

Submission to Native Vegetation, Greenhouse Gas Abatement and Climate Change Measures

From Barry Neil McRae

The property was purchased by myself in partnership with my wife in the 1980's. It is 410 acres (approx 167 ha) freehold with no restrictions for primary production other than use for lot feeding. It was purchased with the aim of supplementing our incomes and to provide a supplementary income in our retirement years. Over the last 20 odd years, over \$250,000 has been spent on improvements not counting family labour time. When purchased this property was in a completely run down state, including the growth of a thick, low scrub the result of a bushfire some 15 years earlier so that there was little grass other than spear grass, waterlogged ground and about 10 mm of topsoils. It was capable of running about 150 adult sheep.

Today it is restored more or less to its natural state of when it was alienated by the crown in about 1911 except through pasture management, sub division fencing, scrub and weed control it is capable of running 600 adult sheep in an average year. Part of the improvement depends on the harvesting of hardwood timber, sale of superfine wool and sheep sales. By the time of the year before the attack on the twin towers, gross income varied between \$15,000 and \$20,000. Since then gross proceeds range between \$11,000 and \$14,000. Remember farmers are price takers, not price makers – the only ones who have to pay retail and sell wholesale.

In the same period from 2002, there has been an amalgamation of shires (Local Government) resulting in an immediate increase in rates of approximately 40%, an amalgamation of Rural Lands Protection Boards in 2008 resulting in a 33% increase in rates and a 50% decrease in services (NSW State Government Action), a banning of some very useful chemical such as that used in prevention/ treatment of flystrike where the new chemical is a 400% increase in cost (Commonwealth Government). Add to this, inter alia, compulsory tagging of sheep (\$2.50 per head) and compulsory Chemical courses, the most expensive of any occupation (\$450 every 5th year).

On the basis of the proposed ETS, at a cost of \$40 per ton for carbon trading, the www.farminstitute.org website tells me the new super tax will be approximately \$5,500 per year or \$10 per head of sheep for Sometimes we engage in the buying and growing out of cattle. The super tax there is about \$130 per head. The result, whether cattle or sheep or a mix of both are grazed will be about the same, representing a tax of 33% of gross proceeds. Even with the decline of the national sheep herd to less than 90 million there has been no indication of price increase that has in any way kept up with the increase in crutching and shearing costs, other animal health costs, let alone the War OF Terror unleashed on farmers by all 3 levels of government, local state and federal in the last decade.

Farmers paid the price for Kyoto in restrictions while the rest of Australia paid nothing and the Commonwealth Government paid only the INK for ONE signature.

Our 410 acres probably still has about 3,000 trees. Other than shade trees the rest will have to go to continue to meet the horrific or 'terrorising' costs imposed by governments at all in order to run more stock. Other increase in productivity might result in gains of 1-2% per year but this is insufficient where there is no increase in farmgate prices to even meet normal increases in costs of wages, contractors etc. At the same time as facing this, restrictions imposed by Native Vegetation are limiting the changes needed in management practices that can result in productivity gains. These would include, inter alia, more cropping for fodder and the introduction of cell grazing.

No research has been done on the types of pastures grazed in New England or Australia for that matter on the amount of methane produced by sheep and cattle. Moreover, with its greater depth of topsoil (now averaging about 80-100 mm is clearly a carbon sink, unlike the mature trees which are negative carbon emitters. The greater depth of soil supporting more pasture, trapping more carbon, is now not water logged with greater infiltration of water (can now drive over the land in the wettest of times without bogging), far less erosion. Science completed at the CSIRO and University of New England over the past decades has clearly demonstrated the effectiveness of cultivation and establishment of a mix of native and introduced pastures. When was purchased it had just one native species – speargrass, which survives on the thinnest of soils. Today it has at least 6 native species of grass including danthonia, redgrass, wallaby grass and kangaroo grass as a direct result of cultivation. The only danger to this is the constant invasion of African lovegrass, Coolatai grass and rabbits coming from the Crown lands which border for 6 kilometres of boundary fencing (all of which has been replaced by me at a cost of \$60,000 without any contribution by the Rural Lands Protection Board {TSR} which doesn't contribute half the cost like any other neighbour).

In summary, our proprietary rights over all the property growing on have been removed without compensation while being subjected to ever greater taxes and charges from all levels of government while we maintain and improve the soils and environment (less erosion, a considerable increase in the diversity of native animals, grasses and birds, more watering points) without any assistance from government. Government is preventing us from managing our assets or making appropriate and proper management decisions. No other government has treated it's farmers so poorly. No other government is imposing an ETS Super tax on its farmers: both the US and the EU are exempting agriculture, after all, there are 6 billion people in the world needing to be fed and clothed and by 2050 there will be 9 billion. At the same time US and EU farmers are to be paid for their contribution to combating climate change. Unless the above are taken into account, production at will obviously have to cease, and , worth at least \$580, 000 on the current market would be worth less than \$40,000 as a 'lifestyle block'
No wonder farmers feel like 4th class citizens of Australia.

Barry and Helen McRae,