

**Federal Government
Senate Finance and Public Administration
Committee**

SENATE ENQUIRY

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

SUBMISSION

(REVISED)
29TH March 2010

Louise Burge

Terms of Reference

(1) The impact of native vegetation laws and legislated greenhouse gas abatement measures on landholders, including:

- (a) any diminution of land asset value and productivity as a result of such laws;
- (b) compensation arrangements to landholders resulting from the imposition of such laws;
- (c) the appropriateness of the method of calculation of asset value in the determination of compensation arrangements; and
- (d) any other related matter.

(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.

Terms of Reference: Submission comment

The announcement of this inquiry is positive in terms of identifying specific impacts on private landholders from Australia's Native Vegetation Laws and Greenhouse Gas Abatement Measures. The Terms of Reference however limit opportunities to comprehensively address the wide range of issues that stem from these specific policies.

In particular, Australia's approach to its emission targets within the Kyoto Protocol and whether policy settings actually delivered Australia's emission reductions in an auditable way.

The Inquiry also does not enable a comprehensive analysis of the effectiveness of Native Vegetation Laws on the environment itself. In relation to restrictive aspects of relevant laws, it is often assumed that environmental benefits have been derived. In particular, through measurements of success by hectares in a report.

It is also of concern that the relatively short time frame for submission is problematic and may prevent a full appreciation of the range of issues that relate to Australian and the various States, Native Vegetation Laws and Climate Change Measures.

Submission Content:

This submission does not seek to address the wide range of examples where negative social and economic impacts of Native Vegetation and Greenhouse Gas Abatement Laws have occurred.

This submission encourages the Senate Inquiry to acknowledge and include examples, issues and recommendations raised, in the Australian Government Productivity Commission 'Impacts of Native Vegetation and Biodiversity Regulations' – Productivity Commission Inquiry Report (No 29, 8 April 2004)

BACKGROUND INFORMATION

This submission seeks to convey the experiences and information that I have obtained throughout the last decade in relation to Native Vegetation, Climate Change, Biodiversity and a range of other related matters.

Views expressed in this submission are made as an individual but reflect the experiences obtained while fulfilling a range of representative roles. Primarily, the submission will deal with specific aspects and experiences within NSW.

Representative Roles:

NSW Farmer's Association Executive Council, Board, Conservation & Resource Management Committee

National Farmer's Federation

NSW State Landcare Working Group

Native Vegetation Advisory Council – NSW Farmer's Association Representative – Review of Native Vegetation Plans

NSW Natural Resources Advisory Council – NSW Farmer's Association Representative

Ricegrower's of Australia Environment Working Group

Murray Catchment Management Board

Murray Catchment Management Authority

Noxious Weeds Advisory Council – participant

SUBMISSION OVERVIEW

Australia's Native Vegetation Laws have had enormous emotional and economical impact on many farmers in NSW. The depth of the stress and frustration is not comprehended by either the Federal or State Governments and indeed many in urban communities. This is primarily because there has not been an appropriate review process to ensure that the laws and regulations designed to achieve conservation objectives, actually deliver on outcomes.

Such a review has not occurred also due to the complexities of the issues and that no 'cost benefit analysis' has never been conducted to reflect the scale of the problem and true costs to Australia of Native Vegetation Laws.

There is a particular concern, that media exposure on issues has largely been driven by a lack of credible information and sensationalist reporting.

There has also been a concerted effort by some individuals within the NSW bureaucracy to prevent a balanced approach to environmental decisions. This could lead to personal interpretation of aspects of regulations.

Policies designed for the environment often compete, duplicate and produce adverse environmental outcomes at great cost to individuals, taxpayers and Australia's natural environment.

The result of the last decade has been a comprehensive waste of resources with very little overall environmental gain achieved.

An unrecognised ramification of the poor process of design and administration of Native Vegetation Laws has been the potential to disengage a wide sector of the rural communities from participating

in voluntary environmental partnerships. The consequences of this are long lasting and can cover generations.

This inquiry will allow a level of review in relation to Native Vegetation Laws and Climate Change measures, however, the terms of the inquiry may prevent a necessary much wider review of Australia's broader approach to environmental issues.

Australia does not have the resource base and policy directions to build appropriately funded long term programs to deliver conservation outcomes on private land. Instead it has a relied on punitive native vegetation and biodiversity laws to implement conservation objectives on private land in an involuntary manner.

Individuals within the bureaucracy acknowledge this and it is widely known within the farming sector.

Australia had an opportunity to build and develop a cost effective approach to deliver conservation and biodiversity outcomes within productive farming systems on private land but this will require genuine partnership based approaches with Government. Such an approach would have proven long lasting, engaging and delivered greater opportunities for species monitoring, accurate data collection and delivering genuine on ground outcomes.

Australia and in particular NSW, has not been innovative in designing policy. It has relied on blunt tools and often outcomes are measured as hectares on a map. Native Vegetation is acknowledged in planning and policy areas, as the surrogate for biodiversity. Whether the end result delivers for either the environment or individual species or biodiversity outcomes, remains unclear and often perverse outcomes for the environment may result.

Many of the difficulties with Native Vegetation can be linked to International Agreements but also can be linked to the views of environmental advocacy groups. Such views may be pursued within individual departments or via external lobby groups.

In some instances personal views on 'corridor systems' across NSW or other management opinions on the environment can strongly influence Government policy settings. The delivery of these goals or objectives generally occurs through a range of measures. Establishment of National Parks, conditions on leases or conversion of leases, native vegetation or biodiversity laws, fire management.

In general, the policy push from environmental advocacy groups, has also not been based on a partnership model but tends to focus on a regulatory approach often designed in a city environment. In delivery these views, the practical knowledge and understanding of local communities is ignored.

The true cost to the Australia's natural environment is immense in both lost opportunities and a disengagement of the very people who could have worked in collaboration with Government to achieve outcomes in the most cost effective way.

The imposition of inflexible laws seems largely designed to achieve paper reporting objectives. Australia and in particular NSW, should stand back and review where the process went wrong and how can it be improved.

SECTION (1) –
IMPACT OF NATIVE VEGETATION LAWS AND LEGISLATED GREENHOUSE GAS
ABATEMENT MEASURES

INTERNATIONAL AGREEMENTS AND RELATED POLICY

When Australia signed the United Nations Conference on the Environment & Development in Rio de Janeiro in 1992, it sets the pathway for a range of policy directions:

- Forests
- Climate Change
- Environment
- Biodiversity.

There have been a range of other international agreements on biodiversity, wetlands and the principles of ecologically sustainable development. It is important to note that this submission is not expressing strong views against all of the principles agreed to, but expresses concern in how they have been interpreted and whether the principles as implemented in Australia, were best for Australia's unique Landscapes. There is also a presumption that 'locking up' land in conservation reserves is the best pathway for Australia natural environment. History has and will continue to judge this as a fairly simplistic approach to environmental outcomes and the approach ignores traditional indigenous practises that have helped shape Australia's natural landscapes for thousands of years.

This submission will look at components of this 1992 agreement and how they have influenced Natural Resource Policies in Australia and New South Wales.

AUSTRALIA'S NATIVE FORESTS POLICIES

CROWN FORESTS

Australia's Native Forests, were subject to review of management and the implementation of Regional Forest Agreements driven by the 1992 United Nations Conference on the Environment & Development in Rio de Janeiro and Australia's new National Forest policy.

Background documentation suggests that Forest Conservation outcomes would be achieved specifically via:

- The Components of Public forests would be assessed and managed as conservation reserves
- There would be complimentary management on other forest outside reserve areas
- Management of private forests will be managed in sympathy with conservation goals

At the time of the Regional Forest Agreements – however there was clear public commitment that conservation outcomes for Australia's forest would not involve the locking up of private forest reserves. Mill owners were advised that loss of resource could be sourced from private timber supplies.

It is clear now, when referring back to the United Nations Agreement and Australia's Forest policies, that this would not be the case.

Regional Forest Agreements have resulted in immense social, economic and environmental costs. As a principle, reserving areas for conservation may not be a negative. However reserving areas, without appropriate management has led to perverse environmental outcomes in many instances.

No where is this more apparent than with the issue of weed management and wild fires.

In 2003 Bushfires, 1,595,000 hectares of the ACT and NSW were subject to wildfires. In Victoria approximately 1,324,000, and Queensland 115,000 ha were burnt. This equates to more than 3 million hectares of South East Australia that was burnt.¹¹

Again in 2006 further areas of NSW and Victoria were subject to fire damage. In 2009 Victoria saw the damaging effects of wildfire in natural and peri urban areas. The consequences of this are still subject to an Inquiry.

The loss to biodiversity is immense and while many would describe the term ‘seeds of renewal’ to reflect the emergence of new growth, this should not overlook the long term destruction to species and the environment.

It is important that traditional cool burning practises to reduce fuel loads are reintroduced in public and private land management. This will require a cultural shift in attitude but lessons learnt from past fires and related inquiries, should not be buried in order to save careers or public face. Policy changes may require closer collaboration with locally based landholders and Fire Brigades.

It is worth noting that the cost of wildfires on public land transcends to private land holders. This is in addition to the actual destruction of the fire event itself when it leaves public land and destroys private assets. Once the fire event is over, in addition to on farm losses, farmers are faced with rebuilding the fencing infrastructure between public and private land. The cost of such fencing is generally borne by the private landholder. There are also implications under the National Park Fencing policy as it relates to Native Vegetation laws and I encourage this inquiry to review this policy. Pre Fire events, the onerous conditions set, prevent appropriate and cost effective fencing options. Continuation of falling limbs or trees on fencing is an ongoing problem but National Park policies limit the amount of vegetation that can be removed. This ensures a continued repair cost in addition to the construction of the original fence.

¹¹ Hoggett & Hoggett



**Kosciuszko National Park (Photo L Burge Feb 2010)
Evidence of 2002 Wildfires**

Crown Forests - Weeds

In NSW National Park reserves, there is no obligation by National Parks to effectively control and manage noxious weeds, except in certain areas. There is a requirement to do so in boundary perimeters but not within the overall domain of the park.

Early intervention with weed control is essential in relation to limiting future management costs and prevention of expansion into otherwise non subjected areas.

Current policies that do not require National Park Reserves to control introduced 'weeds' is merely a reflection on inadequate budgets and resourcing. In effect this is an acknowledgement that managing the scale of National Park reserves is beyond the financial capacity of the relevant agency.

