

Senate Finance and Public Administration Committee
PO Box 6100
Parliament House
Canberra ACT 2600

24 Feb 2010

Native Vegetation Laws, Greenhouse Gas Abatement and Climate Change Measures.

Dear Sirs

I thank Hon Senators for this opportunity to contribute to this inquiry on behalf of myself and extended family. In doing so, I am neither sceptic or adherent to the current debate, but believe this generation of humans has no moral right to use the finite resources of the world and leave little for future generations. The need is to make sure all aspects contributing to a number of perceived environmental problems are fully examined and prioritised before taking decisive action.

Because water vapour is 200 times more powerful as a greenhouse gas than carbon dioxide (not in the debate) and the population of humans has increased three fold in 50 years (denied or treated as peripheral), the solution to Planet Earth's Syndrome will have more than one cause and more than one solution

(1) [a]

To judge the extent of the effect of these laws on general productivity and even the productivity of the areas locked up to sequester or hold carbon, an understanding of the unscientific, emotional and political opportunism that allowed for their creation in the first place should be noted.

The basis of good forest practice for the last 9 centuries has been to preserve the forest in perpetuity by harvesting at a lesser rate than the overall growth rate. Silviculture allows for ongoing fire reduction programs which do not have to use fire. Indigenous silviculture, branded 'fire stick control' by wilderness proponents, ignores the fact that some native animals helped to control regrowth, while litter from trees was used for firewood throughout the year. Depending on location fuel was carried over considerable distances to establish middens. Hence the 'park like' appearance of the countryside experienced by the early settlers.

To have native vegetation laws in place that literally lock up areas to become wilderness, imperils the preservation of the object of the exercise, to have a carbon sink. The area's ability to continue to sequester carbon is limited by the overcrowding of retarded and stunted growth.

A distinction needs to be made between the objects of Landcare and these native vegetation laws. Landcare provided some of the initial cost, was community funded and the ongoing management by the landholder is rewarded by better micro environment and preservation of assets.

The fact that these vegetation laws are in place with direct negative results in the form

of a continuing tax on capital that is then precluded from earning, is basis for compensation in that respect alone. In addition landholders in high and low rainfall areas with differing forest type, indicates differing requirements for compensation. In National Parks where the same wilderness concept provides a relief to state budgets, because of no silviculture, but an increase in fuel for uncontrollable fires that then spill out onto private land, wrecking havoc on farms that would otherwise not be directly affected by the laws, is creating a ripple effect with secondary claimants.

There are reasons why good forestry practice fell by the wayside during WWII and that there were faults on both sides ongoing from 1973/4 with conservation and industry, aided and abetted by the media who were more interested in their ratings and circulation than solving an important problem. With political parties on all sides of politics wooing a gullible and ignorant electorate, the situation has not improved with the creation of larger unmanageable National Parks with poor funding.

(1) [b]

Compensation arrangements to landholders resulting from these laws, as pointed out above, affects more than just those directly prevented from using their capital to its full extent.

It is conceded by the Productivity Commission and Local Government and Shires Association of NSW that where tax is imposed there should be a benefit to the taxpayer. In the case of these laws there is no benefit, only increasing liability of fire risk, harbour for feral animals, exotic weeds and in some cases erosion. Therefore all government rents, rates and charges (NSW Livestock Health & Pest Authority) should be refunded from State coffers.

Part of our culture is to expect all problems beyond the immediate comprehension of the complainants to be solved by 'the government fixing it'. Thus the people making the demands for ratification of Kyoto, concerned about global warming, or climate change, do not realise that at this stage there is no commercial link to pay for their demands, or that there is costs incurred that need recovering by individuals and/or governments.

According to some environmental groups their members are willing to pay for stewardship of land, in this case, silviculture. Credit to them. But many would have no thought on it because they think the problem is not in their back yard and if the government fixes it, they don't have to pay.

The options would appear to be:

(1) a specific law that overrides states setting out compensation covering loss of earnings and what they might be when the effect of drought has to be factored in. Possible overcharging of shire rates on land of decreased value and the problems inherent in that. Cover actual loss on sale of property. Who provides the cash for compensation to be defined. An interim measure requires redrafting.

(2) Use of referenda to circumvent state constitutions with the source of compensation funds as yet undefined, plus all of (1).

(3) Local government is under utilised but has the potential to provide the resources that are necessary after modification to its rate base. It would not be a new tax but it would create the missing commercial link where the user pays. Avoid states rights issues by using COAG and Inter Government Agreements to make the required changes.

All three options requires establishing legislation with an inevitable time delay before compensation can be paid. Will it be retrospective? Will it be ongoing? Will compensation restore some of the land values?

In the case of options 1&2, who provides the administrative staff?
If compensation is retrospective, what date does it start at and will it be paid in instalments? In the case of (1) any redrafting should include payment for silviculture and be area specific using historical evidence where possible. Refund of rates rents and taxes should stand alone.

Catchment Management Authorities (CMA) are not suitable because their source of funding into the future is too localised and would be another tax on capital. CMAs do not have the same chance of community input, involvement, flexibility, or authority as local government.

Option 3 is the most logical and can operate on a regional basis through the Regional Organisation of Councils (ROCs). The local community's practical knowledge of their environment and their desire to protect and enhance it, will achieve a better and fairer outcome than the present blanket coverage of very diverse States. The supposed opinion of the majority of the electorate divorced from reality does not match up with the practical requirements of natural resource management.

In championing the cause of rural and remote local government particularly, I could be accused of being no better than Animal Liberationists, Wilderness proponents, financiers etc.

