

Session 1: Grassland Conservation in Farmers' Hands: Is Grasslands Conservation Compatible with Farming?

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Introduction

Both the literature and practical experience suggest that there is a strong positive link between the management of native grasslands and the achievement of conservation outcomes. Native grasslands managed variously through fire, grazing, slashing and herbicide application can achieve strong conservation outcomes whilst remaining in productive use. Indeed in many cases this management will result in a better conservation outcome than fencing an area off and leaving it as a reserve.

Of course there is no denying that agriculture also has the potential to harm these grasslands and has caused significant historical damage. Since European settlement a number of influences such as introduced weeds and animals have disturbed our natural ecosystems, and it is the persistence of many of these threats that makes the management of grasslands for twin productive and conservation outcomes such an important proposition.

In this paper I will spend some time looking at why it is in the interests of agriculture to conserve grasslands and why grassland conservation needs agriculture. We will also discuss the reasons that this does not occur to anywhere near the degree that we would wish, and what policies and practices should be put in place to ensure that the future sees a strong improvement in the predicament and quality of our native grasslands and indeed other vegetation.

The mutual interests of grassland conservation and agriculture

Co-location

The first and most abiding reason that grassland conservation and farming must not be allowed to be incompatible is that they are co-located.

The vast majority of our remnant grasslands are found on private properties, most usually farms. The impact on grasslands if farmers come to view their natural state as inconsistent with productivity is quite apparent and no amount of regulation will prevent long term decline under those circumstances.

Conversely, if we conclude that farming is incompatible with grasslands, and seek to create large areas of reserve then farming and the rural communities which rely upon its income will decline.

The need for management

In many cases native grasslands benefit from active management. Too often the tendency is to think of an environment with strong conservation values as inconsistent with economic productivity. However there is a plethora of evidence that grasslands benefit from careful management.

The need for management can be attributed to a number of threats. For whatever reasons, many of our grasslands are failing to retain their diversity and to fight off the intrusion of both native and exotic weeds. Opinions on why this is the case vary. Some say that it is because the grasses are not burnt as often as they once were. Others blame rabbits, over grazing, flood or remnant size. Whatever the truth, and there is probably some truth in all the theories, it is clear that there has been a weakening of the capacity of grasslands to maintain their integrity and diversity.

Certainly a visit to the grasslands of the State will quickly reveal areas where native or non-native weeds have overrun grasslands and other areas where monocultures of species such as tussocks or wire grass have replaced what were once diverse communities containing many species of softer more delicate grasses.

It is also easy to find examples of how, with careful management, these grasslands have been returned to a more diverse and healthy condition.

Need for native grasses

It must also be acknowledged that native grasslands are an important input to agricultural productivity. As well as offering good nutritional values, many native grasses are more drought resistant than exotic species. They can also provide erosion control and opportunities to mitigate salinity problems. Moreover, the organic processes facilitated by the presence of native grasses are valuable in maintaining soil productivity. Using grasslands to fulfil these functions allows land to remain productive, with positive benefits for on-farm income as well as achieving conservation goals.

Why there is a problem with the conservation of native grasslands

The reason for the need to be concentrating efforts on the conservation of native grasslands is simple. We've fiddled with the social, physical and economic setting in which we operate to such an extent that what should be rational quite simply isn't any longer.

The influence of government

Government at all levels have created a regulatory environment that, far from being conducive to conservation, offers disincentives to those who may consider conserving native species. This is particularly the case for state government, who carry primary responsibility for natural resource management.

The Native Vegetation Conservation Act in NSW creates a climate in which farmers are dispossessed of their rights to use land that contains native species. Given that land is the primary asset of farmers, and that its value reflects the uses to which it can be put, this is a pretty serious restriction. Under the Act, if native vegetation exceeds 10 years of age it cannot be cleared without a development application being granted. This means that in order to slash, burn or otherwise manage a paddock of native grasses the farmer must submit him or her self to a complex and expensive development application approval process with little guarantee of ultimate success.

This well-intentioned regulation is flawed because it removes any incentive for a farmer to conserve native vegetation. In fact it gives a direct incentive to ensure that native vegetation does not grow for longer than ten years. Land values have been revised downwards by up to 70% where land falls within the auspices of the Act and the right to control and manage that land is lost to the land holder. This provides a most effective disincentive to conservation.

This was demonstrated by the fate of the Grasslands Plans. When SEPP46 was imposed the major areas of grassland were allowed to remain under grassland plans. These plans offered farmers increased flexibility to manage their land in recognition of the special features of grasslands. Unfortunately, these grasslands plans came to an abrupt end at the beginning of this year and the areas reverted to the provisions of the Native Vegetation Conservation Act. The result was grasslands being ploughed out at an alarming rate. This occurred because the restrictions of the Act represented a direct threat to the livelihoods of farmers. I have spoken with many farmers who removed native grasslands that they would never have wished to destroy but for the loss of control and consequent land valuation decreases that were clearly coming with the new year.

Focus on woodlands

Another factor in the fortunes of grasslands has been the slavish focus on trees in the environment debate in NSW. This is something for which the green lobby, the media, governments and lately even farming organisations have been culpable. For example, the important role of perennial native grasses in management of salinity, management that allows the land to remain productive, hardly rates a mention in the media or in the pronouncements of major organisations on the subject. However, work by one of the Department of Land and Water Conservation's own botanists, Christine Jones has recently acknowledged the key role of native grasslands in restoring balance to our ecosystems.

Alarmist articles in the media continue to fix the debate on trees. Titles in the Sydney Morning Herald in recent months have included: *'Farmers barred from razing forest'*, *'Greens angered by approval to clear vast tracts of woodland'* and the melodramatic *'Sound of birdsong silenced as the earth is stripped'*. It is these very articles that pressure Governments to implement restrictions on the management of native vegetation that are totally inappropriate for grasslands.

