

# AGRICULTURAL COMPETITIVENESS GREEN PAPER

## Submission by Chris Dalton, December 2014

I refer to my March 2014 submission to the Agricultural Competitiveness Issues Paper in which I advocated that the White Paper should take into account evolving values and attitudes to the land that have emerged since the days of our rural pioneers. I suggested that this could be through giving the land a discrete identity, recognising its intrinsic value and speaking in terms of a relationship with the land, rather than objectifying the land. Further, I suggested the precautionary principle be expanded to require the exercise of caution if an ecologically sustainable development (ESD) cannot be shown to deliver net benefits to the environment.

I therefore welcome the many references (around 25) in the Green Paper to ESD. This contrasts strongly with the complete absence of references in the Issues Paper to ESD. I am concerned, however, that the Green Paper does not define ESD and does not provide advice on how it is to be applied in practice – particularly with regard to those industries that compete with the agricultural industry for water, land and other scarce natural resources. There is a danger that the reference to ESD will be treated merely as policy rhetoric, without any regulatory “teeth”, accountability or consistency across industry sectors.

### **Ecologically sustainable development and adaptive management**

The concept of ESD has received attention from a number of government agencies in the last year. For example:

(i) *COAG’s Standing Council on Energy and Resources (SCER)*

In 2013 SCER endorsed a National Harmonised Regulatory Framework for the extraction of gas from coal seams. This Framework notes that the successful development of the industry depends on achieving a balance in environmental, social and economic outcomes in a way that maximises benefits to the community while protecting the environment and human health. Further, key features include respecting the rights of all land users (“co-existence”), maximising the economic and social benefits of regulated land use, **applying ESD principles** and adopting an **adaptive management** approach where there is community concern about a potential risk, but with a limited likelihood and/or scale of impact.

In advocating the adoption of adaptive management, the Framework states:

*ESD aims to balance the environmental, economic and social costs and benefits of a proposed activity. However, the appropriate balance can be difficult to achieve where there is uncertainty about the costs and benefits of particular developments.*

It then asserts that the precautionary principle complements the objectives of ESD in such circumstances, and that risk management (as exercised through adaptive management) is a necessary addition to the precautionary principle, concluding that:

*The precautionary principle in conjunction with adaptive management is part of a hierarchy of risk control measures that apply to all aspects of the development of natural gas from coal seams.<sup>1</sup>*

This approach is as relevant to the agricultural industry as it is to other natural resource industries.

*(ii) Productivity Commission*

Also in 2013, the Productivity Commission reported on its Inquiry into Mineral and Energy Resource Exploration. This report reiterates the need to achieve a policy balance, in this case between energy resource exploration and the potential for any associated environmental cost<sup>2</sup>. In doing so, it too advocates the use of adaptive management techniques when there is uncertainty as to the environmental impacts of exploration, and notes that this approach has been adopted by the Queensland Government<sup>3</sup>.

*(iii) NSW Chief Scientist & Engineer*

In 2014 the NSW Chief Scientist & Engineer submitted her final report on her review of CSG activities in Australia. She concludes that the technical challenges and risks posed by the CSG industry can in general be managed within a legislative framework which is supported by an effective and transparent reporting and compliance regime and by drawing on appropriate expert advice<sup>4</sup>.

In doing so she comments that

*(r)isks can be reduced through measures that reduce the scale of the consequences of the likelihood of the event occurring. Adaptive management is an approach, which tracks the progress of activities as risk thresholds or triggers are realised.<sup>5</sup>*

## **Discussion**

These contemporary reports all embrace the concept of ESD, building on the Environment Protection and Biodiversity Conservation Act 1999, which defines the principle of ESD<sup>6</sup>. They also advocate the adoption of adaptive management

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<sup>1</sup> SCER, "The National Harmonised Regulatory Framework for Natural Gas from Coal Seams," (COAG Standing Council on Energy and Resources, 2013), 14, 15.

<sup>2</sup> Productivity Commission, "Mineral and Energy Resource Exploration, Inquiry Report No. 65," (Canberra: Commonwealth of Australia, 2013), 22.

<sup>3</sup> Ibid., 237 - 39.

<sup>4</sup> NSW Chief Scientist & Engineer, "Final Report of the Independent Review of Coal Seam Gas Activities in NSW," (Sydney: NSW Government, 2014), iv.

<sup>5</sup> "Managing Environmental and Human Health Risks from CSG Activities," (Sydney: NSW Government, 2014), 1.

<sup>6</sup> Federal Parliament, "Environmental Protection and Biodiversity Conservation Act 1999," ed. Office of Parliamentary Council (Canberra: Commonwealth of Australia, 1999), Section 3A.

techniques as providing a way for implementing these principles in practice. Whilst there may need to be some refinement in the use of adaptive management, what is significant is that all the reports saw the need to go beyond the rhetoric of ESD.

In this regard it is interesting to note that recent legislation introduced into the Queensland Parliament (*Planning and Development Bill 2014*) appears to dilute the significance of ESD. As observed in one commentary on the Bill:

*The stated purpose of the P&D Bill is to 'facilitate Queensland's prosperity', with the concept of prosperity encompassing balancing economic growth, environmental protection and community wellbeing. There will no longer be a reference to 'ecological sustainability' which was a fundamental concept under SOPA and the Integrated Planning Act 1997 (Qld).<sup>7</sup>*

Given the importance all parties place on finding the right balance between natural resource development and environmental considerations, there is a need for some regulatory guidance on the implementation of ESD principles that will give a measure of objectivity and accountability across industry sectors in determining what is the right balance.

With the Green Paper's lack of definition of ESD, and of how ESD might be implemented in the agricultural industry, the approaches outlined for the natural gas industry (as proposed by SCER, the Productivity Commission and the NSW Chief Scientist & Engineer) become the de-facto policy precedents for other industries.

As a minimum, therefore, the White Paper should at least discuss the applicability or otherwise of the approach to ESD that is being proposed for the natural gas industry. It may be, however, that a stronger approach to ESD is in the agricultural industry's interests. This is a matter that the White Paper should address.

Further to this, the Green Paper outlines 9 agriculture policy principles<sup>8</sup>. They cover the interests of key stakeholders – farming families, regional communities, industry, consumers, and workers. The one stakeholder the principles do not cover is the land, yet its health is absolutely vital to the entire agricultural industry – and all other natural resource industries – irrespective of State boundaries.

## **Recommendations**

1. That a tenth agriculture policy principle be identified in the White Paper, namely that of ecologically sustainable development.
2. That the White Paper provide practical guidance on how ecologically sustainable development is to be implemented in the agriculture industry
3. That the White Paper recommend that a consistent implementation framework for ecological sustainable development be adopted across all natural resource industries.

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<sup>7</sup> See <http://www.minterellison.com/Publications/Changes-to-Queensland-planning-development-laws-2014/>, retrieved 11 December 2014

<sup>8</sup> Department of Prime Minister and Cabinet, "Agriculture Competitiveness Green Paper," (Canberra: Commonwealth of Australia, 2014), viii.

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