It is widely acknowledged that the spread of weeds by birds, air or water flows, will mean that lack of control in internal sections of crown reserves , will inevitably lead to the spread of weeds or seeds into external park zones. This then imposes a continued cost on adjoining landholders.

It should also be acknowledged that the situation could also be in reverse and that private landholders have mutual obligations to limit the spread of weeds on private land to crown reserves.

Farmers are under legal obligation to control noxious weeds on private land. National Parks remains outside that obligation.

Attitudes to the environment over the last ten years or more, demonstrate a fundamental cultural shift in environmental management. This management style which reflects 'lack of interventionist' policies, will prevent the early and resource effective management of weeds.

PRIVATE FORESTS

In NSW, changes were introduced to Private Native Forestry under the 2003 Native Vegetation Act. This meant that harvesting was classed as 'broadscale clearing'. Referring to Private Native Forestry

as ‘broadscale clearing’ is not accurate nor a reflection of actual forestry activities. Many forestry owners regard this term as an insult and strongly believe that their forestry harvesting regimes bear no resemblance to that term. Sustainable forestry is part of their continuing agricultural activity.

The majority of private forests are harvested as single tree selection on a rotation pattern over many years. Grazing of livestock occurs in conjunction with forestry activities. This method promotes a range of species and is known to deliver strong biodiversity outcomes. It has been widely recognised that one Private Native Forest Owner in the Tenterfield area has in excess of 32 threatened species. The species continue to inhabit and thrive in forestry areas that have been subject to regular harvest operations that have extended over three generations.

There may be a need for a coordinated and professionally recognised harvest and marketing regime that could promote more accurate valuing of the resource base to individual farmers. This would give greater incentive to manage as timber reserves, enable investment in value adding for timber products and thus ensure an additional sustainable source of income for private landowners.

The NSW Government acknowledge the need for this, but the Private Native Forest Codes under the 2003 Native Vegetation Act introduced a range of conservation measures involuntarily that were not subject to compensation provisions. In other words, conservation outcomes were imposed on private resource areas for the ‘public good’ to achieve conservation status in certain areas.

The NSW Private Native Forest Code of Practice was introduced in August 2007. This required all farmers undertaking private forestry to apply for a Private Native Forestry Property Vegetation Plan. Conditions were imposed by the codes and landholders were subject to a range of obligations and restrictions. These included changes to previous forest arrangements, impositions of new regulations in relation to threatened species, retention of habitat trees, riparian restrictions, slope restrictions and a range of other conditions including ‘old growth’ exclusions on mapped areas that clearly have had a history of disturbance. It is widely acknowledged that ‘old growth’ mapping deficiencies exist within the Department and landholders have the option to query. However, the manner in which this information is conveyed, if at all, leaves many landholders vulnerable to ‘lack of informed decision making’.

The NSW Government acknowledged also the difficulties in relation to continued reference to Private Native Forestry as ‘broadscale clearing’ and are set to introduce new legislation that will in future oversee Private Forest Activities.

It is likely that under this scenarios, environmental advocates both outside and within the bureaucracy itself, will promote further restrictions on timber harvesting arrangements.

At the time of the Native Vegetation Reforms, the NSW Government set up a Structural Adjustment Fund.

The Structural Adjustment Fund consisted of:
\$12 million – Farmer Exit Assistance
\$12 million – Sustainable Farming Grants
\$10 million - Offset Pool

This fund was set up specifically to address the impacts of Native Vegetation Reforms.

At time of the introduction of the Private Native Forestry Codes, the NSW Government re announced the same funding package and advised that the structural adjustment assistance package would also be used to address impacts from the Private Native Forestry Codes.

In other words, despite the inadequacy of the original structural adjustment funding in addressing the needs of private landholders subject to Native Vegetation Laws, the limited funding was then to cover Private Native Forestry as well

This was regarded by farmers as ‘double dipping’ and a reflection that the NSW Government did not adequately regard the true financial implications of various State Based laws.

A further concern was that there was limited opportunity for landholders to apply for funding. This is in addition to the publicly recognised state, that components of the Structural Adjustment fund were already over subscribed.

For Private Native Forestry (PNF) , the code was introduced on 1st August 2007 and progressively sections of the code for different forest species were rolled out.

Private Forestry is conducted on a rotational basis and these rotations may be in excess of 20 years. There are many landholders who have not got a PVP as they are in between harvest cycles, yet the structural adjustment money stipulated that landholders could only apply for assistance within defined timeframes. This could mean that a landholder may not be eligible or be aware of the application process for structural adjustment as the code may not have been practically tested in the field by which to determine ultimate impacts.

In relation to the Native Vegetation Assistance Package, under the Sustainable Grant conditions a maximum payable was \$120,000. Grant funding was limited in the financial year ending June 30 2009 to \$3million. Only \$400,000 was available from 1st July 2009 to 30 June 2011.

The timing and total amount in relation to this assistance package was not suitable to the majority of landholders. Nor were the timeframes reflective of consent and harvesting arrangements, leaving many landholders outside the application window period.

Private Native Forestry – Future changes

It is reasonable to suggest that there are a number of issues that will jeopardise future Private Forestry operations.

- 1) A complete roll out of the PNF code across all operations (note: many have not yet participated due to periods of forestry cycles)
- 2) the proposed Private Native Forestry Act and further restrictions that may be placed as part of political negotiations in election cycles.
- 3) The NSW Natural Resource Commission (NRC) Forest Assessments
 - River Red Gum Recommendations
 - South West Cypress Forest Assessment

The NRC’s report on River Red Gums (2010) will see the closure of regional mills as a result of the March 2010 decision by the NSW Government to convert State Forest managed lands in the Southern Riverina, to National Parks. This decision will effectively close the Red Gum timber Industry which generated \$72 million (pa) to local economies.

It is reasonable to assume that this decision will also shut down the Red Gum Timber Industry on both public and private land in the Riverina and therefore the Australian Red Gum Industry. This is due to the fact there is insufficient resource on private land to maintain timber businesses, as private forestry does not cover vast areas and is generally operated on long rotation harvest cycles.

Significant timber industry investments in value adding products may now be in jeopardy. These could include furniture or cabinet industries and investments in bagged firewood processing equipment. The decision also will reduce or close, opportunities for private timber harvest operations, as the scale of the industry and investment, will no longer exist.

Impacts on the Cypress Pine Forest Industry have yet to be determined as the NRC report is still being developed. It is anticipated that new restrictions on cypress pine harvesting, will reduce the number of mills operators or close the industry down. As with the River Red Gum industry, it likely that new restrictions on Cypress Pine harvesting, will also impact directly on private forest owners (farmers)

GREENHOUSE GAS ABATEMENT MEASURES (Native Vegetation, Biodiversity, Environment)

When Australia signed the United Nations Conference on the Environment & Development in Rio de Janeiro in 1992, natural resource policies were framed by a new set of objectives and management approach.

The UN Framework Convention on Climate Change was established in March 1994.

In 1997 Australia signed the Kyoto Protocol. Negotiations included the provision of the Australia clause (article 3.7) which enabled Australia to rely on afforestation and deforestation measures to meet its international treaty obligations on Greenhouse Gas emissions.

Under the Protocol, the definition of a Kyoto Forest is an area in size of .02 ha, vegetation greater than 2 metres in height and with 20% canopy cover.

The definition of a Kyoto Forest meant that relatively small areas of vegetation could be included in deforestation targets and stands of vegetation would captured that would not normally be considered a forest.

Australia approach to its emission reductions may have long term unintended consequences to the environment.

In both afforestation and deforestation policies, perverse environmental outcomes have resulted, the full extent of which may yet to be realised. There has been no independent analysis of environmental objectives claimed. Nor have the accuracies of claimed credits been validated. The longer term impact on catchment hydrology from an over reliance on afforestation and deforestation policies, may demonstrate , that a more appropriate policy direction should have been taken in Australia.

A major flaw in the negotiations was that effective greenhouse reductions through the implementation of technology and infrastructure did not take prominence in Federal or State Government policy. Environmental groups vigorously supported and campaigned for restrictions on Native Vegetation removal. (deforestation targets). While the protection of our natural environment is important, Australia's approach has been to convert Private Land into public reserves or carbon abatement opportunities without consideration or compensation to landholders.

Since 1997, little has been achieved in terms of sustainable energy programs, energy efficiencies, or infrastructure investment to reduce transportation costs or environmental impacts. This could be directly attributed to the focus of Governments on deforestation and afforestation initiatives. In cost

terms, the main impact was on rural landholders. The real cost however, impacts on all Australians and the environment.

The original European design, of an emission trading scheme, places considerable emphasis on offsets. This could be considered a key failure of an emission trading scheme. While it is acknowledged that not all industries could reduce emissions and offset are required, there has been an over emphasis on offsets in a policy and market sense.

In future strategies to address greenhouse, there needs to a more holistic approach, one that moves away from the design principles of the mid 1990's.

This will require a range of measures, including direct investment in technologies. Flexibility for regional differences should also be a key consideration. Renewable energies may be a preferable options for more remote or regional areas, whereas for servicing the needs of cities, other strategies may be the preferred option.

Major investments in energy efficiencies and new technology infrastructure systems, road and rail infrastructure, should also be part of the mix.

Coal expansion in NSW and Queensland continues unabated and the value of coal to Australia and Governments from royalties and dividends from coal fire power stations is acknowledged. However, given this reliance on coal, it easy to question the long term commitment of Governments to addressing renewable energies suitable for specific parts of Australia. In the context of investment in infrastructure, Governments seem willing to invest in rail to deliver coal, but not enable sharing of that investment, to deliver food to Australia's ports. (eg freight wheat)

Australia's reliance on the 1990' design of the Kyoto Protocol has imposed huge costs on the environment, individuals and governments.

The over reliance on offsets and in particular trees, may bring about unintended consequences to our water supplies and increase the risk of fire to private and natural assets. Any increase in 'intense wildfires' and the subsequent forest regrowth will have generational impacts on Catchment Hydrology. Following major fire events, it is likely that run off may increase. However this may be relatively short term as the increase and active growth in new vegetation will create a downward trend in water run off.

AFFORESTATION

In achieving Australia's afforestation targets, addressing Native Vegetation issues in NSW was through the NSW Plantations and Reafforestation Act.

