

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON ENVIRONMENTAL HERITAGE

Issues for the inquiry into public good conservation

TERMS OF REFERENCE

It is understood that the House of Representatives Standing Committee on Environment and Heritage will enquire into and report on

- The impact on landholders and farmers in Australia of public-good conservation measures imposed by either the State or Commonwealth Governments;
- Policy measures adopted internationally to ensure the cost of public good conservation measures are ameliorated for private landholders;
- Appropriate mechanisms to establish private and public good components of Government environment conservation measures; and
- Recommendations, including potential legislative and constitutional means to ensure that costs associated with public good conservation measures are shared equally by all members of the community.

This submission has been prepared by Ashley Prout, of Ashley Prout & Associates of Albany Western Australia, on behalf of the owners of Plantagenet Locations 6478 and 6988,

KJ, IR, & MJ. O'Dea

Peepingee Pty Ltd

RMB 207, Green Range

Western Australia. 6328

1 BACKGROUND

Peepingee Pty Ltd (the O'Dea family) applied to clear 300ha of land on 27th March 1997. Their Notice of Intent (NOI) to clear was for land on Plantagenet Locations 6988 and 6478 adjacent to the Hassell Highway in Manypeaks, east of Albany.

Jill Lisson and Kevin Shanhun (from the Albany office of the Department of Agriculture) inspected the area subject to the NOI on 16th May 1997.

Five months later, on 18th August 1997, the Deputy Commissioner of Soil and Land Conservation, after receiving advice from an Inter Agency Working Group, formally objected to the notified clearing proposal.

The Commissioner notified the O'Dea family of the opportunity to make use of a new Government initiative, the 'Natural Resource Adjustment Scheme'. The

valuations obtained under this scheme proved unacceptable to the O'Dea family, who then decided to appeal the Commissioner's decision. The Commissioner then issued a Soil Conservation Notice under Section 32 of the State's Soil and Land Conservation Act of 1945 of the 24th of July 1998, preventing any further clearing.

The O'Dea family purchased the property in 1980 on the understanding that the majority of the farm could be developed, since the bush in question had been cleared in 1972 and been stocked during winter feed shortage periods.

Rainfall is approximately 650mm with the majority falling within the winter months however frequent summer showers ensure a long growing season.

Between both locations there is only 697 ha cleared or 52.2% of the total property, with 47.8% remaining as uncleared bush, shade, shelter and forestry projects. The area subject to the Soil Conservation Notice amounted to 383.1ha or 28.6% of the property.

The bulk of the property is within the Waychinicup Catchment area. The Waychinicup Catchment area is only approximately 30% cleared with the remaining vegetation forming a reserve, No 29883 of approximately 7,914ha. The total catchment area is approximately 11,300ha.

2 GROUNDS FOR APPEAL

The owners of Plantagenet Locations 6478 and 6988, Peepingee Pty Ltd appealed the Commissioner of Soil and Land Conservation's decision on their Notification of Intent to clear land.

The grounds for this appeal were;

- Possible inaccurate interpretation of salinity risk, both on-site and off-site,
- Over stating of land degradation risk,
- Lack of consideration given to the proportion of clearing and remaining vegetation within the catchment area,
- Lack of consideration given to current and changing land use within the catchment,
- Land had been cleared during 1974 but not seeded due to a down turn in agricultural markets and drought conditions.

The appeal was investigated, the family consulted and the property re-inspected by a staff member from the State Government Department of Environmental Protection, a Hydrologist from the WA Department of Agriculture and a farmer member of the community.

The appeal was partly upheld and the objection to clearing an extra 150.1 hectares of land was removed. The remaining 233.0 hectares is the subject to a Soil Conservation Notice, which prevents the use of the land. The SCN states that the 'remaining 220 hectares is to be retained in perpetuity as shown of the plan.' *"The area described is to be adequately fenced to exclude all classes of livestock by 31st October 1999 and be managed in such a way as to retain and promote the growth of native vegetation."*

The Commissioner of Soil and Land Conservation has prevented the family from fully developing their farm and imposed upon them the task of maintaining and managing in perpetuity the native vegetation in the uncleared areas for absolutely no financial return.

The family has been subjected to a loss of income over this 2-year period while paying to protect the native vegetation they could not clear. The family did receive a fencing grant of \$3,840.00 as a condition of not clearing. These funds came from State Government possibly via the National Heritage Trust.

3 LOSS OF INCOME AND PROFIT

In 1997 neighbouring properties sold for \$1350.00 per hectare for planting to *Eucalyptus globulus* (blue gums). Assuming prices remained constant, (prices for blue gum land actually increased) the delayed development of the land that was finally allowed to be cleared, cost the family the loss of income from either blue gums, cropping income or that generated from grazing of sheep.

