

SENATE FINANCE AND PUBLIC ADMINISTRATION REFERENCES COMMITTEE

Inquiry into Native Vegetation Laws, Greenhouse Gas Abatement and Climate Change Measures

Name: Peter N & Julia Anderson

Terms of Reference

On 04 February 2010 the Senate referred the following matters to the Senate Finance and Public Administration Committee for inquiry and report.

(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.

Introduction

We welcome the opportunity to make a submission for the forthcoming Senate inquiry and report on the impact of Native Vegetation Laws, Greenhouse Gas Abatement and Climate Change Measures. Finally our fellow Australians may care to hear our story.

Our submission will address these laws and Greenhouse gas abatement measures in relation to its impact to our operation.

Location and Background

is situated in the Kilcummin District which is part of the Central Highlands in Central Queensland. , *portion 7* was originally part of *Logan Downs* which was sub divided in 1960, three years after the Kilcummin ballot blocks came up for selection. Parents Neil and Anne Anderson who worked and later freeholded in 1964 used to talk about the fact that you could see vehicle lights from afar driving through the property. Even with 48 years of agricultural development there is ever increasing heavy vegetation cover now which has made it impossible to

see lights at night using the same road. We have been proactive in all aspects of agricultural activities to manage the land in an environmentally sustainable way. The phrase “environmentally sustainable” has only been used in recent years. The concept of environmentally sustainable activities wasn’t thought of as an exception or something in addition to agricultural activities. Of course techniques and methods of cultivation and pasture management have improved immensely and we have kept abreast of these developments often at great expense to profit margins over successive good and bad seasons, knowing that the long term benefits to the operation are that which cannot be ignored. Our relationship with the Department of Primary Industries (has recently had a couple of name changes) has always been a positive one and we have always kept abreast of initiatives which are of long term benefit to the environment and food production.

Vegetation Laws and Greenhouse Gas Abatement measures affect on asset value and productivity

Fortunately we have Property Map of Assessable Vegetation (PMAV) in place which allows us to manage our vegetation in an environmentally sustainable way. It is acknowledged that areas of Queensland that have a PMAV in place will not be affected at this point in time. However real property values have been affected because of vegetation restrictions which are not based on the best scientific evidence available. These restrictions were put in place on the eve of an election which alludes to political motivation rather than environmental gains. Productivity is affected due to the reduced grazing capacity of these lands. The reason for this is due to more pressure being placed on the remainder of the property in order to make a living. Equally this means that fewer funds would be available to manage the land well in the manner in which we have been doing so on the whole for generations. The landholder is still responsible for weed and pest control in restricted areas.

What does concern us is the restrictions put in place by the Vegetation Laws particularly the 2009 Vegetation Laws which have a direct correlation to a loss in productivity which leads to a loss in value. There is more pressure put on the balance of the property thereby adversely affecting existing management regime / practices and desired environmental outcomes. For example there is restriction on the ability to carry out basic works like constructing levee banks that reduces erosion in wet weather events. In some cases property is rendered unviable in terms of asset value. This is due to having faced increased costs leading to reduction in herd size and development work capabilities which leads to a loss of production of food and fibre.

Compensation arrangements to landholders resulting from the imposition of such laws

Historically landholders have had sustainable production tied to lease conditions. Up until the late 1970’s land holders were instructed to clear holding areas. This requirement saw many landholders give personal sacrifice (i.e. live in substandard accommodation for many years, with no established infrastructure e.g. roads, fencing, watering points, mail service, telecommunications, power or educational facilities for children) to be able to afford the cost of land clearing and other covenants like installing feral animal proof fencing. The threat of the Government of the day being that their lease would be taken off them if they did not comply with such terms. Even with these considerable hardships the scheme did give family run farming enterprises the start they needed to produce food & fibre in a sustainable way. It therefore cannot be underestimated how ‘tied’ to the land that these

families are. They most certainly want to see it fit for sustainable food and fibre production in the future. In our case maintenance of developed productive land areas has only been conducted where appropriate for example there has been no clearing of vegetation over shallow friable soil structures. The technology for maintenance of woody vegetation has improved substantially which allows for thinning rather than broad scale clearing. In 1999 a Ministerial Advisory Committee formed to advise on the introduction of clearing regulations on freehold land which saw no consultation or compensation offered to landholders in the resulting Vegetation Management Act 1999.

The Government introduced state wide Land cover and Trees Study (SLATS) into monitoring woody vegetation change in developing local tree clearing guidelines. A lot of landholders put considerable time and money voluntarily in developing these local tree clearing guidelines. However after an election (to secure green preferences) the process was abandoned.

In subsequent joint State and Commonwealth Government proposals to reduce land clearing in May 2003 and phase out of broad scale land clearing of remnant vegetation by December 2006 never mentioned ongoing sustainable productivity of food and fibre production in the desire to protect Queensland's rich biodiversity. The Federal Government financial assistance package to assist landholders affected by these changes has never been forthcoming. During this time the PMAV system was introduced in Queensland.

