



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

FINANCE AND PUBLIC ADMINISTRATION REFERENCES
COMMITTEE

**Reference: Native vegetation laws, greenhouse gas abatement and climate change
measures**

FRIDAY, 9 APRIL 2010

ROCKHAMPTON

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SENATE FINANCE AND PUBLIC ADMINISTRATION

REFERENCES COMMITTEE

Friday, 9 April 2010

Members: Senator Ryan (*Chair*), Senator Polley (*Deputy Chair*), Senators Cameron, Kroger, Siewert and Williams

Substitute members: (As per most recent Senate Notice Paper)

Participating members: Senators Abetz, Adams, Back, Barnett, Bernardi, Bilyk, Birmingham, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cash, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Ferguson, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Furner, Hanson-Young, Heffernan, Humphries, Hurley, Hutchins, Johnston, Joyce, Ludlam, Lundy, Ian Macdonald, McEwen, McGauran, McLucas, Marshall, Mason, Milne, Minchin, Moore, Nash, O'Brien, Parry, Payne, Pratt, Ronaldson, Scullion, Sterle, Troeth, Trood, Wortley and Xenophon

Senators in attendance: Cameron, Joyce, Kroger, Macdonald and Ryan.

Terms of reference for the inquiry:

To inquire into and report on:

- (1) The impact of native vegetation laws and legislated greenhouse gas abatement measures on landholders, including:
 - (a) any diminution of land asset value and productivity as a result of such laws;
 - (b) compensation arrangements to landholders resulting from the imposition of such laws;
 - (c) the appropriateness of the method of calculation of asset value in the determination of compensation arrangements; and
 - (d) any other related matter.
- (2) The impact of the Government's proposed Carbon Pollution Reduction Scheme and the range of measures related to climate change announced by the Leader of the Opposition (Mr Abbott) on 2 February 2010.

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Committee met at 9 am

CHAIR (Senator Ryan)—I declare open this meeting of the Senate Finance and Public Administration References Committee. The committee is commencing its inquiry into native vegetation laws, greenhouse gas abatement and climate change measures. I will make a couple of opening remarks. Firstly, welcome and many thanks to all of you who have travelled here today. Some of you have travelled great distances and I understand that that has been quite an effort. I will set out a couple of ground rules to facilitate the good operation of what we are going to do today. This is a public hearing and you are most welcome to observe proceedings. However, you are not actually part of the proceedings, so you do not have any right to speak, interrupt or contribute while the committee is hearing from a witness giving evidence. The hearing today will commence with evidence from a number of organisations. Following the lunch break, members of the audience will have the opportunity to speak to the committee. In order that this can be undertaken in an orderly manner, at 12.15 Ms Tegan Gaha from the committee secretariat will be available outside the hearing room to take the names of those wishing to give evidence. To allow as many people as possible to speak, time will initially be limited to five minutes per person. When speaking to the committee the normal parliamentary rules apply. You must complete a Hansard form and you will be provided with information on parliamentary privilege and the protection of witnesses and evidence. The committee has limited time today, so it may not be possible for everyone to give evidence. If you do give evidence, or indeed if you cannot, you may still put a submission to the inquiry. Details of how to do this are on the committee's website and are also available from the committee secretariat. I should also state that the committee has received advice from the Queensland state government. They have declined the opportunity to provide a submission but they are happy to take questions on notice.

[9.01 am]

BAHNISCH, Mr Ron, Chairman, Property Rights Australia

KENNY, Mr Graham Roderick, Consultant, Property Rights Australia

CHAIR—I welcome the representatives of Property Rights Australia. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee also has your submission. I now invite you to make a short opening statement. At the conclusion of your remarks I will invite committee members to put questions to you.

Mr Bahnisch—I am the Chairman of Property Rights Australia. I have two gentlemen with me to assist today: Graham Kenny, from Devine Agribusiness, who has been commissioned to do our submission to this Senate inquiry; and Peter Tannock, a registered valuer, who is also here to help with our submission. I welcome everybody here. You are well above the Tropic of Capricorn. As Chairman of Property Rights Australia I am in a unique position to feel the hurt that vegetation management legislation has caused to a lot of people. Property Rights Australia was set up 12 years ago to assist a gentleman who was in trouble with an infringement for land clearing. Before his name was cleared of this infringement, we and the NFF supplied roughly a quarter of a million dollars and he supplied a quarter of a million dollars of his own. After six years and seven court cases the case was dismissed as an abuse of process—which it always was. That is the reason why Property Rights Australia was established. We have supported 14 cases in the last 11 years and had 13 wins. Our loss in the 14th case occurred as an appeal and, as we speak, we are taking this appeal to the High Court of Australia. We have intentionally been hard-edged in our opposition to these dreadfully draconian environmental laws in this country. They are probably the worst laws anywhere in the English-speaking world.

I spend most of my time in my submission detailing that, because I believe that I have had more experience than other people with the administration of this act which has caused so much angst in the community. But we are here to discuss not only the taking of a right, and compensation for that right, but also the diminution of land values in Queensland as a result of it. I have with me Graham Kenny from Dominic Devine Agribusiness. Dominic Devine was our first chairman for five years, so the company is very familiar with what is going on. In their line of business, they deal with this type of thing every working day. So I would like to introduce Graham to this forum. He will give an address on the diminution of values and the other matters that he has covered.

Mr Kenny—Property Rights Australia has engaged us to assist them in preparing their submission and, in particular, to focus on the diminution in property values that has occurred as a result of the vegetation management framework that has been implemented in Queensland, particularly since 1999-2000.

In our submission, which I hope you all have access to, focuses on term of reference 1(a), which deals with any diminution in land value as a result of the laws. We have presented two case studies in the submission. The methodology that we have used is outlined in the submission. It is essentially a sales comparison method of valuation which we have reconciled

with a basic economic analysis. I will cut straight to the findings. There is a reduction of \$759,200 in the market value of property A and a reduction of \$1,116,500 in the market value of property B. These are very large numbers and they reflect the value of a property right—that is, the right to develop the productive capacity of those grazing properties—which was removed and no compensation paid. The Vegetation Management Act, to remove any doubt, said that no compensation would be paid for any such losses. Of course, it is entirely reasonable to question the accuracy of those findings. I concede that we have not undertaken an exhaustive sales analysis. That is due to the resources available to us and time constraints in preparing the submission. We have, however, reviewed similar studies which were undertaken in an inquiry by the Productivity Commission in 2004. Our figures reveal something in the same order of magnitude that the commission found in that study.

The question we have found that people have trouble grappling with is: why is it such a big deal? Why are these numbers as big as they are? Obviously, if you extrapolate those numbers across the whole of Queensland, the figure is mind-boggling large. In the early part of our submission we have attempted to demonstrate exactly why that is the case. The chief reason is that land development enhances the productive capacity of a given area of land by three, four, five, six or up to seven times because of the increased pasture yields that are available through land clearing and the development of improved pastures.

In addition to that, developed land enables other technologies to be adopted, such as superior pasture species. Then not only do you have the ability to increase the potential pasture yields—even with native species, but also with introduced species, which are more drought tolerant and higher yielding—but the productive capacity is increased. It also enables more intensive herd management practices because, having developed the land, you can apply fencing, water and grazing regimes that cannot be applied in native forests. So the cumulative effect is that land development provides very significant productivity gains and a property with potential to realise very significant productivity gains is worth much more to a prospective purchaser than one that has no potential to realise productivity gains. I have heard it said that there is no evidence of a diminution in market value, but to submit that would be to say that a prospective purchaser would be willing to pay the same for a property with the potential to realise productivity gains as for one without that potential, and that is simply not the case.

CHAIR—Mr Kenny, could I ask that you wind up your opening statement? I think there are going to be a lot of questions for your particular submission, because we found that information quite helpful.

Mr Kenny—All right. There is just one other point that I will quickly touch on. The removal of the ability to develop new areas of land is one thing; however, in Queensland that leaves us with about 75 per cent of our original woodlands intact. Those areas of woodland are essentially grazed—that is their land use. When the grass is removed from a grazed woodland, in which the animals harvest the grass and convert it to animal protein products, that changes the fire regimes. Changed fire regimes promote the thickening of woody species. The thickening of woody species further impedes the grass. That further reduces fire intensity and frequency, which further increases the proliferation of woody species, which further reduces the grass, which further reduces the intensity of fire, and so on.

The point I am trying to make is that, to maintain the productive capacity of grazed woodlands, they need to be artificially managed, and the regime that has been adopted in Queensland over the past 10 years does not enable that to happen. There is a reluctance to accept that woodland thickening is a problem because to do that would be to concede that there is a need for active vegetation management. The regulators appear to have approached the problem from the point of view, ‘What do we have to do to stop land clearing?’ rather than, ‘What do we have to do to implement a responsible approach to land management which preserves the productive capacity and at the same time preserves biodiversity?’ By retaining the grass in the woodlands, you retain not only the grass but you retain the things that eat the grass, the things that eat the things that eat the grass and so on, whereas, in the presence of grazing and the absence of any management of the woody proliferation, the grass is displaced. That is the tendency of all of the grazed woodlands in Queensland. It is probably more prominent in Queensland because of the subtropical nature of the eucalypt and acacia woodlands than it is in other parts of Australia, which are probably a little more stable. But it is not unique to Queensland; it is a documented effect in grazed woodlands all around the world. The references in our submission provide further information around that.

CHAIR—Yesterday we had representatives of the New South Wales state government. I appreciate that they have a different regime but similar objectives and some similar regulatory approaches. We heard a similar outline of the problems from some other witnesses yesterday. When asked whether or not there had been diminution in land values, the representatives of the department outlined that they had seen no evidence of diminution of land values in New South Wales. You have given us a couple of case studies. In short, would you suggest that this case study methodology could be applied more widely in Queensland over similar sorts of properties to extract a more general principle about the diminution of land values and the impact of these regulations and laws?

Mr Kenny—Could the approach we have taken be applied more widely across Queensland? Yes, it could, with some difficulty obviously surrounding the detail and the assumptions and how you derive the correct assumptions to adopt.

CHAIR—Is there wider evidence in Queensland of diminution of land values? We do not have the benefit of the Queensland government today to ask them the same question. You are putting to us that there has been a reduction in land values. Is there evidence of these principles about reduction in land values applying more broadly across Queensland? Or is it hard to ascertain without this sort of case study?

Mr Kenny—I think you could probably ascertain that from speaking to prospective purchasers and their attitudes towards buying undeveloped land and how that has changed in the last 10 years in particular. We were speaking recently to one of the previous owners of one of the case study properties which actually had sold in 2007 after it had lost most of its potential. He said that many of the prospective purchasers came and spoke to him initially but once they realised the regulatory status of that land they very rapidly lost interest.

CHAIR—What if I said to you that the absence of evidence of a broad-scale reduction in land values is not evidence that that is not occurring, it is just evidence that it has not been collected by surveying purchasers or a trend of sale prices?

Mr Kenny—I think you would find it in a trend in sale prices if it was analysed in full. You would find it by speaking to prospective purchasers and their attitudes and the way their attitudes changed.

CHAIR—But that has not been done effectively across the state by the government or by—

Mr Kenny—Not to my knowledge. You would find some too in the extra assistance scheme that was actually implemented by the state government in response to the land clearing changes. Under that scheme, if you could jump through all the hoops and qualify and essentially demonstrate that your rural property was no longer viable as a direct result of the implementation of the Vegetation Management Amendment Act in 2004, then they would pay you for the property and they would pay you on the basis of with its productive potential intact before the amendments.

CHAIR—I am going to have to ask you to be as brief as possible in your answers, only because there are quite a large number of questions coming your way.

Mr Kenny—Sure. So that is another avenue of evidence, because they bought the property on the basis that it had productive capacity and then resold it to the market as is and there are significant differences in those. I think some other submissions have got that evidence.

Senator CAMERON—I will come to Mr Kenny first, if that is okay. Are you aware of a speech that was made by Dr Ken Henry, the Secretary of the Treasury, on Thursday, 4 March when he made a speech about the value of the environment and how you can establish the value of the environment. Are you aware of that?

Mr Kenny—No, I am not familiar with the speech.

Senator CAMERON—He argues in that speech that we can place values on certain things but the environment is much more difficult and we need to get better at placing a value of the environment. I suppose that is an issue that we are faced with here: what is of most value to the community? Is it the value of the farming component and the production or is it the value of the environment? I suppose that is the fundamental question.

I would ask you to take this on notice, to have a look at that speech. It is not very long but it does talk about different methods of measuring the environment and the value of the environment and it talks about various techniques, revealed preference techniques, stated preference techniques, valuation by experts and information provision as the four main areas. Could you have a lot of that in the context of your submission, which I must say is a very good submission, and give me your view on Dr Henry's analysis in the context of this debate about the cost of the environment versus the cost to an individual farmer on production.

Mr Kenny—Sure.

Senator CAMERON—Mr Bahnisch, I note that in your submission you say that your group was established in South-West Queensland in January 2003. That is in the submission. You said earlier that you had been around for a lot longer than that.

Mr Bahnisch—Yes, since 1999.

Senator CAMERON—In terms of that period around 2003, I suppose that is when this whole issue of native vegetation was starting to reach some kind of peak in Queensland in terms of the debate. Would that be right?

Mr Bahnisch—Yes, and 2005 as well. It coincided with elections here in Queensland.

Senator CAMERON—There was a fair bit of pressure from the Howard government on the Queensland government to take steps to deal with native vegetation. Is that your understanding?

Mr Bahnisch—That is our understanding.

Senator CAMERON—Are you aware of a report by ABARE, the Australian Bureau of Agricultural and Research Economics, around that time that spoke about the economic impact on farmers?

Mr Bahnisch—No, I am not.

Senator CAMERON—There was at that time a promise by the Howard government that they would compensate landholders that were negatively affected. Can you remember those promises that were made?

Mr Bahnisch—I can remember those promises, yes.

Senator CAMERON—I might refresh your memory. The various ministers at the time who were responsible were prepared to put up multimillions, over \$100 million, a joint Queensland and federal government proposition. Were you involved in assessing that?

Mr Bahnisch—No, I was not.

Senator CAMERON—It was over \$100 million. You cannot tell me whether that was a fair and reasonable proposition at the time?

Mr Bahnisch—No, that was not a fair and reasonable proposition.

Senator CAMERON—Why wasn't it fair?

Mr Bahnisch—There were varying reports, and I think the Queensland government's own report, which was suppressed, was somewhere around \$900 million. That first taking was closer to a billion dollars. So the \$150 million that was eventually provided by the state government was not all taken up because the criteria were limited to get it. I actually tried myself and was knocked back, for land that had been taken off me.

Senator CAMERON—There was a press release at the time by the Minister for Environment and Heritage, Dr David Kemp. What he said there was that there had been these negotiations and he names himself, Warren Truss, Ian Macfarlane and Ian Macdonald and a meeting with Mr

Larry Acton of AgForce, Mr Gary Samson of the Queensland Farmers Federation, talking about how they would resolve this problem. Are you aware of the details of those meetings?

Mr Bahnisch—No, I am not.

Senator CAMERON—You were not invited—

Mr Bahnisch—No. I have only had this job for one year.

Senator CAMERON—Okay. But was organisation around at that time?

Mr Bahnisch—No; it was not invited.

Senator CAMERON—You were not up and running. That is probably why you were not invited.

Mr Bahnisch—Exactly.

Senator CAMERON—You say that the amount of funding proposed by the state and federal governments at that time was insufficient. What do you base that argument on?

Mr Bahnisch—Because the funding was limited to \$150 million they had to limit the criteria. The most that anyone could get was \$100,000. Graham has statistics indicating that 83 properties in the Murweh Shire have suffered a loss of \$250,000, and that has been discounted by 50 per cent for the opportunity cost of capital. So it is actually half a million dollars on 83 properties. Isn't that the case, Graham?

Mr Kenny—It was about \$21 million over 83 properties.

Mr Bahnisch—And that is discounted for opportunity values, so you can double that up if you are talking about the type of superannuation that people have. So it was nowhere near adequate. It was a token amount and it was only taken out by a limited number of people who met the criteria.

Senator CAMERON—So why would all these Queensland ministers representing the agricultural area of Queensland say this is adequate compensation and you are being fully compensated? What is your take on that?

Mr Bahnisch—If they said that, they certainly said it without my permission.

Senator CAMERON—I am not asking about permission—they can say what they like.

Mr Bahnisch—They were not reflecting the feeling of our organisation anyway.

Senator CAMERON—They say that, in their analysis, the Howard government's commitment to put funding in, along with the Queensland state government funding, covered all of the economic losses by the farming community in relation to native vegetation. That was their

strong position, and that is people who have had long experience with it. People like Warren Truss and Senator Macdonald were saying that would do the job. But you are saying it will not do the job.

Mr Bahnisch—I do not recall that at all. I do not recall that the Howard government provided any funding anyway.

Senator CAMERON—They offered it.

Mr Bahnisch—There was a bit of political toing and froing that was pretty unseemly. And we lost out; there is no question about that.

Senator CAMERON—It does not matter. You do not recall it but, let me tell you, it certainly was there.

Senator IAN MACDONALD—That is Senator Cameron's take on it. Quite a lot of the things he is saying—

CHAIR—Senator Macdonald, you will get your opportunity for rebuttal.

Senator IAN MACDONALD—I am not here to debate, I am here to question these gentlemen. Time is limited, and so far I have not heard a question from Senator Cameron whose answer is anywhere within the knowledge of these gentlemen.

Senator CAMERON—That is not my problem.

CHAIR—As long as Senator Cameron is relevant to the terms of reference, he is allowed to use his time as he sees fit. We will be moving to the other side of the table very shortly.

Senator CAMERON—Mr Bahnisch, are you aware of Mal Peters, the former president of the New South Wales Farmers Federation?

Mr Bahnisch—He comes from the southern state which we do not have much to do with.

Senator CAMERON—Are you aware of a publication called *The Land*?

Mr Bahnisch—Yes.

Senator CAMERON—I would like to get your comment on something Mal Peters wrote in *The Land*. He said: 'The sleight of hand that occurred when John Howard signed Kyoto in 2007 is the greatest kick in the guts to farmers ever perpetrated by a government in Australia. Few people know the Howard government flew the satellites over Australia measuring all the native vegetation, flew them over 12 months later measuring the amount of land farmers had cleared, and negotiated a deal with Kyoto saying that, if they stopped broad scale land clearing, they wanted to count that amount of clearing and tonnes of carbon against Australia's target of 108 per cent. For anybody who thinks that is bulldust, please refer to article 3.4 of the 1997 Kyoto agreement.' That is called the Australia clause, and it was negotiated by the Australian government. Are you aware of the Australia clause?

Mr Bahnisch—Yes, I am.

Senator CAMERON—What is your take on the Australia clause and its implications?

Mr Bahnisch—It was one that was negotiated by Senator Hill to take in sequestration and timber. Other countries did not have that advantage. I would fail to respond to a speech by Mal Peters back in 1997, and I don't think—

Senator CAMERON—No, this is not a speech by Mal Peters in 1997. This is an article in *The Land* in January this year.

Mr Bahnisch—It is an article in the *The Land*?

Senator CAMERON—This year.

Mr Bahnisch—Yes, well I can show you some awful articles in *The Land* just recently. One of the senators at the table would know about it.

Senator CAMERON—Are you saying that what he is saying is untrue?

Mr Bahnisch—I am not going to say it is untrue, but in the hurly-burly of politics people can say anything.

Senator CAMERON—He is not a politician.

Mr Bahnisch—You can have any sort of assertion without any backing and you can make all sorts of accusations, half of them true and half not.

Senator IAN MACDONALD—Quite correct.

Senator CAMERON—But he is not a politician; he is a journalist writing in the *Land*. I am just asking for your view on it. If your view is that it is incorrect, that is okay.

Senator IAN MACDONALD—Did he say when he signed Kyoto?

Mr Bahnisch—Politicians influence journalists and journalists take their orders from politicians lots of times. They have all sorts of nefarious motives for doing these things. They play as much politics very often as the politicians themselves. I would fail to respond to something that happened in 1997.

Senator CAMERON—I am not saying that it happened in 1997. Let me move on. We have basically established that you were unhappy with any offer that was made. There was an offer made by the federal government in conjunction with the state government. You said that offer was not enough.

The **Mr Bahnisch**—No.

Senator CAMERON—I would like to come now to what you see, given that a Rudd government has inherited this mess in terms of where farmers are at, the Rudd government should be doing to help resolve the problems that you are raising here?

Mr Bahnisch—It should use influence on the states to come clean and give us absolute security over our land and have it in law that any taking or any reduction of usage of our land that the community requires is duly compensated.

CHAIR—Senator Cameron, I am going to ask you to wind up now. You have about a minute left.

Senator CAMERON—How do you then deal with the proposition that has been put up by the member for Calare, John Cobb, who is the government's agricultural spokesperson, when he says that the Australian government does not have the constitutional power to manage native vegetation? He goes on to say, on the 14 January, that it is a state issue rather than a federal issue and that 'legislatively we can do nothing'. This was in January this year. This is the member for Calare, the agricultural spokesperson for the opposition. How do we deal with that proposition, given that it is completely at odds with what you are putting to this hearing?

Mr Bahnisch—It is certainly true that the Commonwealth can use influence on the states. South Australia compensated their farmers in full years ago. It has all been fixed up. But the other states have not done it. While the Commonwealth is required under the Constitution to pay restitution for any takings, the states are not. So if the Commonwealth works the perfect scam, as one gentleman from the NFF mentioned the other day, that is what has happened.

Senator CAMERON—Who ran 'the perfect scam'?

Mr Bahnisch—The Commonwealth government and the states in collusion.

Senator CAMERON—The Howard government? Are you saying that the Howard government ran a perfect scam?

CHAIR—Senator Cameron, he has answered the question. I have given you a lot of latitude—

Senator CAMERON—He has not answered that question.

CHAIR—He answered a question specifically.

Senator CAMERON—You cannot cover this up.

CHAIR—You cannot keep putting words into witnesses mouths.

Senator CAMERON—No, I am asking the question.

CHAIR—He answered the question, Senator Cameron.

Senator CAMERON—No.

CHAIR—Senator Joyce.

Senator CAMERON—Jesus, that was a quick move!

Senator JOYCE—I think you might want to strike that last profanity from the record. Mr Bahnisch and Mr Kenny, does the process of COAG use federal power and revenues to affect states? If the federal government wants an outcome, can it effect it indirectly or directly through the COAG process?

Mr Bahnisch—The short answer is yes.

Senator JOYCE—So there is the potential for the federal government, in the COAG process, to address issues pertaining to state government tree-clearing laws.

Mr Bahnisch—Yes, and they have done it on previous occasions.

Senator JOYCE—Can you give an example of a previous occasion?

Mr Bahnisch—It has just gone. I am sorry.

Mr Kenny—Perhaps in an event where there has been evidence of policy failure or the implementation of a policy that has not worked out—for example, in the Murray-Darling Basin with water taking and entitlements. With the Franklin dam, there was certainly influence of the Commonwealth government over the Tasmanian government. So yes; there are a couple of cases—

Senator JOYCE—Traveston dam.

Mr Kenny—where the Commonwealth has certainly had a lot of influence over the states.

Mr Bahnisch—And competition policy.

Senator JOYCE—So there are a whole range of things. Obviously you have lost your rights of ownership over vegetation, but you have unfortunately kept all the responsibilities of that ownership, such as the rates, insurance, weeds—the whole lot. Do you know of any other pieces of legislation where the rights of ownership have been stripped from the individual but all the responsibilities of ownership have remained with the individual?

Mr Bahnisch—There may be some, but I am not aware of them.

Senator JOYCE—Under the freeholding, and especially under the Torrens title scheme of freeholding, was the vegetation, in your knowledge, an asset of the property?

Mr Bahnisch—Yes.

Senator JOYCE—I am going back to what Dr Henry said. Dr Henry talked—Senator Cameron brought the quote to light—about value to the environment. If value has been given to the environment, has value been taken away from the property owner?

Mr Bahnisch—It certainly has.

Senator JOYCE—Therefore there has been a transfer of value and obviously a benefit obtained by the community at the expense of the individual owner.

Mr Bahnisch—It is redistribution of any wealth that we might have had.

Senator JOYCE—As I flew in here, I could not help but look out the window, and I did not see a lack of trees. To your knowledge—staring out the window here at the Berserker range—has there been an overwhelming problem in regard to the amount of vegetation in Queensland? If so, whereabouts do I go to find that problem?

Mr Bahnisch—Certainly in the ‘lock up and leave’ there is going to be an overwhelming amount—too much. You have mentioned the Berserkers. Last year we had a fire similar to the one in Victoria. Forty years of fire load went up in a few hours. Luckily the wind was blowing the other way; otherwise Rocky would have been in a potential disaster. No, I do not think there is any problem. We do have instances where the country is getting too thick for agricultural purposes.