Examples of this loss of income are set out below. Information is taken from ABARE and the Grains Research and Development Corporation's, April 1999 edition of the Australian Grains Industry performance of various crops in a range of climatic zones. Values used are those based on an average of values for Katanning and Scadden sandplain.

- Wheat (ASW) gross margin is \$204 per hectare
- Barley (feed) gross margin is \$134.00 per hectare
- Oats gross margin is \$110.00 per hectare.
- Canola gross margin is \$310.00 per hectare.
- Wool at 10 DSE per hectare would yield 45 kg of wool at \$3.50 per kilogram grosses \$157.50 per hectare.

NB Gross margins are nett of the direct costs involved in getting the crop into the ground and harvesting. They include such costs as seed, fertiliser, sprays, chemicals, land preparation, harvesting and freight.

At the above margins most farmers would have chosen the cropping option and most likely barley would have been sown.

The loss of income from the 150-hectare area would have amounted to \$20,100 per year and \$40,200 over the two-year period.

The loss of income from not being able to clear and use the remaining 233 hectares if planted to the same crop would amount to approximately \$31,200 per year. This is a part of the total cost of protecting the native vegetation that has to be kept and protected for the public good.

Other costs involved include the cost of maintaining fences, maintaining fire breaks to prevent fires escaping from the native vegetation and into crops, the cost of controlling vermin and weeds is also high. These costs are difficult to determine but are a direct result of having to protect and manage the native

vegetation as directed under the State Government's Soil Conservation Notice.

It is also interesting to note that after the Commissioner agreed to an extra 150 hectares of clearing, the cost of developing this land to the stage of being able to graze and crop was \$170.00 per hectares. This land was then worth at least \$1350 per hectare, the family has subsequently been offered \$2000.00 per hectare. The \$1350.00 per hectare value has been used in all calculations.

Not being able to clear the remaining 233 hectares has cost the family \$1,180 per hectare in property value or a total of \$274,940 in sale value.

The cost of reserving, protecting and managing this land for the public good is considerable. Apart from these direct costs, there are other serious effects and human costs imposed by these Government imposed restrictions and costs of preparing the appeal to the Minister. Some of these are listed below;

- Consultancy costs,
- Demands from other State Government agencies with out personal visits or inspections,
- Loss of lifestyle due to being forced to sell because of lack of area to farm sustainably,
- Son now out of work and not inheriting family farm due to lack of viability,
- Bank was continually increasing pressure to reduce mortgage, but family found it extremely difficult due to inability to expand because of clearing restrictions and high prices of neighbouring land forced up by timber companies,
- Resolving conflict between forestry company neighbours and traditional farming enterprises,
- Understanding why there is a lack of consistency between Government agencies and timber companies and farmers,
- Suffering poor communication from Government agencies lack of interest in visiting property,
- There was no counselling or offer of paid assistance when clearing refusal was issued,
- No compensation of costs of appeal when appeal was upheld,
- Lifestyle severely upset causing mental stress to John O'Dea, requiring medical assistance and rest. Forced to take leave from local Government and other community duties and involvements,
- Forced to pay rates on land that could not be used.

4 RECOMMENDATIONS

- Government initiatives to allow farmers to subdivide and sell native bush blocks (with covenants attached to the titles to prevent further clearing) have merit, however the State agency Ministry for Planning appears to be resisting this initiative, thus locking in the above situation. Farmers need the ability to remove the vegetated land from their control and have other Government agencies or new landowners assume the management role.
- Government should accept responsibility to purchase the land that has had clearing restrictions placed on it. This would then pass the burden onto the whole community and not leave it with the owner. Payment options for the land may need further investigation but could perhaps be done through the taxation system over several years.
- Financial assistance in managing the land for the community should be considered, the community is the beneficiary and should pay for this work,
- Where appeals against Government decisions are up held, some compensation of costs should be paid,
- Compensation for not clearing should be apportioned according to benefits received by all of the community. In some cases neighbouring farmers may benefit from clearing restrictions placed on neighbours,
- It is recognised that there are benefits to the landowner of reserving native vegetation, however, an argument can be made to clear scrubland and plant to forestry trees to assist in the fight against salinity. This action, if the land was 'locked' into a continuous forestry land use, would assist in reducing land degradation due to water logging and salinity.

5 SUMMARY

The cost of not clearing, protecting and managing the native vegetation on the O'Dea farm has resulted in considerable cost to the family. The family has suffered loss of income, loss of capital growth and suffered extreme mental stress due to dramatic lifestyle changes forced on them.

These are the costs of preserving the native vegetation for the public good.

It is difficult to sum all these costs however it is in the vicinity of \$315,000, plus other costs that cant be valued however they have large human costs.