This enabled clearing of native vegetation for plantation forestry and general protections measures under the Native Vegetation Act were bypassed.

Large scale plantation forestry development has occurred on a wide range of landscapes. Such plantations are not subject to overall planning principles that would be consistent with catchment hydrology, native vegetation or biodiversity goals.

In fact the long term impacts on catchment water yields are not factored into consent provisions or overarching Federal or State Government policy.

Plantation forestry on the scale to meet Australia's afforestation targets was underpinned by Managed Investment Schemes. The financial fallout of Managed Investment Schemes has been well documented in recent times. It is not clear however, the fallout to the environment from poorly planned afforestation targets.

In terms of local communities, large scale plantation forestry that displaces existing agricultural uses, leads to social and economic decline. Supporting industries for Agriculture are forced to close due to loss of revenue streams from traditional farm production sources.

In a published report to Science (American Association for Advancement of Science) in 2005, which included contributions from the CSIRO, environmental risks from carbon sequestration strategies were identified, in particular tree plantations. Research identified that "plantations decreased stream flow by 227 millimeters per year globally (52%), with 13% of streams drying completely for at least 1 year".¹

It seems short sighted in this era of public and political concern with climate change, that the very policies design to meet emission obligations, would end up impacting on precious water resources.

The evidence of social impacts and rural dislocation is increasingly apparent in the Monaro Plains and the Tarcutta Valley in Southern NSW. The scale of plantations and the long term impacts of the social and economic values that previously existed will be profound. The impact on Catchment Hydrology is yet to be fully realised as planning remains in effect, only bounded by the scale of individual property purchases, not Government planning policy.

Afforestation targets are in effect subsidised by the taxpayers of Australia, through Managed Investment Schemes. This raises the question, why should one section of industry in Australia (eg energy sector) be subsidised by taxpayers, to achieve emission credits and other sections of industries eg farmers, bear the involuntary economic costs of native vegetation laws to deliver Australia's emission credits.

Australia's afforestation targets to establish plantation forests have and still do, result in the removal of Native Vegetation. The same vegetation types may not be permitted to be removed under the NSW Native Vegetation Act 2003.

If an accurate analysis of Australia's emissions reductions occurred, the additional consequence of fire risks to these plantations would need to be addressed.

It is worth noting that uncontrolled wildfires on public or private land are not counted in Australia's emission calculations. It is acknowledged the burnt carbon plantations do have to be replaced to meet carbon credit liabilities. However such fires in plantations combined with wildfire events in natural forests, can occur frequently and will impact on the atmosphere.

It seems illogical to rely on afforestation plantings to reduce emission liabilities knowing that in Australia's landscapes there is strong potential for them to be impacted by wildfire fire. Likewise, restrictions on cool burning, which may ultimately lead to more intense wildfire event in Native Forests, are often limited by public policy for Threatened Species and Native Vegetation.

The emissions from both these fire events are ignored in carbon accounting rules.

This submission **does not** encourage naturally occurring forest fires to be counted in emission calculations, but it is worth noting, that as with all Emission Abatement options or Credit

¹ Trading Water for Carbon

calculations, there are variations and policy positions that enable some to be counted and others to be ignored. Therein lies the risks to Australia's strategy under the original Kyoto Protocol and any subsequent emissions trading scheme.

There may be no scientifically validated approach to achieving emission reductions. It may all come down to paper accounting methods designed to report on international obligations.

Note:

Contradictions in policy and planning are evident in South East of South Australia. Hyper Salinity in the Southern End of the Coorong has been caused by 125 years of land reclamation activities that reclaimed land for agriculture. The major drainage schemes re directed sub surface and surface fresh water flows directly out to sea. Historically, land formations directed these flows in a northerly direction into swamps and wetlands and eventually into the Southern end of the Coorong. Increasing the problem of the original drainage schemes, today, large scale timber plantations have been located directly in the centre of the original natural drain formations. This area is now subject to a complex web of drains and the plantation are within the present land reclamation drainage schemes. Despite an acknowledgement of the need to re create freshwater flows to the Southern end of the Coorong, Government policies are still enabling large scale MIS plantations to occur that will clearly impact on groundwater and freshwater flows. Planning policies to recreate the flows to the Southern end of the Coorong, are not consistent with policies on afforestation.

DE-FORRESTITATION

NATIVE VEGETATION AND BIODIVERSITY LAWS – ON FARM IMPACTS

As a consequence of Australia signing the 1992 UN Conference on the Environment and Development, the UN Framework Convention on Climate Change in March 1994 and the subsequent 1997 Kyoto Protocol, rural Australia has undergone a dramatic change in terms of existing property rights and the nature of private land ownership.

Although aspects of these international agreements affect all public and private land in Australia, the application of these policies has not been uniform across all private land tenure. This is particularly evident in relation to agricultural land.

These international agreements and State interpretations, set the pathway for a range of policy directions on the Environment, Climate Change, Forests and Biodiversity that led to the style of natural resource policies that the NSW Government impose today.

In determining achievements of the objectives of these international agreements, the result has not been adequately monitored. Achievements for Native Vegetation and Biodiversity policies were focussed on measured outcomes in terms of hectares and conservation reserves. Native Vegetation is regarded as the surrogate measure for biodiversity.

In New South Wales, Native Vegetation Laws were implemented via:

- Sepp 46 (1995)
- 1997 Native Vegetation Conservation Act
- 2003 Native Vegetation Act (enacted in December 05, regulations in place)

Each revision of the laws imposed more stringent regulations and conditions despite representations and promises by the Premier and relevant Ministers to fix existing problems. At no time were the outcomes of the laws assessed or measured against their objectives. Often the objectives of the Act were in conflict with the content of regulations.

I encourage this Inquiry to refer to the Australian Government Productivity Commission Report ⁷ (2004).

Recommendation 10.1

“Before introducing new or amending existing native vegetation and biodiversity policies, a comprehensive regulatory impact statement or its equivalent should be prepared that includes an assessment of the problem being targeted, expected costs and benefits of the proposed policy, and an assessment of alternative instruments. This assessment should be made public”

Recommendation 10.2

“All native vegetation and biodiversity policies should be subject to ongoing monitoring and regular independent reviews of all costs and benefits in the light of articulated objectives. Reviews of performances should be published.”

Recommendations 10.4 :

“consideration of economic and social factors where applications to clear otherwise would be rejected on environmental grounds (a ‘triple bottom line’ approach), with reasons for decisions to be given and reported”

Recommendation 10.5:

“Greater flexibility should be introduced within existing regulatory regimes to allow variation in requirements at regional levels. To this end:

- Greater use should be made of the extensive knowledge of landholders and local communities”

Recommendation 10.9

“Over and above agreed landholder responsibilities, additional conservation apparently demanded by society (for example, to achieve biodiversity, threatened species and greenhouse objectives), should be purchased from landholders where intervention is deemed cost-effective”

The true costs of Native Vegetation policy in Australia may never be known. The cost to the individual is however immense:

In assessing costs the Senate Inquiry should acknowledge:

The cost to the Federal and State Governments in design, implementation, consultation, monitoring, prosecution, including:

- Litigation costs
- Payment of individuals to travel to Sydney to attend meetings (community consultation, estimated \$1000 to 1500 per trip)
-

The cost to the individual should be assessed from a range of perspectives

- The direct cost on lost or foregone production
- Direct cost of prevention or control of weeds or fire mitigation strategies
- Business costs for time spent in consultation (attending Government meetings)
- Business costs for time participating in Regional Vegetation Plans or other planning processes
- Social and emotional costs on direct participants and their families
- Mental health of individual farmers subject to inequities of current laws

The cost to the Environment

- Failure to deliver effective on ground outcomes environmental outcomes
- Focus on tree canopy as a major environmental component (definition of a Kyoto forest)
- Loss of biodiversity due to fire management policies
- Loss of opportunity through disengagement of rural communities in voluntary conservation partnerships – (resulting from negative experiences in Native Vegetation and Biodiversity laws)
- Loss of early intervention of weeds control (restrictions on native vegetation and threatened species)

(NOTE: it is beyond the scope of this submission to adequately inform on the true costs for the farming community)

Threatened Species

The reliance on Native Vegetation as a surrogate for biodiversity measures has failed on many fronts. In relation to the protection or enhancement of Threatened species, it has been a two way process.

The precautionary principle has used Threatened or Vulnerable Species as a mechanism for stopping management or clearance of Native Vegetation. The listing of Native Vegetation species or the **'likely'** presence of fauna species has been used to prevent applications for clearing required to redesign farm layouts or for the introduction of cropping. In many cases such as in the Walgett Area, or on the Hay Plain, the introduction of pasture improvements or cropping would be prevented despite only a small area of the Shire or private property being developed.

In the Walgett Area this is despite an estimation of only 1/3 of the Shire being 'developed' (ie cropping).

Developments which involve the removal of vegetation in other regions of Australia and particularly in NSW can proceed. Examples exist under the Mines Act or Plantation and Reafforestation Act. Urban developments have the flexibility of the Bio Banking Programs within the Native Vegetation Act, however farmers have a more rigid set of rules and criteria under the same Act, assessed through the Environmental Outcomes Assessment Methodology.

It is the mere 'likely' presence of a species that will require offset ratios which a farmer may not have sufficient land or species types to offset. Alternatively the computer program will generate a 'red light' in which case the application process stops.

If the farmer disputes the computer programs findings, then he can only submit information to the Catchment Management Authority to include new data in the data set for the region that was determined by the Department of Climate Change and the Environment. Even if independent science clearly identifies that the presence of the species does not exist on that site, this will not be sufficient to over ride the computer program and data sets therein.

The Act does allow individuals to put in a 'development application' separate to the typified pathway through the Catchment Management Authorities. However, a 'development application' for farming land under the Native Vegetation Act still would have to be assessed through the Environmental Outcomes Assessment Methodology and therefore an application could still not introduce new independent science to support his application.

This is a major flaw in the Act, where the only science that is accepted is the Departments data sets. Should this be inadequate or contain gaps in information as readily accepted by the department (ie their reliance on ‘best available science’), then there is no ability for a farmer to use external professional ecological advice to support an application.

The process in NSW of listing Threatened Species is via a 55cent stamp to the NSW Scientific Committee. This committee is not well resourced and relies on best ‘available information’ or information presented to it.

