

4 March 2010

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

fpa.sen@aph.gov.au

PO Box 6100

Parliament House

Canberra ACT 2600

Submission by John Cash (2 pages in all)

**(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**

My property has total area of 8500ha. I have voluntarily created the Burwood Nature Refuge of 4500ha (56% of total area), which is primarily managed for conservation with a small extraction of commercial timber.

Active timber management on this property ended in 1960. Prior to this time, 3000ha (35% of total area) was cleared, as per government direction, to hold the lease. Cattle numbers during this period of active timber management were 1800 head plus followers.

My partner and I bought the property in 1989. My partner had lived there previously from 1956 to 1966.

Timber management permits were sought and gained from 1990 to 2000, to potentially retreat the 3000ha of thickened regrowth, as the property was leasehold at that time. Freeholding was sought in 1996 and finalized in 2000. All the timber on 8500ha was purchased at this time. The Burwood Nature Refuge was created at this time.

We have 850ha (10% of total area) Category X (developed country) protected by a "Lock it in" Property Map of Accessible Vegetation (PMAV). Presently we carry 900/1000 head of branded cattle.

Department of Natural Resources estimated in 2006 that Vegetation Legislation prevented the development of further 1467ha (17% of total area) on Burwood. When developed, this 1467ha (cleared, grasses and legumes) would carry 1000 head branded cattle with average rainfall of 1000mm per year. This would generate an extra \$120,000 income per year. The full study supporting these figures can be supplied upon request.

This increased production would have doubled our income from livestock alone, and when added to income derived from the timber resource, would have made Burwood a diversified and sustainable operation for future generations.

The sale value of obviously has diminished in line with the reduction in potential productive capacity, with 90% of the total area for nature and only 10% presently marked as productive land.

The changes to Vegetation Legislation have had a significant impact on our productive capacity – and therefore income. Wage earners, including Senators, are recompensed through the industrial

bargaining process with regular wage rises. This legislation has effectively capped primary producer wage rises going forward. How can primary producers survive increasing input costs without wages rises?

Unlike wage earners, superannuation for primary producers is simply the capital value of our land asset. This legislation has not only capped this value, but in our case reduced it by half.

(b) Compensation arrangements to landholders resulting from imposition of such laws –

In effect, legislative changes have acted as a cap on development potential and a reduction in future earnings that we could not have foreseen when we bought the property in good faith in 1989. Restoration of vegetation management rights is the only fair and equitable solution to our situation. I have no faith that compensation can adequately recompense for years of potential earnings lost.

Taking a bigger picture view, this land has a history of being suitable for sustainable food production, and locking it away now will do nothing to further food security for Australia – a responsibility of government which seems to have been lost in current arguments.

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

Not applicable, see point (b) above.

2. Impact of proposed greenhouse responses from both sides of parliament-

If the ability to conduct a Native Forest Practice is banned as part of a greenhouse response, or to buy green preferences at election time, this will prevent the harvest of \$750,000 standing mill logs and the sustainable harvest of \$150,000 regrowth per year after that.

I am happy to be contacted in relation to any of these points.

Yours faithfully,

John Cash