

**SUBMISSION TO
PRODUCTIVITY COMMISSION INQUIRY**

**From: Bruce Page (Farmer)
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INTRODUCTION

I welcome the opportunity to make a submission to the Productivity Commission. I feel that it is one of the most important enquiries that have ever been held in this nation. In the last two decades rural communities have endeavoured to increase productivity to offset rising costs. They have significantly increased their output per man over this period of time. However with the advent of vegetation laws and by-laws that will restrict the opportunity for farmers to increase productivity, and in many cases will bring about a decline, rural Australia is feeling very pessimistic about its future, as we realize there will be no end to the demands of the Green movement and of politicians' eagerness to win Green preferences in the leafy suburbs, regardless of the impact it has on the productivity of the nation or the profitability of rural Australia.

I will include from a local newspaper an article by an independent State Member of Parliament, quoting the State's own data which shows an actual increase in woody vegetation over the last five years. (See paper cutting enclosed, from the *Kilcoy Sentinel* 14 August 2003, p. 4). Yet you see the Premier of this state announcing an immediate total ban on land clearing, supposedly to protect our diminishing vegetation. And if you listen to the national media you would think that Queensland was about to clear its last remaining few patches of bush. In the whole political hype, there seems to be little regard for the facts.

I will include in my submission a number of articles from various newspapers, hoping to set out the deep concern that is felt in rural Australia, and the impact that vegetation laws are having on productivity at present, and the potential impact of proposed laws.

If the enquiry is having public hearings in Queensland, I would like an opportunity to appear before it. I live an hour north of Brisbane. If the enquiry should consider it beneficial, I would be happy to organise a venue in my area and groups of people representing different agricultural pursuits, to discuss their concerns with you.

LOCAL GOVERNMENT

My home and farm are situated in Caloundra City. The coastal area of Caloundra City local authority is heavily populated, and the hinterland rural communities represent a very small percentage of the voting population.

I feel it is important that the Productivity Commission extend its inquiry to cover the impact that Local Government vegetation laws and by-laws are having on the value of assets and the encumbrance this is placing on production.

The Queensland Government has recently introduced a Bill requiring all local authorities to develop a local vegetation management law. This law varies from one local government area to another, with the State Government setting a minimum code. They specifically wrote into their Integrated Planning Act that there would be no

compensation for land holders whose land was adversely affected by their environmental laws. Local authorities such as Noosa and Maroochydore have brought in quite restrictive vegetation by-laws which impact quite adversely on the farming communities. These include how you manage your land within 100 metres of a water course; and your ability to harvest timber within their shires.

If local authorities do not develop a local vegetation management law, the State Government will include one in their Town Plan. This will mean that farmers wishing to expand their operation, or change from one farming pursuit to another, would have to submit a development application to Council, allowing Councils to place whatever conditions they choose on approval of the application. This could have very serious implications for the farming community.

There have been two relevant court judgements in the last two years. Please see enclosed Court proceedings with sections of special interest marked:

- 1 . **Bone v. Brisbane City Council.** In this case the judge found that the Council had the right to stop Bone from clearing his land, and had no need to compensate him under the Act. The judge commented that while Mr Bone owned the land, he would really only be able to walk among the trees and look at them.
2. **Barnes v. Maroochy Shire Council.** Mr Barnes was prosecuted for more intensively harvesting his timber than what was considered the norm. I would make the point here that the Dept of Natural Resources is more heavily harvesting timber in their Reserves in recent times, and they tend to set the bench mark. However the judge found on this occasion that if you wished to make a material change of use of land, then you needed to make application to the Council for a permit to do so. This would allow the Council to have a say in how you manage your business, and a condition of the permit can well be a restriction on land use on another part of your property. The combination of the restrictions and requirements of Local Government are depressing the productivity and the potential value of the farming community in these areas. Where the rural community only represents a small percentage of the vote in a local authority area, the Council is more concerned with the views of the urban dweller than the profitability and welfare of the farming community, as the farming community has little voting impact in a Council election.

REGIONAL FOREST AGREEMENT

The so-called Regional Forest Agreement is having an impact on productivity in our region, and will into the future have a very dramatic impact on employment and the economic welfare of the area. The area in which I live is well known for its quality hardwoods, and the old Forestry Department of the Queensland Government managed their forest reserves very well. They harvested timber on what was termed a 'sustainable yield' basis, never taking more logs out of the bush than could be re-generated. The foresters marked the trees to be harvested, working on about a thirty year rotation. Trees harvested would be a minimum of sixty years old. In recent times the demand for hardwood has changed and the demand is for more mature timber that has the ability to be load-bearing. Forests managed as the Queensland Forestry Dept used to manage them could have been logged forever without any detrimental effect on the forest. We have examples of forests that have been logged for 100 years without evidence of any detrimental effect to the forest. Under the current Regional Forest Agreement, one forestry block (Reserve 311) to the north of my property has been

locked up; and the other reserve to the south of my property (Reserve 313) is being intensively logged before being locked up. Immature trees are being harvested which represent a waste and a lower quality timber. It allows a lot of invasive non-productive species to enter the forest when it is logged so intensively. But the long term impact is the eventual closure of sawmills, and the lack of incentive for private land holders with timber to continue to maintain timber paddocks. In my own case, I have a timber paddock but see little likelihood of being able to harvest that timber in the long term. The combination of local government by-laws, state government laws, and intimidation by the green movement would discourage anyone from maintaining a timber block.