Senator JOYCE—I am also in agreement with Senator Cameron; you have an extremely good submission. It is very tight. You gave the example of Wongalee homestead at Charleville, with the picture taken from the roof, where everything has got bigger—even the coconut tree or palm tree out the front. Is that peculiar or is it typical across a whole range of areas where there has been the infestation of woody weeds—butterbush or mulga—and the loss of what would have been there prior to white settlement, which is shaded grasslands?

Mr Kenny—In my view it is typical of a lot of areas where, prior to white settlement, because of the regularity of the fire regimes imposed naturally and by Aborigines, the competitive interaction between grass and trees was kept in a balance which maintained both in the landscape—so you had these savannah woodlands. Grazing changed that balance. What you can see in those photographs is certainly not uncommon across large areas of Queensland. That is all documented in the science.

CHAIR—Senator Joyce, can I ask you to wind up, because I have to move to Senator Macdonald.

Senator JOYCE—I want to go back to the transfer of value. The value has been definitely taken from you. In my area, there is a property of 10,000 acres which, because of tree laws, was sold for less than \$400,000, I think. That is a pretty good buy in the St George area, wouldn't you think—10,000 acres for less than \$400,000?

Mr Kenny—Not if it is covered in trees.

Senator JOYCE—If the law was not there, you would say it was an absolute steal.

Mr Kenny—Yes.

Senator JOYCE—There is no dispute—you have definitely been ripped off; you have definitely had an asset stolen from you. Without a shadow of doubt, that has definitely happened. No-one, I think, has disputed that. They might be disputing the history and there might be some rhetorical flair about who, why, when, where and what, but no-one is disputing that an asset has been flogged off you. The question really is: who has now got that value or what happened to that value? Was it used for political purposes, to buy a vote? Was it used, for instance, by the mining industry to avert conditions that might have been brought about under international agreements? Who actually got the value that was stolen from you?

Mr Bahnisch—All of the ones that you have suggested. It enabled the federal government to meet the Kyoto agreement, with the carbon abatement that was caused. Particularly in the Queensland government, they have used it at three elections to garner green votes. They have done it every time, and now it has got down to regrowth. There was no talk about compensation this last time. They have taken actual production off us, with no talk of compensation. You can demonstrate that it got them Brisbane city electorates. It is there for all to see. They got themselves back into power using us as an expedient political tool.

Senator JOYCE—You are a minority group. Farmers are definitely a minority group, and anywhere else they would be easily identified culturally as a minority group. Do you know of any other minority group in Australia which in recent history has been discriminated against in the manner the farming community has been discriminated against with the actual theft of this asset in broad daylight by the government?

Mr Bahnisch—No, I do not, but coming close is the Queensland government's move on the wild rivers from the Indigenous people.

Senator IAN MACDONALD—Mr Bahnisch and Mr Kenny, thanks very much for your submission, which was excellent, and for coming along and giving us your valuable time. I want to follow Senator Joyce in actually asking you some questions rather than haranguing you with the political statements that have occupied half our valuable time with you so far today. Is what your group is proposing for now? Are you looking for past compensation back to 2001 or are you suggesting as a group that any further vegetation legislation or restriction on the use of your land from here on in should be compensated by the states or, if indeed it is a federal government responsibility, the federal government?

Mr Bahnisch—Our position is that deserving cases should be looked into—people who have been grossly affected, like the gentleman who started this organisation. I did not get around to indicating that the diminution in his values is between a \$5 million and \$10 million and he has to live with that, apart from having spent half a million keeping himself out of court. He has 28,000 acres of valuable scrub which you cannot get a permit to clear.

Senator IAN MACDONALD—From what you said before, I want to clarify this. You are suggesting that as a Commonwealth parliament, which we are, we should be trying to use our influence to get the relevant state government, in this case the Queensland government, to pay properly as they would if they were a federal government, presumably?

Mr Bahnisch—Yes.

Senator IAN MACDONALD—Does your group accept that there needs to be some form of control over environmental issues, namely in ecological communities? Do you accept that is needed? I am not saying how it is needed. That is the next question. Do you accept that some time some form of control is needed to protect our valuable natural resources?

Mr Bahnisch—I believe we should have absolute right over our own property, the rights to our properties should be delineated, but the time has come when you have to accept that there are stewardship models, Landcare and those sorts of people. One of the problems with what has happened is that probably no-one will trust the government ever again. It has fractured any goodwill anybody on the land has had to any government. So there are going to be difficulties in on scrambling this mess.

Mr Kenny—There needs to be an extensive amount of goodwill between the department of lands in Queensland and landowners and a spirit of cooperation and management of the landscapes for the net benefit of everybody. As Ron said, that has been completely wiped out and now there is just total mistrust between landholders and the state agencies that manage the land.

Senator IAN MACDONALD—I accept that. I was having a look at the Agforce presentation which suggests—and I think you might have suggested this, too—that there should be incentives for people to properly manage their land for their own benefit and for the benefit of the community ecologically, rather than government regulation.

Mr Bahnisch—Yes, the carrot rather than the stick.

Senator IAN MACDONALD—And you would agree with that?

Mr Bahnisch—Yes.

Senator IAN MACDONALD—Are you familiar with the reef rescue packages up along the coast a bit further north of here?

Mr Bahnisch—I am not as familiar with it as I should be.

Senator IAN MACDONALD—The Commonwealth government, in a policy initiated by the previous government, actually put in place a situation where cane farmers in this instance and graziers would be helped with grants of money to do the right thing and there was a lot of support and cooperation between landowners and the Commonwealth government for that. It was all going swimmingly and then the Queensland government, in their typical fashion, came in over the top and started regulating and sending policeman out to jail people if they did not do the right thing. Are you familiar with that scenario at all?

Mr Bahnisch—Yes. I have had phone calls from people who are very annoyed by this unconscionable limiting to their rights to farm their land.

Senator IAN MACDONALD—I am trying to get your group's take on this but as I am hearing you, you are saying yes, that idea with the reef rescue, where it actually was in place,

where farmers were encouraged by cash grants to do the right thing, is the right way to do it, rather than the Queensland government's approach of coming in and saying, 'Do this or you will go to jail.'

Mr Bahnisch—Yes.

Senator IAN MACDONALD—If, for example, in the case of the founder of your group, he were to be compensated a long time after the event, have you given any thought to whether the Commonwealth should contribute and, if so, why, or is it just something that the state government should do, bearing in mind that with the Queensland state government you are likely to be told to get lost?

Mr Bahnisch—It was taken at the behest of the Commonwealth, so I think the Commonwealth is equally responsible. But it should be a case of both making contributions towards it.

Senator IAN MACDONALD—Has your group done any sums on what it might cost governments if they were to implement ex post facto some compensation amount?

Mr Bahnisch—No, we have not, but the figure that was used back in the first instance for the damage was around a billion dollars. I think that was part of a report that was suppressed because the Queensland government did not want to know about it.

Senator IAN MACDONALD—Well, we spent billions on insulation batts, and we are now going to spend more billions on pulling them out. Do you think it would perhaps be a better use of that money to compensate people who have had some of their property stolen?

Mr Bahnisch—Yes, no question.

CHAIR—Thank you very much for your time. If you took any questions on notice or if you wish to provide further information about these issues to the committee, we are due to report on 30 April, so we are obviously facing some time pressures. From our perspective, the sooner you forward that information to the committee secretariat the better. Thank you once again for your submission and for the time you have taken to come today.

Mr Bahnisch—Thank you very much.

[9.55 am]

FORBES, Mr Viv, Chairman, Carbon Sense Coalition

CHAIR—I welcome Mr Viv Forbes from the Carbon Sense Coalition. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee has your written submission. I will now invite you to make a short opening statement and, at the conclusion of your remarks, invite members of the committee to put questions to you. Before you do that, I will first call Senator Cameron, who wishes to make a statement.

Senator CAMERON—I would like to make the statement that there was an agreement all day yesterday in relation to the questioning and the timing available to the government for it. That agreement was for 50 per cent to government and 50 per cent to the opposition parties. That worked extremely well yesterday. We have now been told unilaterally that the government will not get 50 per cent of the time, and I just want to express—

CHAIR—You have made your statement, Senator Cameron. I am calling you to order.

Senator CAMERON—I am making a statement.

CHAIR—You have made your statement. You have made the point.

Senator CAMERON—I am making a statement, and that is that there has been a breach of the agreement that was made.

CHAIR—Senator Cameron, I am calling you to order. In response to that, I make the following statement. There is no Queensland Labor Party senator here. There was no deal between the Labor Party and me. There was an understanding yesterday, when there two members of the Labor Party at the hearing and four members of the coalition, that the government and the opposition would get equal time. What is happening today is that there is one member of the Senate from the government here and four members of the coalition, and I have said that there is going to be a slight change from the fifty-fifty arrangement because there are four coalition senators here. This is not a union meeting, Senator Cameron. I am treating my colleagues with respect and allowing those who have travelled to put their questions.

Senator CAMERON—That reflects on your credibility.

CHAIR—I am quite happy for it to reflect on my credibility in the treatment of my colleagues, Senator Cameron. Mr Forbes, could you please make your opening statement.

Mr Forbes—I am chairman of the Carbon Sense Coalition. My background is that I have been involved in primary industry in Queensland since the day I was born on a dairy farm on the Darling Downs. I have spent all my life as a geologist for the state government or exploration companies and as an owner, a valuer, a buyer, a seller and a manager of grazing properties from Collinsville in the north to Rosevale in the south. Our submission, which you have, covers the

question of legislation that controls vegetation and greenhouse gases and climate. The Carbon Sense Coalition oppose pollution and oppose a waste of resources, but we promote the rational and sustainable use of carbon energy and carbon fuels. This is a huge subject. This morning we have heard a lot about valuation and the loss of value of properties, but the subject goes a lot wider than that. I will try to summarise it for you now—and obviously there will be questions later—with just five points. They are the effect of vegetation laws on the climate, on the environment, on food production, on property rights and values, and the constitutional question.

Firstly, in respect of the effect of vegetation laws on climate, carbon dioxide does not control climate. The reverse temperature controls carbon dioxide. All of the climate models on which we are basing all of this huge climate change industry neglect the elephant in the room, which is the oceans. The oceans contain a huge amount of carbon dioxide in solution. The ocean temperature is not determined by carbon dioxide in the atmosphere; it is determined by the sun, by variations in the sun's output as the solar system changes, by undersea volcanoes and by the ocean itself. As it warms and cools, it expels carbon dioxide when it warms, and it takes carbon dioxide back in as it cools. Carbon dioxide does not control climate.

Secondly, man does not control carbon dioxide; nature controls carbon dioxide. A great carbon cycle existed long before man started burning coal and it will still exist long after man burns the last bit of coal. Wildlife, vegetation, volcanoes and the oceans are the big determinants of how much carbon dioxide is in the atmosphere. Even if man's production was significant, and it is not, Australia's contribution is miniscule and largely irrelevant, so whatever we do will cost us a huge amount and will affect nothing.

Finally, as this is all about vegetation control, trees do not control the amount of carbon dioxide in the air. In fact the reverse is true. The amount of carbon dioxide in the air determines how fast trees grow. All you have got to do is look into any greenhouse. My son-in-law runs a greenhouse. He burns gas in his greenhouse to do two things: to raise the temperature and to raise the carbon dioxide level so the plants grow better. Every nurseryman will tell you that. Over the life of a tree the tree cannot extract any net carbon out of the atmosphere—not one iota. Over its life it extracts. It borrows some carbon for its body, like we do, and when it dies it goes back—ashes to ashes, dust to dust. Trees are not sequesters for carbon, nor is any other living thing.

The second thing we need to look at is the effect of vegetation laws on the environment. These laws are loosely and wrongly referred to as native vegetation protection. They are not; they are tree protection. Trees are not all of the vegetation; trees are not all of the environment. These laws will protect trees and woody weeds of all types, native and exotic, not just native. They protect lantana. Lantana is spreading everywhere around my property because we are not allowed to burn or clear. The laws do not help to restore the landscape to some past status, because before white man came here many grassland areas had more grass than they do now. My wife's ancestors were the original settlers in the Mackay district at Bells Creek. Their name was Bell. They took up 400 square miles for a property called Sarina—just a small property! I went there and had a look at where the original homestead was on the original property. It is rubbishy eucalypt scrub. I said to my father-in-law, who was about 70 at the time: 'Why would they ever have settled here? They had the whole place. They were the first settlers.' He said, 'I wondered that. I looked up the old diaries and it was grassland plains when they arrived.' So they settled in beautiful grassland plains. Now there are scrubby eucalypts, which I would never bother going

near because of all the woody weeds. We have known since Captain Cook first sailed up the coast that fires created and maintained the grasslands. If we are trying to increase the amount of wood, are we trying to return to some mystical situation that occurred before Aboriginal settlement, maybe? Who knows?

We think we can do things without them costing anything. Every bit of land is currently used by trees, grasses, cultivated land or man's infrastructure. If we are going to force-feed the trees, which of the other three are we going to sacrifice—grass, man's infrastructure or cultivated land? It will probably be at least two of them. We are not going to pull up our infrastructure yet.

On the eucalypts that everybody seems to think are so great, I tend to agree with Peter Andrews, who wants eucalypts declared as weeds of national significance. So we should be careful of what the government are promoting. Is it sensible? Every legislative change has some effect somewhere. Are the people who make these laws happy to see rural communities surrounded and strangled by growing vegetation and trees. I see that even in Rosevale, which is 100 kilometres from Brisbane. I see these great forests of rank upon rank of eucalypts on what used to be a productive dairy farm. I can see it all over the hills from my front door. Some company came in and they were promoting carbon credit forestry. They have gone broke. This bloke is stuck with the trees. All that is in the tress are wild pigs and dingoes, and now he is wondering what to do with the trees.

Talking about the environment, eucalypts are even contributors to air pollution and greenhouse gases and they encourage fires. Most people do not realise that eucalypts emit hydrocarbons from their leaves and that is what causes the blue haze. That is where the blue hills got their names. They were blue long before man came here. The smoky hills were smoky before man started lighting fires. It is the hydrocarbons coming out of the eucalypts. They are sometimes called fire trees. We are planting and encouraging the planting of fire trees.

CHAIR—Mr Forbes, I will ask you to wind up your opening statement so that questions can be asked.

Mr Forbes—Okay, I will do that very quickly. The third point I really wanted to emphasise is the effect of tree protection laws on food production. Every significant society in the world has obtained most of its food from open country—from the plants and grazing animals on the grasslands and open forests. Every one of them has had to protect those grasslands, generally by fire and more lately by machinery. Like triffids, the trees are continually sneaking up to surround us. For every landowner, they are destroying his grass, harbouring weeds, pests and predators and increasing the danger of destructive fires right on his doorstep. Some of our urban dwellers are starting to learn the dangers of this.

My fourth point was about property rights and property values, and I am sure you have heard plenty about that. I totally agree with the proposition I heard put by the Property Rights Australia group. On the constitutional question, I think it is outrageous that a conspiracy between the federal governments and the state governments has managed to evade the clear requirement of the Constitution to pay compensation. If this was done in the private sector, the directors of those companies would be in gaol and maybe some other people should go to gaol.

What should be done? It is our conclusion that all attempts to apply one blunt legislative instrument to every property is certain to bring more harm than good. There will be no effect on global temperature, no environmental benefits, destruction of rural communities, hostility and lack of cooperation from landowners and a reduced capacity to produce food. So my recommendation to the Senate committee would be that you should support the immediate repeal of the tree protection legislation and all of the other legislation, like the ethanol subsidy schemes and the carbon credit schemes, that is in fact encouraging people to think that there is some productive use in growing eucalypt weeds. Landowners who have been harmed by these poorly considered measures should be compensated and the Commonwealth should somehow be prevented from conspiring with the states to evade the provisions of the Constitution. Those are the main points I would like to make.

Senator KROGER—Thanks, Mr Forbes, for your submission. Who is the Carbon Sense Coalition?

Mr Forbes—We are a voluntary organisation of individuals. I was one of the founders. We are now worldwide.

Senator KROGER—Originating in Queensland?

Mr Forbes—Yes, originating in Queensland and run from under my house at Rosevale, but we have members all over Australia and in the rest of the world.

Senator KROGER—Do you meet via the internet?

Mr Forbes—Yes, the internet is our tool.

Senator KROGER—It is a great tool at that. Can I ask one question: from the analysis in your own submission, do you believe there is any need or any role for a state or federal government to be involved in the administration of the environment? Should there be any regulation?

Mr Forbes—Yes. I think governments have a role in preventing pollution. They should prevent a factory from setting up next door to my house, pouring out smoke, noise and dust and polluting my water. Yes I think there is a role for government, and they have performed it very badly. I do not believe there is any role for government to be dictating what any property owner, whether they be a householder in Rockhampton or grazier out at Winton, should be doing with his private land, unless he affects the value of it or invades the property of his neighbour. I believe the problem with government dictating what landowners do is that they always end up causing more unexpected consequences because of things that they did not think about. My original title deed at Rosevale obliges the landowner to clear the land. Now my title deed apparently says that I am not allowed to touch a tree. Both are stupid.

Senator KROGER—We heard evidence yesterday in New South Wales about deeds that required people to clear and all sorts of things and how that had been reversed. Do you believe that, in rural areas, there should be any form of government involvement—involvement could mean incentives; I am not necessarily referring to regulation—in how land is applied?

Mr Forbes—I do not see any useful role for a government to be involved in that area. In fact, it is rather ironical that the people who are forcing this upon landowners are the people who cleared all the forests. The forests in Australia were along the coast in the high rainfall area. My ancestors at Killarney were timber getters and they cleared them and then the farmers did, and now they are cities. If we want to restore Australia to what it was like when we came here, we have to remove all this coastal infrastructure and replace it with forests. We have to remove half of the trees in the west and replace them with grass. I do not believe either of those things is likely or possible, but I do not believe government has any sensible role in dictating what happens.

Senator KROGER—Thank you very much, Mr Forbes

Senator CAMERON—Mr Forbes, are you aware of the Australia clause?

Mr Forbes—I think I have heard about it before. Is that the one on the Kyoto agreement?

Senator CAMERON—Yes.

Mr Forbes—Yes, I am aware that there was some secret agreement there.

Senator CAMERON—I do not think it was secret, but there was an agreement.

Mr Forbes—Okay.

Senator CAMERON—So you do not really know a great deal about it. In terms of your views on a range of issues, Peter Costello, when he was interviewed on 6 June 2007 on the *7.30 Report*, talked about native vegetation and the issues that had arisen, and he said:

Yeah well ... this was all designed to stop land clearing and we stopped land clearing, and it's helped us to meet our Kyoto target. If I may say so, Australia actually did something practical.

So the argument that you are putting up certainly was not one that was accepted by the Howard government or by Peter Costello in terms of doing something about the environment.

Mr Forbes—I have never been very popular in the Liberal Party.

Senator CAMERON—You are not popular in the Liberal Party? We could form a club, then.

Senator IAN MACDONALD—Mr Forbes, you would not want to be in it.

Senator CAMERON—The Cameron-Forbes club. We could even invite Barnaby in as well. So you do not agree with that position that the Howard government took in relation to the environment?

Mr Forbes—No. I do not think we should have agreed to anything at Kyoto. I do not think we should have signed it. I do not think that there is any benefit for Australia in getting involved in it.

Senator CAMERON—Why do you think that people who claimed an understanding of the land, Queensland ministers at the time, would have supported that position? This is Liberal Party and National Party ministers.

Mr Forbes—Unfortunately, politics is about numbers and gaining votes, and it is about the green suburbs of Sydney, Melbourne and Brisbane.

Senator JOYCE—Do you think that everybody in the Labor Party agrees with the ETS?

Senator CAMERON—We are talking about native vegetation—

Mr Forbes—But it is intimately involved with climate change and Kyoto.

Senator CAMERON—The Rudd government has inherited this situation. It was legislation that was passed previously in the states. That legislation was passed because the Howard government put pressure on the states to introduce the legislation, to meet their Kyoto target. Do you agree with that?

Mr Forbes—Yes.

Senator CAMERON—So we have inherited this situation.

Mr Forbes—Yes.

Senator CAMERON—How then should we go about trying to resolve the problems that some farmers have with this legislation? What would your advice to the Rudd government be?

Mr Forbes—It would be: call in your friends in the Queensland government and ask them to repeal these laws, and offer to provide compensation for the harm that you have done already to farmers everywhere. Those would be the main two things that you could do. Stop the damage and somehow pay for the past damage.

Senator CAMERON—There has been an argument, and I think it has been a theme right throughout the submissions, and that is that there should be restitution and compensation—

Mr Forbes—Yes.

Senator CAMERON—The other argument is that there should be incentives to farmers to deal with the issues. What is your take on that?

Mr Forbes—I do not like incentives. They are a great place for pork-barrelling. I think the government should get out of the business of trying to dictate in some way, either by incentives or by taxes, what people do with their land and how they make the land productive, useful and valuable.

Senator CAMERON—I see a lot of heads nodding on this side of the table, the coalition senators. Would you also run that argument for Tony Abbott's environmental policy, which is based on incentives?

Mr Forbes—Yes, I do not—

Senator KROGER—What about CPRS?

CHAIR—And the CPRS, I assume.

Senator CAMERON—There are not too many heads nodding now.

Mr Forbes—I think justice should be blind. It should administer some sort of just system without any regard to who is there and whether they should be doing this, that or something else. They should worry about real crimes. They should make sure that people live their lives justly and not worry about whether they plant trees or do not plant trees or whatever they do.

Senator CAMERON—Why do you think the Howard government—

Mr Forbes—If I could expand on that a little bit. All you have got to do is look at leasehold land—which is mainly Queensland; Queensland has more leasehold land probably than anywhere else in the world, since Russia has privatised a lot of their land—and Victoria, which is largely freehold land. The freehold land is beautifully maintained and improved. The land is productive. The leasehold land is run almost for cattle rustling. About all they do is get the cattle out of the scrub. It is because there is no benefit in greatly improving the assets of the land. I had a great friend years ago, whom some of you will know: Charles Russell. Charles had lots of leasehold and freehold land in Queensland and New South Wales. At the end of his life he said, ‘I would never again develop leasehold land more than absolutely required by the lease conditions.’ Every time he did, he would develop the land beautifully, and the lease would run out and the government would say, ‘That is obviously a beautiful property. We are going to cut it in four. Which quarter would you like?’ That happened to him several times. Private ownership of land gives people an incentive to maintain and conserve its value. If you rent your house you will soon find out—

Senator CAMERON—Mr Forbes, I have another couple of questions I would like to ask you. I am under strict—

CHAIR—No need to martyr yourself, Senator Cameron. You are getting 40 per cent of the time.

Senator CAMERON—The deal has not been done here, so I have been cut back. Can I draw your attention to a statement by Senator Robert Hill, who was the environment minister in 2001. He said:

Recognising that land clearing in salinity risk areas is the primary cause of dryland salinity, effective controls on land clearing are essential.

The Howard government were clearly saying, back in 2001, that there had to be controls on land clearing, because of the salinity risk. What is your take on that?

Mr Forbes—There is no agreement on what is causing salinity. The salt is there. It is coming from a number of places, but people do not realise that a lot of salt is blowing in on the wind

from the oceans. That is where a lot of our salt comes from. The salt is already in the sediments down there. Every landowner needs to understand his salt and decide if he has got a salt problem and how best to handle it. If he believes that means growing more trees, he will grow more trees. I do not believe that is the salt solution. The solution is to mobilise the salt and that is a matter of soil mineralisation. I saw this many years ago around St Lawrence. A bloke with coastal salt veins turned them into productive land by applying calcium sulfate. It is just a matter of the balance of the minerals in the soil. You would be surprised at this: I read a book by a bloke who was a maniac about salt and it showed pictures of cultivated land in America where salt was applied to the pasture so well that a photograph showed it like snow on the ground. They ploughed it in and produced record crops. It was because that salt was sea salt and not sodium chloride. It was a range of salts. Everything needs salt, including pasture. It is just that sometimes our pasture gets strangled by just one salt, sodium chloride, just as we do too. It is a bad thing to eat just sodium chloride. You should eat sea salt.

Senator CAMERON—Back in 2001, there was an intergovernmental agreement to implement what was called the national action plan. Are you aware of that?

Mr Forbes—That sounds pretty bad. I would not read it.

Senator CAMERON—This was the Howard government's national action plan. The proposition that was put forward by Senator Hill at the time was that Commonwealth funding for the plan was contingent on the states and territories committing to implement the whole package of measures outlined in the agreement, which included policy reform related to land and water resource management. So the Howard government was quite clear that there was a benefit in having a national plan, in dealing with salinity and in stopping land clearing. Why would that be a bad thing?

Mr Forbes—I have got no faith whatsoever in any national plan. Never in the history of the world have they proved to give a long-term benefit to the people. National plans are always run by a small coterie of people and they always get rorted by them and their friends.

Senator CAMERON—I am not talking about the philosophy of a national plan; I am asking you about the details of this national plan.

Mr Forbes—If the philosophy is wrong, the thing is going to be wrong.

