

Prepared by: ACT Rural Landholders Association of Farmers

Overcoming the perverse outcomes from Offsets

Environmental offsets are measures taken to compensate for the environmental damage caused by development projects and are a Commonwealth requirement. While this may seem like a good idea in theory, in practice, it often falls short of its intended goal.

The offsets story

The planning policy adopted by the ACT Government to comply with the Commonwealth's environmental protection requirement results in the resumption of agricultural land from farmers, which is then put into the nature reserve system to compensate for the far reaching environmental destruction caused by urban development. The offsets policy, which aims to conserve habitats to reduce Australia's appalling species extinction trend, exists in the ACT under planning regulations to comply with Commonwealth law, but lacks sufficient consideration of the environmental outcomes.

When development occurs, the policy stipulates that the offset needed to balance the environmental impact must be "like for like" in terms of habitat and species. Often, this means that agricultural land with well-conserved habitats will be resumed to meet this requirement. With around 60% of the ACT's land already in reserves for nature, and continuing pressure for green-field urban development to satisfy the 30% target for the growing population, broadscale farmland in the Territory and adjacent NSW is seriously threatened.

Most importantly, the revenue derived from land sales and development is worth over 12% of the Territory's revenue, where farming currently has a negligible economic benefit to the ACT Government. With this high financial return and development being the 'well-trodden path' of employment and economic growth for the Territory, it is hard to consider changes to business as usual. Plus, most voters live in cities, and with only 179 rural leaseholders left, farmers are not an electoral force.

Current dilemma

Evidence is showing that ACT offset lands (and nature reserves) often have poorer outcomes in habitat and species protection than similar land managed by farmers. Offset areas, that are poorly managed for control of pest species (plants and animals) and bushfire risk, are a constant risk and pose significant challenges for many farmers with reserves bordering their land. As the ACT's reserve estate continues to grow, so does the Government's responsibility to manage these areas, having to juggle competing economic priorities.

The draft Eastern Broadacre Strategic Assessment (EBSA) was submitted to the Commonwealth for review and endorsement in April 2024. The next stages of this process foreshadow prime agricultural land east of Canberra being taken for development and offsets. This leaves the farmers in the ACT with no choice, highlighting the urgency for a policy change.

The new policy settings in the Canberra Region Food Strategy will provide a foundation for agriculture in the ACT. This policy aims to support growing foods less land-intensively and keep the remaining farms. This is particularly important for the most productive lands, agricultural classes 1 and 2, which include the rich alluvial and limestone soils of the Majura Valley, identified in the EBSA.

The current offsets approach focuses on land acquisition for 'conservation', and overlooks the crucial need for investment in ongoing active land management. Biomass management is essential to maintaining a high-quality habitat and whether through grazing with livestock or kangaroos, mowing or controlled / cool burning, it is critical that it is consistent, systemic and evidence based.

The proof is in the neglected landscapes around our nation's Capital and the 2024 State of the Environment Report. More evidence is needed to suggest that you get better environmental outcomes through offset policies, putting existing farmland into the reserve system, or changing the land management practice on farmland. The Government has communicated that it lacks the necessary resources, but the reserve areas continue growing.

The Minister for the Environment, Tanya Plibersek, announced the next step in national environmental law reforms, including the Nature Repair Market, however such reforms will come too late for the farms included in the EBSA. Of the 179 rural leases, 23 are short-term, and many will expire in 2025. These leases are unlikely to be renewed unless intentions change, which is a slap in the face for farmers who have invested in nature conservation.

The solution

The ACT Rural Landholders Association of Farmers (ACT Farmers) endorses the proposed new Biodiversity Network as a crucial step in creating a landscape-scale interconnected mosaic for nature. Maintaining farmland production together with nature conservation is a 'win-win' solution. Stewardship payments through the Land Management Agreements and Conservation Covenants will align farmers' business imperatives with environmental goals to enhance biodiversity, improve soil health, and sequester carbon as well as other environmental services including risk reduction from 'natural' hazards to adjacent urban areas.

Adopting stewardship payments for farmers would enable improved nature conservation practices and support the economic viability of farming families and communities, providing a framework for optimal outcomes environmentally and economically for the land, farmers, and government. Modest financial incentives would make farming for primary production and nature economically viable and foster a collaborative relationship between farmers and environmental authorities, ensuring conservation efforts are grounded in practical, localised knowledge.

The forced acquisition of farmland for offsets yields a perverse environmental outcome by leaving large land areas in and around the ACT unmanaged. Offsets impose a heavier burden on the taxpayer due to management costs and penalise sustainable land management practices through the policy's 'like for like' requirement.

The Natural Resource Management (NRM) Advisory Committee can make a significant difference by advocating for the fair treatment of farmers and promoting sustainable agriculture. The NRM Advisory Committee could recommend the following actions to promote sustainable agriculture and support a farming future for the ACT:

1. **Offsets Comprehensive Review:** Evaluate current and future offset outcomes, impact on the threatened species, and whether the decision-makers should be in planning or environment divisions.
2. **Pilot Stewardship Programs:** Develop and trial policies that provide financial incentives to farmers for sustainable farming practices that conserve nature, including some properties indentured in the EBSA.
3. **Evidence-Based Decisions:** Implement a robust system to monitor the outcomes of *all* land, adjust strategies and planning decisions based on evidence, and use a natural capital accounting system.

ACT Farmers are developing a business case for privately managed land's economic and ecological benefits. Once the report is completed, it will present the findings to critical decision-makers.