Therefore in the absence of a concerted campaign by interested parties to over turn the Scientific Committees findings, the listing would potentially proceed. This is due to the limited resources of the Committee to adequately determine the merits of listing a species or not.

A recent example of this, was the listing by the NSW Scientific Committee of ‘Old Man Saltbush’. The listing was overturned only by a barrage of community concerns. If it went unnoticed, it is likely that the highly prevalent and unthreatened species of ‘Old Man Saltbush’, would have been listed.

The use of Threatened or vulnerable species and its relationship with Native Vegetation Laws also relate to conservation zones placed on private land. The Federal and State Governments acknowledge, the current listing process and the legislative requirements to develop Recovery Plans, within a three year time frame, cannot not be met. This means while Governments accept their own resource and administration inadequacies in meeting the objectives of their own Recovery Plans, the implications of the original listing may still lie within the data sets that influence decisions on Native Vegetation.

Recently Governments have also moved away from the process of developing individual recovery plans towards a listing of entire habitat types.

Plains Wanderer

In the Southern Riverina , landholders on the Hay Plains were and remain impacted by the listing of a ground dwelling bird, the Plains Wanderer. This bird lived in harmony with the grazing and the limited cropping activities within the region. They prefer open areas with short grass and are said to frequent areas that contain bare red dirt. Despite the harmonious presence of the Plains Wanderer within productive farming systems, the Recovery Plan sought to impose 2 km buffer strips around areas of ‘habit’ for the plains wanderer. As Plains Wanderer’s ‘wander’ across the plains, the method of determining presence was soil types (eg red bare dirt).

Individual farmers could have multiple soil types that matched the description of habitat under the Recovery Plan and therefore have multiple site listings on their property , each with a 2 km buffer zones around such sites. Despite the properties being large in size, the impact of multiple 2 km buffer zones should not be under estimated.

Property Values at the height of the Recovery Plan were impacted. Elders Rural Real Estate (Deniliquin) could assist with valuing the impacts.

The other cost was in the farmer’s time and resources combating a Recovery Plan that alienated the very people who could have assisted the Department with data collection and ongoing observation and monitoring.

Five Shire Councils joined forces to engage an independent consultant, to oppose the Plain Wanderer Recovery Plan. The cost of this and the whole of community concern are impossible to accurately measure. Needless to say, the total cost was excessively high.

Due to the poor process with this recovery plan, the Plains Wanderer became the symbol of not approaching or cooperating with the Department for many farmers, right across NSW.

It highlighted that having a threatened, endangered or vulnerable species on your land involved a rigid set of rules that would apply to Native Vegetation. There was limited opportunity to gain common sense .

This and many other examples created the view in NSW, that having a Threatened or vulnerable species' was a liability not an asset.

There is a real need to identify more constructive pathways to achieving protection or enhancement of species on private land. One that moves away from draconian and simplistic approaches and moves toward cooperative partnerships that will deliver much more ultimately.

It is worth noting that the Plains Wanderer Recovery plan is still in its formation process after a period of eight years.

Superb Parrot

In 2002 , properties in the Southern Riverina, had High Conservation Status (HCV) imposed under the Western Riverina Regional Vegetation Planning framework. Regional Vegetation Plans were developed under the 1997 Native Vegetation Conservation Act. The HCV listing would have imposed a level of red tape and restrictions on land. The HCV listing was curious as it did not relate to the specifics on individual properties, but was in fact due to property locations, being identified within a 10 km radius of the Superb Parrot nest site of a nearby forest.

In short, if a nest site was identified in a local forest, circles on a map were drawn and any property that fell into this circle, automatically became HCV.

The Superb Parrot not listed as endangered or Threatened or endangered on the NSW List or the EPBC list. The Parrot is listed as vulnerable and under the EPBC Act a draft recovery (draft December 09) refers to birds being 'widespread west of the Great Dividing Range' in NSW. Anecdotal observations right across many towns and regions in NSW also support the widespread locations of these birds.

In Victoria, the Superb Parrot appears to be concentrated in the North along the Murray region. From a personal perspective, 3 generations of our family have not observed this species of parrot until the last decade. The increased presence is presumed to have occurred due to when species of rice were grown at different locations, leading to the Superb Parrot recognising a new food source and visiting our property on its flight pathways from Northern Victoria to the Northern and central sections of NSW.

The Blanket HCV on all private land was subsequently removed due to strong community opposition and lack of credible science behind the original proposals.

Note:

During this period, a voluntary partnership program was being developed between NSW State Forests and Ricegrower's Association of Australia for a flagship funding program. The Superb Parrot Flyway Program, was to encourage landholders to plant wattle and other understorey species between the Murray and Murrumbidgee River.

As a result of the HCV listing under the Western Riverina Regional Vegetation Plan in 2002, the voluntary partnership program for the Superb Parrot, failed to be implemented. This can be directly attributed to the intense public anger resulting from the poor public policy process.

Note:

In Northern Victoria for over 16 years, the highly successful Superb Parrot Project has encouraged the planting of certain species on private land to support populations of Superb Parrot. The constructive nature of this project, involved landholders, working together, with the part time support of a coordinator. This project first commenced in 1993 and demonstrated long term commitment and measurable benefits achieved on the ground. The project involves fencing remnant vegetation and establishing new corridors between remnant areas. Approximately 280,000 plants have been established through plantings or direct seeding programs. The program is run by landholders and has strong ownership by the group.

NOTE: Despite community concerns raised in regard to 'automatic HCV listings under the Western Riverina Regional Vegetation Plan in 2002, it appears that community concerns have again been ignored in the latest draft 'recovery plan (December 09) for the Superb Parrot. This draft plan refers to using the protection measures within 10km of all woodlands which would include private forests or vegetation stands. Draft Action 3.2 seeks to impose protection status on all foraging habitat for colonies of parrots within a 20 km .

This is the same distances and more that communities objected to in 2002. This will impact on private land if recovery plan objectives are included in planning, Native Vegetation Acts/regulations/or environmental outcomes assessment methodology tool. The proposed recovery plan has implications for private forestry

Wetlands

In conjunction with the Western Riverina Vegetation Planning framework, properties became subject to further proposed HCV listing and proposed buffer zones using data from 'Pressey identified wetlands'. Aerial photos of flood events in the 1980's, led to many natural depressions, rice bays and other man made water features, being listed as potential wetlands by the Department. This meant that areas within wheat paddocks, irrigation drainage lines/channels and general slight depressions in the ground that temporarily contained water in a wet event, were then subject to wetland assessment under the Central Murray Floodplain Plan.

Identified Wetlands would have linked to planning frameworks under the Regional Vegetation plan.

The criteria for assessing wetlands meant that if a wetland could be 'rehabilitated' then it attracted a score which would assist in site rankings. This criteria and assessment process was so simplistic that when referring to natural undulations, these areas could be classed as wetlands because they could be potentially 'rehabilitated'. This equates to a small depression in the ground in Sydney or Canberra being classed as 'potential' wetland despite no supporting complimentary processes.

Farmers engaged an independent wetland consultant to address the inaccuracies of mapped sites used in the planning process and encourage a more scientific basis to the assessment process.

At this time, individual photos were shown to the then NSW Natural Resources Minister, the Hon Craig Knowles. The Minister recognised the inadequacies and immediately requested that the issue be 'fixed'!!! His further comments have not been included in this submission.

Government/landholder environmental programs

In excess of 10 years, I have encouraged politicians, departmental officials and environmental groups, that the most cost effective options to achieving environmental objectives on private land are achieved through cooperative partnerships and planning.

Identification of an environmental issues should be the 1st step in the process. Working with local communities to design and implement solutions should then be the next step. Giving ownership to local landholders to resolving issues will bring long lasting benefits.

Examples of this are: *the CSIRO's Heartland Project in the Eastern Riverina. This project designed and implemented in conjunction with landholders, provided an on farm design mechanism to address farm forestry, salinity and biodiversity outcomes. Despite demonstrated success and well publicised research, this project was not funded long term*

Another example are the environmental sustainability programs in the Southern Riverina through *the Murray Land & Water Management Plans (LWMP)*.

The Federal, NSW and Local Governments collaborated with industry and communities, to develop major sustainability programs. First initiated by irrigators in the 1980s, the resulting Murray Land & Water Management Plans (LWMP) were a 30 year natural resource strategy, developed in collaboration at all levels. Federal, State and Local Government funding was designed over 15 year. Landholders funded a major component of the plans through levies on their water and through on farm investments. Direct Government investment to date is approximately \$68 million with landholder contributions of approximately \$347 million.^{2 3}

The MIL irrigation region has also worked collaboratively with the Murray Wetland Working Group in delivering environmental flows via irrigation channels to private wetland sites. This innovative program moved water efficiently and developed monitoring sites to record environmental benefits.

The MIL irrigation region also worked in partnership with the Catchment Management Authority to deliver wildlife research. A key feature of this program was to develop a process where landholders could voluntarily participate without the fear of regulation.

There are often many pathways to achieving conservation objectives, but NSW and the Federal Governments have focussed on a regulatory approach with native vegetation and threatened species. This comment does not seek to undermine or denigrate the significant environmental and production achievements, that Government/community voluntary programs have delivered via co-investment on private land .

However in the areas of threatened species or native vegetation, the road has been littered with the fall out from poor process. This has had significant cost to both individual farmers and Government budgets.

Community based planning with projects funded under the Natural Heritage Trust, may well be stopped or limited by Native Vegetation Laws. This would seem perverse when taxpayers funds are used to develop mechanisms for achievements, only to be stopped by regulation.

² Murray Irrigation

³ Southern Riverina Irrigators

Some Western Region area examples of this are:

Cobar Vegetation Management Committee – A Vegetation Management Plan for Areas Invaded by Native Trees and Shrubs in the Cobar Peneplain. The Project was funded under the Natural Heritage Trust and other partnerships.