Senator CAMERON—It is just wrong?

Mr Forbes—Yes. I do not believe there is one national plan. Who is going to determine it? Somebody will tell me how I best manage my land. I have got far better grass than my neighbours because of the way I manage my land, but I am probably going to be told I cannot do this and cannot do that. I cannot grow certain trees and I cannot knock those things down. I have been there 20 years and I have learnt what not to do.

Senator JOYCE—Going back to your understanding of what Senator Cameron said, would it be your view that Senator Cameron said that the federal government affected the states in bringing in the tree clearing laws?

Mr Forbes—That is what I understood he said.

Senator JOYCE—Would it be your view that Senator Cameron also said that the National Action Plan for Salinity and Water Quality was a federal government action that affected the states?

Mr Forbes—Yes, I think that is what he said.

Senator JOYCE—Then it would be a fair presumption, given that Mr Cameron is part of the federal government, that the federal government could once more be the predominant article that affects the states to bring about a change to the current tree clearing laws to fix things up?

Mr Forbes—Surely they can undo it all. Yes.

Senator JOYCE—So the federal government is currently in a position, if we believe the proposition of Senator Cameron, to actually fix something. That is exactly why we are here and it is very good.

Mr Forbes—I would agree with that.

Senator JOYCE—I was concentrated during your submission more on the variance of vegetation. Just because something is native does not necessarily mean that it is good. Kookaburras are native to Australia, but do not tell the Western Australians that they are good. Do you know of any forms of native vegetation which are pests?

Mr Forbes—Eucalypts is the obvious one for most areas of Australia.

Senator JOYCE—Which eucalypts? *Eucalyptus populnea* or—

Mr Forbes—I call them sugar gums or rubbish gums.

Senator JOYCE—What about woody weeds? A lot of them are natives. What about butter bush? That is native.

Mr Forbes—Yes, undoubtedly.

Senator JOYCE—Is that an asset to the country or a pest?

Mr Forbes—What a weed is depends on your standard or values. I have changed my definition of what weeds are since I got sheep, because what I thought were darned useless weeds the sheep think are great eating, so they are now part of my pasture. I see city people growing those awful, fluffy-looking, pesky grasses—

Senator JOYCE—Pampas grass.

Mr Forbes—which spread through the country—pampas grass. They think they are beautiful, valuable plants. We think they are weeds. They think buffel grass is a weed; we think it is the

greatest pasture grass ever introduced into Australia. So what is a weed and what is not is a value judgment, and every landowner has got to make a judgment on that.

Senator JOYCE—There is an unfortunate capacity of governments to be stereotypical in how they see something. They see something and say, ‘Native equals good. Anything else is bad.’ Really, that is a very myopic and dangerous view. Would you say that since white settlement the nature of the Australian landscape has remained static or has changed? I am talking especially in relation to the density of the tree population and what was open, shaded savannah.

Mr Forbes—There is no doubt at all that that has changed in two major ways. Some of the grasslands were treeless—and it is not just Australia. South America, America and South Africa, all of the countries with distinct wet and dry seasons, have bushfires. Bushfires create grasslands, and they all had grasslands. Some of them were absolutely treeless with vast herds of grazing animals, and the whole system was sustainable.

Senator JOYCE—We are in the Leichhardt Hotel. What Leichhardt said, in the annals, he was wandering through and what is actually there now is substantially different.

Mr Forbes—That is exactly right. My friend at Longreach took photographs, I think in the 1990s—it is in our submission; I have forgotten the date—and compared them with the aerial photographs of the 1950s, and there is a vast increase in the number of trees. I have seen pictures of old mining camps. There is a picture with a hill in the background and the hill is almost bare of trees. The miners did not take them off; the hill just did not have trees. You can take a picture from the same spot today and it is covered in trees.

Senator JOYCE—That being the case, this regulation, far from returning things to nature, is actually fundamentally changing the nature of the landscape.

Mr Forbes—It is destroying native grasslands. We are destroying one set of native vegetation with another much less useful one. Nowhere in the world have people worshipped vast acres of trees. They like a few trees. They are pretty; they are shady; they provide some habitat for various things. But where people make their living is the grass.

Senator JOYCE—Just north of here is the refuge for the nail-tailed wallaby, which they thought was extinct. They found it, actually, not in the national park but on a cattle property. In returning that cattle property to nature to try and save the nail-tailed wallaby, they ended up almost making it extinct again! Do you believe that not only has there been the theft of the asset from the individual, with all the responsibilities of ownership remaining with the person but all the rights removed, but in essence they are not returning things to nature but actually changing holistically the nature of what was originally there?

Mr Forbes—Exactly. Before we moved to Rosevale, I lived for many years on the borders of a national park. That national park had two things which were really growing: lantana and dingoes. It accidentally caught fire a few times while I was there, and it cleaned out quite a bit of the lantana, but that is all that was increasing in that national park.

Senator JOYCE—Are you aware that even in a place such as around Mount Bartle Frere there is an animal called the northern bettong which is currently endangered because of the encroachment of the rainforest?

Mr Forbes—No, I was not aware of that, but every change affects something. There is no stable situation anywhere in the world. There never has been. There is always something going to extinction. There is always some aggressive invader. For many places we have been the aggressive invader, but we are not the only ones. There are foxes, dingoes, rats, cockroaches—there are lots of aggressive invaders and there are continually species that fail. The whole history of the world is extinctions.

Senator JOYCE—What does private ownership mean in your words?

Mr Forbes—Private ownership means the ability for people to have and live their dreams.

Senator IAN MACDONALD—Thank you for coming along and helping the committee with your submission and your evidence. As I understand, you do not think there should be any government controls at all on the way land is used.

Mr Forbes—No, I do not see any benefit in government controls on the way land is used unless that use is causing pollution, is damaging the neighbours or is somehow affecting someone else somewhere. If all the person is doing is shooting themselves in the foot, they are welcome to do it.

Senator IAN MACDONALD—If they are causing erosion, that affects everyone in the area.

Mr Forbes—If they are silting up the neighbour's creek, yes, that is fine. He can and should complain about it.

Senator IAN MACDONALD—So you accept that for those landowners who do not do the right thing there should be some regulation.

Mr Forbes—Yes, if they are causing damage to their neighbours or damage to the public air, water or something of that kind.

Senator IAN MACDONALD—Accepting that there is in instances a case for government control, what is your view on whether compensation should then be paid if that control diminishes the value of that person's property?

Mr Forbes—Undoubtedly, compensation should be paid. If the government insists that I support kangaroos, they should pay me an agistment for supporting kangaroos.

Senator IAN MACDONALD—How do you think compensation should be arrived at? What is the best way to get the right formula for the compensation?

Mr Forbes—The right formula is, as the gentleman before me said, a valuation before and a valuation after. That is great in principle, but I have been through lots of those valuations. The main people who get rich are the lawyers. In a case like this I think some general, blunt

instrument which is reasonably fair but does not involve armies of lawyers would be preferable if that were possible.

Senator IAN MACDONALD—Would you agree that the best way would be for governments to sit down with affected landowners or representatives of those affected landowners to agree on a formula that is acceptable?

Mr Forbes—Maybe they could have that discussion, yes. I suspect that discussion may take a long time.

Senator IAN MACDONALD—To bring a reality check into the second lot of questions you were asked by Senator Cameron—

Mr Forbes—By the way, I have suggested something like that in my submission.

Senator IAN MACDONALD—You have indeed, and that is why I was bringing a reality check to the questions that Senator Cameron asked you. You would recall that back in those days there were negotiations going on between the Commonwealth government, landowners, representatives of landowners and the Queensland government to work out the correct form of compensation. Do you recall that?

Mr Forbes—I do not recall it, but I am sure it was happening.

Senator IAN MACDONALD—\$150 million was mentioned—

Mr Forbes—Oh, yes—that is right.

Senator IAN MACDONALD—And that is as far as the negotiations got; they were not finalised.

Mr Forbes—Yes.

Senator IAN MACDONALD—Do you remember that the Queensland state Labor government then unilaterally came in and said: ‘We’re not talking to anyone anymore, we’re not doing any compensation and we’re not talking to the Commonwealth. We’re just going to stop all land clearing in Queensland and not a cent of compensation’?

Mr Forbes—Yes, I do remember a very dramatic change.

Senator IAN MACDONALD—I just wanted to put that in perspective because of the incorrect summation put to you earlier. You said you did not like any incentive program. You described that as pork-barrelling and only helping those who were offering it.

Mr Forbes—I would rather you reduce taxes on all landowners.

Senator IAN MACDONALD—Yes. I think we have agreed that, if every landowner were going to do the right thing you would not need governments; but, human nature being what it is,

80 per cent would do the right thing, 20 per cent would not and it would have an affect on others. I think you would agree with that.

Mr Forbes—Sixty per cent of the people in the federal parliament would think the right thing is for me to devote my land entirely to trees, so I do not trust governments to determine what the right thing is.

Senator IAN MACDONALD—I would argue with that, but we are not here to debate. I can assure you 60 per cent of the parliament would not want to force you to do anything like that.

Mr Forbes—That is good.

Senator IAN MACDONALD—I am coming back to the alternatives there are if there is to be government oversight of protecting land. One alternative seems to be regulation: ‘Do this or we’ll throw you in jail.’ The other one seems to be, ‘If you do this, we’ll reward you for the public good that you are doing on your land.’

Mr Forbes—I guess if I had to choose between those two alternatives I would choose, ‘Here are some incentives if you do the right thing.’ There is no doubt that that is more moral, less aggressive and would raise less hostility.

Senator IAN MACDONALD—Thank you for that. Finally, you suggested in your submission as I read it that landowners are opting for exotic plants rather than natives as a way to avoid native legislation regulations. Could you elaborate on that? I cannot quite follow how you are getting to that proposition.

Mr Forbes—Native plants—eucalypt plants specifically—are a liability on any property now. On my property, if I see a eucalypt a few inches high it does not get any higher. I can get rid of it when it is that height; you will never see me. But once it gets bigger I am not allowed to touch it anymore. Landowners are creating liabilities for themselves. But I can plant an albizia or a tipuana. Tipuana is the best tree I have ever had on my property. It is a beautiful, exotic tree. It is shady, it improves the soil, it drops its leaves in winter and lets the sun through, it grows quickly and I can cut it down whenever I like. I wish I had hundreds of them.

Senator IAN MACDONALD—Are you saying that if you grew that tree—

Mr Forbes—I do grow that tree.

Senator IAN MACDONALD—or if people grew those trees out here on the range lands they would kill all the eucalypts anyhow? They would take over the space.

Mr Forbes—Unfortunately, they will not kill the eucalypts.

Senator IAN MACDONALD—But you are saying that people could plant them.

Mr Forbes—Yes. I am saying that people should be able to decide what trees to plant.

Senator IAN MACDONALD—Do you know if there are any laws against planting those trees in Queensland?

Mr Forbes—I am not sure, but every now and then you hear some rabid greenie talking about how he does not want to see any exotics, and that includes tipuana trees.

Senator IAN MACDONALD—It includes all the english oaks in Canberra too. Anyhow, it is an interesting proposition. Thanks for raising it.

CHAIR—Thank you for your time. If there is any further information or if you took anything on notice, that can be provided to the committee secretariat—ideally over the next fortnight as we are due to report on 30 April.

Proceedings suspended from 10.39 am to 10.55 am

COTTER, Mr John William, President, AgForce Queensland**WAGNER, Mr Andrew John, Policy Director, AgForce Queensland**

CHAIR—Welcome. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee has your written submission. I now invite you to make a short opening statement. At the conclusion of your remarks, I will invite members of the committee to put questions to you.

Mr Cotter—I welcome the non-Queensland senators here. It is a rarity to see senators from out of state taking an interest in rural issues, and we really appreciate the opportunity to talk to you. We are certainly pleased to see our two rural Queensland senators here too. It is much appreciated.

Firstly, I will just outline AgForce for those that may not be aware of it. It is the organisation that represents the beef industry, the sheep and wool industry and the grain industry in this state. It has been in existence for 10 years and was formed by the joining together of three organisations, namely the United Graziers Association, the Cattlemen's Union and the Graingrowers Association. It is a large organisation and its industries are responsible for about \$13 billion worth of the Queensland economy. Consequently, it is critical for those industries to have an environment in which to operate that is positive, productive and very much driven by an incentive to invest—not only financially but also with intellectual and social human capital—in those industries. It is a large part of the Australian economy in the exporting of, particularly, high-quality food.

I live on a property that my family took up in 1865. I recently had it assessed in terms of its environmental standards as of today. The assessment was done by third-party audit people and the property was given the tick to say that it is in far more pristine order now than it would have been 140 years ago. I raise that not for the benefit of John Cotter or his image but to highlight the fact that people in the rural industry take enormous pride and care and really value the image that we present as good land managers and good carers of the countryside and the environment. I particularly have an enthusiasm for the biodiversity of a property, because if you understand nature then you understand how you maintain not only productivity but good environmental values that go forward.

Over the past 100-odd years, vegetation legislation in Queensland has gone from one extreme to the other. When we settled on that property, it was by selection and we had pastoral inspectors who rode around every three months or six months and inspected to see that you were clearing vegetation, developing that property and getting it productive. That was in the 1890s. When the brigalow scheme came into Central Queensland, there was even more pressure on people. I was one who applied to ballot for one of those blocks, and I found that I could not supply the finance to do the clearing and the development that was required by legislation when you drew those blocks. That was in the early seventies around this particular Central Queensland area.

So, if there was ever a reason why producers and land managers get sceptical about governments, vegetation regulation is a great example of how you get dragged from one side of

the spectrum to the other in trying to comply with what governments put in front of you. Given all that, the landscape in Queensland that is managed by our constituents is certainly in far better shape than it has been for a long time. I think the understanding of nature was highlighted recently in the huge floods and weather events that there have been across this state. The way they have been managed by those land managers is testament to the way these people take care of the land and see that it is not only productive but environmentally sustainable. I think that is something that should be taken into account by all sides of politics; there should not be draconian legislation that just takes the lowest common denominator and thinks that is the way we operate.

What I would like to do today is outline the key issues which AgForce believes need to be addressed. One is the certainty in which people are allowed to manage their land and knowingly go forward under a policy regime that is not dragged by elections from one side to the other by a whole range of particular minority groups putting their point of view forward. Secondly, I think there is a total lack of recognition by governments of the value of land managers and their ability to look after their landscapes and their environments. Thirdly, I think that, if you look at the other legislation that impacts on us as well, it minimises the ability to put best efforts into managing the land. I quote you things like wild rivers and moratoriums that we have just had on the management of regrowth of vegetation in Queensland.

At the same time, we are living and breathing with the resources industry across this landscape in huge dollops. At the moment, some 80 per cent of it has exploration permits over it, and we expect people of the next generation to be enthusiastic about investing in this food-producing industry that is so critical not only to Australia but to the rest of the world. We have figures that suggest that by 2050 there will be a billion people hungry in this world, and a large section of the world looks to Australia as an answer to some of that thing. Food production in this state particularly and in Australia can be increased enormously. There is a target in Queensland alone to go from \$13 billion of value a year to \$35 billion by 2025. I think that is very achievable, but we have to have the regimes and policy frameworks around us which allow us to get on and do the job sustainably and be able to go forward with some confidence that we are not going to be pulled from pillar to post by some election commitment or some particular enthusiasm by a side of government that does not see the value or recognise the wealth that the agribusiness sector brings to this country. Thank you.

Senator IAN MACDONALD—Thanks for coming along and for your submission, which I found very interesting. You say in your submission:

... many of the policy options outlined above currently already exist and are achieving far greater outcomes than those proposed by a legislative ban on clearing endangered regrowth.

Could you elaborate on that and perhaps give us some examples of the things that are available to be done. I notice that later on in your submission you talk about nature refuges—is that it?

Mr Cotter—Yes.

Senator IAN MACDONALD—Could you elaborate on that a bit for us.

Mr Cotter—Certainly. I think we proved during the debate with the state government here in Queensland about the vegetation moratorium that a regulatory blunt instrument was not going to get the achievement they wanted, simply because there is a lack of understanding and a lack of science attached to the forming of this legislation that says, ‘You just lock it up.’ The reason we achieved the change in that legislation was to prove to the policymakers that it takes a balance within the vegetation and the nature regime to achieve a good, sustainable outcome. Over the last three or four years, landowners in this state have voluntarily put forward 1.7 million hectares of land, in conjunction with the nature refuge scheme—where they have had, mind you, very little compensation. They have agreed to preserve those valued areas in coordination with government to maintain those values. So there is a huge amount of goodwill within the land manager community to look after these specific areas.

Senator IAN MACDONALD—What is in it for the land managers to do that voluntarily?

Mr Cotter—The land managers believe they have a responsibility and are prepared to put their production to work within those nature refuges forward as an example of good land management. They see the value in maintaining those areas. That is applied to 1.7 million hectares in this state.

Senator IAN MACDONALD—By doing that, do they hope that the government will not impact upon their good grazing lands, for example, or their other lands from which they can get a productive living?

Mr Cotter—They put that forward because they recognise that they are seen as good land managers, and they certainly would expect to be able to manage the rest of their properties in the way in which they have done. The thing that is always missed in this kind of draconian legislation is that it is about protecting something that farmers and land managers have been protecting for 100-plus years and all of a sudden they want to legislate to protect it. Senator Joyce made the comment about a particular species that was there because a land manager had protected it for 100 years and then they wanted to lock it up.

Senator IAN MACDONALD—In your submission you talked about the agreements that are made, and you just mentioned them again. How are they audited or regulated? How does the government know that you are playing your part?

Mr Cotter—I will hand over to Drew who is the coordinator of the program.

Mr Wagner—Thank you for that question, Senator. The Nature Assist package of funding goes through the Nature Refuges Program. The Nature Refuges Program is the way in which a landholder enters into a conservation agreement with the government. That agreement is held in covenant over title and there are particular outcomes that must be maintained and have ongoing achievements attached to them that are then audited back by the Environmental Protection Agency through one of the Queensland departments.

Senator IAN MACDONALD—So there is an audit process?

Mr Wagner—Very much so.

Senator IAN MACDONALD—What happens if I have agreed to do this and then I do not do it? Is there a penalty or can they forfeit my land?

Mr Wagner—There are make-good provisions within those agreements and that can lead on to further action if required. Even with the 1.7 hectares that are currently covered, it is merely an indicator of the area that has actually been applied for. This is a merit selection process. There are terms of reference upon which an expression of interest must be attached. The assessment panel has been through the last round of Nature Assist and there were some 12.2 million hectares at that stage being investigated. Indeed, the figure will move more towards three million hectares of coverage in the next six or eight months.

Senator IAN MACDONALD—As obviously the pre-eminent rural representative group in Queensland, your members believe that is the best way they have to be able to productively manage their farms and, at the same time, do what is seen to be the right thing by the—

Mr Wagner—Very much so. We have had a long-standing policy that tries to couple the productive outcome with a conservation benefit. We see that this mechanism provides that best outcome for the landholders' productive nature as well as the conservation of the site that is there. As Mr Cotter mentioned earlier, those values still there are worth preserving because they have been managed for a very long time. This is seen by the landholder not only as a way of formalising some of those processes and perhaps receiving some assistance—not necessarily financial—from the government in the ongoing management of those values but also as a way of gaining some recognition that those values are still there.

Senator IAN MACDONALD—I might put some questions on notice, but, as you would appreciate, we only have limited time. This is my final question. You say in your submission that compensation should be provided where landholders' rights and legitimate and reasonable expectations have been diminished. Can you suggest to me some examples of where compensation might be appropriate?

Mr Cotter—Absolutely. There are tracts of land around this state where people had not cleared when the axe dropped—I refer particularly to some of the broad acre clearing regimes I mentioned that started in 1972—on broad scale clearing and those people are now left with a piece of land that is unproductive. It is not only unproductive from a producing point of view; it is unproductive in a lot of cases from a land management point of view, in particular with soil erosion. We can show you great examples around this countryside where the vegetation thickening, particularly where we are seeing encroachment, is minimising the ground cover and maximising the soil erosion. We have photos here that we would be happy to show you that really highlight the need for balance between a managed regime that thins and maintains the vegetation within a regime that allows ground cover to prevent any soil erosion or loss of productivity.

Senator IAN MACDONALD—So you are saying that the policy not to cut any trees is in fact having the reverse impact to what was intended—that is, because it is killing the grasses, it is less valuable for erosion control amongst other things.

Mr Cotter—Very much so, particularly with species that thicken quickly. With regard to the compensation issue, there is enormous encroachment and thickening going on in this state now

and, particularly with a season like the one we are having at the moment, we are going to see a rapid increase in the growth of that thickening and a diminishing of the ground cover, which is not only there for the production of beef or sheep or whatever it is but also there to conserve the soil and conserve the balance in nature.

Senator IAN MACDONALD—Just for clarity, can you tell us what you mean by thickening?

Mr Cotter—Some of the country that has been locked up was locked up on the understanding that there was a canopy of trees of perhaps in the vicinity of 50 to an acre, for example. As the next layer of undergrowth comes through those trees, there might be 200 to the acre and, as they get bigger, the amount of nutrient and the amount of moisture they drag from the soil diminishes its ability to grow ground cover.

Senator IAN MACDONALD—Could we have those photographs?

Mr Wagner—To put these photographs in context, they were taken not that far south-west of this location. All four of these photos were actually taken on the same property. There is a photo that is on the bottom of the second set that is actually over the boundary fence, but all the photos are indeed on the same property within a thousand metres of each other. They do show quite succinctly and clearly what does happen once that thickening process or regrowth process comes back.

CHAIR—Have you concluded, Senator Macdonald?

Senator IAN MACDONALD—I will leave it there. If there is time, I will come back. Otherwise I will put some questions on notice.

Senator CAMERON—Mr Cotter and Mr Wagner, thanks for coming along. Are you familiar with the Australia clause in the Kyoto agreement?

Mr Wagner—We certainly are.

Senator CAMERON—What does the Australia clause commit Australia to?

Mr Wagner—The Australia clause was specifically dealt with under article 3.4 regarding the emissions from removals. Those removals, whether they be through land management practices or vegetation management, were specifically entailed to the emissions relating to them. The Australia clause actually put forward the system where avoided removal could be classed as a credit and therefore benefit could be gained if avoided deforestation or native vegetation removal was put in place.

Senator CAMERON—Who was responsible for committing Australia to the Australia clause?

Mr Wagner—The negotiation team that was present in Kyoto.

Senator CAMERON—Do you know who that was?

Mr Wagner—It was predominantly led by Robert Hill but also included members of the Australian Greenhouse Office. It was slightly before the inception of the Greenhouse Office, but in March 1998 it was formalised as the Australian Greenhouse Office.

Senator CAMERON—And who was Robert Hill acting on behalf of?

Mr Wagner—Robert Hill was acting on behalf of the Australian government.

Senator CAMERON—The Howard government?

Mr Wagner—That was the government at the time.

Senator CAMERON—The Australia clause then meant that the government had to come back and reduce vegetation clearing, specifically in New South Wales and Queensland. Is that correct?

Mr Wagner—That is correct but because the Kyoto protocol was not ratified at that time but only signed on to by the Howard government, those credits were only held in situ. They were never actually cashed in until the ratification of that process.

Senator CAMERON—Peter Costello, in 2007, when he was talking about the whole question of land clearing, said:

Yes well, this was all designed to stop land clearing and we stopped land clearing and it has helped us to meet our Kyoto target. If I may say so, Australia actually did something practical.

So the Howard government was in no doubt what it was trying to achieve, and that was less clearing of native vegetation. Is that correct?

Mr Cotter—The Howard government put that issue forward, but it must be very clearly understood that the management of vegetation is a state responsibility and that could not have been achieved without the full cooperation and the involvement of the state Beattie government. We have had to deal with the government here in Queensland on all of these issues, and the lack of negotiation in those days—and I was not the president of this organisation then—rather than being dictated to is what caused the major heartache in this state.

Senator CAMERON—Is your organisation saying on the public record that the Howard government had no responsibility in this and that it was all the Beattie government's problem?

Mr Cotter—It is not this organisation's responsibility to apportion blame to any particular government, other than to highlight which was the responsible agency—that was, in those days, the Department of Natural Resources—in the state of Queensland for managing vegetation under the regime.

Mr Wagner—If I may add something. There has been a fair bit of discussion this morning about the level of consultation that was actually had between representative bodies and both levels of government at that time. You may not be aware that full-page ads were actually taken

out by AgForce in national media during that period that were actually asking for consultation, because consultation of any worthwhile meaning was not being had.

Senator CAMERON—With the Howard government?

Mr Wagner—Just period—with any government.

Senator CAMERON—There was no meaningful consultation taking place with the pre-eminent agricultural body?

Mr Wagner—We called for that at that time and that consultation was then provided after that request was made.

