

Submission to Senate Committee Inquiry

3 March 2010

Dear Committee Chairman,

This submission contains our opinions and recommendations in relation to the impact of native vegetation laws and legislated greenhouse gas abatement measures on landholders. It aims to cover the points (bolded) in the Terms of Reference of the Inquiry.

(1) The diminution of our land asset value as a result of native vegetation laws

We had our property on the market prior to the introduction of the Native Vegetation Conservation Act (NVCA) and were negotiating with an interested buyer. However, when the full impact of the Act became known the buyer withdrew. The impact of the Act was further exacerbated after our local Council, Eurobodalla, made the restrictions more stringent than was required under the Act by the NSW Government. Over the period of our ownership we have carried out 'sustainable logging operations' under the approval of NSW Dept Land & Water Conservation (DL&WC) and Eurobodalla Council. These operations were useful for clearing as well as being financially viable. The 'red tape' and additional restrictions under the NVCA now make this unviable and potential purchasers know it. Our land asset value has been seriously diminished – we have had no reasonable offers since!

(2) The diminution of the productivity of our land as a result of native vegetation laws

During the forty-five years we have owned _____ we have successfully grown both cash and fodder crops on the alluvial flats originally cleared by the pioneers. We also established improved pastures on the cleared undulating country as well as some flats to raise beef cattle. When the NVCA was enforced by Government Departments and Council it placed more restrictions on clearing native vegetation and not only did this prevent expansion of our enterprises but in many cases prevented maintenance of existing productive areas. In some cases the restrictions legally prevented our destruction of vegetation in cropping areas and pastures which the authority defined as 'native'. Simply put, the law would ultimately have us turn over our whole property to native vegetation. Over the period of our ownership we have carried out 'sustainable logging operations' under the approval of DL&WC and Eurobodalla Council. These operations were useful for clearing formerly unproductive land. The 'red tape' and additional restrictions imposed by NVCA now make this unviable. The productivity of our land has therefore diminished.

(3) The diminution of our land asset value as a result of legislated greenhouse gas abatement measures

Prospective purchasers of our property are now faced with the added restrictions placed on them in order to comply with the new greenhouse gas abatement measures. . Over the period of our ownership we have carried out ‘sustainable logging operations’ under the approval of NSW DL&WC and Eurobodalla Council. These operations were useful for clearing and financially sustainable. The ‘red tape’ and additional restrictions now make operations of this kind unviable if not impossible. Clearly this has resulted in a lowering of our land asset value. For us as beef cattle producers, we see the value of our property for beef production diminish because of proposals such as “reducing the methane produced in the gut of cattle (farting & belching)” which some media advertisements suggest should be done by persuading the population not to eat meat! The ultimate outcome is that we cease beef cattle production.

(4) The diminution of the productivity of our land as a result of legislated greenhouse gas abatement measures

Over the period of our ownership we have carried out ‘sustainable logging operations’ under the approval of NSW DL&WC and Eurobodalla Council. These operations were able to make available potentially productive land for improved cropping and beef productivity. However, the ‘red tape’ and additional restrictions now make such logging unviable if not impossible. Production of logs from our property will cease under greenhouse gas abatement measures

(5) The compensation arrangements to landholders resulting from the imposition of the Native Vegetation laws and greenhouse gas abatement measures

Greenhouse gases, carbon compounds like carbon dioxide and methane, are naturally stored in native and cultivated trees and plants. The government encourages and financially rewards those who grow plantations of trees. On the other hand, landholders such as farmers who have areas of native vegetation as part of their holding are now compelled to retain all of it to the detriment of their existing productive land without compensation let alone financial reward. Simply put, we get no compensation when we are forced to lock up our land to native vegetation and/or when we are forced to stop beef cattle production resulting from the imposition of the Native Vegetation laws and greenhouse gas abatement measures.

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

We understand from the media that one hundred and nine million (109,000,000) hectares of farmland is currently locked up through the imposition of the Native Vegetation laws and greenhouse gas abatement measures. This equates to seventy million (70,000,000) tones of carbon stored on land that farmers are now unable to use. The asset value of compensation should therefore be \$10.8 billion (\$10,800,000,000).

(7) Other related matters

a) Removal by Government of Property Rights has wide and serious implications for all Australians. We understand that under the Constitution the Government cannot take property from anyone unless there is ‘just terms’.

b) The Federal Government is committed to increasing the population of Australia in the short and long term. Australian farmers have and still do, provide superior quality food – meat, fruit, vegetables, poultry etc. By limiting farmers from using their land productively, the present and future population of Australia will be denied what is recognized as “World Class” food, thus resulting in reliance on imported fresh and manufactured foods. At present, by strict controls, Australian farmers produce disease free food products for the domestic market as well as export. Without these controls, plant and animal diseases can easily enter the country and have the potential to destroy our economy. Not only will farmers and consumers lose out. The Australian food manufacturing sector will be hard hit and further job losses will result. These draconian vegetation laws will bring about a disastrous reduction in living standards. In summary, the effects of the Native Vegetation Act in its current form, will have far reaching implications to the detriment of the entire nation.

(8) The impact of the Government's proposed Carbon pollution Reduction Scheme

We understand that Australia has achieved a 22% carbon emissions reduction under the Kyoto protocols only through locking up farmers' lands under the Native Vegetation Conservation Act. We are now unable to clear land for improved production or even proper maintenance because trees are claimed by government as 'carbon sinks' in order to reduce carbon emissions from **industry**. Simply put, this 'Scheme' is **confiscation without compensation**.

(9) The range of measures related to climate change announced by the Leader of the Opposition (Mr Abbott) on 2 February 2010

We understand that Mr Abbott's range of measures related to climate change contains initiatives which, unlike the Government's, do not discriminate against farmers. These would potentially force the big polluting industries (e.g., power & coal) to pay for their carbon emissions rather than farmers/landholders being forced to pay through the imposition of the Native Vegetation and other legislation

Recommendations

- Let it be very clearly understood that we, as part of the farming sector, should not be responsible for all Australia's commitment to meet international treaty obligations like Kyoto.
- Establish a Carbon Pollution Reduction Scheme with generous tax incentives and financial rewards for landholders to maintain and enhance native vegetation.
- Ensure that industry and the whole community pay for proper compensation, rewards or incentives to landowners.
- Amend or repeal Native Vegetation Conservation Act so as to restore 'land rights' to farmers and landholders.

Yours faithfully,

J. G. & M. P. Hann