

This approach is a significant re-definition of the concept of sustainability. Rather than considering whether the proposal involves a use of natural resources within their capacity without causing long-term harm, this definition requires developments to have nil impact on any component of the environment. For a landholder, it amounts to a substantial tax, simply to be allowed to exercise a right acquired when the land was purchased, but which has subsequently been removed without compensation by Government.

The policy appears to be applied irrespective of whether the development may have long-term harmful impacts beyond the property, or simply involve changing landuse on the property with no significant offsite impact. Most importantly, the policy makes no differentiation between restricting a landowner to prevent off-site environmental harm, or restricting a landowner to achieve a public good such as the conservation of desired biodiversity.

It ignores the reality that farming, of necessity, involves modifying biodiversity to enable more productive output from land. While naturally occurring species have some value, they do not compare with the productivity possible from introduced, domesticated species. A NSW Tablelands pasture consisting entirely of native species, for example, is rarely as productive as one consisting of introduced species such as lucerne, clover or phalaris.

Applied more generally, this policy would quickly stop any development or alternative use of natural resources in Australia, however it is notable this approach is not applied in response to proposals for increasing areas available for urban development.

The policy is justified as being an appropriate application of the precautionary principle, and also as adhering to the principles of ecologically sustainable development or ESD, a policy which all Australian Governments have supported in being signatories to the Intergovernmental Agreement on the Environment.<sup>3</sup> The policy approach is, however, an extreme interpretation of those principles, and also selective in relation to which aspects of those principles are applied. Government agreements on ESD propose that the application of the policy should "enhance individual and

community wellbeing and welfare by following a path of economic development that safeguards the welfare of future generations" and "provide for equity within, and between, generations".<sup>4</sup> They also require Government decisions to effectively integrate long and short-term economic, environmental and social considerations, with each of these elements – environmental, economic and social, - considered equally in the decision-making process.

The approach being taken in relation to these decisions at present completely ignores economic and social issues. It also completely ignores the issue of equity within and between generations, with current generation landholders bearing a cost inequitably to achieve a public benefit on behalf of the entire community, and presumably for the benefit of future generations.

## The environment and property owners' rights

A third element of the fundamentalism apparent in environmental decision-making is the presumption that the rights of the community to preserve elements of the environment completely override any competing rights a property owner may have to develop and use those elements of the environment productively.

At both State and Commonwealth level, environmental legislation designed to preserve threatened species or maintain biodiversity provides Governments with statutory powers that can effectively render land unusable, without any requirement to compensate the property owner, and without any requirement to carry out the normal costs/benefits analysis that applies to most areas of Government decision making.

A relevant example is the recent listing of Bluegrass pastures in the Brigalow Belt in Queensland, referred to earlier.

No cost/benefit analysis has ever been published in relation to this decision, and the guidelines for farmers were only made available almost six months after the grasslands were listed. As a side issue, there is now considerable potential for farming activities that are completely legal under Queensland State legislation to be in breach of the Commonwealth legislation.

The approach inherent in this action by the Commonwealth is identical to that taken under State threatened species legislation (for example the NSW Threatened Species Act). No compensatory measures have been put in place to offset the losses and opportunity costs incurred by landholders, and Governments seem content to ignore the substantial perverse incentive this type of approach creates for landholders. Any landholder who has voluntarily maintained environmental features on their land now has a major incentive to either hide or remove those as quickly as possible.

<sup>3</sup> Commonwealth of Australia (1992) Intergovernmental Agreement on the Environment.

<sup>4</sup> Productivity Commission (1999) Implementation of ESD by Commonwealth Departments and Agencies. Report No. 5, 1999.

Policies which expediently ignore the existing rights of property owners also have a wide ranging and long-term impact on management decisions made by farmers. There is little point in making land improvement investments with long payoff periods, if the insecurity of property rights means there is a risk that the investment will never be realised.