Senator CAMERON—I may come to that. In relation to the question of the Howard government's role in this matter, during 2001, through to 2003, there were many statements made by Howard government ministers about the need to reduce greenhouse gas emissions 'through the implementation of state wide caps on clearing of native vegetation'. That was a statement by Senator Hill to the Senate in September 2001. So it was quite clear that the 'Australia clause' was driving the Howard government to put pressure on state governments to reduce native vegetation. Is that your reading of where we were at?

Mr Cotter—As I said, I do not think it is this organisation's role to apportion responsibility other than—

Senator CAMERON—I am not asking about responsibility; I am asking about the facts. Is it factual that the Howard government put pressure on the states to reduce native vegetation? Is it or is it not a fact?

Mr Cotter—There has certainly been media documentation to indicate that, but I am certainly not going to verify or—

CHAIR—Witnesses should feel free to say that they are not able to answer a question, if they feel they are not able to.

Senator CAMERON—Thanks for that help, Chair. I know you are trying to avoid any problems of the Howard government and that is fine.

CHAIR—Senator Cameron, I was assisting the witness.

Senator CAMERON—I know who you were assisting. Let us not be—

CHAIR—You know everything of course.

Senator CAMERON—I know who you were assisting.

CHAIR—Get back to your questions.

Senator CAMERON—You should talk to me with a little bit of grace, not like that.

Senator JOYCE—You ask the same question of every witness.

Senator CAMERON—The Australia clause is in place and you have considered there was media speculation that pressure was being applied by the Howard government on the states to cut back native vegetation. There were then some negotiations, as you have outlined. Can you take me through AgForce's role in those negotiations and why they failed?

Mr Cotter—I certainly was not part of those negotiations and, as Mr Wagner has said, I do not think it was what I would call a negotiation. In recent times where there has been the ability to negotiate with the state government I think we have had a far more beneficial outcome for both sides, both government and the land managers. My understanding—and I think someone mentioned Mr Acton previously—is that it was not a negotiation; it was a case of 'This is how it shall be.'

Senator CAMERON—From both the federal and—

Mr Cotter—And the state government.

Senator CAMERON—What about the federal government's role in that? What was their position?

Mr Cotter—You are suggesting that the federal government were trying to influence the states to take these actions, but our negotiations or our involvement would have been with the state government, not with the federal government.

Senator CAMERON—Did you seek any discussions or negotiations with the federal government, given that they were instrumental in forcing this issue?

Mr Cotter—Can I repeat that, at the end of the day, the imposing regulatory regime in this state was the state government and it would have been our role, if I had been the President at the time, as I am now, to do the negotiation or seek negotiation with the regime that had the responsibility for the regulation, and that would have been the state government.

Senator CAMERON—So Agforce has a demarcation line: you do not talk to the federal government?

Mr Cotter—We have a body called the National Farmers Federation, of which I and this organisation are members. If it is a national issue then we would be negotiating or dealing with them through that.

Senator CAMERON—In May 2003, David Kemp and the then Queensland Premier Peter Beattie did a doorstep interview and a question was put to Dr Kemp. The question was:

Dr Kemp, do your National Party colleagues support this proposal?

That was the proposal for joint funding for compensation. Dr Kemp responded:

The proposal is one that has come from the Commonwealth Government as a whole. It's one that the National Party colleagues and the Liberal Party colleagues together presented to the groups this morning. Warren Truss was there, as were two of the other Queensland Commonwealth ministers.

I think one of those ministers was Senator Ian Macdonald. Dr Kemp further stated:

So the Commonwealth is very pleased to be able to put this proposal, which has been developed by Commonwealth and State officials, to the farming community in Queensland.

This was on 22 May, 2003. I assume that AgForce would have been part of that group? You are the pre-eminent group in Queensland. Was AgForce represented at the meeting?

Mr Cotter—I could not confirm that at this stage.

Mr Wagner—I am more than happy to take that question on notice. We will find out those details for you and present that evidence.

Senator CAMERON—Could you also take on notice and provide to the committee any details of public statements made by AgForce arising from that meeting, if you were there. If you were not there, could you advise us why you were not there and, if you were there, could you advise us what took place in the meeting in relation to details of a compensation package?

Mr Cotter—I will take that on notice.

Senator CAMERON—Why do you think Peter Costello would have said that stopping land clearing helped to meet the Kyoto target? Is that a fair statement?

Senator IAN MACDONALD—These witnesses cannot work out why Mr Costello might have said something.

CHAIR—The witnesses can attempt to answer or to say, as I have pointed out before, they cannot answer, but Senator Cameron is free to ask them whether they have an opinion on the matter.

Mr Cotter—I have read Peter Costello's comments and why he would say that is not for me to assess or otherwise.

Senator CAMERON—Two issues have arisen: whether there should be compensation for farmers or whether there should be incentives for farmers to deal with the legislation on native vegetation. Given the Rudd government has inherited this problem, which everyone seems to be complaining about, we have to deal with those issues. On the question of compensation, Senator Joyce is reported in the *Australian*, of 18 December, as saying:

If you are going to compromise their capacity to utilise their assets you should compensate them.

This was after he addressed a rally of farmers in Canberra. Then Matthew Franklin in the *Australian* wrote that he, Barnaby Joyce, contacted the *Australian* again shortly after the initial interview to stress that he accepted that compensation would be too costly.

Senator IAN MACDONALD—Is there a question there?

Senator CAMERON—Yes, there is a question. Mr Cotter, do you agree with Senator Joyce's view that to provide compensation to farmers for native vegetation would be too costly?

Mr Cotter—A question of that nature needs an enormous amount of analytical assessment to see what the compensation is, who is responsible for it, how far and at what stage. As I mentioned to you before, the vegetation legislation in this state has gone back a long, long time and—

Senator JOYCE—I might just assist Mr Cotter there, because it is handy to address the question. The number that was discussed was \$200 billion, and when we consider that the Labor Party was already heading, between the state governments, towards half a trillion dollars in debt, I was trying to work out exactly where we would be borrowing the money from for it. So you would probably have to change the legislation.

Senator CAMERON—You were telling the farmers one thing and you are saying another thing.

Senator JOYCE—You can actually fix the legislation—

CHAIR—Mr Cotter, have you finished your answer?

Mr Cotter—I want to have on the record that I do not think it should be an expectation in a situation like this, when we are requested to give an answer that would take a large amount of economic modelling, to come up with a credible answer, and at this stage I am not going to give a commitment that it is right or wrong to say that figure was too large or too small.

Senator CAMERON—You are affiliated with the National Farmers Federation, aren't you?

Mr Cotter—Yes.

Senator CAMERON—The National Farmers Federation gave evidence yesterday to say it was in the range of \$8 billion to \$9 billion. So you do not agree with that? You do not know about that figure?

Mr Cotter—That amount comes specifically from the value that is nominally being attached to the carbon sequestration opportunities that were missed, not the foregone production or deeming of the actual valuation of land.

Senator CAMERON—This has been going since 2001—before then. You are representing the farmers but you have got no idea what type of compensation? If the government said to you today, 'Give us a figure on compensation', you cannot do that?

Mr Cotter—Here and now, on the spot, no. It is certainly something that would be modelled and delivered under the right scientific basis.

Senator CAMERON—Do you know the member for Calare, John Cobb?

Mr Cotter—I am familiar with Mr Cobb's role.

Senator CAMERON—He said in a media release on 4 January that the Australian government does not have the constitutional power to manage native vegetation. He also went on to say on 14 January, as is reported by AAP:

... it was a state issue rather than a federal issue.

... ..

But legislatively we cannot do a thing.

Do you agree that the federal government cannot do anything legislatively?

Mr Cotter—I think there is an opportunity for the federal government to make a contribution to the betterment of productive land and the level at which they support the management of those lands, and there are plenty of models around where the federal government has done just that. Can I raise the issue of water, which is one very topical one at the moment. They seem to be able to find significant amounts of funds, when it suits them, to support that role. There is an involvement of the federal government in the EPBC Act, which is of huge concern to land managers in this state, I can assure you, and that is very much in the role of the federal government.

Senator CAMERON—If we go back to that doorstep in 2003, which was where those discussions took place, I am pretty sure AgForce would have been there. Maybe Senator Macdonald can confirm that, because he was at that meeting later on. I understand there was \$150 million. Does that figure ring a bell with you?

Mr Cotter—That is a correct figure. It was put on the table by the state governments.

Senator CAMERON—There was \$75 million by the states and \$75 million federally. What is your understanding of that?

Mr Wagner—My understanding of that funding was that the entire amount came from state coffers.

Senator CAMERON—So the federal government was offering no compensation in 2003 at all?

Mr Cotter—In that particular package, which was administered by the state government, whether the federal government contributed to the state government coffers to support that is not for us to comment on.

Senator CAMERON—I am asking you about a factual issue for your industry. This was a huge amount of money. If you do not know, can you take it on notice?

Mr Cotter—With respect, \$150 million was an appallingly small amount of money for the thing it was put forward for, but it was administered by the state government and, for all intents and purposes, it was only state government money.

Senator CAMERON—Senator Ian Macdonald, other Queensland senators and Dr Kemp said that \$150 million was sufficient. You do not agree with their analysis of that amount of money being sufficient?

Mr Cotter—I am certainly not going to comment on a federal senator's comments about that package, because the package was put forward by the state government.

Senator IAN MACDONALD—Do not take Senator Cameron's word on what was said and what was not said, because he is notorious for misquoting.

Senator CAMERON—Let me come back—

CHAIR—Senators Cameron and Macdonald, I will let Mr Cotter finish. Had you completed your answer to that question, Mr Cotter?

Mr Cotter—Yes.

Senator CAMERON—I will not ask you that. Even though Senator Macdonald was there, even though Dr Kemp says he agreed with it, let us not go there. Let us just ask you this question: why was \$150 million not enough?

Senator IAN MACDONALD—And did you get it?

Senator CAMERON—Why was that figure not enough?

Mr Cotter—The level of impact that that legislation had on landowners around the state at that particular time—I think the maximum amount one landowner could get was \$100,000. I could take you around this state to any number of places that were significantly disadvantaged instantly by more than \$100,000. In the long term, the devaluing of that land and the loss of potential production of that land even now, 10 years later, would have been a greater amount than anywhere near \$100,000.

Senator CAMERON—So Dr Kemp, Senator Macdonald and Warren Truss got it wrong. Is that right?

Mr Cotter—I am not going to comment on that.

CHAIR—Senator Cameron, I will be moving on to another senator in a minute or two.

Senator CAMERON—The Rudd government has inherited this problem from the Howard government and the state governments. You say we have got to do something. What would you say we should do?

Mr Cotter—There should be a total review of any legislation, to start with, both state and federal. In the case of some of the federal legislation that is pending at the moment, it should be totally reviewed and looked at to see what gives a productive and conservation value outcome. I think we heard comments before that there are people that do not do the right thing. I think we accept that, but there has got to be a policy regime in place that allows the conservation values to be protected but at the same time does not diminish the personal values to individuals at the cost of a public good benefit.

CHAIR—Last question, Senator Cameron.

Senator CAMERON—Property Rights Australia gave evidence. Have you seen their written submission?

Mr Cotter—No.

Senator CAMERON—Their written submission goes to that position that you are raising now. They use the Productivity Commission to argue that more fundamental reform is warranted. I know Senator Joyce uses Productivity Commission reports for toilet paper—

CHAIR—Senator Cameron!

Senator CAMERON—but I am asking about this one where they talk about regulation of native vegetation clearing being inflexible, prescriptive and input rather than an outcome focused. They say that regulation of clearing is a pastoral measure and does not ensure ongoing management properly and that jurisdictional regulation is confusing. Are those Productivity Commission issues something the government should take some note of? Have you read the Productivity Commission report?

Mr Wagner—I assume you are referring to the report of April 2004.

Senator CAMERON—Yes.

Mr Wagner—They are certainly issues that are at the heart of our concerns and our submission. We see some consistencies in some of the policy mechanisms proposed. Often if you only take one area into account you are going to have perverse outcomes. If you only take into account an area of environmental management or benefit, you often miss social or economic impacts. All that AgForce is trying to put forward—as we did with the regrowth moratorium last year—is that all of those issues need to be taken into account, as we have done with the reef mechanisms and as we have done with the wild rivers bill. If you are going to look at one outcome as achievable, you need to take the implications for those other areas of benefit or disbenefit into account as well.

Senator CAMERON—The Australian Bureau of Agricultural and Resource Economics had a report out around 2003—are you aware of that report?

Mr Wagner—Was that the one on the impacts of productivity?

Senator CAMERON—Yes. That report outlined a whole range of problems, as I understand it, for the farming community, and costs. Were those issues raised by the National Farmers Federation on your behalf, or did you raise those issues on behalf of your members, with either the state or federal government or with any individual Queensland members?

Mr Cotter—I expect it would have been done by my predecessor.

Senator CAMERON—Could you take that on notice and provide information to the committee on that ABARE report and what your position was on that.

CHAIR—Senator Cameron was talking about and asking questions on the issue of whether any level of government can afford to compensate you. Would it be fair to characterise your position as that the question is being asked the wrong way round—that it is almost akin, to use an urban example, to the government appropriating ten houses to build a school or part of a freeway and then saying, ‘Sorry; we can’t afford to compensate you’? I am just trying to find a way to put this in the context of an example which people who have not got your experiences might understand.

Mr Wagner—It goes even further than that. As to the acquisition or appropriation of those 10 houses to build that school, you would have to argue that, because there is not a productive nature attached to those 10 houses, the ongoing benefit from them, and thus the economic loss, would be a lot less for the acquisition of those 10 houses—

CHAIR—It is the opportunity cost—

Mr Wagner—whereas the opportunity cost of the lack of opportunity for ongoing investment or ongoing productive capacity—let alone the productive capacity that is there currently—would also have to be taken into account, in my opinion.

Senator CAMERON—I was not using that example.

CHAIR—Senator Cameron also mentioned to a previous witness a speech by the Secretary of the Treasury recently where he said we have undervalued environmental outcomes.

Senator CAMERON—I raise a point of order. I did not argue ‘undervalued’; I argued that it was difficult to measure, and the speech was about how you measure environmental outcomes.

CHAIR—Okay. I understand that part of the secretary’s speech also talked about how they had not been effectively valued, which was reported in the media this week. What strikes me is that those benefits are community benefits—in the economic sense they are public goods—but that the cost of providing those benefits through legislation like this is now being borne by people who do not necessarily see that benefit, other than as members of the public. Is that fair—that, effectively, you see your members as providing a public good but suffering the loss of productive value and the opportunity costs associated with providing that public good?

Mr Cotter—There is not a doubt that that is the case. As Mr Wagner has said, it is not only the immediate devaluation of that land to the individual but also the ongoing productive capacity and the ongoing, growing value. If you look at land values in Queensland from 2001 to now, that

land that was locked up in 2001 and 2002 has probably maintained its value or diminished in value, while the rest of the valuations across the state have probably gone up by 200, 300 or 400 per cent, and will in the next 25 years. So, speaking as someone who has had a lifelong involvement with the land, it is that ongoing, growing value that is being diminished and done away with.

Senator JOYCE—It is interesting listening to Senator Cameron—and we all did. From what he said, do you think he has more intention of amending history or amending the legislation?

Senator CAMERON—A point of order: how can the witness have any view on what I am thinking on these issues when I have not dealt with them?

Senator JOYCE—Well, you have been asking his view on what everyone else has been thinking!

CHAIR—I will rule on the point of order. As I said when you asked questions about what was in the minds of other people who were not at the table, I will allow the witness to answer or not answer that question as they see fit.

Senator CAMERON—That is good.

Mr Cotter—I would prefer to leave the question standing, thank you!

Senator CAMERON—I thought you might!

Senator JOYCE—What I heard was a history lesson—and a very revisionist view of a history lesson—but he has absolutely no vision of changing—

Senator CAMERON—And you were silent during that piece of history.

Senator JOYCE—We have to put up with this in the chamber. That is why no-one watches us anymore. He'll say 'rabble' soon.

Senator CAMERON—Barnaby was missing in action.

CHAIR—Senator Cameron, you were heard predominantly in silence. I ask you to extend the same level of courtesy as they showed to you.

Senator JOYCE—A history lesson is merely a hollow statement if you have no intentions of actually fixing the problems that you are describing. Would you say that is a fair statement?

Mr Cotter—That is very fair.

Senator JOYCE—In this legislation, is it state or federal government legislation that is offensive, that has been intrusive and that has created the caveats?

Mr Cotter—My understanding is that the majority of it is state legislation.

Senator JOYCE—And is the state government that brought it in at the time a coalition government or a Labor government?

Mr Cotter—The government in Queensland from 1989 to 2001 was the Beattie Labor government.

Senator JOYCE—If you create an offence under the act, are you going to meet at your doorstep someone who is under the auspices of the federal government or the state government?

Mr Cotter—The state government.

Senator JOYCE—If the premise is, as proposed by Senator Cameron, that there was pressure on the states by the federal government—that is, the former coalition government—have you noted any change in direction of the state government now that it has a friendly Labor government in Canberra? Have they now changed direction and become more conciliatory? Have they become more approachable? Have they showed any sign whatsoever of changing direction?

Mr Cotter—The state government?

Senator JOYCE—Yes.

Mr Cotter—An example of dealing with the moratorium vegetation legislation—and I believe it had nothing to do with the federal government—was the way in which AgForce approached that specific piece of legislation. As I mentioned, it was a piece of legislation that was a product of an election commitment, not based on science or good conservation outcomes. It was based on an election commitment that was thrust upon the rural sector at a moment's notice. That moratorium lasted six months, in which endless amounts of work were done by this organisation, by our fellow organisations that are in this room at the moment and by a range of other people in attempting to negotiate a minimal impact. We did not eliminate the impact. We did not get any compensation for the work we did. It certainly was a better outcome than it was in the previous regime, but it still has impacted seriously upon the ability and the value of the land that we manage.

Senator JOYCE—So you would suggest that the state government under both a federal and state Labor government has brought in such things as the moratorium on the clearing of regrowth, the legislation of which has got worse—they have extended it. Their natural inclination has not been to mitigate the position; it is one where, if they get the chance to garner a green vote, they will make it worse.

Mr Cotter—That was certainly the result of the moratorium. The moratorium proposal, had it gone to legislation in full, would have been to the total demise of the productive sector of the state, particularly in sections of central Queensland.

Senator JOYCE—Tell me how extractive industries have to deal with tree-clearing laws. What laws do coal companies have to abide by as far as tree clearing goes?

Mr Wagner—There are some legislative requirements in place, but they are certainly not the same requirements, whether that is for the approval of a development or for the ongoing management of their environmental regimes. It is certainly not the same legislative infrastructure that we have to go through as an agricultural sector.

Senator JOYCE—Do you find that it is somewhat paradoxical that the Labor government can try to sell their green credentials in an urban and basically uninformed area by saying, ‘We are stopping tree clearing because that will help the environment by reducing carbon emissions,’ whilst at the same time collecting billions upon billions in royalties for the sale of coal leases and allowing the coal companies to have an open slather on what they wish to clear with some very minor preclusions?

Mr Cotter—With respect, I am not sure that legislation is exclusive to one side of politics.

Senator JOYCE—That is a fair statement.

Mr Wagner—I think what it does raise is the issue of landscape competition and equity. We have seen, as you mentioned earlier, that with the regrowth moratorium coming in it went from a position that not just halted further productive opportunities and positions we put forward but also removed some productive land from the landscape. We also see further landscape competition through other developments and other industries as well. It is not so much where the predilection came from for the rapid expansion of that industry position at this point in time; it is more just the fact that we are seeing not only a narrowing aperture of opportunity because of the burden of regulatory controls and legislative infrastructure and the mechanisms that have been put in place but also further competition for that land from ongoing developments like the resource sectors that you are talking about at the moment.

Senator JOYCE—I want to get to the conclusion of what we would actually do to try and make this better, because that is really what this inquiry is about. How do we actually fix this problem rather than discuss the problem? Who would you say has got the value from the asset that was stolen or taken or whatever you like to call it from the landholder? That value is certainly there, but who benefits from that value now?

Mr Cotter—If you take the emissions and the greenhouse out of it—

Senator JOYCE—There has been an intrusion on your rights over that privately held asset. It has been stolen off you by the government and never paid for. They have left you with all the costs of managing it and you will be criminally liable—

Senator CAMERON—On a point of order: Senator Joyce is putting forward a proposition that something has been stolen by the government—

Senator JOYCE—Well it has.

Senator CAMERON—Well that must have been the Howard government then.

CHAIR—What is your point of order, Senator Cameron?

Senator CAMERON—That is it.

CHAIR—There is no point of order.

Senator JOYCE—We know there has been diminution in the value of the asset. It is so clearly spelt out. In some instances the country has not been reduced in value; it has become valueless. It is merely a liability that you would not go near with a 10-foot barge pole. Who are the benefactors? Is it the party that could garner a vote that got the value out of it or was there actually a real pecuniary benefit to somebody somewhere? Somebody somewhere has got the value. Is it the administrators who are now in the bureaucracy administering that asset? Where does the value of this asset now lie?

Mr Cotter—When the value moves away from the individual landowner obviously lies in the hands of the state managers—that is, the state public purse. Where and how that is used to garner a benefit for that particular administration through a voting process or through a greenhouse process lies in the hands of the administration, which has the ability to use it as they see fit.

Senator JOYCE—They could actually put the money in their pocket from a carbon credit.

Mr Cotter—That is for that administration to be held accountable for.

Senator JOYCE—I want to go back to something that was mentioned by Senator Cameron—that is, his discussion about compensation levels. I want to give the full context of the discussion, not the abbreviated and, to be honest, rather selective commentary that Senator Cameron has made a great habit of giving from the back stalls of parliament! The statement was made that the level of compensation they wanted was about \$200 billion. Obviously, in light of the Labor Party's borrowings—Minister Swan says it will be \$310 billion at a federal level, and the states are up there for another \$250 billion, so we are looking at half a trillion dollars of Labor Party borrowing; therefore we will have to go out and borrow another \$200 billion—

Senator CAMERON—One of the lowest in the world—and no recession!

CHAIR—Senator Cameron!

Senator CAMERON—If he is on a political rant, you cannot expect me to sit quietly and—

CHAIR—Senator Cameron, you have had more than your fair share of political rants this morning, and you were heard in relative silence.

Senator CAMERON—If he going to rant, if he is going to do the things that got him sacked, that is okay—I will deal with it.

CHAIR—Senator Cameron, you were heard in silence when you had your political—

Senator JOYCE—Rant!

CHAIR—Rant.

Senator KROGER—A day and half of political rants!

CHAIR—I call on Senator Joyce to continue.

Senator JOYCE—We would have to therefore go out and borrow a further \$200 billion on top of the half a trillion dollars that the Labor Party have already racked up.

Senator CAMERON—Trillion or million?

Senator JOYCE—I don't even know whether it would be possible. It would create immense problems. If we cannot compensate, we have to return the asset—we have to give the asset back; we have to change the legislation. Where would you change the legislation to bring back a sense of justice for the theft of this asset and return it to the people from whom it was stolen? How would you go about it? What would be the scope that you would use?

Senator CAMERON—You would charge John Howard, wouldn't you?

Senator JOYCE—You try working with him.

Mr Cotter—No thanks.

CHAIR—Just ignore the interjections, Mr Cotter and Mr Wagner.

Senator JOYCE—Straight from Glasgow to Canberra.

Mr Cotter—Senator Joyce, I have already stated that we—

Senator CAMERON—You had to get into the racist stuff, Senator Joyce.

CHAIR—Senator Cameron, can we at least not interrupt the witnesses?

Senator CAMERON—Be fair: keep Barnaby under control!

CHAIR—You had relative silence for your contribution. If I did a count of interjections I have little doubt where the weight would go. Can we at least let the witnesses answer? Mr Cotter, please continue.

Mr Cotter—I have already stated that there needs to be a total, encompassing review of legislation. I have mentioned parts of the potential federal legislation that could come to impede on us as well. The range of legislation and the range of impacts it has is not something that I can answer in five seconds. The obvious parts are where there is a total and negated value from landowners. The protection of the environment needs a different regime from what we have. I think Senator Macdonald alluded to ways in which that could be done, by not picking the lowest common denominator and imposing something on all levels of good land managers. We see at the moment reef legislation in the Burdekin catchment coming in. It was intended to take the worst of everywhere and expected that all landowners were bad landowners, instead of looking at fixing up the issue. So the short answer is that there needs to be a full and encompassing review. It needs to involve the land managers of this state, to start with, and then have a policy

framework put in place that allows for production, for consistent and continuing conservation values to be maintained and for a quality-of-land management system that is not a knee-jerk reaction to things like elections.

CHAIR—Senator Joyce, I will have to ask this to be your last question.

Senator JOYCE—Okay. To try and get this nation to repay its debts we have a number of options. We can either increase revenues—that is, increase your taxes; we can decrease costs—that is, decrease public services; or we can increase—and this is one that the Labor government always likes to talk about—productivity. Apparently everything is going to miraculously get better because we are going to have this immense productivity increase in the economy. Can you direct me to how this legislation affects productivity in regional Australia and whether you have had any experience of the minister for deregulation, Mr Tanner, actually coming out and trying to deregulate some of the regulations that have tied you up in some Kafkaesque nightmare?

