

## **SUBMISSION**

**Australian Resource Security Inc**

**Australian Finance and Public Administration Committee**

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**Senate Finance and Public Administration Committee Inquiry:**

Terms of Reference - Native Vegetation Laws, Greenhouse Gas Abatement and Climate Change.

This submission is limited to the issues referred to in item 1 of the Committee's Terms of Reference, as outlined below.

Australian Resource Security Inc is a non-profit body whose objects and focus include the promotion and preservation of the rights and interests of resource and land owners.

It is the Association's view that the proposed native vegetation laws and the proposed greenhouse gas abatement measures will have a profound and adverse effect on land and resource owners and the previously perceived benefits of land ownership. They will also have a marked and negative effect on rural productivity, and thereby have a negative impact on community standards of living, lifestyle and amenity.

## **Terms of Reference**

### **1(a) Impact of Native Vegetation Laws and Legislated Greenhouse Abatement measures on land holders, including – any diminution of land asset value and productivity as a result of such laws**

#### **The impacts of these measures will likely be as follows:-**

##### Native vegetation laws – asset value

- erosion and reduction of grass cover will result in an adverse effect on value
- restriction of ability to carry out basic works – eg construction of levee banks
- loss of economies of scale
- the restrictions will make (some) properties uneconomic, and thereby reduce their value
- they will result in a loss of equity
- the restrictions will result in a loss of productivity which will lead to a loss of value

##### Native vegetation laws – productivity

- they will result in a loss of carrying capacity
- they will lead to a reduction in weight gain per day
- they will put more pressure on the balance of the farming property, thereby adversely affecting it
- they will have an adverse effect on existing management regime / practices
- (land owner will continue to be responsible for weed & pest control on the areas of the farm they can no longer productively use)

##### Greenhouse gas abatement measures – asset value

- they will lead to increased costs which will lead to reduced profitability which will then mean a reduction in property value
- they will also render some properties unviable

##### Greenhouse gas abatement measures – productivity

- will result in increased costs which will lead to a reduction in herd size or development works
- will result in a loss of productivity, and thereby reduced food / fibre
- will render some properties unviable
- they will cause a reduction in or loss of management choice on farm

**1(b) Impact of native vegetation laws and legislated greenhouse abatement measures on landholders, including - compensation arrangements to landholders resulting from the imposition of such laws**

**As regards compensation arrangements: -**

Native Vegetation Laws

- land owners want the restoration of their (previously existing) rights, particularly fee simple land owners
- compensation may assist in financial terms, but does not address adequately or at all, other aspects of the dynamics of land ownership
- any compensation should include a component for loss of income over a (substantial) period of time *plus* a component for reduction in capital value (based on a 4:1 ratio of undeveloped to developed land) *plus* a component for loss of opportunity, stress, emotional distress and humiliation under a system that is clear, transparent, certain and has broad community acceptance

**1(c) Impact of native vegetation laws and legislated greenhouse gas abatement measures on landholders, including – the appropriateness of the method of calculation of asset value in the determination of compensation arrangements**

- compensation is considered a very poor alternative to restoration of (previously existing) rights, particularly for fee simple land owners
- asset value alone is not an adequate or reasonable criteria for calculation of compensation, which should include a loss of income component calculated over a (substantial) period of time, as well as a component for stress, emotional distress, loss of ‘face’ and humiliation and loss of opportunity.

**1(d) Impact of native vegetation laws and legislated greenhouse abatement measures on landholders, including – any other matter**