The Committee sought:

- the development of specific regulations that suit the environment of the Cobar Peneplain.
- ‘do nothing’ approach would be a negative outcome for the environment
- Economically viable land managers are most suited to restoring the environment
- Without an adequate area of ‘changed land use’, land owners are unable to implement ‘best practice’ in regard to rotation and pasture phases required to accommodate soil health
- There is an environmental and economic need for managing invasive scrub
- practical and workable regulations to assist with native pasture rehabilitation

Lower Pian/Pagan Creek Conservation Group – Landscape Vegetation Plan

A group of 13 concerned farmers have been attempting to undertake a coordinated community based Property Vegetation Plans. The Project was funded under the Natural Heritage Trust

The committee original proposal sought:

- to develop property vegetation plans over 41,000 hectares of private land
- manage 19% of the area for conservation
 - 200 km riparian areas protected
- Improve environmental management of 23% of total area
 - Rehabilitate 1,570 ha native grassland
 - Rehabilitate 4,439 ha native woodlands
 - Manage 3,494 ha of invasive species
- Increase cropping areas by 7%
- Introduce a pasture cropping system on 7%
-

Note: the original plan could not be implemented

Southern Mallee Regional Guidelines for the Development of Land Use Agreements

The guidelines of the Southern Mallee system were developed by the Southern Mallee Regional Planning Committee since its formation in 1994. Over a 5 year period, the committee worked to deliver nature conservation, cultural heritage and sustainability issues in the Lower Murray Darling region.

Funding was through the Natural Heritage Trust. The planning area extended over 47,000 square kilometres. This equates to 4.7% of the Murray Darling Basin. The original project involved a range of organisations including DEC, Environment Australia, Local Traditional Aboriginal Groups, NSW State Forests, Landholders, NSW DPI, WWF, ACF, DIPNR, Local Government and MDBC.

The project design became affected by the 2003 NSW Native Vegetation Act. The original design of the project could not be delivered through the Environmental Outcomes Assessment Methodology.

Central West Catchment Management Authority – Best Management Practises for Invasive Scrub Management in the Western Area of the Central West Catchment

This report was prepared by Hassall and Associates and identified a range of management options to address invasive scrub in the Western area of the Central West Catchment.

While a number of the recommendations have been acknowledged in the design of revised rules for the management of invasive scrub, landholders within the region remain adversely impacted by the Native Vegetation Act, the regulations and the lack of flexibility.

Kyoto Protocol, Native Vegetation and Biodiversity

In representing the interests of Farmers on natural resource policy in NSW, I had many experiences with individual farmers. I saw the implications of Native Vegetation laws from many different aspects.

A key aspect of how I personally addressed this, was to verify what I was told and investigate issues in the field. I did not rely on heresay or unsubstantiated information.

During my eight years or so, and in particular as Chair, for four years of the Conservation and Resource Management Committee of NSW Farmer's Association, I remained appalled at the processes and the true cost of these laws on both the taxpayer and individuals. In terms of lost opportunity for delivering sound environmental outcomes, I have no hesitation in suggesting that the whole costly process has been a National Disgrace.

A key driver of Native Vegetation Laws has been the Kyoto Protocol. In 1997 Australia successfully negotiated in the Kyoto Protocol, the inclusion of what is known as the 'Australia Clause'. This effectively allows Australia to meet its greenhouse obligations primarily via Afforestation policy and Deforestation policy.

Subsequent native vegetation laws can be traced back to this original intent. While the Kyoto Protocol wasn't 'ratified' at the time, Australia did implement the 'Australia clause' principles which effectively allows it to claim that it will meet its obligations (108% of 1990 levels)

Australia's reliance on Afforestation and deforestation measures to achieve emission objectives, has been short sighted and has produced perverse environmental outcomes. It also allowed a shifted focus away from renewable energies and efficiency options. In effect it was a cheap fix for Governments, with the cost being imposed on individual farmers, particularly in NSW and Queensland.

It is important to understand the link between the Kyoto Protocol and Native Vegetation Laws. It was often argued that Native Vegetation Laws were necessary, particularly to address salinity and biodiversity issues. In relation to dryland salinity, models were based on rising groundwater assumptions and predicted risks for dryland salinity are recognised today as being inaccurate.

It is only in recent years, that farmers became aware of the true relationship between Native Vegetation laws and Kyoto

In relation to the deforestation target, the definition of a Kyoto Forest (20% canopy , > 2m in height and 0.02 hectare) meant that relatively small clumps of timber would be classed as a Kyoto forest. Preventing removal of this timber, then gave Australia the emission credit.

It also must be acknowledged that when Australia was designing the clause, estimates of land clearing were over stated. Over estimated rates of clearing and the subsequent restrictions on clearing, allowed Australia to meet its international obligations.

The focus was on tree canopy cover (as per the definition of a Kyoto forest) prevented an overall assessment of the net environmental benefit of vegetation management , thus canopy was prioritised at the expense of grasses or shrubs.

The 2003, NSW Native Vegetation Act and PVP Developer Assessment Methodology Computer Program, clearly values tree canopy, higher than grass cover. The assessment methodology when assessing applications to remove native vegetation, does not take a balance view between all aspects of the environment. Often it placed biodiversity above all other potential environmental attributes. In many cases the measure of biodiversity was the presence of Native Vegetation (a surrogate)

Insufficient data sets on threatened, endangered or vulnerable species, are accepted and often it is the likely presence of such species that can impact on applications under the Native Vegetation Act. Despite an unconfirmed presence or absence of scientifically validated risk, application can invariably fail.

Under NSW Native Vegetation Act of 2003 – ‘broadscale clearing’ is defined as the removal of one tree if it existed prior to 1990. This definition has enormous ramifications and captures previous routine farming activities including historical use of personal timber resources for building a fence or shed, implementing firebreaks, building dams, stockyards and other facilities.

New definitions of what is routine, removed existing property rights of individuals. The definition of routine activities varies across the State depending on what region/zone you are identified in under the Native Vegetation Act and Regulations.

The Act itself is limited further by the regulations and these regulations do not allow the objectives of the Act to be implemented. (refer to the Act).

Under the NSW Native Vegetation Act (2003) to remove vegetation (Broadscale clearing = 1 tree that existed prior to 1990), an assessment is required. This may require the imposition of a Property Vegetation Plan and a condition to offset the native vegetation to be removed.

The offset ratio can be excessively high and unrealistic. In many cases it simply is not possible to offset on a scale without in effect giving up large proportions of a property.

The Productivity Commission report (04) identifies an example in Wagga Wagga where an application to remove 19 paddock trees to install a centre pivot irrigator to cover an area of 56 ha, initially required an offset of 7600 trees. Subsequent negotiations approval was granted on the condition that 2000 trees were planted at a approximate cost of \$10,000. A Threatened species survey was require at a cost of \$3315, although no threatened species were identified.⁷

This is just one of many examples.

Examples exist also where offset requirement for trees with hollows, mean that an application cannot proceed as the offset ratio for replacing trees with hollows is beyond the actual farm ability to provide. There are no negotiations to allow younger plantings with the provision of nesting boxes, as a means to develop the ‘next generation’ of hollows.

This identifies a missed opportunity, as in the case of ‘over cleared’ landscapes, removal of aging trees (poor quality ones) that may have a limited lifespan cannot be removed and replaced with younger plantings on a greater scale, due the offset ratio requirement for the actual number of hollows. Each tree with a small hollow as little as 10cm can require multiple offsets. The importance to habit of trees with hollows is very well recognised and every effort should be made to preserve such trees. This submission does not take a flippant attitude to clearing of trees or especially to that provide valuable habitat values.

⁷ Productivity Commission

Inflexibility in the use of nesting boxes, limits new opportunities for new plantings, which will eventually deliver the 'next generation of hollows'. It also prevents opportunities for education and community or family involvement by the construction and maintenance of artificial nestboxes which could delivered a long lasting commitment to environmental outcomes.

It is worth noting that Road Traffic Authority are permitted to utilise nesting boxes in the building of freeways and as part of condition consent, but farmers are not.

Rigid inflexible rules cannot deliver a holistic approach on environmental issues.

A key failing of the assessment process is that the data sets that support the computer generated decisions are often inaccurate and limited. Assumptions are made and this standard would be unacceptable in most of Australia's business environments.

Numerous examples have arisen on inaccuracies. These include inaccurate salinity maps in Western parts of NSW, or species being listed as present when the actual location may be hundreds of miles away in different environments. It must be remembered that inaccuracies for salinity or native fauna species are linked to Native Vegetation Laws through the computer assessment program. This is because Native Vegetation is regarded as the surrogate measure for biodiversity.

The PVP Assessment Methodology computer program does not enable a farmer to use an independent expert to support an application. An expert can be engaged to provide information to the Catchment Management Authority and encourage a review of the data. However the actual assessment is still confined by the pre designed computer program and data sets.

In general, most other non rural instances – business development applications can engage an independent consultant to assist the application process. Under the Native Vegetation Act this option is extremely limited, if at all.

It is worth noting that there is a strong need to have flexible decision making to enable an overall net environmental benefit in any application. The Native Vegetation Act prevents looking at the environment objectively in a balanced way. Biodiversity presumptions may over ride an application based on salinity improvements, water efficiencies or the introduction of satellite guided farming systems that potentially could bring a far wider range of soil, salinity and a whole range of other biologically diverse benefits. An application could be stopped on the presumption of a 'likely' habit or presumption of a species present.

The time frame of this Senate Inquiry does not permit a full detailed description of the range of issues at this particular time. Further details and examples can be provided to this Inquiry.

Water Management Act 2007

- The Act **establishes the Murray-Darling Basin Authority (MDBA)** with the functions and powers, including enforcement powers, needed to ensure that Basin water resources are managed in an integrated and sustainable way.
- The Act requires the MDBA to prepare the **Basin Plan** - a strategic plan for the integrated and sustainable management of water resources in the Murray-Darling Basin.
- The Act establishes a **Commonwealth Environmental Water Holder** to manage the Commonwealth's environmental water to protect and restore the environmental assets of the Murray-Darling Basin, and outside the Basin where the Commonwealth owns water.

These Basin Plan and the Federal Government investment programs, will require substantial modifications to farm layouts in irrigation regions. It is likely that in some instances this may require the removal of single trees to accommodate new irrigation efficiencies.

This may raise conflicts with the Native Vegetation Act which places restrictions on removals of trees. Farmers in intensive irrigation areas may not be able to offset other vegetation in order to meet the requirements of Environmental Assessment Outcomes Methodology.

Farmers may have to adjust their farm layouts to cope with less water, but then be restricted in making these changes by the Native Vegetation or Threatened Species Act.

Environmental weeds

During my visits to many parts of NSW, I saw countless examples where inflexible laws have valued one species of vegetation over another or alternatively valued the protection of one grass or trees species, that would eventually be suppressed by an encroaching weed or other species.