Mr Cotter—The short answer to the last question is no. I have seen no indication that there is any enthusiasm for minimising regulation. On the involvement of productivity, I think it is fairly well documented that there are large tracts of land in this country that have minimised productivity. I have already mentioned the demise of productivity where you have encroachment into some of this land that has been deemed to be locked up. There is a greater concern about the potential that is being diminished at the moment, particularly when you come to a time like this, when we have good seasons and we should be producing so many kilos of beef to a hectare, for instance. It has an immediate impact when that productivity diminishes by half, directly as a result of vegetation. There are any number of examples and models that could be put forward that would highlight that.

Senator JOYCE—Thank you very much, Mr Cotter and Mr Wagner.

CHAIR—We will have one question from Senator Macdonald and then a question from Senator Kroger before we conclude.

Senator IAN MACDONALD—Mr Cotter and Mr Wagner, thanks very much for your evidence. The majority of this committee are treating this inquiry very seriously. We do thank you for your very serious submissions and the answers you have given to questions on those matters that you could answer that were not part of the political game down the other end.

Senator CAMERON—You should have stood up for Queensland when you had a chance, and not do nothing—

CHAIR—Order! Senator Cameron.

Senator CAMERON—Look, I am not—

CHAIR—Senator Cameron, just be quiet! Senator Macdonald was trying to ask a question.

Senator CAMERON—Well, let him ask a question, not attack me—control him.

CHAIR—Senator Cameron, you quoted other senators' names at this table more than once in your very long preambles. Senator Macdonald is asking a question.

Senator IAN MACDONALD—I just want some clarification. Mr Cotter and Mr Wagner, you have indicated that neither of you were involved at the time of negotiations between landowners, their representatives and the state and federal governments—negotiations that were never completed, I might add. A figure of \$150 million was being mentioned but was likely to be increased had negotiations continued. They did not continue, because the Queensland government, without warning to anyone, said, 'We're not talking; we're just going to stop all clearing.' Did the farming community, the landowning community, get any part of \$150 million, or anything else, in compensation?

Mr Cotter—There was \$150 million available for application, which was delivered in maximum amounts of \$100,000. In lots of cases that would have been a very small percentage of the impact that had, there and then—much less in the longer term, both in devaluing and losing production—

Senator IAN MACDONALD—But was it paid?

Mr Cotter—There was \$150 million distributed to landowners in Queensland.

Senator IAN MACDONALD—And do you know on what—

CHAIR—Senator Macdonald, I need to move on.

Senator IAN MACDONALD—Sorry, perhaps take this question on notice: on what basis was it distributed?

CHAIR—I will move to Senator Kroger for the final question.

Senator KROGER—Mr Cotter and Mr Wagner, thank you for your forbearance during this interesting last hour and for your evidence. It has been terrific. I am going to put a couple of questions on notice myself, because of the scarcity of time. We have not had any Queensland government agencies give evidence today. I think it is a great loss to us that we could not ask them these questions as well and direct some of this to them. Do you believe that it is still possible to engage in good faith negotiations with the different agencies to appropriately represent the landowners and their property rights and interests?

Mr Cotter—Very much so. There is every opportunity. We as an organisation, and I am sure some of our counterpart organisations, will always come to the table to negotiate in good faith, not to negotiate on something that is a fait accompli.

Senator KROGER—Do you believe the various Queensland government agencies have offered the same degree of good faith in the process and negotiations to date?

Mr Cotter—Since my becoming president of this organisation I believe the implementation of legislation has been seen as a fait accompli. It was not seen as a negotiating process at the beginning of my presidency.

Senator KROGER—Thank you.

CHAIR—Thank you, Mr Wagner and Mr Cotter, for your submission and for your time today. I appreciate that you do have limits on your time. We are required to report by 30 April so any extra information you can provide to the committee would be appreciated within a fortnight.

Mr Cotter—Do the answers to the questions taken on notice go back to the committee?

CHAIR—Yes, they come back to the committee secretariat, where your submissions went.

Mr Cotter—Thank you, Senators.

[12.01 pm]

MANNING, Mr Lestar, Partner, P and E Law

CHAIR—Welcome, Mr Manning. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee has your submission. I now invite you to make a short opening statement. At the conclusion of your remarks, I will invite members of the committee to put questions to you. Would you please state your full name and the capacity in which you appear.

Mr Manning—My name is Leslie Anthony Manning, although I am called Lestar so please do call me Lestar. I am here in a private capacity. I am a partner in the firm P and E Law, which is a planning, environment and native title law firm. That is all we do. My interest in issues to do with native vegetation protection, climate change and environmental law started in about 1990, when I commenced practice at Macdonnells solicitors, in Cairns. I was heavily involved in looking at legislation for local government, particularly, in relation to the protection of the wet tropics World Heritage area. As a result of my involvement there, I looked at different mechanisms available to allow for the protection of that area but at the same time dealing equitably with property owners. That was a key fundamental for me.

I take you to page 34 of my paper, which states a basic principle that I think is very important to what needs to occur but what often does not occur in environmental laws, particularly with the vegetation laws in Queensland. At the foot of the page I say:

Market-based incentives allow an equitable distribution of the burden of protection of the natural environment. If the community, through government, says that a particular piece of land is too valuable for agricultural use, development or purposes other than protection of the natural environment then the burden of the protection should not fall solely on the individual landholder. The community, through government, should provide for the mechanisms to encourage the land owner to manage that land in a way that the community wants.

That is a very fundamental principle that I think is overlooked in a lot of our environmental laws today. We have a goal at the end, which is the protection of the environment. I have absolutely no problem with that provided it is properly scientifically based, but I do have a serious problem with that where it is not dealt with equitably. That is what is happening today. In that regard I also take you to a fundamental about who benefits from the protection of the vegetation in Queensland in relation to this debate. On page 23 of my paper I refer to a quote from the Hon. Stephen Robertson, the state member, who said:

In May 2003, when I announced the immediate moratorium on accepting new tree clearing applications, it was with the agreement—

and I stress that word ‘agreement’—

of the Federal Government.

So we have a state and a federal government, a Labor government and a National-coalition government, agreeing—

It was the Federal Coalition government that demanded Queensland provide 20 to 25 megatons of carbon emissions savings to allow the Commonwealth to fulfil its greenhouse commitments under its Clayton's version of Kyoto Protocol. They wanted 'of concern' regional ecosystems to be protected in return for financial assistance for affected landholders and refused to sign the Natural Heritage Trust II bilateral agreement worth nearly \$300 million to regional Queensland until the Beattie government agreed.

That is the fundamental step in the process that has been referred to. We have been asked, 'Who benefits?' If we are going to introduce a cap and trade scheme, the people who will benefit from that cap and trade scheme will be those who are causing the pollution, who are required to sequester the carbon, so it will be the heavy polluters who will benefit. They are getting a benefit from the federal government in that the federal government is seeking to sequester the 20 to 25 megatonnes of carbon so that it can meet a commitment. That forms a basis upon which the cap and trade scheme will run. So we have a secured level of carbon that has been sequestered, and then there will be a platform above that which will be available for trade. The amount we have secured by requiring farmers in Queensland not to clear should be taken into account, and it is not being fairly taken into account. That is one of the fundamentals.

I want also to take you back to one of the other fundamental problems. It is a technical legal argument which is noted at appendix 1 to the paper, starting on page 43. I want to take you to some of the discussion in a Queensland court decision in the case of Bone and Mothershaw. Whilst it deals with local laws it still has the same principles that apply in relation to the Vegetation Management Act in Queensland. This is our Supreme Court talking about a local law and what it has done. It states:

This brings me to what is really Mr Bone's fundamental complaint about the whole process of vegetation protection that has been imposed on his land under chapter 22. It is that, by the Council's action in making the order, his land has been struck with sterility in relation to the uses he can now lawfully make of it. Except with Council approval, there is practically nothing he can do with it except to continue to grow vegetation and to perhaps walk on it.

The same effect occurs from the Vegetation Management Act in relation to protected vegetation on properties. The land gets struck with sterility. People are required to pay rates on it. They have a liability for the land instead of an asset that they can use. The court goes on to say in paragraph 24:

The question is whether our legal system permits such prohibitory action to be taken. The applicant contends that what the Council ordinance and the protection order made under it achieves is expropriatory in character—

In other words, it is a taking—

and effect, and consequently invalid.

The court said that it was not a taking. This is the fine legal distinction that is underlying the action that has occurred under the Vegetation Management Act today. What happens is that there is no transfer to the Crown of the interest in the land, being the trees or the carbon sequestered; legally that does not occur. What happens is that, by regulation, the ability to deal with the land

is removed. So on that fine technical point the state and, therefore, the Commonwealth have avoided paying proper compensation for the acquisition of that 25 to 30 megatonnes of carbon that has been sequestered. That is the difficulty. It is fine legal point: the land is not actually taken. There is not a transfer on a certificate of title of an interest in the land to the Commonwealth or to the state. The state has regulated away the ability to deal with land. That is what this appendix goes through and explains.

CHAIR—May I ask that you wind up your verbal submission so that senators will have a chance to ask questions about it.

Mr Manning—That is a fundamental issue in relation to the legal side of what is proposed with a cap and trade system. In America they have a just takings provision in their Constitution. That just takings provision has more recently been considered in the context of regulation, so that, if a regulation takes away the right to deal with something, in circumstances where the degree of that regulation is so severe that you basically cannot use your land, that has been taken to be an acquisition of an interest in land. The basic requirement for this scheme is to recognise that the carbon sequestered in land is part of the common law property right in land. That is the basic fundamental. Unless you start your scheme with that in mind, (1) you will not deal with the people equitably and (2) the scheme will be fundamentally flawed.

CHAIR—I want to ask one quick question before I hand over to Senator Cameron. You mentioned the United States jurisprudence on this. As I understand it, and I am seeking a confirmation or correction, in the US they are just takings; they are eminent domain doctrine. Actually, the federal Constitution binds the activities of states and their delegated legislatures, local county governments. Is it the case in the US that that provision does bind the states and other levels of government as well as the federal government?

Mr Manning—That is my understanding of it but I cannot tell you that for sure.

Senator CAMERON—The legal complexity of this issue has been traversed to some extent in the inquiry. Are you aware of the group calling themselves the Australian Network of Environmental Defenders Offices?

Mr Manning—The EDO?

Senator CAMERON—Yes.

Mr Manning—Yes, I am.

Senator CAMERON—They say that there are High Court decisions that the regulation of property does not constitute an acquisition and that the High Court has dealt with this issue. I am not saying what this means in terms of whether that is a fair proposition. I am talking about the legal proposition, and that has been put quite strongly. They argued that High Court jurisprudence determines that. What is your take on that?

Mr Manning—What they have said is correct, in that the High Court has found that regulation does not equate to a taking. That is exactly what the court found in the *Bone v Mothershaw* decision that I referred to in my opening address. The equity of that situation,

though, is problematic and it also flies in the face of certain fundamentals in relation to property law where, when a person acquired an interest in property, particularly in freehold property, they had a suite of rights that they acquired with the property. When a farmer buys a piece of land to farm which is vegetated and then is told he cannot clear the land, that goes to the fundamental root of that title. There is common law dealing with what is called the profit a prendre, which is an ability typically to take something from the land rather than to keep something on the land. It is a legal mechanism which is available to be used and has been used in Queensland through the Forestry Act to provide for carbon sequestered in trees. Those basic property rights are affected by the regulation of land. I am saying that, to treat the farmers and rural communities fairly, there needs to be a recognition that, irrespective of whether or not there is an acquisition in that strict legal sense, what needs to occur is that it has to be dealt with as a property right, which then would be dealt with under acquisition of land act provisions in each state.

Senator CAMERON—As, I read this, there is a clear distinction, isn't there, between a property right and regulation? The environmental network quote the High Court in *ICM Agriculture Pty Ltd v the Commonwealth of Australia* in 2009, where, they say, the High Court firmly settles this issue and says that in a case in New South Wales:

The changes of which the plaintiffs complain implemented the policy of the State respecting the use of a limited natural resource, but that did not constitute an "acquisition" by the State in the sense of s 51(xxxi).

Mr Manning—There is clear High Court authority in relation to what you are talking about. There is some ambiguous High Court authority that I have referred to in my paper, but the basic proposition is that there is a property right, and that at common law that property right is there. It is profit a prendre. It has been there historically; it is part of a feudal right. It came with the establishment of the land system that we operate under and is explained in the *Mabo* decision.

To get back to the basics of the property law you have to go back to a radical title to the land, which is the title that the Crown has; or the beneficial title, which is the title that individuals have with the ability to do what they want on their land. The Crown's radical title enables it to take back the interest in land, and that is what governments use when they take land from people by compulsorily acquiring it. The beneficial title was the title that was given to individuals when they took their interest in land. Part of the interest in land that people took was an interest to do on their land what they would.

There were regulations that were then promulgated by different parliaments to restrict and control. And the degree of restriction or control becomes important. If the regulation goes to the effect that you cannot use your land then in America the jurisprudence says that that amounts to a taking. Now, the majority of the High Court authority in relation to that jurisprudence in Australia is as ANEDO have stated. There is some authority which is divergent to what you have quoted, and I have referred to it in my paper, but the bottom line is that if you are dealing with an interest in someone's land—if you are talking about trying to value the carbon sequestered on someone's land—then you have to value it properly. If you do not set the structure in place and value it properly through your legislation then you are going to undermine the legislation that you are trying to set up. You have to value it properly. It is a property right.

I go back to something you said before, Senator. You mentioned that there was a clear distinction between property right and regulation. I differ with that because the regulation tried

to hive away from property, rights relating to property. We have seen an influx, more recently, of regulation coming back to property. So we have conditions under planning approvals which attach to the land and bind successors in title. Under the Vegetation Management Act—the legislation we are talking about here in Queensland—if a person clears land unlawfully then the government can impose upon them a requirement to reinstate the land, and that then gets noted on the title to the land.

We have administrative notes on title for things like native title and nature refuge agreements by covenant back onto the land. So the tension that has been caused by governments progressively trying to take away the rights of landholders by regulation is actually swinging. There is this trend to bring it back to the land, because it is part of the land. So there is that tension, and I do not agree that there is a clear distinction between property rights and regulation. I agree with you when you say that the High Court is generally saying that regulation of an interest in land does not acquire the land—that is what I said about *Bone v Mothershaw*; it does not give you an acquisition of the land—but the tension is still there. Unless you set up a carbon pollution reduction scheme based upon a proper property right foundation you are going to undermine the value of your scheme.

Senator CAMERON—I am not putting any propositions to you. I am not running an argument here. I am trying to clarify the submissions that have been put to us in terms of High Court decisions. I am not being judgmental or putting a position. I am not saying that the outcome of the law is fair or equitable. I am not arguing a partisan point of view on this. I am trying to get clarity in terms of the legal decisions, and you come here as a legal expert in this area. That was all I was trying to do. I want to move now to another case—the *Newcrest Mining(WA) Ltd v the Commonwealth*. Are you aware of that case?

Mr Manning—No, not off the top of my head.

Senator CAMERON—That is a case that basically said that to get any restitution for government regulation there had to be an effective sterilisation of the rights constituting the property in question. You do not know that jurisprudence? It was Gummow J.

Mr Manning—I am aware of the jurisprudence but not of the name of the case. Forgive me for that. There are thousands of cases and I do not know the names of them.

Senator CAMERON—Sure.

Mr Manning—You were talking about regulation causing sterilisation. That is exactly what the American jurisprudence was talking about. So where the effect of the regulation was to sterilise the use of the land then it was dealt with as a taking of that interest in land. As I said to you previously, the majority of the High Court authority in relation to acquisition falls the way that the EDO described. But there are some cases which touch on it in the way you have just described where the High Court is saying, ‘If the regulation goes so far as to sterilise the land then that can be tantamount to a taking.’

Senator CAMERON—Can I just clarify this. Say you have 100 acres and you sterilise 10 acres. Is it your understanding that that means that sterilisation does not take effect unless the

100 acres are sterilised—the whole kit and caboodle is unusable. This is an important issue, isn't it?

Mr Manning—It is an important issue and there will be degrees and factual matters that come into it. That is a typical lawyer answer—matters of fact and degree will come into it. But where there is a practical sterilisation of land then it has been sterilised. If you have 99 per cent of the land sterilised then, sensibly, it is sterilised. There will be some grey area and some areas where, quite clearly, you can say something is sterilised. That is also one of the problems that you have with valuations. Because every block of land is different and every circumstance is different, it is very hard for a group such as Property Rights or AgForce to turn around, and say, 'We are going to represent everyone and get a deal for everyone,' when individuals are affected very differently. The work in the PRA submission, with the valuations in it, really shows that and identified it by giving two examples. That is the difficulty that you face.

Senator CAMERON—You referred to the American jurisprudence. What is the American jurisprudence on this? If 10 per cent of the property is sterilised, does the American law say you get 10 per cent restitution?

Mr Manning—No, there is not a simple formula like that for obvious reasons that you cannot have a simple formula. Page 31 of my written paper states:

The last three decades have seen an explosion of interest in the previously obscure clause in the Fifth Amendment.

And, on the second page, the Lucas decision determined:

A regulation that eliminated all economic use of the property was a taken per se unless the use would have been prohibited by the state's underlying property and nuisance laws.

That is talking about the sterilisation.

Senator CAMERON—I am not sure whether I heard you correctly. Are you arguing that landowners should be able to do anything on their land? Views have been put to the committee that landowners should be able to do anything. Where do you come from on that?

Mr Manning—There is a sensible balance and I do not think we have that balance at all. I deal a lot with town planning laws. An example was given earlier. I think Vivian gave the example of putting a factory next to his home. There is obvious need for that not to occur. The state has the underlying radical title to land, so the state through governments can say, 'For a community purpose we need to, for example, secure or sequester carbon,' but if it does it, it should do it equitably. If the science is right, that is a function of government. It needs to base it on good science and there is a lot of debate about the science. I am not a scientist, but I certainly cannot say that I have seen a concluded view that has gone through everything in a very critical way. There is a lot of debate about the science but, whatever the government does, it has to deal with it in an equitable way. It has the right to, but let us deal with it fairly.

Senator CAMERON—Finally, in relation to the existing legislation on native vegetation, do you think there is an underlying fairness at play and, given that the Rudd government has

inherited the situation from the Howard government and the state governments, what should we do to fix it?

Mr Manning—To answer your first question, there is no fairness in the current legislation. There is no science behind the current legislation. There was a ballot to draw properties out of a hat. That is not a science based piece of legislation. The latest round of amendments to the veg management act in Queensland say that if the government maps vegetation as a particular type on a certain type of soil, that is it. You cannot challenge it, and that applies retrospectively to both criminal and civil liability. That is patently wrong. The current legislation is totally unfair. It has taken away, in a totally inappropriate way, people's ability to deal with their land. If it were properly done and they were recompensed, that would be fine. That is my answer to your first question. What would I do?

Senator CAMERON—No, what should the Rudd government do?

Mr Manning—The government should, using COAG and other abilities that it has to influence, because it does have those abilities, be looking to have not just the farmers but the rural communities which have been affected properly recompensed. That can be dealt with fairly in the context of a cap-and-trade system. At present the cap-and-trade system is talking about giving reductions to heavy polluters. This is coming back to native vegetation. There will be a benefit to heavy polluters because they will get a reduction. They are already getting a benefit of the cap which has been provided, which has given some accounting for Kyoto and, on top of that, those heavy polluters will get a further reduction. That means people in this room will pay for that.

Senator CAMERON—That is not how it works.

Mr Manning—We pay taxes, we pay for things, so that reduction will flow on to the heavy polluters. There is a price for all of this protection and if the government says it is a fair price to pay for us to do things then let us distribute that burden fairly. That is what should occur. In the last few pages of my paper I actually suggest some structure for the legislation to do that.

Senator JOYCE—Thank you very much. I really appreciate your evidence, Mr Manning. I appreciate your submission. It is an erudite submission and helps a lot, if it is absorbed. I want to go through a couple of things. The sterilisation of an asset—and I realise that Australia does not have the concept that the United States has; I wish we did have it because it would alleviate a lot of our problems—could be a progression over time, could it not? For instance, I could make a regulation that you are not to change the tyres on your car. At the start that means nothing but, ultimately, it means the value of your car is worthless. In essence, there is a similarity to the veg regulations on properties. What at the beginning may seem innocuous, ultimately, can completely deprive someone of the value of the asset, especially in moratoriums.

Mr Manning—You are right in what you say but, to go back to where you started, is there a mechanism to allow us to deal with it? Yes, we can change laws. In Queensland, under the Forestry Act, we actually had the ability to put a profit upon title in relation to natural resources. That is a defined term under the Forestry Act, which includes carbon sequestered in a tree. So state governments can produce laws which will allow this to get back to what I consider to be a proper basis, which is back on title because it fundamentally affects title. If you do that then

those sorts of changes in the legislation—and it should not just be limited to trees; it should also be limited to soil—can work throughout the country, because we have a Torrens title system throughout the country, and they can bring this back to where it belongs, back on title, back on land, and let people be dealt with fairly. As soon as you start dealing with an interest in land then you get the Acquisition of Land Act provisions from each of the states applying.

Senator JOYCE—If I waved a magic wand and made you the boss in—let's start with George Street and later on we will do Canberra, what changes would you bring about to state legislation to bring back a sense of justice into this whole debate?

Mr Manning—I would create a separate piece of legislation for carbon sequestration and in that legislation I would provide for it to be recorded as a right on title so that the transaction fees in relation to it are very simple and easy. But there would be a retrospective reckoning in relation to the value of the carbon that has been locked up by the veg management laws. That value would be then available for farmers to use in relation to the carbon sequestration market so they can actually get a return on the full value, not just upon the bit that is being dealt with as cap and trade but on what we have accounted for to date, what has been locked up.

It has to have that retrospective effect. It has to be able to be given back to the farmers and then accounted for in the equation. As we go down the track with a cap-and trade system, if that occurs, the emissions that the farmers produce are not being offset by anything on their land at that point and place, so there are some real inequities there. I would fix those things up.

I would also be seeking, not at a state level but at a Commonwealth level through the Environment Protection and Biodiversity Conservation Act, for there to be proper and scientific management and coordination of those schemes. The schemes have to be run at a level where they can have a scientific certainty to them so that individuals can know that they are sequestering carbon at a certain rate and that that is what they are dealing with. They have to have that sort of level of structure where there is an identification process. That can be done through private industry, so you can have companies set up to deal with the schemes. You can also have private auditing of schemes just like you have auditing of accounts, and they ought to be audited. You have to put that structure in place so that, when we are trying to deal internationally or nationally with carbon sequestration, we actually have a proper scheme in place that is scientifically based that is equitable for the people involved and it is a property right. It goes back to being a basic property right. So it is across—

Senator JOYCE—That would be under state legislation as a property right?

Mr Manning—Property right is state legislation because all the Torrens-titling stuff is at state level.

Senator JOYCE—Can we just go to the Torrens title system. Correct me if I am wrong: it is a system of identification of land tenure that people around the world actually think is a very good system.

Mr Manning—It is.

Senator JOYCE—Just to confirm: the identification of vegetation on the Torrens title system did put it, in freehold, in the hands of the title owner except for—and I am trying to do this from memory, so correct me if I am wrong—trees appertaining to shingle beds for the use of bridges and constructions, or some archaic formulation, but there was a very minor right to the vegetation. Apart from that, the vegetation was owned by the landholder.

Mr Manning—At common law, in the history of common law, if you had the beneficial title to land you could knock all the trees down. There was no restriction on it. Then there were successive layers of regulation, not just the Vegetation Management Act but local laws from councils, planning schemes by councils, the Nature Conservation Act—about particular listed plant species—and, at the Commonwealth level, the Environment Protection and Biodiversity Conservation Act. There is a mosaic of laws that cut across vegetation, but they came in as regulation. Your common law right was that you had that ability to deal with the trees on your land, and this regulation has then come over the top and been dealing with it. It has got to the extent now where you can buy a property and you cannot deal with it for the purpose for which you bought it. It would be like someone going and buying a block in the middle of one of the suburbs at Maroochydore and not being able to build a house on it. It is the same sort of thing.

Senator JOYCE—But they are going to charge you for the rates, the insurance, the repairs, public liability insurance and everything that goes with it.

Mr Manning—That is why it becomes a liability, and that is why it is trending towards—if it is not—a sterilisation of the land, because it does not become an asset.

Senator JOYCE—Is there the capacity to lift sections from American legislation and place that into our state legislation or our federal legislation—is there an easy cut-and-paste approach—in such a way as to give effect to compensation for the sterilisation of an asset?

