

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

By Dixie Nott

Summary

(1) *Impact of native vegetation laws and legislated greenhouse gas abatement measures on landholders including (a) diminution of land asset value and productivity –*

Native vegetation laws have locked up 1467ha of our country, assessed by DNR as suitable for development. This costs the enterprise \$120,000 per year income and halves the sale value of the land.

Clearing bans effectively paid the Kyoto greenhouse debt for all Australians. Queensland in particular contributed most. This has not been acknowledged. If a response to perceived “anthropogenic” climate change is considered necessary, the cost should be shared by all.

Weed control in low productivity remnant vegetation areas costs our enterprise in the vicinity of \$20,000 a year, while intensive fire management of these areas adds around \$5000 to our yearly expenditure.

(b) *Compensation arrangements to landholders resulting from imposition of such laws –*

This landholder does not consider compensation to be a sensible solution to the reduced productivity of suitable farm land. The land must be exploited for food production as well as nature conservation. Some land is over-developed and some under-developed. There must be equity of opportunity. We bought our freehold rights and our timber rights in 2000 to develop our land. Those with over-cleared properties should reinstate 30% native ecosystems. We only want the right to develop 30% of our property under our management plan. The good land managers, like ourselves, have been penalized.

(c) *the appropriateness of the method of calculation of asset value in the determination of compensation arrangement- Not applicable*

2. *Impact of proposed greenhouse responses from both sides of parliament-*

CPRS scheme will effectively tax productive primary enterprise with no ability to offset the extra costs. The science, measuring carbon emissions from Australian farming is non-existent. Mass tree planting will have many perverse outcomes in Australia as they are, “attempts to green a brown land”. Land values for farm land will be artificially inflated due to competition for both soil and water to the detriment to Australia’s food producing future. Those with cleared land can now be part of the Carbon economy, replanting for cash. Those who retained vegetation are penalized and will be forced from their land due to lack of development opportunity and carbon taxes if they utilize their trees in Native forest operations.

Household debt over the last 20 years has risen by a factor of 4.6 and is presently falling, while over the same period rural debt has risen by a factor of 5.76 and is rising (RBA 2010, www.rba.gov.au/statistics/). Rural productivity

meanwhile has increased by a factor of 1.09% per year over the period 1977/78 to 2006/07 (ABARE, 2008) on a declining land area. These figures indicate a lack of ability to pass on price increases in a sector locked into low returns (price takers not price makers).

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1 Burwood Cattle Company

1.1 Who we are

A grazing partnership of John Cash and Dixie Nott who have had a lifetime association with the farming profession. Dixie Nott, a biologist is a part time PhD candidate (CQU), studying ecology of woodlands on Burwood. The decision to study was taken in direct response to 5 years in consultation with the government, leading up to the Vegetation Management Act 1999. Information used to formulate the legislation was often contrary to the results of ecological and production-orientated research conducted over many years by the then, Queensland Department of Primary Industries. This department concluded in 1982 that all land managers should have a basic 30% retained remnant vegetation, but the directive for this approach should never be legislation.

1.2 Where we are

Burwood has total area of 8500 ha and is 150 km north of Rockhampton, Central Queensland. Burwood is included in the Central Coastal Bioregion of Queensland, and the property is an inter-montane plateau along the top of the Connors Range with steep slopes and gorges to the east. The average rainfall is quoted to be 1000mm pa and average elevation 600m.

1.3 What we do

We breed cattle: 900 head of branded cattle at a stocking rate of 1 beast to 12.5ha. This is a conservative rate for this class of country and reflects the largely undeveloped state of the property and the fact that clearing of the 1930s was not maintained and has reduced the productive capacity of this land.

We have a portable saw mill and value-add timber on-property, as well as sell some mill logs and practice silvicultural thinning of our “locked up” regrowth.

1.4 Our Natural Resource Management philosophies

We have committed 4500ha of Burwood (50% of the total area) to the Burwood Nature Refuge and this country is managed primarily for its natural values.

