The Secretary House of Representatives Standing Committee on Environment and Heritage Parliament House Canberra ACT 2600

<u>The impact of conservation measures imposed by governments on</u> landholders and farmers:

When new regulations impose sudden clearing bans, people with properties that were in a development phase suffer severely because those properties were often bought at prices that factored in the opportunity to improve carrying capacity, cropping opportunity and thus earning capacity. Taking away these opportunities without compensation is iniquitous. Native Vegetation laws that require permits to farm land that has not been farmed for 10 years or longer, limit farmers making the right management decisions. Ie. a piece of land may need to be brought into production of grain because wool or cattle prices are low and grain prices are high; that can affect viability. Woody weeds may have encroached and need to be brought under control, taking the opportunity during favourable climate conditions make for good management and ultimately good for the land.

Economy of scale demands an increase in cropping area. Getting a clearing licence has now become so difficult, we are forced to buy another property with existing cropping land rather than improve the property we already own. With rising interest rates this is a needlessly risky decision. Improving an existing property can be done when finances allow, with minimum risk in an uncertain financial climate.

Conservation regulations hurt farmers not unlike an owner of a house or unit suddenly being told they have to lock up part of their house. Of course compensation is called for in that case.

International developments in ameliorating the cost of conservation on landholders:

European countries are already paying landowners to leave land unploughed after harvesting a grain crop so geese and ducks can feed before flying South for winter. Payments are generous enough so farmers don't feel imposed upon.

How to establish the private and public good components of conservation:

The private good component can be left to the individual landholder who would take conservation measures for private gain. It requires no compensation. Public good would almost certainly be established for reason of public demand.

How to equitably share the costs associated with conservation among all members of the community:

A tax along the lines of a Timor Tax, but applicable to all but the people in the lowest earning groups, would be a simple and fair way. Money collected this way could compensate landholders on an ongoing basis or buy them out at prices slightly (say 10%) higher than market value. Many farmers would gladly sell under those circumstances and the slightly generous price would prevent protracted legal wrangling.

The cost of development foregone to communities doesn't seem to fall within this inquiry. In the less settled areas farmers are also affected by this as a brake on development impacts on the capabilities of shires to service roads and provide other services people have come to expect. Small business in adjoining towns disappear and small towns linger or die. Farmers then become less competitive as poor roads have a direct impact on cost of transport. Their own costs also increase as they have to travel further for supplies. Ultimately, young people move away and inland NSW becomes emptier still. If this is the underlying desire of people and politicians, it makes more sense to bypass the agony of fighting every move in that direction. Buy farmers out, lock up the country for additional National Parks and give farmers the opportunity to re-skill or retire.

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