Mr Manning—I do not think you need to do that. No, there is not an easy way to answer your question directly. You would require certain constitutional changes, and that is not going to occur throughout the country. But the easy way is to look at the Forestry Act provisions in Queensland where they have recorded the identification of this common law right, the profit a prendre, on the title. That, to me, is the simplest mechanism, and that is why I have suggested it. It is not only the simplest mechanism but also a fair mechanism. It is what people thought of as their interest in land when they bought their land, so you are dealing with people in the way that they expected their rights to be. That is why it is fair. It is also simple because it is state legislation. It is something the states can deal with. It is a common law right that has been noted. And the High Court has said that, in relation to these rights, the profit a prendre is not fixed in time; it is going to adjust. We just have to make sure that we adjust it sensibly so that you can get the carbon sequestration caught as a separate interest.

Then that triggers a whole raft of other things: easy transaction costs. If you go and do a conveyance now, most people go and do it themselves. They do not need a solicitor involved. It gets recorded on the title. It is a secure system. That is the beauty of the Torrens system: easy transaction costs, low government input to the transaction costs—readily identifiable and searchable. I can go along and search my title and it says yes, I am sequestering this carbon and I have a note on the title saying that that is being used to offset some other carbon being emitted somewhere else. It is a really, really clean, simple way of dealing with it.

Senator JOYCE—Correct me if I am wrong: it is section 51(xxxi) for compensation under the federal Constitution. If section 51(xxxi) had been in a state constitution—and to be honest I am not quite sure; I have never actually seen a state constitution; I imagine one exists—

Mr Manning—It does, but it is not in it.

Senator JOYCE—But, if it were there, would the taking of trees be a compensatable right?

Mr Manning—Not necessarily, and it is because of the High Court authorities that we were talking about before, where we were talking about whether a regulation amounts to a taking or not. There is not an absolute answer. I think that the extent of the impacts does cause a sterilisation, and I think that there is in fact a taking, but I cannot tell you that from a legal proposition that is an absolute position. There are two sides to that.

Senator IAN MACDONALD—Didn't you say that the High Court had determined that?

Mr Manning—The High Court have given decisions which have said that, typically, a regulation is not a taking. They have said 'typically', not 'absolutely'. That is why some of these arguments are coming forward now, such as Mr McKay's argument, where he is going to the High Court now in relation to looking at whether there has been a taking of his land by regulation. That is why that door has been opened. The High Court have given him leave because there is some basis to that argument. They are not saying that it is going to succeed.

Senator IAN MACDONALD—But that would only be relevant in a Commonwealth sense, wouldn't it? It would not be relevant in a Queensland sense under the current law of Queensland.

Mr Manning—It is relevant at the Commonwealth level, and that is why the action was taken against the Commonwealth. It could not have been taken against the state because it does not have those provisions in the state constitution.

CHAIR—I appreciate that the authorities on what constitutes taking, and this case, are still being looked at, but the authorities with respect to whether or not the states could act with, for example, money provided by the Commonwealth as a way of circumventing section 51(xxxi) date, as I understand it, from not long after World War II, the forties and fifties.

Mr Manning—I am sorry; could you say that again?

CHAIR—The authorities that have had a traditionally narrow reading of section 51(xxxi) to allow the Commonwealth, for example, to give the state money to get round the just terms provisions are actually quite old authorities, aren't they?

Mr Manning—I cannot tell you the history of them.

Senator JOYCE—Quite evidently, what we are looking at here is the law as a dynamic document. Unfortunately, in this game, as you would understand, Mr Manning, people are always quoting to us such things as the Magna Carta, and things have unfortunately moved on a little bit since then. But it does show that the law is a dynamic document which is moving, morphing and flexing as it works its way through the ages. What underpins it is the philosophy

of what is just and what is unjust, which is a primal understanding from looking at things and saying, 'Fiat justitia, ruat coelum'—there is definitely injustice there and something needs to be done about it. I put it as the dispossession of the people of an asset without payment. Do you see it that way? Do you see it as an injustice? If it is an injustice, do you believe that there is the capacity at a federal level, seeing that this is a federal Senate inquiry, to create the mechanisms, the pressure or whatever to try and remove the capacity for that injustice at the very least into the future and as much as we possibly can retrospectively?

Mr Manning—To both of those questions, yes. There is an injustice; the state vegetation-clearing laws in Queensland have imposed restrictions on rural communities. In fact, one can see even in some speeches to the legislation in the state parliament that the laws are quite clearly designed to impact only on rural, Indigenous or agricultural pursuits. That is discriminatory.

Senator IAN MACDONALD—I understood you to be saying that the High Court had determined that sterilisation was a taking.

Mr Manning—No, it is open. There are mixed authorities in relation to it. The majority of the authorities come down to say that a regulation does not amount to a taking. Some doors have been left open by some of the High Court judgments. I am sure Mr McKay in running his case is looking at some of those authorities. They would be looking to say that there is a sterilisation that has occurred and that has affected the taking.

Senator IAN MACDONALD—As we just clarified before, it is only relevant to Commonwealth legislation; it would make no difference to the Queensland vegetation management laws that we are talking about.

Mr Manning—That is correct.

Senator IAN MACDONALD—You were talking about the profit a prendre. The state could legislate back to a freehold title all rights, including town planning—the rights that are taken away when you buy a bit of land thinking you can build a service station on it and then are told you can only put a park on it.

Mr Manning—The state could manage that legislation, yes.

Senator IAN MACDONALD—They could revert to that; it just requires state legislation, but, of course, it also requires the government of any persuasion with the money, I guess, to do that.

Mr Manning—The state has shown a way of doing that by looking at the Forestry Act, because that is exactly what it has done. That is why I have referred to it in the material I presented.

Senator IAN MACDONALD—In passing, it does not make any difference to your argument, but you quote Steven Robinson. I just warn you that what he said is not necessarily correct. In our business, politics, you often allege agreements with other governments for political purposes and not always factually, and I suspect his statement is not factual—but that is just in passing. Obviously your paper looked at reducing greenhouse gas emissions more than these other things

we have been talking about. Are you aware of the Carbon Pollution Reduction Scheme legislation that has been twice rejected by the parliament?

Mr Manning—I am aware of it. I have read articles broadly covering it. I started reading much of the legislation coming out about carbon reduction and carbon sequestration and at a point in time said, ‘Enough is enough—it keeps changing. There will be a time when it will all come together in a sensible way.’ But, for the purpose of this material, I actually read a very concise article in relation to the basics of it.

Senator IAN MACDONALD—The legislation as presented to parliament did not in fact provide compensation for landowners’ common-law rights as it related to greenhouse gas emissions. Is that your understanding?

Mr Manning—That is my understanding, based upon it being a personal right rather than a property right.

Senator IAN MACDONALD—There was an argument that landowners should be able to get value from their sequestration of carbon, but the CPRS legislation did not provide for that.

Mr Manning—No, and it is not looking at it as a property right attaching to land but as a personal right, and that is a fundamental difference, to my mind. Really I have not gone back to address that legislation because I think it is fundamentally wrong. It really needs to come back to the property—to the title to the land—which is basically where it should be.

Senator IAN MACDONALD—In spite of it being described as the greatest moral challenge of our generation, I suspect it is the last we will all see of it. Mr Rudd does not seem very keen on pursuing it anymore. But there were amendments worked on that would have given back to farmers—landholders, I guess—some personal rights to sequestration that might be valuable. Is that how you read that?

Mr Manning—That is how I understood it to be, yes. Again, getting some rights back is important, but it really is not addressing the underlying, fundamental problem, and the underlying, fundamental problem is that that was a right to deal with land. If you want to establish dealing through a system which is going to stand the test of time, it needs to be properly based. I keep seeing legislation, trending over the years, trying to bring things back to title—as I said before, conditions of a planning approval attaching to the land and binding successors in title. The reason that that is done is that the regulation has taken away the right, but we need to attach things back to the land. It really is dealing with an interest in land.

One of the things my paper goes to some lengths to try to do is stress the things that are required in order to have a market based scheme operate and operate well. My interest in that came from trying to establish a market based scheme in the Wet Tropics World Heritage area, and it failed. I wrote the provisions for a planning scheme and it failed, and I wanted to know why it failed. I went to a lot of trouble to try and work out what schemes needed in order to succeed, and the table at the back of my paper actually sets that out in summary form. There are basic things in there. Security of sovereign risk is one of the most fundamental things. If the government keep changing the rules in relation to something then it will not succeed.

Senator IAN MACDONALD—Particularly at the state government level. State governments can completely change the rights and obligations relating to freehold property or any other aspect of property in the state; is that right?

Mr Manning—They can. If they acquire land, they pay for it. If they regulate in the way they have been regulating then they take away the right without actually paying compensation for the taking. Effectively, that is what has occurred.

Senator IAN MACDONALD—It becomes a political issue rather than a legal issue.

Mr Manning—It does.

Senator IAN MACDONALD—The Commonwealth is a bit different, because we have a Constitution. Okay. Thanks for that.

CHAIR—Thank you, Mr Manning, for that very helpful evidence. Thank you for taking the time to come and speak to us today. Before we break for lunch, I remind anyone who wants to make a community statement to speak to a member of the committee staff. We will be recommencing with those, but you will need to contact them and fill out the relevant form first.

Proceedings suspended from 12.48 pm to 1.50 pm

HERBERT, Ms Catherine, (Private capacity)

HERBERT, Mr Ian Henry, Vice President, Capricorn Conservation Council

KENNY, Mr Graham Roderick, (Private capacity)

McNICHOLL, Dr Lee Gerard, (Private capacity)

NOTT, Ms Dixie Louise, (Private capacity)

STILLER, Mr Dale Ross, (Private capacity)

CHAIR—We have now set time aside for members of the public to make statements to the committee. I ask that people keep their statements to five minutes so that we can give as many people as possible the opportunity to speak. As the committee has already deliberated on the submissions provided by many, an oral statement is an opportunity to make a few key points. Any comments that you make are on the public record and, as such, the rules pertaining to parliamentary privilege and the protection of witnesses apply. Further information on these rules are available from the secretariat staff.

I also emphasize that, in accordance with the terms of reference from the Senate, during its examination of the subject of native vegetation and greenhouse abatement laws, the committee cannot deliberate on the cases of particular individuals that are under consideration by courts, tribunals or other bodies which may grant some remedy to those individuals. The committee will hear details of individual cases but will only use these in its deliberations to build a picture of the issues arising from these laws. The committee will not recommend remedies for any particular person. The committee may make recommendations in relation to issues that it identifies; however, it cannot force the Commonwealth or state parliaments or governments to implement those recommendations nor make recommendations that are binding on other jurisdictions.

Ms Catherine Herbert, could I ask you before you commence: are you happy if, at the conclusion of your statement, one or two of us ask a very short question?

Ms Herbert—Ask away, as much as you like!

CHAIR—Thank you. If you could commence your statement by stating where you are from.

Ms Herbert—I live at Struck Oil, near Mount Morgan, on a 540-hectare property which is a nature refuge.

CHAIR—I should add that Ms Herbert has sought, and the committee members have agreed, to table these documents with her statement. Please continue.

Ms Herbert—To begin with I should add that I was involved with submission No. 70 to this committee. It was only one page; not nearly as detailed as the others. Just to set the picture, I have been involved in veg management issues since 1995. In 1995 I was a member of a working

group set up by the state government, throughout Queensland, looking at management of leasehold land and tree clearing limitations. That went from 1995 to 1996. Then I was involved on the Regional Vegetation Management Committee, set up by the state government in 2000/2001 to look at veg management on all land. The Regional Vegetation Management Committee sat for two years. They put out plans which limited clearing, and then of course the state government came in and rolled over the top of these plans with a blanket ban on clearing. I represented the environment sector on all those committees. I am speaking not as an environment sector rep but as an individual who has those sorts of views.

If the committee looks at those maps I have provided, one is of the Nebo-Broadsound regional ecosystem status and the Capricorn-Dawson regional ecosystem status. The Capricorn-Dawson area surrounds Rocky. It goes out to Blackwater, down to Theodore and up north as far as Stanage Bay. These coloured maps show very clearly how much clearing had taken place at the time that these committees were set up. Some districts had less than 10 per cent vegetation left on them. All those white areas are cleared areas. The green areas, such as Mount Archer over there, are not cleared because they are not very good for productive purposes—they are full of grasstrees, cycads and macrozamia, which tend to poison cattle.

CHAIR—So the white areas are cleared and the green areas—

Ms Herbert—are what is left in this area. I am talking about this region. I cannot speak for the rest of the nation. So we are dealing with a very modified landscape here. I supported the Queensland Vegetation Management Act. I believe that it has been demonstrated that, if you retain at least 30 per cent of native vegetation on land, it actually assists productivity in a number of ways, it provides ecosystem services, shelter belts for stock, frost protection for grass and deep nutrient recycling. So where landholders are required to maintain vegetation of which there is no more than 30 per cent left on their property then compensation is not the issue because in fact production is being assisted by maintaining its vegetation.

At the time that the Vegetation Management Act came out in 2003 there was also provision for what is called PMAVs which are property maps of assessable vegetation. These PMAVs as they are called were a means by which landholders could lock in their white areas. If you imagine the properties and they have the area of white on them, even if there is regrowth there, they could pretend that there was no regrowth, that it was clear white and they could keep clearing it in perpetuity. That was put in by the state government in a sort of counterintuitive way to say that if people know they can keep clearing their cleared country forever and a day they may not always do it because they know that they can, so maybe they won't, but if they do that is all right because that maintains their production. As far as I know by the time the moratorium on regrowth was mentioned only 30 per cent of eligible landholders had actually applied for a PMAV. So there was a way of maintaining your regrowth and that included endangered regrowth. Even to this day endangered regrowth in PMAV areas can be cleared. It is only in country which did not seek PMAV cover that they can no longer clear regrowth vegetation.

A lot of the vegetation in this part of the world is not suitable for clearing or it would have been cleared already. I would have to say that there appears to be a belief that freehold tenure confers a right to do whatever you want. We have heard already that government does have a right to control activities which may produce harm—such as soil erosion, salinity and loss of biodiversity—which is really essential to maintain the structure of this land. Approximately 70

per cent of Queensland is leasehold and while people have been buying leasehold country as though it is freehold actually leasehold land is different from freehold land. You do not own the trees, you can only farm it and so I am puzzled that people on leasehold land should think that they can do whatever they like on it. I think that is all I probably need to say now.

CHAIR—Would anyone like to ask a question. Senator Joyce.

Senator JOYCE—I appreciate the view you hold. Although I do not necessarily agree with all of it, I respect the fact that you are presenting it. I have a couple of points. You said that if there was land worth clearing, they would have cleared it. When the actual tree clearing laws came into place, I know one family very well that went and cleared everything that they had and that was my family. We were never going to clear the country but as soon as we thought the government was coming in to take away our right, we knew it was coming, so we just got the chains out and we pulled the lot down. That is because the government was not going to negotiate with our bank it was just going to change our asset. When you talk about certain species that you feel are under threat—and I have no doubt there are certain species; I imagine ooline trees would be one—do you have in mind any species that you think—

Ms Herbert—It is not species; it is ecosystems, not a species on its own. You are protecting the whole suite of a particular regional ecosystem—for instance, dry rainforest or semi-evergreen vine thicket, which is the green, fire-resistant vegetation which is up there on the Berserkers. It did not burn during these last fires, by the way; it is fire retardant and it does not burn. It is those kinds of vegetation. Softwood scrubs are threatened. As you drive around the state, if you see a bottle tree standing all on its own in a landscape, you will know that that used to be softwood scrub. Many, many hundreds of thousands of hectares have been pulled. So there are a number of regional ecosystems which are endangered; there is less than 10 per cent of them left.

Senator JOYCE—I have a final question. In your view of tenure, don't you feel that the government over a period of time has delivered tenure to generations of families with the expectation that they go through the privations of living without to improve that asset and that therefore, if you place an impediment or caveat on that asset, you are not only placing it against the living but, in a way, against the dead as well—the people who could have had a better life had they not been stuck out the back somewhere wringing out trees? Now that it is all going back to where it came from, they have wasted those lives that are parked in the local graveyard. If the government believes that the community's value is so imperative, why doesn't the government purchase it like everything else in the marketplace? If you really want it, you can get it; just buy it.

Ms Herbert—I will just reply, sidestepping a bit. Why is that country growing back? If you are saying the country was wrung through privation and now is growing back, that is the kind of country that perhaps could have been dealt with through the PMAV system, or else it should have been better maintained. As you know, thickening country is a product of land management which is not always the best.

Senator IAN MACDONALD—Thanks very much for coming along. Are you aware of the environment partnership schemes and the NatureAssist agreements?

Ms Herbert—Yes.

Senator IAN MACDONALD—Is that successful?

Ms Herbert—I do not know. I was on the panel when they first started down in Brisbane. I looked at some of the applications for NatureAssist. I know there was a dreadful shortage of funds then. I do not know how successful it is. We have our nature refuge at home. We got that in '97, long before NatureAssist came. I should say that we did it without any expectation of compensation. Do not forget that you are not locking up the land; you are just managing it a bit more for the environment and so on, as well as for production.

Senator IAN MACDONALD—I understand that you can use it for production.

Ms Herbert—Indeed.

Senator IAN MACDONALD—But, in principle, you think that is not a bad idea?

Ms Herbert—Not at all.

Senator IAN MACDONALD—You do not think it is a good idea?

Ms Herbert—Sorry. It works.

Senator IAN MACDONALD—Is it a good idea?

Ms Herbert—Yes. In relation to what you were saying before about incentives to do things, obviously it is better to have happy producers than unhappy ones. I cannot disagree.

Senator CAMERON—Very quickly, we have had the argument that you do not need trees and that grasses can be more important and effective. Do you have a view on that?

Ms Herbert—You need both. You need a balanced landscape. In the woodland country west of here, there are trees and grass, and you want to maintain that as best you can. Grazing tends to turn it askew a bit, so you need to manage well with fire as well. You need both. The eucalypt that we have heard of as the curse of Australia has its place, as does grass. Native grasses, of course, I prefer. The dreaded buffel grass tends to invade natural areas. I spend a lot of time poisoning introduced grasses on our property. Buffel, Brahman and bulldozers—aren't they the saviours of the Queensland bush?

Senator IAN MACDONALD—Hear, hear!

Senator JOYCE—Beef cattle, and money in the bank.

CHAIR—Thank you for taking the time to appear before us today, Ms Herbert. Ms Nott, would you like to tell us about the organisation you represent.

Ms Nott—I am not from an organisation. I am a grazier, a portable sawmiller, a student and a grandmother. We have land 30 kilometres north of Rockhampton in an ex-brigalow belt that was a soldier settlement block with small dairy farms but now is grazing cattle. Then we have 8½ thousand hectares on the Connors Range, which is 25 kilometres due west of St Lawrence, midway between Mackay and Rockhampton. I put in a submission—No. 85, I think it was. We have 8½ hectares that we converted to freehold in 2000 after starting negotiations in 1996. We did that specifically to redevelop the thickened regrowth areas and restore the productive capacity of our property for cattle production and regrowth of selected forestry.

The property was and still is considered one of the most fertile properties in the area. We are particularly safe because we have a semi-reliable rainfall. As you will see from the images that I have given to the committee, the property is 90 per cent wooded. I would not hold with the contention that this country is undeveloped because it is infertile and not worthy of development. That is not the case. A lot of other factors came into play with that property. My parents owned it from 1956 to 1966 and there were no methods of controlling regrowth then, which was rampant on the property from the initial ringbarking in the 1930s and 1940s. The only way my father could have controlled the regrowth was with an axe, and apparently he was not very active. Two brothers bought it in 1966 and they owned it until 1989, when my partner and I bought it. They brought baggage with them because they had owned land in the Shoalwater Bay area that the Army had taken off them, so they said they were never going to redevelop a property in their lives and they did not touch the regrowth either.

When we got it, we were initially faced with 22 per cent interest and we did not have money to redevelop it. So we had fertile country which had thickened and was undeveloped. As soon as we got our freehold done in 2000, we declared 53 per cent of our property a nature refuge. So over half of the property is a nature refuge. We were quite happy to do that because basically we were green. But also that country was never suitable for development and that was the best thing to do with it. We negotiated the nature refuge ourselves and we were quite happy with the negotiations. It is one of the few in Queensland where, at the time, we were able to run a few head of cattle on it and to extract small amounts of timber from it so that it could be self-sustaining.

Senator IAN MACDONALD—Are you still doing that?

Ms Nott—We have never had time to do it. We do run a few head of cattle on it; we have never had time to extract the timber. In fact, the timber extraction would be more like maintenance of the thickening.

Senator IAN MACDONALD—So your nature refuge agreement is still in place.

Ms Nott—Yes. We did do a PMAV. Can I just put in there that the reason that a lot of people have not done PMAVs is that they are like me. I was on the same system as Cathy. I was involved in the consultation process from 1995 and I followed it through until after the freehold consultation process finished in the early 2000s. I spent a lot of man-hours there and I should have been home, bashing weeds. By the time it was finished, I was sick of the process. I should have done a PMAV years ago and I did not, but I eventually did a lock-it-in PMAV. We never realised that there was a huge time line to get out and do our PMAV. Hence, only 30 per cent have done one. We did not really realise we were going to be caught. So, under our PMAV, 10

per cent of our property is designated clear. We have an extra 3.8 per cent which we have cleared under permit since 1990, but it is not recognised by the Herbarium.

Behind our PMAV, after the regrowth legislation the other day, there is another 3.7 per cent of our 10 per cent which has been marked for the regrowth. That does not affect us while our PMAV is in place, but, were I to open that PMAV to renegotiate on any ecosystem types or the 3.8 per cent that is not recognised, they will immediately take back that 3.7 per cent. That is what is marked on the blue image I have. They are the regrowth areas. It is a problem because it makes me act like a vandal. If I want to open that PMAV, first of all I have to get my tordon axe and tordon that 3.7 per cent or I will lose it anyway. It is country I never had any intention of clearing. We are sawmillers; we love big trees. They grow little trees. That is a truly perverse outcome. The vegetation types on my property are around 97 per cent intact in the local region. They are hardly rare or endangered. One of the reasons quoted for the necessity of the regrowth legislation was to protect endangered regrowth vegetation and landscapes that badly need trees. I do not think my property badly needs trees.

Even local conservationists agree that 30 per cent on property for nature is good for us, but I only want to clear 30 per cent. I have 90 per cent. Is 90 per cent necessary for nature in my area? The Productivity Commission asked that question in 2004. You need a certain percentage for nature—I fully agree with that—but how much does it really need? Is there a benefit in that extra 60 per cent in my case? It used to be a woodland and now it is a forest. I am much better returning it to open woodland, but all the time I have the threat over my head that, if I leave trees, the next time the Queensland parliament want to get back in and they give away my right for forest practice I would not even be able to conduct forestry activity on Burwood. It is in my interest to get as much as I can of my open forest white so that, in future, maybe my kids could also get a job there, because portable sawmilling is a good option. The lease was originally cleared to 30 per cent of the property area in the 1930s and 1940s, so the thickened regrowth from this disturbance has little economic or ecological value on Burwood. There are reports that say that self-thinning should be over by 80 years, but I am studying the disturbance and what has happened to our ecosystems and there is no evidence of self-thinning on those thickened regrowth areas after 80 years.

You talk about compensation. We did receive \$100,000. It was never called compensation. As a matter of fact, we were told not to even think of it as compensation; it was a vegetation incentive. The DNR estimated that it would cost us development opportunities on 1,470 hectares, which is 17 per cent of our property. If we add that 17 per cent to the 10 per cent we already have white, there is approximately the 30 per cent the old guys cleared, and that was a viable property. The extra development on that 17 per cent would have enabled us to double our long-term income from cattle. Basically, the \$100,000 vegetation incentive, which you maybe mistakenly thought was compensation, would have been paid for in one year's income from that 1,470 hectares. Not only that but we would have increased the income from the regrowth timber harvest and the on-property sawmilling enterprise would value add and create a viable and diversified family farm. Maybe some of our three kids who work away now could have stayed at home. I just contend that I do not have to give 90 per cent of my land to the community when 30 per cent maybe will protect their biological assets.

In the whole discussion on the consultation period, I questioned the DNR on the monitoring they were going to do on the results of the vegetation legislation, and they acted very surprised. Monitoring? Who would monitor?

CHAIR—I need to ask you to come to the conclusion of your statement.

Ms Nott—One point is that area conserved is a very approximate proxy for environmental health, particularly when weeds and lack of fire management are the norm in a fire-dependent environment. Thickening is the thickening of the second layer, the mid-layer in a woodland, at the detriment of the grassy layer, as you have heard. There is lack of fire, which is going to be exacerbated by carbon emission fear. There will be more and more public pressure on not having fires. This will be to the ultimate detriment of our woodland communities. A way forward was recommended by the Department of Primary Industries' woodland scientists back in the 1980s. They recommended 20 per cent conservation of woody vegetation per property. I really do not see why the people who have got none could not grow back 20 to 30 per cent and give me a little bit more. Thank you very much.

Senator KROGER—Do the properties near you have a similar ratio of vegetation coverage? How do they compare to your property?