By revamping local government, who share the same treadmill as farmers, a number of vexatious problems, including vegetation laws, can be satisfactorily solved (See enclosures "The Need to Change the Method of Funding Local Government" and "From the House of Commons").

(2) Impact of Carbon Pollution Reduction Scheme (CPRS)

Carbon pollution may be a convenient label for the problems facing humanity but with more than one cause the reality is that concentrating on one symptom will not cure the syndrome.

The science is complicated in itself, but exacerbated by the emotional drafting of differing views into 'consensus adherents' or 'sceptics'. A majority of scientists may support CPRS and thus become of the consensus school, but scientists are generally not practising basic commerce and therefore go beyond their field of expertise in

supporting a CPRS that includes trading.

Farmers, who have been subjected to a psychological blitz, that they have the most to lose from climate change and that their animals are producing methane, a supposedly contributing cause, are inclined to join the consensus school. The message coming from NSW Farmers' Association and the Australian Farm Institute by constant repartition of apparently accepting responsibility for animal emissions, is in fact selling farmers' true position short, leaving the public and Government believing that farmers are consensus believers.

To solve any problem, the relevant facts have to be taken into account. The facts in the case of carbon pollution is that there are two sources of carbon. Which of the two has supposedly upset the balance of the past 300 million years to cause carbon pollution: the ancient organic carbon in continuous circulation, or fossil carbon released in ever increasing quantities since 1720?

Therefore a reasonable approach to solving that part of the problem would be; *that the reduction of carbon emissions into the atmosphere has to be from a reduction in the use of fossil carbon, plastics and urban activity (sewers and land fill).*

Published in Nov/Dec 2007 Science, an article "Meat's Carbon Hoofprint" and "The missing link in the Garnaut report" from the Age opinion piece (attached). The authors are scientists and/or mathematicians, but it is also acknowledged that there is a connection with Animal Liberation.

Whilst reading these articles remember; the 300 million year history of animals in unknown numbers that include the vast herds in every continent on Earth, now and in the past. India has a cow population of 200 million, that Australia represents 3.7% of the world's beef population and that in Melbourne fire authorities were fearing an explosion from methane escaping from an old land fill.

Add to that the slight of hand and shame factor, that per head of population, Australia is the worst polluter. In India tens of millions of people cook their meals over fires fuelled by dung and dung is used for fertiliser, so if a large number of people are not using fossil power and others are, the law of averages puts India per head of population as a lesser polluter.

There is no credit given for the huge quantities of meat exported overseas. More slight of hand in the statement "US cattle are fed grain in feedlots, which results in far less methane than grass-fed cattle" Grain carted to a feedlot has a carbon footprint, not accounted for. Where are the animals reared before going to the feedlot?

Like meat exports, aluminium ingots smelted here are exported for others to use. Figures lie and liars figure. Read anything in the press or see it on TV and the public accept it as Gospel.

Those promoting Cap and Trade as part of CPRS should heed Mr Churchill as Chancellor of the Exchequer 5th June 1928, from Hansard The House of Commons Second Reading of the Finance Bill *"that the instruments of production ought not be taxed but only the profits resulting from their use."*

Being a basic business principle it applies equally with local government rates, payroll tax or carbon tax. Those who survived the Great Depression and its aftermath in Australia fully embraced the principle.

During WWII the Curtin Government as an act of desperation introduced payroll tax and it is still with us, but it in no way validates or excuses its continuation.

To introduce a similar tax in the quest to reduce 'carbon pollution' will further reduce the competitiveness of primary and secondary industry because it is an inflationary overhead, increasing the cost of all goods and services.

Normal businesses will pass the costs on but farmers, obliged to sell at auction or on commodity markets will suffer.

The immediate gain for the financial sector by having a trading system using brokerage, is obvious. Their clear self interest is to promote themselves as devout consensus adherents. The temptation to do so, equally apparent from their creation of the world financial crisis.

Grow more trees on farms.

Rural land is measured in a few hectares to hundreds of square kilometres with as disproportionate rainfall and soil types. The forest types vary from rainforest to open woodland and the species vary accordingly. Grow more trees sounds so easy but the reality is otherwise. For farmers emerging from long term drought a case could be made for fencing materials to be provided from public funds in recognition of the long term damage from excessive and unrecoverable taxation of capital.

To define the ultimate objectives of growing trees a list of priorities needs to be considered.

Overall environment including bio-diversity

Long term use to capture as much carbon as possible for as long as possible.

Short term use for creating jobs with carbon sequestration a minor consideration and ground water use disregarded.

Medium term as wood lots, shelter belts and erosion control. Basis for a new industry using litter from all forestry, National Parks removing weed species and silviculture activity for fire control.

Where to grow. Crown land with the certainty of long term tenure or private with little certainty due to market forces.

If private; equal opportunity to be maintained. MIS giving tax advantages to the investor sector's capital in competition with landholder's capital taxed, needs adjustment urgently.

Conclusions

Native vegetation laws need redrafting as guides to local communities acting through local government to adjust to local conditions.

Establish a commercial system connecting those providing a service and those demanding a service.

From those funds, a management plan based on good forest practice to reward such stewardship.

A planning process for the establishment of bio fuels and other renewable energy based industries.

The science presented thus far needs critical analysis to negate distortion by self interest and the increase of human population must be in the equation.

The trading concept needs the same scrutiny.

Avoid taxing the instruments of production and question reliance on market forces because they are governed by greed and uncertainty.

Jim Beale

Enc. The Need to Change the Method of Funding Local Government

From the House of Commons

Meat's Carbon Hoofprint

The missing link in the Garnaut report