

**Submission to:**

**The Senate Finance and Public Administration Committee**

**Native Vegetation Laws, Greenhouse Gas Abatement and Climate Change Measures**

**(1) The impact of native vegetation laws and legislated greenhouse gas abatement measures on an affected landholder.**

**(a) Diminution of land asset value and productivity as a result of such laws.**

I have suffered a significant loss of productivity and asset value as a result of native vegetation laws. These laws have eliminated timber harvesting activities and severely curtailed the use and development of grazing and cultivation to such an extent that I have had to rely on other forms of income to sustain me.

I purchased my undeveloped property over 20 years ago. The previous landholder had used it as a bush grazing run and for timber harvesting. It has a permanent fresh water stream running through the entire length. There are established cleared grazing properties both up and down the valley.

Soon after purchasing the property I submitted to the local Council a development plan to establish boundary and internal fence lines as well as some clearing work and an under scrubbing program to facilitate the establishment of improved pastures. These activities were to be undertaken as time and finances allowed me. Over 50% of the land was to be maintained for future sustainable timber production. The commercial value of the trees was a significant factor in my decision to purchase the property.

After much delay by the local Council my development was consented to with heavy restrictions on the amount and type of clearing work allowable. The doubling of the existing statutory restrictions seemed to be the theme.

I then committed my finances and invested my life (and life savings) toward a set of goals that would have sustained me until retirement age. The increased sale value of the property would have supported me in retirement.

After the clearing for the fence lines and before the completion of the other clearing works, the NSW State Government introduced a new set of native vegetation laws.

A sustainable income from the property was now impossible. I wasn't even allowed to gather and sell firewood under the 'State Environment Protection Policy' laws. The trees I had paid for were no longer available to be harvested. The land the native vegetation occupies could no longer be considered useful for productive purposes.

Had thieves stolen the trees, I would have been at least able to utilise the land.

I was forced to abandon my plans and go back to my former work in the mineral exploration industry. I continued to try to maintain the property but without the incentive of increasing its value, through the creation of a useful self supporting farm, the time and effort needed was more than I could manage while working and living elsewhere.

As for the sale of the land to finance my retirement, I will no longer have a saleable asset. The final blow will be the imminent introduction of a Rural Local Environment Plan that has been drafted by the Local Council, to comply with the with legislated 'Standard Instrument' directives that the NSW State Government Department of Planning has forced on all Local Councils.

This plan will rezone my land to "Environment Protection Zone" and will strip away any remaining value by taking away the building entitlement, the ability to carry out any grazing of native grasses and by not allowing native vegetation regrowth control measures.

The total use of my land and most of its value has been seized by NSW State Government regulation.

My only allowable activity will be the obligation to control feral pests and weeds. Of course I am still required to pay Council rates.

**(b) Compensation arrangements to landholders resulting from the imposition of such laws;**

Compensation calculations need to account for the loss of potential capital value and the loss of productive use per year of ownership.

As an example, I estimate that my loss of capital value had these laws not existed, is around \$400,000. To achieve this value I would have had to invest an extra \$50,000 in capital improvements. This leaves me out of pocket by about \$350,000 in capital gain. The lost productivity over the 20 years would be in the order of around \$20,000 per year from grazing and much more from intensive agricultural activities such as a market garden, an orchard or by cropping suitable parts of the land.

The process of compensation would be complex but it must compensate the landholder who actually suffered the loss.

To be a fair system, any compensation for loss of productivity and value should not be restricted to the current owner but also be apportioned to previous owners who have had to endure the actual law changes. They would have suffered loss of productivity and loss of value and should share in the benefits of compensation. They may have had to dispose of their unproductive land for less than its proper value.

Recent landowners should only be compensated for subsequent losses.

The date for calculation of compensation for loss of land value should be the date on which a new owner pays their deposit, as this is moment they commit to the transaction. Any law changes after this date will affect the new owner's future land value.

The date for calculation of compensation for loss of productive capacity should be the date on which the new owners actually take position of that land (i.e. transfer date). This is the date on which the previous owners 'loss of production capacity' ceases.

**c) The appropriateness of the method of calculation of asset value in the determination of compensation arrangements;**

A universal compensation rate would not be appropriate as this would not distribute compensation in a fair manner.

The method of calculation must take into account each individual case.

Each affected landholder should be required to apply for compensation. They should be able to determine the extent of their loss and justify their calculations with supporting evidence. This could be based on records from their own unaffected areas or evidence from neighboring properties. Advice and supporting statements could be sought from Rural Lands Protection Boards, local Agronomists, Forestry Officers or even Stock and Station agents.

Compensation would have to take into account the lost productive capacity and be paid on the length of time the landholder was affected.

The loss of value of the affected land would be reflected in the valuation of the land as compared to nearby developed productive land.

Local land valuation specialists could be trained and accredited to supply supporting evidence for a claim for loss of value.

Landholders should also be compensated for the future upkeep of the affected land and should not have to pay rates for that area affected, unless they can be allowed to make some use of it.

Other ways to compensate landholders might include the outright purchase of the affected land. This must be with the owners consent and should not be a compulsory acquisition. The sale price should be based on the value of nearby developed productive land and would need to also take into account any commercial value of the trees and the value of any improvements.

We are constantly told that native vegetation is of such high conservation value that it should not be sacrificed to make way for agricultural development.

When compensating for the loss of land with native vegetation, the amount paid should therefore exceed the valuation of productive agricultural land.

**(d) Any other related matter.**

Over the past 20 years the experience of coming to terms with native vegetation laws has left me aggrieved with of all levels Government.

- Local Government for not dealing fairly in their initial development consent, by applying more than the minimum restrictions.
- The State Government for taking away my ability to develop a sustainable working property. They have stolen my trees, my land, my lifestyle, and my financial security.
- The Federal Government for using my loss to fulfil their commitment to the Kyoto protocol. While allowing industry to continue and even expand pollution emissions at my expense. The overall economy has avoided the penalties of the Kyoto commitment but it has been at the expense of the people who actually paid for land they can no longer use and vegetation assets that have been stolen.

**2) In conducting this inquiry, the committee must also examine the impact of the Government's proposed Carbon pollution Reduction Scheme and the range of measures related to climate change announced by the Leader of the Opposition (Mr. Abbott) on 2 February 2010.**

In regard to either of the measures above, whether it is the proceeds from a 'Carbon Tax' or a fund created for 'Direct Action', compensation should firstly be allocated to landholders who have already directly contributed to a reduction in the current amount of greenhouse gases in the atmosphere. They should be compensated for the loss of use of their land due to the native vegetation laws and also for past and future carbon abatement.

I thank the Senate for their concern on this matter.

I hope that their efforts to recognise the unjust asset seizures are successful.

John Charles Butcher