Ms Nott—The properties to the west of me have a mixture of land. They have brigalow frontage and woodland at the back. They made all the properties long and narrow, so each property has a mixture. The brigalow frontage is probably largely cleared in some of those areas Cathy showed you. The back would probably be fairly undisturbed woodland. The properties on the eastern coastal plain are probably largely cleared. We own an intermontane plateau. We are probably as far south as the plateau runs. North of us, there are properties that are cleared at about the same ratio as ours—although some of them might be much more developed because they did not have the intervening period when people did nothing.

Senator CAMERON—I am interested in the proposition of 20 per cent on every property.

Ms Nott—Or 30 per cent.

Senator CAMERON—Or 30 per cent. Are you saying there should be legislation to force farmers to revegetate?

Ms Nott—I use the term loosely—as a grazier, not a lawyer type person. When we originally went on the committees in 1995, I was not the only grazier who said, 'Wouldn't the best way forward be for those who have got none to let the regrowth come back?' In the areas where they have got none it is mainly brigalow so the regrowth will come back very easily if they leave it alone. That seems more equitable to us.

Senator CAMERON—Looking at Cathy's diagram, the comment was made that if you fly into Rockhampton now there are a lot of trees but if you had flown in 100 years ago there would have been a lot more trees.

Ms Nott—Not necessarily.

Senator CAMERON—If all the white area on Cathy’s diagram has been cleared, why do you say ‘not necessarily’? What was there?

Ms Nott—It is just that you are picking on Rockhampton in particular.

Senator CAMERON—Well, that is where we are.

Ms Nott—I know, but Cathy’s map is probably more the brigalow belt, where there is wall-to-wall clearing.

Senator CAMERON—I am not an expert in this district, but if everybody had to put 20 per cent back on, wouldn’t there be 10 to 20 per cent more trees?

Ms Nott—Than now?

Senator CAMERON—Than now.

Ms Nott—I do not think so. Some properties are largely cleared, aren’t they?

Senator CAMERON—I thought you were saying every property should have between 20 and 30 per cent of native vegetation.

Ms Nott—But surely that would give me the right to elect to clear my 17 per cent again, so you are going to lose my 17 per cent. I am not asking to clear back to 30 per cent, because obviously half of my place is in a nature refuge. But if there is more equity and we have a more variegated landscape where every property has trees retained whether it has got them or not, if you encourage regrowth I do not think you would necessarily have a net gain or loss.

Senator CAMERON—One of the issues that has been crossing my mind from some of the submissions we have had from the public is the black-and-white approach that is taken to the issue of native vegetation. Is there any process of conciliation or arbitration? If there is a disputed contract, you can get an arbitration on it. Is there a process where you can say: ‘There is a tree in the middle of that paddock and I want to get rid of it. I cannot do my work because of that tree’? There is nowhere to go with that if a decision is made, is there?

Ms Nott—I do not know for sure but I would not think there is. I have got room to move because we have a forest practice. There is a PMAV, a property map of assessable vegetation, for a forest practice. That means I can ferret around doing my forestry underneath the canopy as long as I do not reduce the canopy by 50 per cent. There is that kind of flexibility in my program. But I cannot answer your question. There are people here who know more than me about the regrowth legislation. I think it allows you to clear a certain amount of regrowth but you get back maybe twice as much in remnant vegetation. There is that kind of trading going on.

Senator CAMERON—In New South Wales—

CHAIR—Senator Cameron, I have granted you a lot of latitude.

Senator CAMERON—Sorry; no problem.

CHAIR—Does anyone have any further questions?

Senator IAN MACDONALD—Is your nature refuge arrangement flexible, or is it locked in on that property forever?

Ms Nott—It is locked in on our property forever—I hope!

Senator IAN MACDONALD—And if you sell?

Ms Nott—It goes with the title. It is legislated.

CHAIR—Thank you, Ms Nott, for your time and for coming along this afternoon to make that submission.

Ms Nott—Thank you very much.

CHAIR—I now call Mr Stiller. Mr Stiller, is there anything you would like to add about the capacity in which you appear today?

Mr Stiller—I am from Guluguba. I am a grazier. But I am here as an individual to make a submission.

CHAIR—Please go ahead.

Mr Stiller—Many of the other submissions have dealt with the loss of land use and loss of economic productivity. If you read through individual submissions you will find a lot of details of emotional stress, stress to health and that type of thing. In fact, I do come across some people who are traumatised enough by this whole process to be too afraid to even put in a submission to this inquiry.

I have taken a different track. In the submission I talk about the losses not just to landholders but to dedicated government agency staff as well, and about loss of benefit to all people in the public, not just landholders. Not all of the issues can be pigeonholed politically to the right, as some do, like land, property and economic things. There are also concepts out there dealing with justice, social values and wealth for the common person. Those factors have been all affected by perverse outcomes from this type of legislation.

I put to the Senate committee that any ideology taken to the extreme has perverse outcomes. Conservation is good, and I believe in conservation. I like to practice it on my own operation. But extreme environmentalism has bad outcomes. I wrote two submissions to the Senate inquiry. One has been accepted. The other one has yet to be considered, and I hope that senators note the numbers of submissions to normal Senate inquiries—the staff are not able to cope with the backlog there.

In the submission that has been accepted, I record the loss of trust and cooperation and the change to mindsets from the new laws. I talked about the loss of relationship between landholders and government agency staff. At one time there was a productive relationship. It was a two-way learning street where landholders and agency staff could work together. If there was a

problem out there and there were new practices that could be brought in, they worked together. That trust has been lost. Through the years, with this type of approach, much of that trust has been lost. The way that government has approached drafting the legislation, the lack of consultation and the imposition of draconian law onto landowners has destroyed that relationship.

At the end of the NHT One period I was heavily involved with Landcare. Our group was involved with projects which looked at ways of balancing the production and conservation values and at defining a good relationship between trees and grass. We had projects of our own, we had compiled much research from other sources and we were about to have field days and put that information out there. That was lost. The laws were just laid down. There was no opportunity.

In the submission I talk about the loss of the Landcare movement having any practical ability to exist these days, the perversion of the Landcare movement. In the days when the tree-clearing laws were coming out a lot of landholders were involved in a process of regional vegetation management plans. People were naive enough in those days to believe they were doing some good. They set out to write a submission that gave a balance between conservation and productivity. They were largely ignored in that whole process. Those plans still exist. They were drawn up, they were finalised and then they were just trampled over. That submission has been approved but it has yet to be put on the site.

CHAIR—Mr Stiller, I will give you a couple more minutes but I will need you to wind up your verbal presentation at that point.

Mr Stiller—Okay. The second submission I put in to the inquiry was about the locking up of state forests of the western hardwood regions of Queensland to national park. I based a lot of what I wrote on the situation of Barakula State Forest, which I am a neighbour to and know a little bit about. It is 260,000 hectares. It has been operating for a hundred years and is seen to hold high conservation values. The government is looking to lock it up for national park. In my submission I have witness statements from the founder and project officer of the Upper Dawson branch of the Wildlife Preservation Society of Queensland and from the current President of the Chinchilla Field Naturalists Club. Both are active, practical conservationists who say that this is wrong and that if you want to conserve land you must manage it; you cannot just lock up country and walk away. The country was managed before any white person got here. The Aboriginals managed land in a mosaic fire pattern. In just locking it up and walking away there is a grave danger of a destructive fire.

The way state forests fits into the submission is that, again, you have people seeking environmental outcomes for political expediency. Also, looking at carbon, the argument that is put out there is that we must lock up these forests to lock up carbon. With my submission I have presented a commissioned report which shows that by having an active working forest more carbon can be sequestered in that forest.

I will leave my statement there. I am willing to answer questions.

CHAIR—Thank you very much, Mr Stiller. The submissions have been received by all committee members but not all of them have been approved to be put up on the website. There

are over 350 of them. The committee secretariat is getting to that, so they will be put up, unless there is an issue that the committee secretariat needs to contact you about.

Senator KROGER—Mr Stiller, I note that you listened to the proceedings this morning as well and I appreciate the time that you have taken to come and share your concerns with us. I want to turn to your opening statement, which was really concerning. You said that you knew of many who were too afraid to make submissions.

Mr Stiller—Yes.

Senator KROGER—Could you just expand on what you meant by that.

Mr Stiller—Being a grazier, living in Queensland and being involved with Landcare, I was aware of much of this legislation when it started in the late 1990s. The effect of it was brought home to me at a meeting in Goondiwindi earlier this year where a person stood up on the stage and spoke of the personal impact it had on their family. This morning you had organisations speaking here, and it was a much drier presentation because they cannot speak on personal and emotional terms. This person spoke of the impact on their family. The meeting had a public forum session where people could stand up and talk. Many people came up to this person afterwards—the one who had spoken on the impacts on family—and quietly touched this person and led them aside and talked to them. I was standing beside them. This person would come back and say, ‘That is another one. It is another person who has been impacted by vegetation and heritage laws and the like and has had a suicide in the family.’ In fact, there were three there that night who had had a suicide in the family. At that meeting, even though I lived here in Queensland, that impacted on me. There are many others that it has had a profound personal impact on. I doubt whether you will see submissions from them. You will not hear their stories. They will not come out.

Senator KROGER—Mr Stiller, your observation about this morning is right. It was more analytical. It is very different when it is something you have experienced yourself. I think that is why Senator Joyce gets hot under the collar about the issue. I guess I am asking for clarification. Are you aware of a number of instances where it has had significant social and health impacts on families? You mentioned suicide, so it is having a detrimental effect on the wellbeing of families to that extent. I am taking it out of the financial or economic sphere, to the personal.

Mr Stiller—Yes. I personally am aware of the effect on some people. But, talking to other people, they tell me of many other cases. You have to understand that a lot of rural people believe that they are honest. In Queensland, to administer the new legislation, positions were created in the department for compliance officers. The unofficial name became ‘Tree Police’. They would turn up and put pressure on people, and that created stress. It was unnecessary. In my submission I talk about the complete change in the relationship between government and landholders—what it was and what it became under this new legislation.

So, if you have people who have this type of experience and then are charged, it becomes bewildering and it is a new experience to have this happen. In fact, I know of a case where the people were held up in earlier days as examples of best-practice clearing and leaving remnant timber and then were later charged with a secret tape recording.

CHAIR—I am conscious of this changing relationship, from being landowners, farmers, graziers or whatever. The compliance officers changed that relationship. We heard a bit of that yesterday. Were the compliance officers that were employed from within the local community or were they people effectively brought in from Brisbane or larger towns? I ask this because I am obviously not from around here but I think this is an important point. Were they from within or outside the community? Did they have any experience with the community and the sort of relationship that existed before that you have outlined?

Mr Stiller—I believe many of them did not. Many came in from outside. It is not just rural producers who are unhappy with the whole situation; there are many departmental people that are unhappy with the situation. There are a few that embraced it and had that philosophy, but there are many others who did not. If you interviewed DERM staff in an in camera situation, I am sure you would find that to be the case. There were people that were shifted from doing other important conservation work like soil conservation; they were told, ‘You can no longer do that job; you now have to be involved with the vegetation management laws.’ So there was a change in role there. Other aspects of what the agency staff did were just abandoned. But, to go back to your question: no, the majority of those who were doing, for lack of a better word, the ‘heavy’ work were from outside.

CHAIR—I will just ask a follow-up. Are you suggesting that, as well as the law itself, the manner in which it is enforced and in which people are encouraged, ordered or otherwise caused to obey these new laws has been a substantial problem?

Mr Stiller—Most definitely.

Senator CAMERON—Thanks for coming along and outlining these issues. In your own personal circumstances, how much of your property is cleared—what percentage?

Mr Stiller—Only about 40 per cent. I have two different land types: one is brigalow/softwood scrub and the other one is forest-type timbers, which are best kept as open woodlands. Roughly half of my timber is that. In fact, I would have less than 40 per cent cleared, because, with the land that I was personally involved with, I used my experience from my time in landcare management of tree-grass relationships and the best configuration of this, which is also important. It is important not just to have trees or grass; it is how it is managed. Because of that, I left tree lines or tree corridors through the regrowth that I resealed. So I still have considerable tree cover.

Senator CAMERON—If there were no restrictions on you, how much more would you clear?

Mr Stiller—Not a lot. You need to manage land, and you do not need legislation restricting you in that management of land. You need people who know their land and know how to manage their land, which is learnt. All land is different. I need to keep my woodland country in a semi-open way, and I need the ability to have security to manage my land.

Senator CAMERON—Your response to that reinforces the proposition that has been put which I would like your comments on because I do not want to make any analysis that is not correct. Your position would reinforce the proposition that most of the clearing that was required

to be done is well and truly done and there is not a lot of clearing of productive land left in this area. Is that a proposition that is fair and reasonable?

Mr Stiller—No it is not fair for all of Queensland or all of Australia. That is only fair for my farm where I am.

Senator CAMERON—Are you not typical?

Mr Stiller—I may be typical where I live. I have experience also of the southern inland of Queensland and the central west because I agist cattle in those areas. Those areas would be devastated with the inability to reclear. You have to get your mind around that they are not cleared and the debris stick raked and burned and all the rest. They are basically cleared on a rotational basis of 10 to 20 years. The mulga lands in the central west would become completely unproductive without the ability, on occasion, to reclear the regrowth. There is a good one-third of Queensland that would become unproductive under those circumstances.

Senator CAMERON—Thank you.

Senator JOYCE—Can you give an example of the relationship with the enforcement officers and what your rights are, what their rights are, what they can assert and what you have to disprove for the purposes of the *Hansard* so that people will understand how this is a form of discrimination? I keep on going back to that word ‘discrimination’ because you are a minority group and you are being discriminated against. People only get away with discrimination because they create a political excuse as to why they should discriminate against you and that is exactly what they are doing. Gullible people accept that discrimination in this instance should be allowed because it is politically correct to discriminate against you. How do those enforcement police work in your relationship with them? What are their rights, what are your rights and how does it work?

Mr Stiller—In the early days there was a complete lack of knowledge by landholders of what their rights were. They just took at face value what the compliance police told them. Situations were allowed to arise that should not have happened. The compliance officers I believe are allowed to come on your place if they have the right paperwork—I do not know whether they call it a warrant or whatever. If they do not have that you are allowed to tell them to get off the place. Everything that you say is used against you. I believe you basically have to prove your innocence in this case which is a complete reversal. It is a very disturbing departure from the norms of law in this country. I am sorry I cannot expand on that too much because you are getting out of my field.

Senator JOYCE—It is all about the Ray White situation at Homestead. I imagine that is the one you are talking about where they secretly taped the conversation that they were having. It would have to be a pretty honest and decent person living in a remote corner—a very honest family living in a pretty humble way—and someone turning up and just opening it up.

Mr Stiller—Basically, yes, it was somebody naive enough not to know the full laws. It was a sleight of hand. It was unnecessary and it was a pretty low act to pull on somebody who believed they were doing the right thing.

Senator JOYCE—Just go through exactly what happened.

Mr Stiller—I do not wish to do that. Because we are recording in *Hansard*, I do not wish to get my facts wrong. If you wish to have that as a point—

Senator JOYCE—There might be people later on who have that story.

Senator IAN MACDONALD—You do clear, did you say, 10 per cent of your agistment property?

Mr Stiller—No, sorry, when you agist you do not clear anything. When you send cattle on agistment you send cattle as it is. It is somebody else's land.

Senator IAN MACDONALD—Didn't you say you have to continually clear that land where the cattle are agisted or it becomes unproductive?

Mr Stiller—Yes; in the central west of Queensland and in the southern inland of Queensland and all up through that area, there has been a practice—it is almost like a mosaic pattern—of reclearing when the funds are available and when it is necessary.

Senator IAN MACDONALD—Is that still permissible? That is what I was asking.

Mr Stiller—It is severely restricted, I believe. I do not live there but I made the point before, that if those people were stopped completely there would be one-third of Queensland basically completely unproductive.

Senator IAN MACDONALD—But your understanding is that they still are allowed to clear some of this—

Mr Stiller—Not all of it; no. The last regrowth law, I believe, was the 20-year rule that came in. If they had cleared it in the last 20 years they could clear it again. If they had not got round to that patch in the last 20 years—in some cases they may not have because they did not need to and thickening may have happened—they have lost the ability to reclear that area. That is the case, as far as I know it.

Senator IAN MACDONALD—Thanks for that, and thanks for coming along.

CHAIR—Thank you very much for your time and contribution, Mr Stiller, it is much appreciated. I should add, in reference to a couple of comments that Mr Stiller made, the committee has made available the option of confidentiality, and has received some submissions that will remain confidential to the committee at the request of those who made the submissions. Those may or may not refer to some of the examples where people did not want circumstances to become public. The committee has made that option available and it remains available. Mr Stiller, we will be writing to try to ascertain those aspects of the onus of proof and rights on self-incrimination with respect to these laws. We will try to have an answer for that by the time we report.

I call Dr McNichol. We are getting slightly pushed for time so I am going to ask people to try to stay closer to five than 10 minutes in their opening statements.

Mr McNicholl—I am from Dulacca, which is about 550 kilometres to the south-west of here. It is prime Dulacca country. The word ‘dulacca’ means the home of the fat emus—and there are still plenty there. Firstly, I would like to welcome you folk to Queensland, in particular Senator Joyce. I would also like the meeting to recognise the spirit of Peter Spencer, whose hunger strike has led to his case being referred to the High Court to test section 51(xxxi) re just terms compensation. And I believe the vibes are with him.

I had some photographs attached to my submission, which Tegan is hopefully going to set up. They reinforce the photographs which AgForce showed you: namely, the comparison between thick regrowth and the pasture that can grow beside that if you remove the thick regrowth. In the pictures of me standing in amongst regrowth there is clearly nothing underneath it. It is as bare as that; erosion evidenced everywhere by the gullies. In the area that had been cleared and reseeded, there is pasture eight feet high, and I am there smiling in amongst this verdant pasture. This clearly illustrates the fact that production is reduced to something like a tenth or less of the land’s potential.

I will get back to my formal submission. The McNicholl family trust operates the following properties on behalf of me, my wife Megan and our three adult children, Kate, Rebecca and Doug. I have noted the fact that all three children are graduate environmental engineers, which is perhaps the ultimate testament to their parents’ concern and interest in the environment, and perhaps payment for my environmental sins over the years.

CHAIR—Dr McNicholl, are you reading your submission?

Dr McNicholl—Yes.

CHAIR—Rather than just reading it, this would probably be an opportunity for you to emphasise and expand on a couple of points, if there are certain things you wanted to emphasise.

Dr McNicholl—Rightio. We are basically cattle grazers, but we also farm a fair bit of our country, a couple of thousand acres. It is in prime brigalow country, which has some of the richest and most highly productive soils in Queensland. They produce fine grain crops, fine cotton crops and fine crops of any kind you want to grow, and they are great for grazing cattle, sheep or any other grazing animal. The aggregation we live on south of Dulacca is 13,900 acres, and we have another 8,400 acres 100 kilometres south of Wallumbilla. The previous owners had purposely kept five per cent of the land in shelter belts around the periphery of the paddocks. That family had a couple of veterinarians in it as well, and they were conservation oriented people.

I will just go back a bit. When I completed vet science in 1969 or 1970 I did a degree of range management at the University of California, Berkeley, where I studied grass—but not the sort that you inhale.

CHAIR—There was a lot of the alternative at California, Berkeley, wasn’t there?

Dr McNicholl—I have always been an alternative vet, yes! Like Bill Clinton, I never inhaled when I was over there and I was not seen with certain sorts of women either! I have always been interested in the environment and have tried to walk the talk now for the 40 years since I graduated as a vet, basically. The properties we bought had shade lines or shelter belts virtually all around the paddocks. The centres of the paddocks had little clumps in them. But of course the regrowth keeps coming back. It comes in from the edges and from the clumps in the centre. Over time on the property, magnificent grasslands would revert to an impenetrable brigalow forest, reducing the productive potential of the land to 10 per cent of its optimal production. At the moment, it has never looked better. There is very high grass. In fact, it is hilarious to watch the dogs go mustering because they try and jump up over the grass.

As I said, five per cent, something like 1,200 acres, of the land was left with timber on it, which we were quite happy about. We would have left it that way forever. Then the laws came in that said you could not touch it. I thought to myself: ‘That’s okay, but I’m still paying the rates on it. Things can get a bit tough on the land. If interest rates go up I might have to find a bit more money. I might have to clear a bit more of the land one day to farm it or whatever.’ But it did not worry me. We have 89 different types of bird species on the property. We had a survey done by DNR. It is a beautiful property and I thought, being a conservationist: ‘I’m happy to leave this. They can have that 1,200 acres and I won’t worry too much about it.’ So that was okay.

I am also the vice president of the PRA. The reason I got involved with that was that a friend of mine of 20 years was harassed and persecuted by the tree Gestapo, which are a modern day equivalent of the Black and Tans. If you know Irish history—

Senator CAMERON—I really think we must stop treating public servants in this way. I really do not believe it is appropriate.

CHAIR—Senator Cameron, I will take the point that I do not know if the term ‘Gestapo’ is appropriate. I know that ‘tree police’ has been used in a less pointed and a more jovial way, but I hasten to advise you, Dr McNicholl, that this is not the place. I appreciate that you have kept it anonymous at the moment and have not provided any material that could identify that instance, because I would imagine that it either has or is the subject of legal activity.

Dr McNicholl—My friend who was unfairly prosecuted has been exonerated, but he is in pursuit of those public servants to exact justice from them. He will drag those public servants who abused the process before the courts and exact justice.

CHAIR—That is as far as we can go on that matter, it being a matter of legal activity.

Dr McNicholl—That is why I became involved in Property Rights Australia: to protect people from the unconscionable activities of government. I have the Irish tradition of fairness and it burns deep within me, I can assure you.

CHAIR—With a name like Ryan, I share a knowledge of Irish history. Have you finished your statement?

Dr McNicholl—No. Moving on to last year, after the last election—

CHAIR—Again, I have to advise you to bring your statement to a conclusion in a couple of minutes.

Dr McNicholl—Okay. There was the moratorium, where they talked of another 1,000 acres of country that I was managing. There were 500 acres in particular which had some koalas in it and which I was managing for the koalas. But now I cannot manage it for the koalas. I have to let all the crap and rubbish come back and destroy that environment for koalas. But, I can assure you, the koalas will survive, because I will do what I have to do for them to survive, irrespective of the vegetation management laws. You can interpret that however you will. They took another 1,000 acres off me, and I said, ‘No, there has been no compensation’. I kept it in good faith. They used inaccurate maps from the sky to overnight take 1,000 acres off me. They have misrepresented the vegetation types that there are supposed to be. They are not even what they say they are, and I will contest that in the courts when I get around to it as well. The whole system is fraudulent, unscientific garbage. There is no justice, there is no rationality, there is no science; it smells of rank political opportunism—and that is what gets up my nose. And it is one of the things I am going to fight until the day they put me in a box. I am not sure what sort of box it will be; I discussed it with my environmentally friendly children, who suggest it could be cardboard because that is more environmentally friendly and more biodegradable. They do not want me to chop down a tree and make a coffin, so maybe I will elect for a cardboard coffin.

CHAIR—Maybe eucalypt, given what was said earlier.

Dr McNicholl—The resolution of this, in my view, is to rescind a lot of these laws, which are completely counterproductive and necessary to achieve the outcomes. When it is rescinded, the people who have been burnt by the application of these unjust laws, who cannot pick up their lives, redevelop their properties and make profits in the future sustainably for themselves and for this nation, should be compensated. Hopefully Peter Spencer’s trip to the High Court, if the vibes stay with him, will deliver just terms compensation for those people, and that is all I ask.

CHAIR—Thank you, Dr McNicholl.

Senator IAN MACDONALD—Is your concern about the way the arrangements are policed or is it about the arrangements themselves—or both?

Dr McNicholl—It would appear from the successes of the cases that Property Rights Australia have supported that, in 13 out of 14 cases so far determined in the courts, the courts have agreed the processes adopted by the government employees have been wrong or, in fact, they fabricated evidence. They have done all sorts of wrong things. Not only have the processes been wrong, such as they have not completed the correct forms to prosecute people by, in the time that is required, but so have some of their activities. There is one gentleman who is still being pursued for perjury. I do not think even the Queensland state government can exempt their employees from the charge of perjury—one would hope.

Senator IAN MACDONALD—The gulf NRM group have a system going up there where, by GPS and other ways, they properly map all the farms in the area. They tell me that has been useful in addressing—

Dr McNicholl—In resolving some of these issues?

Senator IAN MACDONALD—Yes. In fact the state government now more or less go to them and say, ‘You tell me, and show us your stuff.’ They tell me that they have very little trouble up there because they have done the work with their members to get it properly and accurately mapped. I am no expert on it.

Dr McNicholl—But the issue was that the Queensland government have been prosecuting people on the basis of aerial maps without any ground truthing. It is a ridiculous situation.