Lippia control (an escaped ground spreading garden species) was not controlled in the early infestations periods. In many cases cultivation provided the most effective control measure. Cultivation control was restricted under the Native Vegetation Act. The use of chemical sprays are not considered effective control.

The spread of Lippia into the Murray Darling Basin poses a far greater environmental threat than the loss of a small area of native vegetation at the original source site. This problem is expanding and the issue of management is still subject to the conditions of the Act.

In the case of native grass country – the expansion of some species eg Poa Tussock can over run other native species leading to an imbalanced composition of species. Management of Poa Tussock would also be restricted and may in fact require offset arrangements to re-balance the floristic diversity of the original paddock.

Weeds such as St John Wort can dominate a range of pasture or native grass situations. In high country slopes where access is difficult, managing St Johns Wort can be prevented by the Native Vegetation Act. Aerial spraying of St Johns Wort could impact on native species and thus be deemed ‘clearing’. It has been identified by a range of landholders that active management of St John Wort on difficult slope country should include the capacity to introduce perennials that can effectively out-compete the introduced Wort. Such an option would not be permitted because of the greater than 50% native species rules in pasture paddocks which would deem that the paddock is within the confines of the Native Vegetation Act.

Inequities with the application of Native Vegetation Laws

This submission will not compare a range of treatment of native vegetation laws under various planning scenarios. It is fair to say that such laws appear more onerous on farming land than in the case of planting for Managed Investment Schemes for Timber plantations, Mining, Infrastructure projects (eg RTA) and in particular urban development.

In the case of MIS Timber Plantations, different sets of Acts prevail. In the photos below a farmer wishing to improve the nutritional balance of his pastures for his cows, may be subject to the Native Vegetation Act if he has not cultivated the paddock since 1990 and the species composition exceeds 50% native.

An application may be required to ‘broadscale clear’ and may require the farmer to offset a huge proportion of his farm in order to improve the species diversity of his pastures. This clearly would not be worth his while. Alternatively the application may be refused outright.

It is worth noting though that an adjoining landholder who wishes to remove native vegetation under the Plantation and Reafforestation Act in NSW, may well obtain permission under a different more flexible set of criteria. So a farmer on one side of the fence may have to offset or ‘lock up in permanent conservation status’ simply due to his desire to improve his pasture with exotic species such as lucerne or clover. On the other side of the fence, a different landholder may be permitted to remove all his native pastures and plant exotic pine trees under the Plantation and Reafforestation Act.

It is worth noting that the Plantation and Reafforestation Act enables Australia to meet its Kyoto via afforestation targets. So native species under deforestation policies are to be preserved , yet native species under afforestation policies can be removed and replaced with exotics.



Photo L Burge – Monaro

Photo (L Burge) Pasture paddock – Monaro (NSW)



MIS PINE PLANTATIONS MONARO REGION



Photo (L Burge) New Exotic pine plantation



Photo (L Burge) exotic pine plantation under Plantation and Reafforestation Act

Woody weeds/invasive scrub

There is no doubt that the greatest injustice in relation to Native Vegetation Laws and the links to the Kyoto Protocol, lie in Western parts of NSW.

The prevention of effective management of invasive species 'woody weeds' has left many parts of Western NSW a barren wasteland of little value to biodiversity or farm production. Invasive or dominance of particular species types, become 'closed' stands and prevent grasses and other diverse species growth. Bare grounds results which is then often subject to erosion after large/or flash flood rain events.

It has been estimated in recent years, that on loamy red earth soils (eastern section), an area of approximately 6.04 million hectares, approximately 5,128,000 ha has been infested with invasive woody weeds (timber and scrub species)¹²

¹² D Condon

The Mulga Sandplain country (northern half of Western Division) is approximately 7.57 million hectares. Of this, mixed shrub species have infested approximately 4.542 million hectares.¹²

In the Southern half (Western division) Calcareous Earth is the soil type that covers approximately 5.08 million hectares. 20- 40 per cent of this area is subject to infestation.¹²

This Western area of NSW, probably has 'on paper' provided Australia with its greatest emission credit in terms of sheer land mass. Under the NSW Native Vegetation Act, the continued management of invasive species is prevented or made uneconomic due to the conditions imposed as part of consent. The Government has recognised the problems of invasive species, but still ties up appropriate management options with restrictive clearing criteria. Much has been made about greater flexibilities in the law, but in reality restrictions only enable certain types of management options.

Of greatest concerns is the inability of farmers to use economic management options. These may include a short term cropping option to control reinvasions after clearing and to recoup costs. Simply pulling or chaining some species will not control the roots or regrowth. In these cases, ploughing to prevent reinfestation is required periodically. There are also limitations on the size of diameter of the trees and so trees may have to remain scattered throughout the original infestation area. This is despite other additional clumps being retained in various parts of the paddock. Moving machinery and equipment in this situation becomes impossible.

There have been various attempts by affected communities often supported by Shire Councils to develop and promote strategies to address local environmental issues.

The Cobar Vegetation Management Committee developed a Vegetation Management Plan for Areas Invaded by Native Trees and Shrubs in the Cobar Penplain. This was supported by NHT Funding and involved local landholders, the Shire, Landcare groups and a range of other parties.

Despite significant Government and community investments, recommendations within this report were ignored by policy makers in NSW.

In Walgett the Lower Pian/Pagan Creek Conservation Group initiated a regional Landscape Vegetation Plan. Despite receiving NHT funding, the project could not proceed due to Native Vegetation and Biodiversity laws.



Photo (L Burge) Invasive Cypress Pine – Nyngan/Cobar
Note - absence of grass cover



Photo (L Burge) Invasive Cypress Pine – thinned Nyngan/Cobar
Note grass cover restored



Photo (L Burge) NSW Natural Resource Commission Trip (Nyngan)
Invasive Pine prevents grass cover – rain events cause erosion



Photo (L Burge) invasive Cypress Pine – Nyngan (cricket last played mid to late 1980's)

It is impossible for this submission given the time of submission closing dates, to adequately convey the range of problems with the NSW Native Vegetation Act.

In essence, the laws remain restrictive and inflexible, despite promises of the reforms delivering better outcomes for both the environment and individuals.

Underpinning much of the problem, is Australia's rigid approach to Kyoto (Australia Clause) and a narrow interpretation of how we view Biodiversity.

Unless this changes, Australia will not benefit from sound and practical environmental policies. Individual farmers will continue to bear the costs and ultimately many will find it's simply uneconomic to continue (particularly for invasive species).

It would be easy to assume by some environmental advocates that removal of people from these landscapes will be a beneficial thing.

This ignores the fact of who will manage the land and control weeds in the future.

Primarily it is farmers who manage much of this landscape and who invest considerable resources in caring for the land. Without a sound economic base, appropriate weed control and other management options will be denied.

NOTE: Addressing Invasive Scrub has been noted in Government policy and reports for many years

1. A Royal Commission in 1901 into the depression, acknowledged the impacts of invasive scrub.
2. In 1938 the NSW Agricultural Gazettee No. 49 drew attention to the impacts of non edible scrub in the Western Divisions, east of a line from Ivanhoe to Bourke.
3. In 1969 there was a further report "Report of the Inter-Departmental Committee on Scrub and Timber Regrowth in the Cobar-Byrock District and other areas of Western Division of NSW".
4. In 1990, a 'Woody Weeds Taskforce' which included representatives of NSW Agriculture, Soil Conservation Service, CSIRO, Western Lands Commission of NSW and NSW Farmer's Association, reported on the adverse impacts of invasive scrub in Western NSW.¹⁴

It reasonable to conclude that the impacts of invasive scrub has long been acknowledged. Government policies particularly in the Western Division enabled appropriate management of the scrub in accordance with Western Land Lease conditions.

The Kyoto Protocol and its subsequent impact on Vegetation policies since the mid 1990's, delivered a range of restrictions that no longer enable historical management options.

Affected farmers in the region have argued for:

- A balanced environmental outcome and practical control measures
- Policy development for managing invasive scrub to be designed in the regions
- A recognition that the environment is not static
- That soil health is a vital ingredient for a healthy ecosystem
- Infestations of invasive scrub cause severe soil degradation.¹⁴

Biobanking

The NSW Government recognises that the Native Vegetation Act captured peri urban development. In order to manage the implications of this and to specifically address the needs of 'land developers', the NSW Government introduced a concept called 'biobanking' which enabled developments proceed. Biobanking provided an avenue to overcome the restrictions of the Native Vegetation Act.

The assessment process under Biobanking was designed differently and was more flexible than the assessment tools used in agricultural situations under the PVP Assessment Methodology. (NV Act)

Developers can utilise Biobanking to obtain vegetation credits in other locations, for clearing native vegetation for urban development. This option is not open to farmers.

¹⁴ NSW Regional Community Survival Group

Rezoning

The implications of the Native Vegetation Act are not the same on all land zones or land uses. Mining is subject to a different set of Native Vegetation rules, so would removal of native Vegetation for a Forestry MIS scheme under the Plantation and Reafforestation Act.

In some cases, a simple rezoning of rural land from (1a) into another land zone condition resolves any negative issues that would result under the NSW Native Vegetation Act. This would circumvent the restrictions on rural land and allow greater development opportunities.

This difference was identified in particular, by the building of a retirement village at the small township of Henty in the Southern Riverina.

There is another aspect to rezoning that takes a different form.

That is the application of an environmental overlay on private land that in effect doesn't change the actual zoning from rural 1 (a), but changes the permitted activities via the environmental overlay.

This is generally without the owners consent or even his /her knowledge. It may be years until an issue arises where the owner becomes aware of the overlay. Overlays can be applied through Local Environment Plans administered by Local Shires or Councils. Such overlays prescribe restrictions in a range of ways.

Duplicate consent

Despite promises from the NSW Government, the Native Vegetation Act 2003, does not exclude Farmers from the need to obtain other consent arrangements. This is despite the claims by the NSW Government that the Native Vegetation Act was a 'one stop shop' approval process.

For example, building a fence to maintain stock in paddocks on the east coast of NSW may have a set of distance limitations on removal of native vegetation for the construction of a fence under a Routine Management Activity. The farmer may also have to seek consent and pay for a development application under a local council plan. Alternatively that council may have a tree preservation order in or limitation over and above the NSW Native Vegetation Act and relevant regulations.