- they have created business & family uncertainty
- some rural land owners have suffered loss and deprivation under or as a result of previously ill founded government policy (eg Brigalow scheme in Queensland which mandated the wholesale clearing of vegetation and soldier settlement blocks which were too small) and the adverse personal, community & environmental impacts now resulting
- many properties are carbon ‘negative’ in terms of the carbon they sequester exceeding the carbon they emit
- rural land owners pay tax and levies and contribute to environmental conservation in many ways
- an incentive based scheme is far preferable to a tax based scheme, and has far greater prospects of bringing about improvement
- Australia should not move alone and should not do so unless all major developed and undeveloped countries opt in to any carbon reduction related scheme – at best, according to some publications Australia will produce a change of 0.000045% difference in world greenhouse gas emissions
- increased costs from transport, power, spare parts & consumable will drive farmers to the wall or from the land
- loss of revenue inevitably leads to a loss of financial ability to invest in additional environmentally friendly farming trials, practices and research
- the composite effect of both restrictions on native vegetation clearing and greenhouse gas abatement measures is to put the balance of the ‘farm’ under great pressure
- lifestyle, ‘the future’ and the desire to pass on the farm to future generations are important considerations to the farming family and are severely compromised as a result of these measures
- available data suggests that the major greenhouse gases are – water vapour (97%), carbon dioxide (2%) and methane and other (1%), so the practicable “best case” outcome from these measures is extremely limited in the Australian context
- 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
- in relation to pivotal subordinate legislation and relevant law making there has been, at least in Queensland, a patent lack of transparency, as well as such instruments being introduced without any, or any proper and adequate consideration. Such instruments impinge upon the basic legislative principles (particularly the principles requiring regard for the rights and liberties on individuals and the institution of Parliament)
- soil organic carbon would seem to have greater potential to sequester carbon and would also enhance soil quality and water retention by the soil
- the farming sector has been discriminated against, at least in Queensland, when compared to the more favourable treatment given to mining and urban orientated developments
- the Eco-fund or Balance the Earth Trust proposed by the Queensland Government to manage “green levies” and the like lack transparency and

accountability, and should at least be administered by a non-government and industry related body

- the disparity in value between currently developed and currently undeveloped land will widen as a result of vegetation clearing restrictions which will also tend to marginalise and impoverish farming properties
- the contribution and effect of urban chemicals, household waste and urban rubbish dumps and industrial cleaners seem to have been discounted in the measures taken to “protect” the Great Barrier Reef
- proper and reasonable compensation should be paid to farmers who provide ecosystem / environmental management services over the basic “duty of care” threshold
- ‘the consumer’ will not pay higher prices to support the increased cost of domestic production under the proposed measures, but will opt instead to buy cheaper overseas products and services (not subject to equivalent environmental constraints & costs) – eg Thai, Philippine, Argentine, Chinese, etc. This may involve the importation on foodstuffs that do not conform to Australian standards and may encourage foreign farming practices that are adverse to human health and are less environmentally friendly than Australian farming practices as a whole
- Minister Wallace (Qld) on 18 April 2007 in speaking in debate on the Land and Other Legislation Amendment Bill (Hansard, page 1304) said that ***“The government on behalf of the people of Queensland manages the leasehold estate and the funds that are derived from it go back into consolidated revenue. It is incumbent upon the government to ensure that the community receives a fair return on this asset”***. That same consideration and approach has not been applied to rural land owners affected by these laws. The land and farming enterprises owned and managed by farmers have in numerous instances been decimated and rendered uneconomic, without any regard to the return farmers would otherwise have received from their lands and businesses.
- the contributions made by rural land owners to nature conservation include retention of virgin timber, corridor retention, provision of remote water points (often bores) which water native animals & birds (in addition to domestic stock), salinity control and voluntary daily pest and weed surveillance
- farmers contribute greatly to the life and wellbeing of rural & remote communities
- human beings need to survive as well
- the government, at least in Queensland, adopts one (lower) level of management for national parks and imposes another (higher) standard on privately owned farms
- the indirect expropriation of rural land owners existing and lawful ‘rights’ is unfair and unjust and has resulted in financial benefit for the government and for the broader public
- the proposed GHG abatement laws are based on flawed science and the IPCC has been exposed as using and adopting flawed data, material and assumptions
- any emissions trading scheme will only work properly if it is carefully and thoroughly thought through prior to introduction and is comprehensive, fair and transparent and has broad community support

- a far greater amount of money is needed in research & development funding than is currently made available by government – both with respect to climate research and in connection with rural land use practices generally

The points and comments made above are made from the perspective of the rural land owner.

They suggest that there has been insufficient land owner ‘buy in’ and support for the measures proposed by government (at both Federal and State level) with respect to both native vegetation management and greenhouse gas abatement measures.

Until such measures have that support, rather than being imposed, they are unlikely to be successful in achieving major and real outcomes of benefit to the community, particularly the rural community, and to the environment.

Australian Resource Security Inc.