Senator IAN MACDONALD—I am just saying to you that the gulf NRM have some sort of system going where quite a number of their employees work on accurate mapping of their members’ areas. Have you heard of that at all?

Dr McNicholl—People do this to correct the maps. If you want to contest the maps you have to go to the expense yourself to get on-ground truthing, with GPS coordinates, and document the whole thing. The onus is back on you to prove that the maps are wrong, at your expense.

Senator IAN MACDONALD—I am only saying to you that the gulf NRM have a system that I do not understand.

CHAIR—Senator Macdonald, I am happy for one question to be three or four but, for time reasons, I am going to have to draw the line.

Senator IAN MACDONALD—That is fine. Thank you.

Senator CAMERON—I have just come across a fact sheet from Natural Resources and Water. What they are saying about the quality of brigalow country that is cleared is that it suffers from a thing called denitrification. They have done a scientific experiment. You are saying it is fraudulent—

Dr McNicholl—Is this a state government department?

Senator CAMERON—Yes. You are saying it is fraudulent unscientific garbage. They have published this sheet, and I am not sure if any of the agricultural groups have challenged it. They say they have done this a scientific study that shows that denitrification takes place, grain yield is halved, crop water use efficiency is nearly halved in both clay and duplex soils, the grain protein content of 13 wheat crops also declined and stock liveweight gain declined by 38 per cent. I am not a scientist in this area, but that is what this stuff is saying and it is at odds with the rosy picture that you paint of clearing. I would like to get your comments on that. If you want to take it on notice I can probably give you the link.

Dr McNicholl—I look forward to the opportunity of correcting their misinformation. Perhaps you can give me the reference. The reality is that most of our farming lands, including the Darling Downs, had timber on them. Farming, even on the most fertile lands, results in denitrification. This is a proven fact all around the world. Various farming systems respond to that by growing legumes or by crop rotation systems or by ley farming. There are a whole series of techniques that farmers around the world have used to renitrify soils as a result of people cropping them. If you keep growing grain, which is a concentrated form of protein, you take nitrogen out of the soil, so you have to find a way of putting it back in. The great thing about

brigalow soils was that they were extremely high in nitrogen, so people got a free kick off those soils for 30 to 50 years. They have dropped in nitrogen, but they are still very fertile relative to a lot of country around the world.

In my particular area we have got legumes that we use that grow in the winter and renitrify the soils. There are plenty of options to reverse denitrification. Some of the clay soils take a bit of managing, but the very good farmers in fact have improved the carbon content of the soils, getting it up to two per cent, which improves the structure of the soils, which then improves water use efficiency. So modern farming practices can reverse all of those problems.

I know that some of the department people suggest that you should try and grow trees amongst your grassland. At my age, chasing cattle through thickening trees in grassland is quite a hazardous occupation, I can assure you. I have had a couple of busters just recently off bikes, going over logs hidden in grass that is that high and you cannot see them. The dogs cannot see the cattle and I cannot see the logs. It is a fairly dangerous scenario.

That is why I try and keep the shade lines down the fences of the paddocks—to the sides. With some paddocks, the perimeter is four kilometres long. You have got shade lines that are 60 metres wide and they just go all round the paddock. Then I have got clumps in the middle of the paddock. The rest is open grassland. It is sustainable, it maintains your biodiversity and you can muster your stock without increasing your insurance premiums—and you can minimise your time in hospital.

Senator KROGER—I just want to follow up on your comments about aerial maps. You started to touch on what a farmer's redress could be if they thought that the satellite images were wrong and suggested that it was different vegetation or forestation or whatever. If you want to appeal the satellite imagery, what do you do? Do you actually have to undertake your own mapping?

Dr McNicholl—Basically, yes, at the moment. I have spoken to the people in Roma and they have given me the forms and the procedure that you have to go through. You have got to go to the herbarium. They will eventually come out. But they are understaffed and there are thousands of errors on these maps. So you get on a waiting list and they might turn up in five years time, but then you have still got to provide the remapping for them.

Senator KROGER—How do they do the assessment? Do they come out and physically inspect the area?

Dr McNicholl—They will. I have not done it. I have been meaning to do it, but I have got a million other things to do all the time and it is one thing I have not got round to. But I am going to do it. You put in an application and say the reason. They have got country on our property that they call brigalow scrub, and it is cypress pine. Do you know cypress pine?

Senator KROGER—I do know cypress pine, and I am starting to learn about brigalow. I will go home and google it, I have heard so much about it.

Dr McNicholl—They are not even in the same family, but they look similar from the satellite if they grow at the same density. They cannot be discriminated from the satellite. One of the

pioneers of infrared imaging was at Berkeley when I was there, a fellow called Randy Thaman. He was doing infrared imaging for the CIA on a scholarship. I used to ask him what he was doing and he would say, 'I can only tell you a certain amount about this sort of stuff.' Anyway, the point is that they get a colour density and say that this is a signature of a certain vegetation type, but it is not always right. Because this cypress pine was thick enough to look like the brigalow signature, they said it was brigalow. It is not. There is not a stick of brigalow in it.

Senator KROGER—If you can get someone to come out—however many months it takes, presumably—you have to pay for someone to make that assessment and go through the process of organising at all to have the opportunity to address the incorrect assessment of that on your land?

Dr McNicholl—To correct an incorrect map from the eye in the sky.

Senator JOYCE—Are there problems with the connection? When they say, 'This is the satellite map,' and you actually relate that to the ground positioning, there is a discrepancy? When they relate it to a ground position, it is not actually the ground position because the cadastral does not map the reality? Do you have any experience in your own life about how the enforcement process works—what are their rights and what are your rights? How do you see it?

Dr McNicholl—I think that someone else can go into that in detail and be more precise—

Senator JOYCE—Let us just go to the cadastral map. There is the issue with the Simpsons and Cadooga—Ann Simpson—and what the satellite said. Even if the satellite was right, the fact was that what they were relating to was the position of the satellite map and when you went to the ground it was not actually the position. There was a discrepancy in the interrelationship. Do you know what I am talking about?

Dr McNicholl—Yes. There is an email from within the department saying, 'Well, if it is not there, shift it on the map.' That is having some interesting ongoing legal ramifications in that particular case. You can alter maps, you know, if you really have to—only to get a conviction, of course, not for any other reason.

CHAIR—Thank you for your time today, Dr McNicholl, and for the submissions you have made. The attachments are available to committee members but, as I understand it, they have not—

Dr McNicholl—I have enjoyed the opportunity. I asked Senator Cameron a very simple question—

Senator CAMERON—We are here to ask you the questions. You can ask me afterwards.

CHAIR—Have a chat afterwards. Senator Cameron is already famous for such a discussion with another witness at a committee inquiry last year—Sinclair Davidson from Senator Cameron's favourite Institute of Public Affairs. Thank you again, Dr McNicholl. I will now call Mr Herbert.

Mr Herbert—Cathy and I made a submission, No. 70, as private landholders. The Capricorn Conservation Council as a body did not make a submission, but at the moment I am talking on behalf of the CCC.

I would like to remind the senators of the reason we are here in the first place. We know we are all here because of the terms of reference of this inquiry, which is whether some form of compensation is due because of the effects of tree-clearing laws in various states on the livelihood of rural people. But I take you back to an earlier reason, and that is the reason why we have tree-clearing laws in the first place. Australia has an atrocious record of species extinction. We have the worst extinction of mammal species of any continent in the world. I will not go into further detail on that; I am sure that you are aware of all those details.

I will just give you one fact about brigalow because it is the predominant ecosystem in the Central Queensland region, going right down to the Darling Downs. Originally there were seven million hectares of brigalow. It is down to less than 10 per cent at the moment, and that is why it is called endangered now. I know a lot of rural people say that it comes up and thickens and everything, but it is very hard. Scientists from DPI have been trying to re-establish brigalow as an ecosystem—not just the trees but the whole brigalow ecosystem. It is extremely difficult to re-establish. One of the groups I am on as an ex-engineer and a greenie is a mob called the Central Queensland Mining Rehabilitation Group. A lot of the coalmines are trying to re-establish different types of ecosystems, and nobody has ever been able to re-establish brigalow.

I would like to keep my comments to just three vegetation types or ecosystems, because I noticed that some of the questions were referring to specific trees and whether you can clear one tree or not. That is not the issue. We are talking about regional ecosystems. Let us just look at three of them. One is the brigalow. Another is poplar box, or bimbale box, woodland and another is mulga country. I will speak quickly on each.

I acknowledge that if you have uncleared brigalow, native brigalow, you have very little productivity at all. Once you clear it, as previous gentlemen have spoken quite eloquently about, it is highly productive for both crops and cattle. However, there is one point I would like to make on that. Statements have been made to the effect that, where regrowth has come up and these trees have taken over, there is soil erosion. I would dispute that there is soil erosion because of the trees coming up. I contend that the one factor that is not being considered sufficiently in all of this is stocking rates. Where stocking rates are sufficiently low to allow ground cover—and I do not mean just grass ground cover; I mean leaves, twigs, all sorts of vegetation that is on the ground to break up the rain—that prevents the soil erosion. I would like to take people back to pre white man. How much soil erosion was there off brigalow country before it was cleared in the first place? I do not know if we can say that there was a lot. In some of the submissions, a lot was made of the absence of fire—that not having the fire has allowed the thickening. Again, I contend that it is because the stocking rates are high enough that that keeps the grass down and they lose the ability to burn the place.

Moving quickly on to poplar box woodland: we are involved in the purchase of an 8,000-hectare property out in the desert uplands with a number of other people. Larry Acton, who was the then president of AgForce, Peter Beattie and Minister Stephen Robertson visited that property one day, and we took them out to look at a patch of uncleared, untouched poplar box and silver leaved ironbark woodland where we had tree spacing of about one tree per 50 metres.

Larry Acton said, 'If all my members had country like this, they wouldn't need any dozers at all.' Again, it came down to stocking rates. Because the stocking rates were conservative on that property there was not the thickening and the regrowth and it did not need to be cleared.

I will just leave mulga for a minute and go to my main points—that is, on the outcomes of this committee. We do not believe that people should be paid for doing a job which should be done anyway. They have a duty of care to look after their property, to manage their land sustainably. I think I can quote Robert Hill—I might be wrong, but I think it was Robert Hill. I know the location was in Cairns during the early 2000s or late 1990s, and he said the same words: why should people be paid to do things which the whole community and the farmers themselves should be doing anyway?

The second point is that agricultural employment and the cattle herd in Queensland have increased since the total ban on clearing came in in December 2006. So, on a macro scale, you cannot tell me that there is any diminution of productivity. Thirdly, land values likewise have not reduced on a macro scale. There might be some individual cases, but on a macro scale there has been no reduction in land values. Those are my three main points.

In case I do not get time, on the mulga one I know there is a provision for pulling mulga in the south-west, but a very senior agronomist from DPI, from a western town which I will not name, told me that as far as he was concerned pulling mulga is stupid. It all gets back to stocking rates. Once you have that mulga up and suppressing the grass, it is too late. It is caused by the level of stock that you have on your property. If you have the stocking rates right, you can keep your grass and you can keep your fires burning to help keep down that regrowth.

On another point, I know there have been complaints. When there is a discrepancy and the maps produced by the department are incorrect in mapping white areas and green areas and the like, property owners are able to get that changed, even though there is a lot of complaint about the process—fair enough. We have heard that not one single area has actually changed from white to green. Where the department sees that an area should be green but it was mistakenly made white, they have not been game to make that change.

CHAIR—I am going to try to lead by example and ask two very short questions. You mentioned something in your statement there. I just want to confirm what I thought you said, which was that since the complete ban came in in December 2006 there is no less land available than there was before that.

Mr Herbert—No. Since the ban came in, total rural agricultural employment and the total cattle herd have increased.

CHAIR—So not the amount of land?

Mr Herbert—No.

CHAIR—That is what I wanted to check. I thought I must have misheard. Secondly, you also made the point about how land values have increased. Surely the relevant test is not whether land values have increased but whether they have been held back and have maybe not increased as much as they would have without these regulations applying. If my house were worth

\$500,000 and it would have been worth \$600,000 but the government said I could not do something to it, which made it worth \$550,000, yes I am 10 per cent better off. But surely the relevant test is that my two neighbours' houses have gone from \$500,000 to \$600,000, so in relative terms I am \$50,000 worse off. Surely that is relevant for us to consider as a committee: where it would otherwise be without the regulations, not just whether there has been an absolute increase or not.

Mr Herbert—True, but the submissions made by landholders have been the other way round; they have been saying that values have reduced. I am just saying that from a macro point of view they have increased. I acknowledge your point, though, on relative value.

Senator JOYCE—Thank you very much. I appreciate your varying view. It is very good of you to give it, and it is very important for the debate that you give it. I appreciate that. There are three issues I want to touch base with you on. The premise of your argument is on biodiversity. The tree-clearing legislation was brought in on the premise of carbon emission reduction. Of course, now we have work by such people as Dr Christine Jones, whom I have been quoting a bit. You are talking about brigalow areas and mulga areas. Dry sclerophyll forests sequester less carbon than summer grasses. I know there is a problem with buffel grass, but the fact is that it sequesters more carbon than a dry sclerophyll forest—not more than a rainforest. That is the peer reviewed work that is abundant at the moment. The argument of biodiversity is a completely different argument. If the issue is biodiversity then surely that is an issue for national parks—people going out there, buying country and creating national parks if that is what they want. So I want comment on that.

The next one is regional ecosystems versus single trees. You say it is an issue about regional ecosystems where single trees are. Unfortunately, in these areas that is not the argument we have. We definitely have the examples—they are on the *Hansard* at the moment—where single trees are items of contention and where people will argue the case: 'You have to go around that tree; that tree is now more precious than a straight run at harvest time.'

Finally, you talked about cattle numbers. We have had an abundance of cattle in feedlots, and adjusting for cattle numbers is a completely different mechanism. Of course, it would be wonderful to have open, shaded grasslands—all we need to do is somehow rid the world of about five billion people. We can do all that and more!

CHAIR—Senator Joyce, you have done a great job of getting your three questions into one!

Senator JOYCE—That is my question—A, B, C, D and supplementaries!

Mr Herbert—I have got four headings there, but I do not really know what the questions are! I will attack the first one—national parks. Only four and a bit per cent of Queensland is national parks. As an environmentalist, I am interested in the environment of the other 96 per cent of Queensland. We are never going to have enough national parks to preserve our biodiversity in Queensland.

Senator IAN MACDONALD—It is just full of weeds and feral animals.

Mr Herbert—I would dispute that. Also, it is a matter of national park funding.

Senator IAN MACDONALD—Exactly.

Senator JOYCE—So you cannot steal it. That is my whole point.

CHAIR—Let the witness answer the question.

Mr Herbert—The second point is about single trees. I would dispute that the Queensland legislation stops you from clearing a single tree if it is in the middle of a paddock.

Senator JOYCE—That was actually in New South Wales.

Mr Herbert—The third question was about cattle. What was your question?

Senator JOYCE—The number of cattle has gone up in this period of time. Have you broken down that list to find out how many cattle are now in feedlots compared to at the start?

Mr Herbert—No, I have not; and I realise that is a good point. However, this is a prime case of an industry making adjustments. Look at the shipbuilding industry in Glasgow when it had to make adjustments!

Senator JOYCE—It is gone. They made adjustments—they are all unemployed! That is what we do not want to do to the country.

Mr Herbert—Precisely. What I mean is that a lot of other industries had to make adjustments over time and over generations. I am a bit tired of making the point that my old man, my grandfather and so on were all forced to clear the land but now we are forced not to clear it. It was a full generation ago that we are now dealing with where we have not been forced to clear the land. It is going back too far. Anyway, I have not done what you said on the cattle numbers. What was your fourth point?

Senator JOYCE—You said there were areas you went with Larry Acton and if we had that sort of management you would never have to clear the land. But that was because they had a lower stocking rate. If we go down to a lower stocking rate, in principle that means we are producing less food. That works as long as we do not want to feed people.

Mr Herbert—To the contrary. If you look at the studies that have done by DPI and a lot of research institutions, they say that, if you drop the stocking rate off, you will be sending off fatter and better cows.

Senator JOYCE—So there is more beef per acre if we reduce our stocking rate?

Mr Herbert—Yes, precisely.

Interjector—No!.

Mr Herbert—There is a lot of research that supports that argument.

CHAIR—I am going to move to Senator Macdonald. I remind people in the audience, particularly those who appeared before the committee earlier, that we should allow the witness to answer.

Senator IAN MACDONALD—Mr Herbert, are you saying that a property is as good a cattle producer with no clearing as it is with clearing?

Mr Herbert—I am talking about that particular property in the desert uplands, which had silver-leaf ironbark and poplar box woodland. That is a woodland with a natural grassy understorey and a tree spacing of anywhere between 20 and 100 metres. It is not as spread out as savannah but it is more—

Senator IAN MACDONALD—In your comment about compensation, are you saying that that property is as good a beef-producing property as it would have been if it had been cleared?

Mr Herbert—That is right, with one exception—that is, neighbouring properties that were cleared and then planted with buffel grass. The buffel did give a burst of increased productivity over a couple of years. So with that buffel grass they were getting a spike in production and would have been producing more per hectare than our property was, but we contend that over the long term, by keeping our woodland and keeping our native grasses there which were not dependent upon this burst of nitrogen going in after clearing, we had a longer term, more sustainable future.

CHAIR—A longer term, sustainable future, but are you saying that that property is as good a cattle producer as it would have been if it had been selectively cleared?

Mr Herbert—There was no need for selective clearing. It was a woodland. It was either left as woodland with a 100 per cent grassy understorey with no shrubbery or thickening or, like next door, cleared wall to wall. I gave my answer. The buffel grass did give the neighbour an advantage which we did not have. But we did not want that advantage; we were satisfied that we did not need to clear.

CHAIR—Thank you very much for your time, Mr Henry. We do have to move on now. Thank you for travelling and taking the time to answer questions as well as make a verbal submission.

[3.30 pm]

KENNY, Mr Graham Roderick, Private capacity

CHAIR—I welcome Mr Kenny, who appeared in a different capacity earlier. He is representing someone else who has asked him to represent them and present a statement today. Accordingly, he will not be taking questions. Mr Kenny, what is the capacity in which you are appearing.

Mr Kenny—I am the managing director of a consulting firm called Devine Agribusiness. We do a lot of work for landholders: submitting applications and dealing with the regulatory framework. I have a client who felt it might be useful for the committee to understand the situation he is faced with and how the regulation is currently impacting. It is not the really the impact on him that he wanted to put across; it is the impact on a broader community basis. This will only take five minutes.

Senator CAMERON—Did you name the client?

Mr Kenny—No, I did not. I was told not to.

Senator CAMERON—Why?

CHAIR—I have been advised that Mr Kenny is not presenting any personal information in his verbal submission. It is more that a submitter has chosen not to appear themselves for whatever reason and Mr Kenny has been asked to put forward a statement on their behalf.

Senator CAMERON—Who are they?

CHAIR—I have been informed that he is not required to actually provide that information.

Senator CAMERON—So this is a statement from a person or persons unknown.

CHAIR—But Mr Kenny is not representing a personal case. It is more a representation of a viewpoint rather than claiming particular facts of a particular instance, as I understand it.

Senator CAMERON—You have lost me.

CHAIR—I do not think it will kill the committee to have this final statement for the last five or six minutes.

Senator IAN MACDONALD—It would be useful.

Mr Kenny—What I am proposing to do is outline a scenario which demonstrates the difficulties that the inflexibility of the existing regime has on productivity and accessing enhanced productivity as a result of the restrictions.

Senator CAMERON—I have a point of order. If this is going to be put forward as a specific issue in relation to this hearing then if the person is not prepared to appear, wants to make a submission in camera or wants to make a submission and have it in camera, that is normally the way it is done. I have not been around as long as some senators here, but it seems to me to be bizarre for us to take evidence on behalf of some unknown person on a specific matter that has come before the committee.

CHAIR—As a way forward, Mr Kenny just suggested that he was outlining a scenario. This is only a five-minute community statement. If the committee then sought further information, we could meet privately and seek further information in a private sense. As I said, given that it is not alleging any particular event, malfeasance or individual circumstance, I suggest it is not inappropriate to give him the last five minutes today to present it.

Senator CAMERON—I do not want to be difficult, but I just think it is bizarre.

CHAIR—If you wish to request further information, we can do that privately. Please go ahead, Mr Kenny.

Mr Kenny—The particular case that I have been asked to speak about is a small property. It is only 280 hectares. It has very productive soil types. It has a very reliable water supply and an irrigation water supply, so there is an opportunity—and the guy has access to the capital to do this; that is not questioned—to develop irrigated infrastructure for growing vegetables. There are a lot of vegetable growers knocking on his door, wanting to lease the property and the irrigation infrastructure once he has got it established, so it is all lined up and ready to go. His estimate of the gross value of production available were the property able to be developed is in the vicinity of \$10 million annually of predominantly onion crops, because it is fairly intensive, it is good quality land and he has got the water.

The problem is that there is a small amount of vegetation, which is mapped as remnant vegetation in the middle of the property, that impedes the development of the infrastructure because the irrigators cannot roll over the top of remnant vegetation. Some of that is probably incorrectly mapped, and I will probably be able to have those maps amended. It will not be easy, but I am fairly confident that some of it will be able to remapped. It may be more difficult under the regime to get some of the other areas remapped. The conservation status of the vegetation that will remain is of least concern on the scale of conservation status. It is ironbark and bloodwood. It is not brigalow and it is not an endangered regional ecosystem.

The landowner would be more than happy, if he were able to clear that vegetation, to offset that by re-establishing vegetation somewhere else. There are some offset provisions in the codes if you can access them, but I am not even sure whether we will meet the tests that allow you to access the offset provisions. Even if we can access the offset provisions, they then become very restrictive. The offset has to be of the exact same vegetation type, it has to be in the same position in the landscape, it has to be within 20 kilometres of the area and it has to be three times as big. So it essentially becomes unworkable.

The situation is that he has this very small, not particularly significant, area of vegetation—it is probably about 50 hectares in total—standing in the way of a development that would create \$10 million worth of production annually in a small community that could really benefit from a

development like that. So I guess the issue is that the regulatory regime that is imposed is inflexible at a property level, and the codes—

Senator CAMERON—That is you saying that you guess—

CHAIR—Is that a point of order?

Senator CAMERON—It is a point of order. I thought this was a statement on behalf of some unknown person. We are now getting into a proposition put from the person who is making the statement on behalf of the person. I am not sure where we are going here. Either the statement is being made on behalf on an unnamed person or it is what we are getting into now: the proxy giving the statement. Where are we going with this?

Senator JOYCE—That is not a point of order.

CHAIR—I am happy to rule on it, Senator Joyce. Senator Cameron, I do not see how this is different from any other submissions we have had where someone is painting a scenario. In this case, Mr Kenny is painting a scenario and representing someone else who has made the request for him to represent them. I do not see anything that he is saying that is different to many other submissions that we have had on both sides of this debate.

Senator CAMERON—So you are now going into his personal view as well?

CHAIR—To be honest, I thought it was more a professional view on someone who is working in the field.

Senator CAMERON—Then why didn't we just give him five minutes to himself? Why can't we do that?

CHAIR—How about we just give him his five minutes? Mr Kenny, please continue.

Mr Kenny—That issue in respect of the offset provisions is mirrored through the code that applies to some of the thinning provisions—and I just want to make it clear to everybody that I am now speaking in my professional capacity. What generally happens is that, when landholders make noises—and they invariably do—about a thickening they have to deal with which is well-documented but the regulatory regime does not allow it, the agencies say that you can deal with thickening because there are provisions in the code to undertake thinning. In selected circumstances, you can apply to undertake thinning in certain regional ecosystems. But what invariably happens is that, when you get down to the nitty-gritty, the code becomes overly restrictive—you have to jump through all these hoops to access the code and then tick the boxes—and you just cannot get a permit. They say that you can just apply for a permit and you can do thinning, but then they just close it off through the code being overly restrictive. What happens is that the thickening continues and productivity suffers as a result. As we have heard, biodiversity suffers as well because the grasses become displaced.

The lesson I can see in this is that, in applying regulation to the management of landscapes, the simplistic tick-a-box assessment codes do not provide sufficient flexibility to deal with the infinite degree of diversity in situations that arise at a property level throughout a state as big as

Queensland. I do not know the answer to the question: ‘How can the Commonwealth government assist in doing anything about that?’ But to me the key themes with Commonwealth connotations that kept coming through all the information we heard today were productivity—all governments say that productivity is a great thing and we ought to pursue it, and there are great opportunities to enhance productivity if we get land management right—biodiversity and carbon sequestration. These are all things which, in my mind, have federal connotations, but it is the state agencies that are responsible for their management.

CHAIR—Thank you, Mr Kenny. That being the final community statement, I adjourn this hearing of the Senate Finance and Public Administration References Committee. I thank the committee secretariat, Hansard, my colleagues and, in particular, those who have travelled to be here today.

Committee adjourned at 3.43 pm