For example in one shire consent is required in order to remove even a one year wattle, along a fence line. The application cost can vary from \$300 to \$500 or more.

Perpetual Lease Conversions:

In NSW, there are a range of lease arrangements linked to the Crown. Western Lands Lease is a well known example. Others include concessional leases, occupational leases and perpetual leases.

A significant number of properties in NSW remain as perpetual leases. These properties have been bought or sold on equivalent values to freehold. Due to the significant administration costs to the NSW Government, over the last 20 years, the Government is encouraging conversions. Although many properties have converted from perpetual to freehold, example exists of where landholders on the advice of solicitors, did not convert as their legal advice did not indicate any risk from maintaining the status quo.

The Government has now substantially increased perpetual lease rentals in excess of 1000% and much more in many cases. Farmers are left with the choice of paying exorbitant rental increases and accepting draconian covenanting arrangements. Those wishing to convert face excessive rental fees

beyond the income capacity of the property in some cases. The alternate is to buy out the lease, or convert, but the Government is imposing covenant conditions that remove existing use rights. These conditions are consistent with identified strategies for Native Vegetation and Biodiversity by some Government and Non Government people, seeking to establish corridor systems across NSW.

Covenant conditions are in excess of the requirements of the Native Vegetation Act 2003 and other regulatory conditions (eg Private Forestry). It is not clear whether the NSW Government is aware of some of the conversion requirements and it may be an interpretation of policies that is leading to such onerous conditions being a condition of conversion. Evidence exists where conditions of covenanting arrangements will vary depending on Departmental offices.

Such covenants may prevent cropping, despite a paddock history of cropping. Other covenanting conditions mean that even routine farm practises such as mechanical spraying for weed control can be stopped.

Under perpetual conversions, covenant conditions commonly dictate that only the use of 'hand held spraying equipment' for the application of chemicals can be used. This means that controlling weeds must be done by hand over thousands of hectares. This clearly is uneconomic and such covenanting arrangements will devalue properties.

It is worth noting that environmental advocates have lobbied for environmental corridor systems across NSW. These corridors may not be voluntary but could be achieved via a range of measures. Examples are through conversion of private farm land to National Park, perpetual lease conversions, applications of restrictive native vegetation or biodiversity laws, voluntary conservation programs, environmental overlays or other planning restrictions.

Wilderness Nominations

The nomination of 'wilderness' over private land in NSW has significant risks. While completion of a declaration is subject to the private property owners consent, the 'nomination' or declared interest remains linked to title, thus impacting on property values or potential sales.

Drought rehabilitation

The prolonged drought experienced in many parts of NSW can be compared to two other major droughts in Australia since European settlement. Namely the Federation drought of 1895-1903 and the 1930's to mid 1940's drought.

It is acknowledged that the severity of sand and dust storms in this current drought have been reduced due to modern day agricultural practises, compared to the common dust storm experiences in earlier droughts.

Despite modern farming practises, there are some areas of land that have been adversely impacted by drought. Farmers wishing to rehabilitate these areas, find themselves still caught in the Native Vegetation Act. If a farmer had previously been advised that his pasture was deemed 'native' by the relevant authority, drought rehabilitation activities are still prevented by the original listing. For example, sections of a paddock may be wind swept and contain bare ground and a species count may identify that the presence of 'native vegetation' is below threshold of > 50%. In order to restore ground cover some remedial action may be required eg ploughing to allow water penetration. However this would not be permitted under the Native Vegetation Act, as the original listing would remain.

COMPENSATION

It can be argued that compensation payments should be made to agricultural businesses who have suffered economically due to the application of the Kyoto Protocol principles and other International Agreements.

The process has removed existing property rights and negatively impacted on the equity and financial operations of farm businesses, both now and into the future.

This submission acknowledges that in reality, Governments have a poor history of addressing this situation and will be unlikely to do so in the future.

In the absence of a compensation scheme, Native Vegetation and Biodiversity laws need to be amended to ensure practical application in the Australian Landscape. The inflexibility of current laws are both detrimental to the individual and the environment.

The previous Federal Government may argue that the sale of Telstra and resulting intergovernmental agreements that led to Natural Heritage Trust, assisted with addressing impacts. In reality individuals affected by the laws were not the recipients of the funding.

Section 2

Emission Abatement and Carbon Credits

CPRS

This submission does not support a CPRS or ETS in their current form. It is highly unlikely that new technologies will be created in the short to medium term, therefore there will be an increased reliance on offsets. Primarily the target for these offsets will be agricultural land and will involve the use of trees. This potentially will create fire risks and water impacts, well into the future. The ability to remove these plantings will be restricted by the Kyoto permanence rule of 70 years or so.

The CPRS/ETS relies on a market based approach to driving energy efficiencies and alternate energies. However, it is unlikely that a market based approach will drive the infrastructure needs of Australia to meet new energy technologies. There is no clear mechanisms in a market based systems as proposed, to encourage large scale investments in transport infrastructure across Australia's vast landscape. In 2010, Australia still does not have uniform rail lines in most parts. There is no national plan for an innovative transport system that will deliver Australia's transport needs into the next century and beyond.

A 1990's style CPRS/ETS, will not deliver the scale of energy and infrastructure changes to meet future emission liabilities.

A CPRS is likely to be administratively expensive in comparison to net benefits for emission reductions. It is likely that such a scheme will involved a complex set of rules that will be difficult to verify and will rely on paper reporting objectives, as opposed to direct measurable change in energy options, energy efficiencies, investments in infrastructure.

There is a strong risk that resulting bureaucracy will jeopardise investments in actual emission reductions.

This submission strongly encourages a visionary approach to climate change, one that can deliver a range of infrastructure and energy benefits to Australia that lay a strong foundation for Australia's future, regardless of climate change.

The Federal Government preferred option is to establish the Carbon Pollution Reduction Scheme for Australia to address its international obligations.

This poses a range of complexities due to the inaccuracies of accurately determining emissions and emission reductions. The risk is that the administrative cost burden of such a system both on Governments and Businesses, will negatively impact on potential investments in actual emission reductions technologies.

This submission does not seek to address the full flaws in a CPRS or ETS, however there is enough existing evidence both in Australia and overseas to demonstrate the inadequacies of both systems. The potential for inaccurate reporting and a 'carbon' industry overshadowing the actual benefits, lead many to express concerns about the integrity of such an approach.

Even today in relation to the Kyoto Protocol, there are substantial inaccuracies and lack of accurate data to reflect Australian emission reductions.

Agricultural emissions in Australia are reported as 16% of Australia's total emissions. The Australian Greenhouse Office state, that this is predominantly from livestock emissions. However, there is insufficient Australian data for an accurate estimate of Agricultural emissions. In the case of livestock accounting, emission figures are based on Northern Hemisphere Data, not Australian.

In terms of abatement options, claims vary wildly with little scientific evidence or data to support them.

If Agriculture is to be included in an Emission Trading and Reporting Scheme, then farmers under current proposed criteria have little option to mitigate or offset their emissions other than cut production. This is because the design of the scheme limits offset opportunities and effectively places farmers in a situation where to obtain credits on an open market, they would have to compete with large business or corporate organisations.

Farmers could not compete in an open auction permit system with large corporations or industries. Already farm export production under proposed rules, will not attract recognition for Agriculture as a 'trade exposed sector'. This is because emission thresholds on farm are considered well below the reporting threshold.

An emission trading scheme however, will increase on farm production costs. Farmers have limited opportunities to offset or pass on these costs. For agricultural exports, the implications mean that overseas food production will have an advantage.

If Agriculture was to be included in mandatory reporting, under an Emissions Trading Scheme, it would be the only industry of its size in Australia to do so. Under proposals for an ETS, only the top 1000 companies would fall into the reporting threshold of the 25,000 tonne threshold. This would mean that individual family farms who fall well below this limit, would incur emission liabilities, while all other general industry including paint manufacturers, shopping centres and a wide range of manufacturing and transport industries, would not. This is clearly discriminatory against Agriculture.

Presently given current science, Agriculture cannot reduce its emissions levels in any substantial way over and above existing best practises. Farmers can and will continue to drive energy and production efficiencies but these may be limited by science or by geographic location.

Scientific literature for reduce livestock emissions are not practical or sufficiently advanced to provide real alternates in Australian conditions. Feed additives for cattle are still experimental and may not be suited to the majority of beef production. Most of Australian cattle herds are pasture based and levels of emission will vary according to different regions and systems.

I encourage this Senate Inquiry to look at the range of submissions from the National Farmers Federation and NSW Farmer's Association on an Emission Trading Scheme (Carbon Pollution Reduction Scheme). This work should provide some valuable insight into this inquiry.

Agricultural offsets

There is a real risk that politicians will have an 'over reliance' vegetation, soil carbon and biochar to achieve on farm credits. In the case of soil carbon, the benefits of increasing soil carbon are well recognised.

In terms of achieving and maintaining increased soil carbon levels across all climatic zones in a trading scheme, raises serious questions. There is no scientifically proven data available to farmers today that will enable the building of soil carbon to suitable levels to offset losses through drought or cropping cycles. This is particularly so in warmer dryer climates.

Biochar

Biochar is not a viable option in a wide range of on-farm scenarios. There are significant risks in the application of biochar and this relates to health risks to soil through inappropriate application rates. Climate and soil types will require different application rates, the long term scientific data for application rates in Australian conditions is not available.

Desk top studies in the Southern Mallee have identified that the application of biochar on one property alone, to build and maintain soil carbon levels at measurable levels, is in excess of \$1 million.

The economic figures for production and transportation of biochar to many agricultural regions remain removed from practical reality. Some argue that creating biochar with crop residue and inputting into the soil will enable farmers to claim carbon credits. This overlooks current farming practises and agricultural science policies, that seek to conserve and maintain soil moisture through retention of crop residues. Removal of waste material from paddocks in order to manufacture biochar would be uneconomic and perverse for other soil management issues.

Standing stubbles and zero till cultivations practises occur throughout NSW. The soil health and water retention benefits of this are easily identifiable.

Transporting biochar from urban vicinities to remote parts of NSW is likely to uneconomic. There may be certain locations close to cities where the application of biochar may occur. With all claims for carbon abatement, it is not a one size fits all policy. This is a key complaint from farmers, where politicians latch on to seemingly 'quick fix solutions'.