2 Scope and application of Native Vegetation Laws on Burwood

2.1 “Lock it in” Property Map of Assessable Vegetation (PMAV)

In 2005 we were able to lock the cleared areas of the property according to the RE maps current at that time. However, this did not count much of the areas we had chemically and mechanically cleared since 1990, all of which was cleared under permit as we were leasehold until 2000. Clearing under permit was usually granted upon application for a map change. The expectation was that when time and finances allowed we would map our proposed vegetation changes and apply for a property scale PMAV.

2.2 Regrowth legislation 2009

This legislation is generally not considered to have an effect on those landholders with a PMAV – not so in our case.

Behind our PMAV are the areas that would be forfeited to the government control under Regrowth legislation and once we abandon our present “Lock it in” PMAV to renegotiate a property scale PMAV.

In Summary:

| | | |
|-------------------------------|-----------|------|
| Area Burwood | = 8500 ha | 100% |
| Area Burwood Nature Refuge | = 4500 ha | 53% |
| Area clear on Lock it in PMAV | = 850 ha | 10% |

That is 10% for production and 90% for nature.

| | | |
|-----------------------------|----------|------|
| Area marked on Regrowth map | = 314 ha | 3.7% |
|-----------------------------|----------|------|

This could leave 6.3% for production and 96.7% for nature if we opened our PMAV and lost the Regrowth.

| | | |
|--|---------|------|
| Area cleared under permit since 1990 but not claimed | = 320ha | 3.8% |
|--|---------|------|

This could give 14% for production and 86% for nature if our claims were upheld. Best case scenario.

2.4 Private landholder benefit versus public benefit

We would grant that there is a case for conservation of Native Vegetation for private benefit to conserve the biodiversity of the property, the maintenance of catchment properties as well as the soil resource.

There is also a case for some allocation of public benefit from our ownership of this land, but there needs to be a limit on the amount of public benefit freely given by individuals.

But how much does nature need to function? The vegetation types represented on Burwood are largely

“Not of Concern” and are up to 97% intact on a regional basis.

3 Effect and costs of Native Vegetation Laws on present management

3.1 Development of property scale PMAV, compliance and ground truthing involves purchase of GPS, computer and mapping software. Training is necessary to understand the issues and access the data, data has to be collected on-property, processed, presented and negotiated. The estimated cost to us is an initial of cost \$10,500. Obviously, the opportunity cost would be considerably greater.

3.2 Weeds and fire

Remnant vegetation areas are prone to invasion by weeds, for example, an emerging weed, *Praxelis clematida*. We have been granted \$10,500 for a total project cost of \$30,000 under Envirofund to treat an invasion of this weed in our Nature Refuge over an area of 50ha. The weed is spread by native animals and potentially more devastating than *Parthenium* or *Lantana*.

Regular fire is pivotal to the health of the woodlands of Burwood, but fire management is also a time consuming exercise when conducted properly and not as a series of wildfires. The remnant vegetation burning activities on Burwood are conducted over at least 3 weeks a year at a wage cost of \$5,250 a year. That is, if there are no unplanned burns.

4 Effect and costs of Native Vegetation Laws on future management

4.1 Future development of present operations – grazing

In 2006, the Department of Natural Resources estimated that an additional land area of 1467ha could have been responsibly cleared on Burwood if not prevented by vegetation legislation.

Average native pasture yields on cleared country on Burwood are 8 times that of pasture in uncleared remnant vegetation (data collected as part of PhD thesis).

Improved pasture on Burwood – high rainfall country using legumes and introduced grasses – will yield biomass 20 times that of native pasture in remnant vegetation.

4 Effect and costs of Native Vegetation Laws on future management (cont'd)

4.1 Future development of present operations – grazing (cont'd)

So 1467ha unimproved could carry 117 head at present

Gross income from 117 head = 40 head x \$350 = \$14,000

1467 ha cleared, improved (legumes & grasses) could carry 1000 head

Gross income from 1000 head = 330 head x \$350 = \$115,500

Deficit to enterprise due to development restrictions = \$100,000 per year.

