

Senate Finance and Public Administration Committee
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Submission to Inquiry into Native Vegetation Laws, Greenhouse Gas Abatement and Climate Change Measures

We welcome the opportunity to make a submission to this Inquiry. BK & CJ Tomalin are graziers at _____ in New South Wales.

The impact of native vegetation laws and legislated greenhouse gas abatement measures on landholders

When we purchased the property in 1980 a large portion was lacking adequate tree cover and the pasture was low quality native pasture. The property was part of a land grant taken up in the 1840's and had a history of grazing, clearing and continuous management of timber regrowth since the land grant was taken up.

We embarked on a program of pasture renovation and improvement to lift the carrying capacity and productivity. This involved management of eucalypt regrowth, control of weeds (particularly blackberry), resowing pasture with highly productive varieties. In its unimproved condition the carrying capacity was around .5-1 dry sheep equivalent per acre. When rejuvenated each paddock was lifted to a carrying capacity of 10-15 dry sheep equivalent per acre.

The drought, fire and flood of the 1980-1983 period initiated a eucalypt regrowth event which we planned to make use of to improve the tree cover and to provide shade, shelter and natural corridors. To do this successfully we allowed the trees to grow to a size that allowed good decision for thinning and retention.

The introduction of SEPP 46 put a stop to the planned management program at the stage when it eucalypt regrowth was reaching a size and age where sensible management decisions were possible. At the time of the introduction of SEPP 46 most the regrowth was outside the 10 year age limit that allowed it to be removed. This effectively stopped the development of the property at that point. While we were able to obtain consent for some management actions the time taken to work through the approval process and the change in requirements from SEPP 46 to the *Native Vegetation Conservation Act, 1997*, meant that instead of proceeding with development our effort was now had to be divided between development and management of established areas.

With the introduction of the *Native Vegetation Act, 2003*, we applied to Hunter-Central Rivers Catchment Management Authority for a change of regrowth date PVP to allow the management of the post 1980 woody vegetation regrowth and the management of groundcover which had been cleared since 1990. After a four-year negotiation H-CRCMA agreed to a PVP for the management of woody vegetation regrowth.

However even though they have acknowledged that the groundcover is post 1990 regrowth they will not enter into a PVP which identified the areas as regrowth.

(a) any diminution of land asset value and productivity

The impact of the interruption to the management program has limited the economic return from the property to the extent that we have been unable to attain the carrying capacity necessary to generate sufficient income to without relying of an off-farm source of income.

While the value of the property has increase the full potential has not been achieved and will limit out retirement funding.

The provisions of *Native Vegetation Act, 2003*, allow the management of regrowth which has been restricted since 1995. However the implementation by Catchment Management Authorities of the change of regrowth provisions and section 23 – continuation of existing farming practices is inconsistent and does not reflect one of the basic principles of the legislation “if it has been managed before it can be managed again”. If these sections of the legislation were applied as intended much of the negative impact on native vegetation management would be removed.

(b) compensation arrangements to landholders resulting from the imposition of such laws

We have not met any of the criteria for any of the compensation arrangements that were instigated to mitigate the impact of any of the measures since the introduction of SEPP 46.

The *Native Vegetation Act, 2003*, was based on the recommendations of the Wentworth Group of Concerned Scientists and the Native Vegetation Implementation Group chaired by the Hon Ian Sinclair. Both recommendations proposed regulation to end broadscale land clearing and to pay farmers to manage native vegetation. To date the NSW Government has only implemented the regulatory side of the recommendations.

(c) the appropriateness of the method of calculation of asset value in the determination of compensation arrangements

The effective calculation of a compensation payment to landholders to account for loss of asset value and reduced productive capacity would have to be balanced against the lost opportunity cost for the landholder and the social responsibility of the landholder to undertake responsible environmental management.

The cost of funding a comprehensive “compensation package” for all landholders affected by native vegetation regulation of greenhouse gas abatement schemes is beyond the capacity of any government budget. The alternative is to develop market based mechanisms to provide some recompense to landholders for stewardship, vegetation management or the provision of environmental services.

Yours faithfully

(Brian Tomalin