There have been a range of claims that farmers could participate in to offset or obtain credits in an emissions trading schemes. In reality there may be limited abatement options other than to cut production or alter existing land use.

Native Vegetation

In an emission trading scheme, if agriculture was included in a reporting sense, farmers would be seriously disadvantaged by existing Kyoto policies and Native Vegetation Laws.

The majority of pre 1990 Native Vegetation has been captured by Kyoto rules. Farmers who have retained trees for timber, aesthetic or environmental values, cannot participate in carbon abatement opportunities.

This is because the ongoing sequestration value of those timber stands that existed pre 1990, have already been claimed by the Federal Government under Kyoto.

Although it is well recognised that this Native Vegetation cannot be removed, the continued sequestration aspect is less recognised.

The ongoing sequestration values of those stands of timber, cannot ever be used by farmers to offset their own emissions. In effect there is a double disadvantage from the 1990 Native Vegetation Benchmark rule. One is restrictions on vegetation removal, the other is that continuing sequestration credits in the future are also owned by Government. This is despite the fact that new younger trees may be within the stand of timber. The whole stand however, is regarded as 'pre 1990' and therefore carbon sequestration cannot be claimed by the tree owners (farmers).

Soil carbon

There is still insufficient data to accurately determine whether soil carbon levels in Australian soils across all soil types and climatic zones can be built and maintained at levels sufficient to be traded in a carbon trading scheme.

Many organisations involved in the Grains Industry including the Grains Council of Australia, express concerns about claimed levels of soil carbon which could be built and maintained at levels required in a trading scheme. This is despite zero till and other best management practises for grain production.

For farmers already economically burnt by recent events with Wheat Swaps, the concept of locking in carbon credits for indeterminable periods is fraught with danger. Current offset rules under Kyoto require carbon credits for periods up to 70 years or so. Unless there was specifically designed options, for trading soil carbon within limited short term timeframes, the majority of farmers would not participate.

In reality, soil carbon trading is likely in future to occur in limited locations in areas of high rainfall and cool climates. For the majority of the cropping zones, it is not a practical reality under current scenarios. There is insufficient scientific data that supports claims for tradeable levels of soil carbon.

Carbon liabilities that may occur with drought, fire or other events would need to be resolved.

Many farmers are keen to progress and build soil carbon levels in their soils. Most would see building of soil carbon achieved through adaptive management processes and improving technologies and techniques.

Afforestation

Australia's future reliance on afforestation measures to meet its international emission obligations needs to be comprehensively reviewed. Please refer to relevant comments on afforestation stated in this submission.

Direct Investment in Technologies

This submission encourages the Federal Government to pursue a new approach to reducing emissions in Australia and meeting international obligations.

Australia has lacked a comprehensive plan in relation to its future energy and infrastructure needs. The CPRS or equivalent ETS will not deliver the scale and range of technologies and infrastructure changes that will be required to meet obligations.

There is a real risk that Government will continue with the status quo in terms of reliance on coal and that the CPRS will become the vehicle in which to address emissions in a reporting sense, but may not achieve the comprehensive scale of investments that are required.

Opposition Climate Policy – Tony Abbott

The Senate Inquiry's terms of reference (section 2) include examining the impact of the Proposed CPRS specifically to comment on Tony Abbott's approach to addressing 'climate change'

As stated previously in this submission, Australia's approach to addressing emission reductions has largely been based on paper reporting objectives.

The use of afforestation and deforestation targets has been poorly conceived, the environmental consequences are not well understood and the nature of 'permanence' rules mean that afforestation targets will be locked in place for 70 years. Should emerging science further identify negative environmental impacts from poorly located plantings, the issue of addressing the legal liabilities and the permanence rule, may create further difficulties in rectifying problems.

Trees

An over reliance on tree plantings for climate change, could further detract from Government investments in technology, energy efficiencies and infrastructure.

Planting 20 million trees by 2020 bears similar vision to the 2020 Forestry Vision of the late 1990'. The consequence of these plantings on communities, water and fire risks, has yet to be fully determined

Actions on climate change that include tree plantings, should involve an entirely new approach. They should not be supported by Managed Investment Schemes.

Plantings should be limited in size and be strategically placed within productive farming systems. Carbon plantings should not be based on past concepts, where organisations move into a region and buy up properties on a scale, that displaces communities and negatively impacts on stream supplies in the area.

I encourage this inquiry to look at the 'Heartlands' project for ideas on an integrated approach to farm forestry within productive farming systems. Carbon plantings could take the form of

biodiversity corridors but should be appropriately scaled and be promoted as joint ventures between industries, farmers and Government. This would ensure that local communities are engaged in the planning process and help avoid the negativity that has arisen in many areas that have been subject to MIS scale forestry investments.

Australia should not promote the MIS approach, where plantings of monocultures are driven by tax incentives without planning or acknowledgement of local or wider impacts.

The concept of removing overhead powerlines to promote trees planting in the cities is strongly endorsed in this submission. There would be many aesthetic and health benefits that would be derived by this approach. The social and emotional well being of city dwellings could be dramatically enhanced in certain locations with an increased planting of trees. Current trees impacting power lines are severely pruned and are costly to manage.

Direct investments in technologies and energy efficiencies

The proposed \$2.5 billion Fund for direct incentives to business would ensure that emission liabilities would be achieved in a timely and cost effective way. However it is unclear at this stage how the program would work and whether the investment will include infrastructure.

Direct investment to encourage change should provide greater opportunities to deliver measurable benefits in relation to reducing emissions.

Making the transition permanent, in relation to energy efficiencies and new technologies, that require investments in infrastructure, will be a far more effective solution to addressing Australia's emissions.

Australia can only claim to meet emission reductions in the Kyoto reporting period, on the basis of deforestation policies. This cannot be repeated and therefore there is a real risk that the ability of Australia's to meet 'any' emission liabilities, may well be grossly underestimated.

Add to this, expected population increases by 2020 to 2050 and the resulting economic growth that will follow.

Given, that in a ETS/CPRS complete with obligatory legal penalties, Australia may find itself in an emission reporting situation that it could never meet. The economic fallout of funding liability payments has not been adequately discussed.

Some will argue that tree planting can continue to provide Australia with an effective solution in the short to medium term. There is an assumption that credits claimed previously can be repeated and increased to a scale to meet the massive future growth in emissions due to population increases.

CONCLUSION AND RECOMMENDATIONS:

It is impossible to convey to the Senate Inquiry the immense personal and business cost that many farmers in NSW have absorbed.

It is equally impossible to identify the costs to the environment from inappropriate policies and lost opportunities through alienation of private landholders from Government Conservation Programs/Initiatives.

On a personal note, it is estimated that participation in a range of consultation and reforms processes, can be estimated at approximately \$50,000 annually since the period of the commencement of the Native Vegetation and Biodiversity laws. This accounts for the personal time contributed to the issues, but does not reflect additional cost incurred.

The employment of consultants to address inaccuracies with Department planning over a range of issues, telephone, office equipment and stationery, vehicle travel etc leave, the \$50,000 estimate, as being substantially underrated

Governments strongly advocate that planning or policy reforms are based on ‘community consultation’. A key failing of ‘community consultation’ is the growing acceptance that such consultation is largely just a process of Government, with little genuine engagement and adoption of issues raised by stakeholders. There is the added issue that communities invest personal resources in trying to genuinely engage with Government and often this investment is not rewarded with satisfactory outcomes. Some level of remediation may occur to those who are identified as a ‘key stakeholder’ to offset travel costs but this is extremely limited and restricted to Government committees in general. The vast majority of farmers or farm organisations participating in community consultation, do so at great personal costs.

I strongly urge this Senate Inquiry not to repeat past mistakes. This Inquiry should present a genuine opportunity to revisit and identify new strategies for delivering conservation outcomes on private land. In addition, promote an innovative pathway for meeting international obligations for Greenhouse.

The risk is that nothing will change and the Senate Inquiry and this submission, will join the ranks of other ignored information in basements of urban buildings. The long term risk to the environment is immense.

Submission Recommendations: Native Vegetation

- A complete review of Native Vegetation and Biodiversity laws. The introduction of adaptive management options to address the specific needs of regional and climatic zones.
- An analysis and review of the net environmental benefits from Australia’s afforestation and deforestation policies under the Australia Clause (3.7) Kyoto Protocol. Specifically to include how afforestation and deforestation policies diverted Government policy from alternate energies supplies, infrastructure and energy efficiency programs.
- A comprehensive review of Native Vegetation, National Parks and Fire Management and Afforestation policies on Catchment Hydrology.
- A revision of the listing process of threatened, vulnerable or endangered species under by the NSW Scientific Committee and the EPBC Act with a specific focus on risks to community engagement.
- Amendments to Biodiversity laws to enable negotiated flexible solutions to achieving conservation objectives
- Revised public and private land management strategies, in particular the re introduction of mosaic cool burning programs. An incorporation of local knowledge in the planning and implementation phase, where appropriate.

- Flexible policy development to engage the resources of private landholders to design, implement and managed environmental objectives on private land.
- An analysis of existing regulatory impacts on the environment and partnership programs
- Cultural change within the relevant departments to repair and re build ‘the bridges of trust’, between agencies and private landholders.
- Equal opportunity for social and economic development for regional communities – currently impacted by Native Vegetation and Biodiversity laws
- Review of National Park policy for weed, fire and feral species management
- Recognition of an Adaptive Management Approach to Threatened Species and Native Vegetation to account for other Government Policy decisions.

Submission Recommendations: Climate Action

- Encourage direct investment in technologies, renewable energies, energy efficiencies, transport and alternate energy infrastructure
- Australia should avoid a reliance on a Kyoto style CPRS or ETS due to administrative costs, complexities of reporting and the potential to achieve limited measurable objectives, within the short, medium or long term.
- Investments should recognise that renewable energies will have a strong role in specific parts of Australia. This submissions acknowledges the current reliance on coal fire generators for baseload power, particularly to meet the demands of urban areas. However this should not ignore the need to promote renewable energies in many other parts of Australia
- Alternate approaches to an ETS/CPRS must not place a regulatory reliance on rural Australia to meet international, or internal emission obligations
- Australia political framework must recognise that a ‘market based trading scheme’ will have severe limitations in terms of addressing Australia’s infrastructure needs to meet emerging energy options

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