[This is a conservative estimate as we carry 900/100 head now on 1170 ha of fairly open country of which only about 500ha is developed. Burwood is considered one of the most potentially productive properties in the district due to reliable rainfall and reasonable soils].

4.2 Future development of present operations – forestry

We have a PMAV covering our Native Forest operation and this enables us to conduct this enterprise. Our resource is estimated to be in the region of 10,000 cubic meters of mill timber worth a gross \$700,000 in a one-off harvest.

The mean annual incremental growth rate is 0.5 cubic meter/year/ha and the harvest of a sustainable Regrowth forest would generate \$150,000 a year.

This diversified income depends on the maintenance of the Right to Harvest Native Timber and the maintenance of the Notification of Forest Practice exemptions to the Vegetation Management Act. Government actions in the past give no reassurance that this land use will be able to be pursued in the future.

Greenhouse abatement projections would see this activity penalized to the point where harvest and Regrowth forestry was uneconomic. This is regardless of the fact that a mature tree is a net carbon emitter and the best way to get carbon sequestration is by disturbance and in-growth of a Regrowth forest resource.

4.3 Threat of developments such as A2A Wildlife Corridor

Regardless of the fact that there are thousands of hectares of leasehold and Forestry owned land adjoining us we are told and we see, that the proposed A2A corridor, a continuous wildlife refugia from The Alps to Atherton is to be placed right over Burwood (source: Department of Environment and Climate Change NSW, *Alps to Atherton Initiative*, Business Plan 2007 – 2010, <http://www.environment.nsw.gov.au/resources/a2a/alpstoathbuspl07408.pdf>)

It would appear that planners now view **private property** as being public, simply by virtue of the fact that it is “locked up” by legislation.

Also, the country is refugial in nature (a place of refuge for fauna in drought conditions) but only because we have cleared some of the thickened vegetation thus restoring natural water supplies available to nature and our stock. Were this country under Government control and reduced management, it would become a haven for weeds, feral pests such as pigs and deer, and the woody vegetation would thicken, possibly irreversibly, choking out native grasses, and drying the natural springs completely.

5 Federal responsibilities and proposed Greenhouse Abatement Schemes

In 2004, after the release of the Productivity Commission Report into the effect of Native Vegetation Legislation, the Federal Government undertook to adopt the recommendations of that report. This has not happened. The recommendations not only proposed compensation, restoration of management rights and full disclosure of carbon benefits due to clearing bans. It also discussed the need for the community to pay for public benefit so that they fully understand the “costs” of their desires.

The carbon reduction schemes proposed by both the Government and the opposition will seriously disadvantage Australian farmers, graziers and native foresters. In the Labour scheme, by taxing us into oblivion. In the Liberal scheme by making competition for arable cleared land so intense that food producing agriculture will diminish and plantation forestry will take its place.

Catchment effects of this re-vegetation of both plantation species and thickened native species will dry our river systems and consequently affect food production capacity. Will it be possible to import water as well as food?

Vegetation legislation has capped income from primary production activities, and therefore hobbled the sector’s ability to service its debt, unlike the household sector, whose rights to wage increases are largely

protected through industrial relations legislation.

Legislation which aims to reduce primary production capacity in Australia, in line with the desires of a green voting minority, ignore the fact that Australia's food requirements will then be satisfied by foreign producers who are less productive and environmentally responsible. The Australian primary production sector is the most efficient in the world. Household debt over the last 20 years has risen by a factor of 4.6 and is presently falling, while over the same period rural debt has risen by a factor of 5.76 and is rising (see Figures 1 and 2). Rural productivity meanwhile has increased by a factor of 1.09% per year over the period 1977/78 to 2006/07 (ABARE, 2008) on a declining land area. These figures indicate a lack of ability to pass on input price increases in a sector locked into low returns (price takers not price makers).

In essence, federal government leadership has to treat food production as an imperative; reduce the red tape burden and cost to primary producers of legislation changes; and realize that research and extension drive the sustainable food production needed to meet the requirements of a growing population.