We empathise with other land holders who do not currently hold a PMAV as the PMAV system was not widely promoted as an essential tool for security in food and fibre production and no end date for applications was given. The importance of having a PMAV would be realised in the 2009 pre-election Moratorium over Regrowth clearing and post-election subsequent Vegetation Management Act Amendments, which has seen the loss of productive developed land. Land holders feel particularly aggrieved because previously the frequency of regrowth treatment is in line with long term management principles which are also a sustainable approach. We are concerned now that we have to treat regrowth in a shorter cycle (an unsustainable approach). Under this legislation Non-PMAV Regrowth over a certain age and ecosystem prescribes varying management regimes. The composite effect of legislated vegetation clearing restrictions and greenhouse gas abatement measures is to put the balance of the 'farm' under great pressure.

Our biggest concern for business confidence, certainty and family succession planning is the security of the PMAV system. The speed at which the Queensland Parliament introduces retrospective legislation to appease their political agenda is eroding business confidence. No business can flourish under the threat of making existing legal activities suddenly illegal.

If the Government has the desire to remove the PMAV system, they will do so without the need for negotiation. In 2003, Minister Stephen Robertson promised land holders that Developed country i.e. Regrowth maintenance would always be allowed and now one million hectares have been locked up (how many next time?). We have the same minister in the same portfolio that is promising the PMAV system is secure.

Calculation of asset value in the determination of compensation arrangements to landholders resulting from the imposition of such laws

Compensation is considered a very poor alternative to the restoration of (previously existing) rights, particularly for fee simple land owners. Asset value alone is not an adequate or reasonable criterion

for calculation of compensation, which should include a loss of income component and a loss of opportunity at the very least. Freehold land was purchased from the Government at great expense to the landholder. This is particularly the case in our situation. These freehold rights have been indirectly expropriated from rural land owners for the financial benefit of the Government and the broader public without negotiation or consent. If the Government wishes to purchase these rights back from the landholder then they may do so in negotiation with landholders on an individual basis, the same way that land holders had to purchase them from the Government on an individual basis. It is suffice to say that we haven't sold or given these rights to anyone.

Other considerations

Rural land owners pay tax and already contribute to environmental conservation in many ways which includes but is not limited to the retention of virgin timber, corridor retention, provision of water remote points (bores) that water native animals and birds in addition to domestic stock, salinity control, and feral animal and weed surveillance and management. With increasing pressure on the balance of farm there is a net loss of revenue which leads to a loss of financial ability to invest in additional environmentally friendly farming research, trials and practices. The forced and voluntary contributions being made by farmers to greenhouse gas reduction, environmental conservation and ecological sustainability are unduly onerous, out of proportion to the contribution made by the rest of the community and are unfair.

Farm succession planning and business planning is increasingly uncertain and this has far reaching consequences for the banking sector and rural and regional communities. Experience in land management as generations of farming families have demonstrated cannot be purchased, compensated or attained through a University Degree.

With regard to pivotal subordinate legislation and relevant law making there has been consistent lack of transparency in addition to the introduction of instruments without any proper or adequate consideration to the contributions landholders make to society. These instruments negate basic legislative principles (particularly the principle requiring regard for the rights and liberties on individuals and the institution of Parliament). This is especially the case of the recently introduced Great Barrier Reef Protection Amendment Act 2009, enabling the Queensland Government to regulate certain activities on cattle grazing and sugarcane properties in the Burdekin Dry Tropics, Mackay-Whitsunday and Wet Tropics catchments. This legislation is targeted at larger operations i.e. over 2000ha so in effect excluding the many smaller operations which are closer to the coast. These smaller operations have a tendency to over graze (no opportunity to rotationally graze) thus causing more sediment, fertilizer and chemical movement onto the Great Barrier Reef. Once again this legislation smacks of political gain rather than true environmental gain. It would seem that the combined effect of urban chemicals, household waste, urban rubbish dumps, industrial cleaners and mining activities in the region have been discounted in the measures taken to "protect" the Great Barrier Reef.

Draconian legislation only reduces all landholders to the lowest common denominator. Industry practices on the whole have been ahead of Governmental developments in land management. As a consequence of these laws, research and industry led improvements will suffer because land holders do not have the necessary security to divest funds into improving on existing best practice benchmarks. Our cynicism is well founded as we constantly see the Government adopting one lower

standard of management for National Parks on one hand and then on the other imposes another higher standard of management for farms.

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

An incentive based scheme is far preferable to a tax based scheme and has far greater prospects of bringing about improvement. Increased costs from transport, fuel, power, spare parts & consumables will drive farmers to the wall or from the land. The consumer will not pay higher prices to support the increased cost of domestic production but will opt instead to buy cheaper overseas products that have not been produced to the same high Food Safety Standards that we must abide or produced without the same regard for the environment or Greenhouse Gas Emissions that we must consider.

The proposed Greenhouse gas abatement laws are based on flawed science and the IPCC has been exposed as using and adopting flawed data, material and assumptions. A far greater amount of money is needed in research and development funding than is currently made available by government both with respect to climate research and in connection with rural land use practices.

The very least that this inquiry can bring about is the restoration of our freehold rights in Queensland, business confidence and confidence in divesting funds into the ongoing management of the land in an environmentally sustainable way for all Australians will follow.