When one considers the value that is added to a tree from the time it is harvested until it reaches the consumer, this is one of the best examples of value-adding to a primary product. Farm forestry projects are being promoted by the Queensland Government to fill the gap in our timber needs as they lock up our forests; but there will be a dramatic short-fall in supply as they are promoting the idea that this timber can be harvested in 25 years. To get good quality timber, hardwood trees really need to be between 50 and 60 years old. The quality of boards from a 25 years old tree would be poor, and there would be a lot of shrinkage in the timber, making it unsuitable for a lot of projects.

The old Queensland Forestry Dept would have these facts well documented; however the Government and the Green movement have chosen to ignore them. I believe that our hardwood forests are a national asset and should be managed in the interests of all Australians, and not be used as a political carrot to gain votes in the city at the expense of rural and regional communities. The timber industry has for the last 100 years generated a lot of wealth and opportunities for regional areas.

STATE GOVERNMENT VEGETATION LAWS

The Queensland Government vegetation laws brought in during the early 1990s and currently being upgraded will have a serious impact on the farming community in South East Queensland. It is difficult enough to get a permit to develop re-growth country by the time you deal with the maze of laws and by-laws and the different interpretations of individuals. There is in our area more vegetation now than there was 50 years ago. This is evident from historical photographs and aerial photos taken in the past by the Lands Dept (now incorporated in the Dept of Natural Resources). The current policy will bring about the stagnation of rural industries.

The rural community at the present time is not sharing in the buoyancy of the national economy. Most of our rural industries are receiving similar prices to those received thirty years ago, and in some cases less. For example in the beef industry Japan Ox was selling thirty years ago at \$4.00 / kilo, and today is selling at \$3.20 / kilo (AMH Brisbane this week). Dairy farmers are receiving substantially lower prices for their milk than they have for twenty years. The pineapple and sugar industries are in similar circumstances. Any restrictions - financial or regulatory - placed on already struggling industries will have a serious impact on the region.

The penalties, should one be prosecuted under some of these environmental laws being implemented by local and state governments, are very severe. They are in fact much more severe than many instances in the criminal code. Prior to the introduction of these laws and by-laws, many of the crimes that land-holders are being prosecuted for did not even exist.

In South East Queensland when you consider the combined effect of State and Local Government environmental laws, they have a major impact on an individual's asset, and reduce his capacity to earn. They would represent the most serious attack on private assets without compensation that land holders have ever experienced in this nation. An example in my area is a pineapple farmer who had a parcel of undeveloped land. In 1990 he was offered \$600,000.00 as the land had development potential. In 2002 the farmer, nearing retiring age, sought to sell this asset, but found that without any consultation or notification, it had a Vegetation Protection Order over it, and he was unable to do anything with it, thereby virtually rendering it valueless. Surely this cannot be considered a just approach.

POINTS OF CONCERN

1. One of the real concerns I have is that environmentalists are using science selectively to justify their case. I will include three paper cuttings supporting this point (Attachment 1).
2. Land holders are dealing with environmental staff, in both the Department of Natural Resources and most local authorities, who tend to be young academics, who are fired up with theory and appear to be on a green crusade, but have little practical knowledge of land management or even much understanding of the rural environment. Hampered by this lack of experience, they often make unreasonable demands on land holders. (See Attachment 2). I experienced a good example of this just recently. In my role as first officer of the local Rural Fire Brigade, I was present at a control burn on a rural block prior to a house being built. The block is part of a parcel of land that was cleared in the late 1950s and planted with pine trees. The pine trees were harvested in the early 1990s, and the block has since grown up with a variety of rubbish - some re-growth pine trees, wattle trees, lantana and blady grass and an occasional re-growth hardwood tree. The house site is on a high knob with a spectacular view, but the steep slopes leading to the site and the rough terrain make it extremely vulnerable to fire. I suggested to the owner that he should clear a wide fire break below his house. He said the environmental officer from the DNR had stated that he was not allowed to clear any more undergrowth as it was an environmentally sensitive area. The point I am making is that the DNR use aerial maps to establish their protected areas. If the aerial map shows a lot of bush, it can be deemed a sensitive area; however when one examines it on the ground, the person needs to have enough practical knowledge to know: (i) that the vegetation is not significant, and (ii) that if you construct a house on such a site without a reasonable fire break, then it is in grave danger of being destroyed by fire.
3. I am very concerned about the way the DNR and Councils are managing the land under their control. It is strongly suggested by the Green movement that they are the superior managers of land. In my experience the theory of shutting up land and doing nothing with it as the way to protect it is completely wrong. The Queensland Government, while bringing in laws to compel private land holders to control noxious weeds on their land, have exempted themselves from the same law. We find that land under Government control is not being monitored for weeds, and the weed seed is washing down the gullies and contaminating private land down stream, putting private land holders to