Figure 1: Household Debt 1989 to 2009

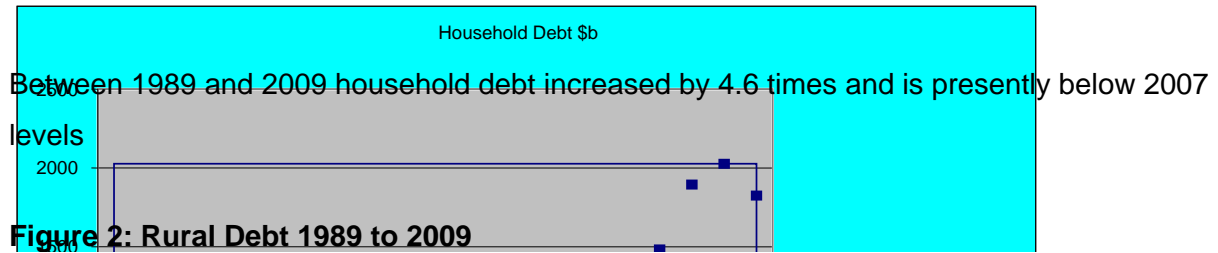
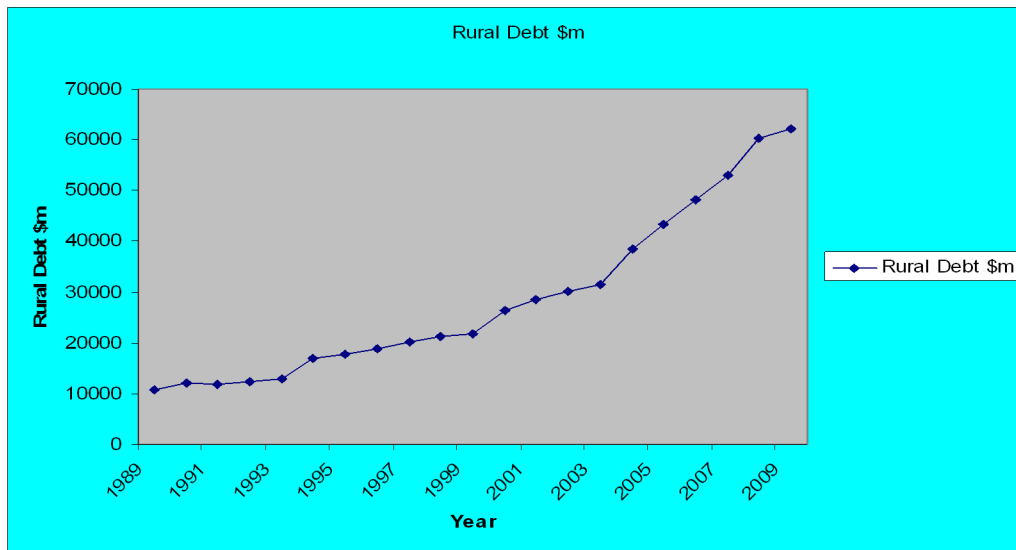


Figure 2: Rural Debt 1989 to 2009



Between 1989 and 2009 rural debt increased by 5.76 times and is still increasing

(Source: Reserve Bank of Australia; www.rba.gov.au/statistics/)

6 The equitable way forward

This partnership of landholders wants restoration of management rights not compensation for Native Vegetation Legislation impositions.

We want local people with local knowledge agreeing to catchment-based management plans and local administration of a voluntary process of biodiversity conservation and production.

We do not want our productive capacity castrated and our land degraded by economic constraints which affect management of both sides of our enterprise: food production and nature conservation.

Land management should not be a political football. Principles of good land management are guided by experience, networking, common sense and science, and are implemented by economically strong enterprise.

“If Australia is to meet productivity challenges caused by climate change, the government will need to remove any policy impediments slowing or preventing successful farmers from innovating or growing their business” (Global food security and Australia, ABARE report, 2009)