These policies also adopt exactly the reverse approach to that which has been the focus of Governments ever since the Hilmer Report and National Competition Policy (NCP) was introduced in the early 1990s. The focus of NCP is to ensure that the productive resources in the Australian economy are free to be allocated to their most productive uses to maximise the wealth generated for the community. Regulations such as these impose a freeze on the uses to which land resources can be put, potentially locking a landholder into an unprofitable use of the land, indefinitely into the future. For an industry such as agriculture that is fully exposed to and dependent on international markets, the resultant resource allocation inefficiency will very quickly translate into declining international competitiveness, and loss of export revenue for Australia.

### A more sustainable environmental policy

Fundamentalist administrative policies that focus solely on basic tenets of belief and ignore economic and social impacts have proved unsustainable in the long-term. It is likely that such a fate awaits the current approach to environmental issues in Australia, which has as its core tenet the preservation all aspects of the environment irrespective of how that is achieved. Unfortunately, a great deal of collateral damage will be suffered in the interim by those directly impacted by these decisions.

Many bureaucrats currently administering these policies fully recognise that the current, blunt regulatory approach is unsustainable in the longer term, and also that the impact the policies have on landholders places a major limitation on potential future environmental gains. There is already evidence that the high level of landholder volunteerism that has been a feature of major programs such as Landcare is declining, and that landholder distrust of Government Agencies and personnel is rapidly escalating.

Some bureaucrats point to the right of the community to impose public good environmental restrictions on landholders as part of a land stewardship ethos, a concept that is evident in European environmental policies. They argue that ownership of land is a privilege bestowed by the community, and in return the landowner is required to meet 'community' expectations concerning environmental care, even if it extends well beyond a normal duty of care for land.

This argument ignores the major difference between Europe and Australia, which is that European farmers receive in excess of 50% of their annual income in subsidy payments from Government. As a result, European farmers operate under an implied social contract with the community which requires them to implement required environmental

activities in return for public funding. Australian farmers receive minuscule and declining Government subsidies in comparison, and it cannot be argued that they operate under the same implied social contract.

The USA has historically subsidised its farmers to a lesser degree than Europe (although still at a level many times above Government support levels for Australian agriculture), and also takes a much less fundamentalist approach on environmental issues. Rather than simply removing farmers' rights to achieve environmental outcomes, there is a much greater emphasis on incentives. Under the US Conservation Reserve Program farmers are paid an annual contract fee for activities on their land that fall under the definition of public good conservation. These fees are established by competitive tender to ensure the community achieves an efficient delivery of desired environmental activities.

The US environmental policy model contains two elements that are notably absent in Australian policy, and which would assist to establish a more sustainable balance in Australian environmental policy decisions, and better meet the principles of ESD.

The first is a requirement that all significant new US Federal regulations must have a transparent and comprehensive cost/benefit analysis carried out and published for comment, before the regulation is enacted. The analysis includes a full assessment of the costs and benefits to the economy, the likely administrative costs and benefits, and an analysis of the impact of costs and benefits on groups in the community. The test for any regulatory proposal is a requirement to demonstrate a net public benefit, which applies to environmental issues, equally as much as to any other policy area.

The second is the much stronger protection of property rights that exists under US law, meaning that Governments cannot simply 'take' property rights away from landowners to achieve environmental outcomes. Instead, there is a requirement to carefully weigh up the costs and benefits of any proposed regulatory action, and in the event that property rights do need to be removed to achieve a public benefit, then appropriate compensation must be provided.

This means Government actions to achieve public good environmental outcomes are in the same category as Government actions to build a new school, hospital or freeway. Each needs careful consideration, and an appropriate balancing of all the costs and benefits – something that is sorely lacking from the current policy approach to environmental issues in Australia.

**COMMENTS CONTAINED IN THIS DOCUMENT ARE BASED ON INFORMATION AVAILABLE AT TIME OF PUBLICATION.**

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