Whilst the freedom of the press is important, one would also hope for some measure of accuracy and objectivity. The alarmist portrayal of all clearing as the destruction of native woodland may offer an easy way to sell newspapers but it does not represent the true situation. Not all management of native vegetation is the clearing of woodlands. These stories create pressure for policies which directly conflict with real conservation efforts.

Economy

In the last 40 years agriculture has experienced declining 'terms of trade'. This means that the prices paid by farmers for inputs into their businesses have increased at a vastly greater rate than the prices they receive for their produce. Prices paid for inputs have increased 754.7%, whilst the prices received for outputs have only increased by 273.5%.¹

In order for producers to address their declining profits, they must increase production. In terms of conservation and land use this means agricultural producers have come under increasing pressure to produce more and more from their land. In the case of a farmer grazing native grasslands there are only so many factors that can be altered. Stocking rates and pasture improvements would feature strongly here. These economic pressures have naturally led to environmental pressures and to loss of native grasses. Other one-off factors such as drought add to the pressures which make farming and conservation in concert difficult.

However difficult farming and conservation may be to carry out together, they are far from incompatible. We are dealing with two returns here. The first is the economic return, from the commodity being farmed. This is well understood. The second is largely a public good: the benefit to our environment and the value that we all place in grassland conservation. Unfortunately this benefit is not yet economic and the result is that two products are being delivered with the revenues from just one of them. This is an unsustainable situation and unsurprisingly we see pressure put on the non-economic product in times of adversity. This, I would argue, is a classic case of market failure.

Exacerbating this problem is the fact that seeds to plant native pastures cost up to ten times the amount of seeds for exotics with similar or better nutritional values. Whilst considerable work has gone into making native tree seeds and saplings relatively affordable, it seems that corresponding efforts have not been made for native grasses.

¹ ABARE, 1999, *Australian Commodity Statistics 1999*, Canberra

Solutions – where should we go from here?

Broadly speaking, there are three routes to improving the lot of our native grasslands. These are through actions of Government, Farmers and community, each with a key role to play.

Government

Well-funded and targeted incentive schemes

There can be little doubt that the answers to many of our problems lie in the introduction of some payment in recognition of the public goods produced. This need not involve a huge sum of money, especially in cases where native grasslands can be managed productively. What is needed is some assistance to bridge income gaps, and to help investment in fencing to allow cell grazing, for example.

Experience of the Environmental Benefits Index (EBI) system in the USA and the Countryside Stewardship scheme in the UK has found farmers only too willing to work for conservation alongside productivity.

There is currently a good deal of talk about credit systems for biodiversity, salinity, carbon etc. Useful as these may be they all comprise either taxes on land use or market based methods of delivering incentives. They may prove to be the best method of delivering incentives in the future but we should not see them as a cure-all for the problem. The money still has to come from somewhere.

All levels of Government have responsibilities to assist in the task of developing, funding and implementing viable incentive mechanisms for conservation. Moreover, the buck passing between levels of government that has come to plague resource management policy across Australia should be one of our first targets. Until Governments can agree on where funding responsibilities lie, well-targeted incentive schemes will remain a conservation tool restricted to other parts of the developed world.

Improve the regulatory climate

Even without the funds for well managed incentive schemes the State can act. A move to exempt groundcover from the Native Vegetation Conservation Act would allow farmers the freedom to manage land for conservation without fear of losing it. If it were felt that some controls are needed then a return to the grassland plan model that worked so well would seem sensible.

Education

Government also has a role beyond regulation and the payment of incentives, that is in education. There is a good deal of literature available on best management practices for native grasslands and it is a key role of Government to offer that knowledge in a user friendly format to farmers. This might be done through grants to groups like Greening Australia, through agricultural extension, or through industry groups such as my own. Either way the need for consistent, clear, site specific and up to date advice is critical.

Farmers

Farmers too have a key role in all of this. In order to receive any sort of incentives, or indeed to argue for release from some of the restrictions of the Native Vegetation Conservation Act, they need to be prepared to plan their activities in such a way as to guarantee conservation as well as productive outcomes. Moreover, they need to be receptive to new techniques and knowledge, to invest in best practice where possible and to offer the Government assistance in quantifying benefits from their policies and shaping new ones. Farmers must also find methods of offering

society comfort in allowing farmers the freedom to manage by demonstrating positive conservation outcomes.

The farmers' role in this will be far from easy but indications are that the vast majority of the farming community is both enthusiastic about conservation and keen to work with Government and others to ensure that the future of our native habitats are ensured. If current disincentives are removed and replaced with assistance, the farming community will rise to the challenge.

Community

Finally there is a role for the community at large to play. At the simplest level this means looking beyond comfortable black and white assumptions about what constitutes conservation. Community acceptance of the importance of grasslands and the fact that conservation is not just about trees will allow Governments the courage to move beyond the blanket controls that currently stifle conservation efforts. Green groups and other NGOs also have a key role to play in this educative process.

The community also needs to become amenable to paying a contribution to the conservation of public goods. For some time now both the NSW Farmers' Association and the Nature Conservation Council of NSW have been calling for a levy on taxation, rather like the medicare levy, to properly finance resource management in Australia. To make this happen voters need to send a message of its acceptability.

Concluding remarks

The native grasslands of NSW are undoubtedly a uniquely beautiful feature of our landscape that deserve careful management and protection. However, they are also a productive asset that has been farmed for generations. The challenge I have attempted to set out above is one of moving from a situation where blanket regulations offer political comfort but do little to achieve conservation or productivity goals, to a situation where the aspirations of both land holders and the rest of society come together.