considerable expense in a fruitless endeavour to try and control the weeds. Their failure to control their fire hazard is also of serious concern to neighbouring land holders, and in many cases is causing the land holders considerable expense. (See Attachment 3).

4. The current thinking among environmentalists is that the more trees we plant the better the environment will be. I must make the point that you cannot grow cattle and trees together - the more trees you have, the less grass will grow, particularly in a dry time. There will also be less water flowing down the creeks in timber paddocks. (See Attachment 4).
5. When land holders are subjected to a number of environmental laws, it becomes very confusing and quite expensive to work out what you are able to do on your land. It is also very time-consuming waiting for bureaucrats to make decisions. (See Attachment 5).
6. The combined effect of all this bureaucracy on our farming community substantially increases the cost of production, and not only makes it more difficult for Australian farmers to compete on the world market, but also makes it difficult for them to compete on the domestic market when they have to compete with goods from countries that have little or no environmental legislation and have free and unfettered access to Australian markets. (See Attachment 6).
7. Land holders are at a distinct disadvantage if they seek court action in regard to environmental matters, as they are dealing with governments using unlimited tax payers' money. While a land holder may win the legal battle he might well lose his property as a result of the costs incurred. (See Attachment 7).
8. The rural community have little confidence that there will be any worthwhile compensation for losses incurred as a result of environmental legislation. If one's house were to be resumed for a road in the city, one would receive full compensation - and rightly so. But as illustrated in the attached cutting from Queensland Country Life, proposed compensation relating to environmental legislation is more of a 'thimble and pea trick' as far as the government is concerned. (See Attachment 8).
9. I strongly support the comments made by Peter Hunt in the Weekly Times (Attachment 9) that if private land is to be set aside for the benefit of the nation as a whole, then the nation as a whole should pay.

I feel that Australia's future will depend in the main on the productive sector - food, fibre and energy - for its export earnings. Environmental laws are already impacting on farming and mining, and it would appear that in the future they are going to impact even more severely. Australia has had a trade deficit for the last 19 months in a row, last month being the third highest. We ought to be looking at how we can increase production, not decrease it. The challenge is to focus on sustainable development. While all land holders realize the importance of looking after their land and protecting the environment, there has to be a balance. The attitude of environmentalists who are demonstrating a complete disregard for farmers' assets, and a lack of knowledge of

what it takes to make a farming enterprise profitable, is leading to a situation where farmers fear for their future. When you consider the average of farmers, the indebtedness of the rural community and the very small return that farmers are getting on their investment, I very much doubt whether there will be another generation of farmers unless governments take some positive steps to understand and redress the problems facing the rural sector which have developed over the last decade. Most farming families are saying to their children - get an education, so you can get a job in the city and share in the buoyancy of the economy. This will lead to a loss of skills and practical education which have been accumulated over many generations, and cannot be replaced by theory alone. According to the ABS, in 2001 99% of broad-acre and dairy farms were family farms. (See article Attachment 9).

SOLUTIONS

The solution to the problems facing rural communities is political. While all the votes are in the cities there will be little sympathy or understanding from governments. In Queensland, more than three-quarters of the seats in the State Parliament are within 250 km of Brisbane. In NSW only 12% of the Lower House seats are west of the Great Divide. 63% of the population of NSW live in Sydney. In the National Parliament more than half the Lower House seats come from the Sydney-Newcastle-Wollongong area and Melbourne-Geelong area. It is predicted that these other areas will continue to grow, at the expense of rural and regional communities.

I recommend that there should be a Constitutional Conference to look at how other countries deal with the imbalance of political power and representation, as it is in the interest of all Australians that in order to maintain our current standard of living we must have a strong productive sector. I feel it is important that governments look at a decentralization policy to encourage development in rural Australia and take some of the pressure off the heavily populated areas. It is these densely populated areas that place the most pressure on the environment, with their demands for water, and the problem of waste disposal and run-off from urban streets.

At the present time there is little Government focus, at either State or Federal level, on the needs of the productive sector. We as a society will pay a very high price for the run-down that is occurring in the productive area of our nation, particularly our rural sector. I feel it is worth considering that we undertake a re-alignment of State boundaries, to try and include the majority of productive industries in a couple of states. This could have the effect of the government, regardless of its political colour focusing more on the needs and expectations of the productive sector, which would in the long term benefit all Australians.

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