

PRODUCTIVITY COMMISSION INQUIRY. July 2003.

“Impacts of native vegetation & biodiversity regulations.”

**(Submission from an affected family farming enterprise
in N.Lach-Bog.Veg.Region)**

Thank you for coming to listen.....
We trust you to take this away & feel what it’s like to walk in our shoes.....

Scope of Inquiry.....

3.(a)(i).....
POSITIVE IMPACTFARMING PRACTICES

*There has been an ever increasing understanding of the importance of sustainable land management . Serious land managers were already embracing these concepts prior to any regulation, & now there has been a very wide general acceptance of these principles.

*Some landowners have been able to enter into Property Agreements to suit their land useage which have been beneficial for them.

NEGATIVE IMPACT.....FARMING PRACTICES,
PRODUCTIVITY,& SUSTAINABILITY...

*Due to the regulatory problems farmers now encounter trying to continue’developing’ their land, crops & livestock production are being concentrated on previously’developed’land for cashflow reasons, without the ability to have enough suitable rotations, which is both less productive & unsustainable.Grazing (‘undeveloped’)land is also becoming less productive yearly, as regrowth & encroaching scrub reduces carrying capacity, & makes land management more difficult.

NEGATIVE IMPACT.....PROPERTY VALUES & RETURNS.
LANDHOLDERS’INVESTMENT PATTERNS & FINANCE
PROVIDERS’ATTITUDES.

Our Real-Life Example:.....

* In the 1960’s our first property was purchased as a ‘Development’ property . It had good soils, but was in a somewhat run-down state, due mainly to extensive regrowth of previously ringbarked, predominantly Bimble box timber, which then favoured the encroachment of Buddah, White Cypress, Wilga & Ironwood, allowing limited

grazing-only prospects.(*this 'undeveloped' land cost \$5.75/acre.*)

*In the 1970's our long-term Business Plan was developed for finance providers, in conjunction with advice from Departmental Soil Conservation, Agronomy, & Water Conservation officers, focussing on returning the country more to its original state, where it had been described as 'Open grassland, with only scattered timber', & improving suitable areas ready for cropping. Having repaid the initial loan, & in recognition of the limited carrying capacity, additional land was purchased nearby, with financial assistance from the Primary Industry Bank, organised by the National Australia Bank. The N.A.B. also designed a product called a: 'Farm Development Loan' round this time. We had started our family then, which slowed down our property development activities.(*our additional land cost \$11/acre.*)

*In the 1980's further loans were approved by the Commonwealth Development Bank, under our long-term Business Plan, for the purpose of removing excess vegetation, maintaining vegetation corridors in a windowpane pattern, so the land could be managed more sustainably, addressing soil degradation, establishing improved pastures for traditional grazing, improving water conservation & developing some rotational cropping areas to assist cash-flow. These loans also assisted in the purchase of 'broadacre farm machinery', with the Nyngan region being openly identified by Agronomists, Soil Conservationists, Finance Providers, & Real Estate agencies as an 'opportunity cropping area with great potential'. Land values escalated greatly, in response, giving landowners excellent Equity / Borrowings ratios with their finance providers.(*neighbouring 'developed' land values now ranged from \$70-\$100/acre, with 'undeveloped' land \$30-\$50*)

*Into the 1990's our finance providers secured our borrowings by Land Value, calculated on the basis of its development potential. 'Equity Lending' was widely accepted as a common practice. Many district farmers including ourselves, fine-tuned arrangements with their finance providers on an Equity basis, after the difficulty experienced through the high interest rate period, which was followed by trying seasons, & then commodity challenges. Cropping methods involving reduced tillage marked the beginning of a widescale swing in our district to what is now termed Conservation Farming, with the gradual conversion of our conventional machinery. Nyngan is justly proud now of its statewide reputation, leading the way in this area of sustainable farming practices. Our family attended Farming for the

Future programs, & were involved in a Whole Farm Planning course when SEPP 46 came in. We had almost completed funding the education of our children through to Tertiary levels in Agriculture & Economics, & planned including them in the next phase of our long-term Business Plan, as they returned to their chosen careers & funds became available. These native vegetation & biodiversity regulations have put this plan on hold now for nearly eight long years.

*Into the 2000's we are still 'frozen in time', as our farming family painfully experiences the reality of the negative impacts of the current State & Federal native vegetation & biodiversity regulations. We have made a very considerable lifelong investment in our industry as primary producers, over five generations, & feel very confident as land managers, ever willing to learn & cooperate with proven scientific progress.

With only 25% of our land 'developed,' under our long-term Business Plan, prior to SEPP46, our previously healthy financial Equity-Borrowings ratio has been seriously eroded, by the effect of this legislation on the valuation of our 'undeveloped' land. In Real Estate terms now, 'undeveloped' land only has the value of any improvements, saleable mainly just for recreational hunting purposes. Our 'Development' property purchased in good faith, with the best advice of the time, financially backed with a sound long-term Business plan to provide a secure future in farming for our family, now virtually has no future under these regulations. (*'developed' land has maintained its value round \$80-\$100/acre locally, but 'undeveloped' land is of no commercial value for bona fide agricultural investment, & only relevant to urban investors for shooting & other recreational purposes for a notional value eg \$10/acre*)

NEGATIVE IMPACT.....FLOW ON EFFECTS TO REGIONAL COMMUNITIES

*We have observed first hand how our town relies on the productivity of primary industry to drive the local economy. Seasonal difficulties can be handled in due course, but these regulations have stifled employment, & starved the support network of businesses which rely on our continued patronage.

3.(a)(ii).....
*We have attended many of the meetings of the Vegetation Committee, & read reams of background information & feel we have a high level of understanding of the relevant legislative & regulatory regimes, as stakeholders who have been drastically affected.

3.(a)(iii).....
*These adverse impacts have gone on for too long already, & we feel we have already cooperated in developing a community accepted plan for the management of our vegetation, & should now be allowed abide by it.

3.(a)(iv).....
*Personally we are not interested in the various schemes on offer such as property agreements, as our land is predominantly suitable for development. Consequently there are no Govt measures mitigating the negative impacts we are experiencing such as: Lost equity; Lost income due to the stalemate which exists; Lost time in

In backgrounding, could the Commissioners please consider:

#Where is the equity in this financial destruction of some farmers?.....

#How can something which was once regarded as ‘good science,’ suddenly become an ‘illegal activity?’

#How can the discrimination against the children of farmers on ‘Development’ country be justified , where their parents had carefully planned for a sustainable future in funded long-term arrangements, where the goal posts have now been removed? Where does their future lie? What regard for their inheritance?

#Where is the justice when one neighbour could have his land 100% developed by the time of SEPP46 (due to his differing family & financial stage) & yet we are both now in the same industry, paying same taxes, supposedly on a level playing field, & our enterprise is forced to remain only 25% developed?

#What is the real economic & social future for us who work & invest in AGRICULTURE in the Nth.Lach.Bogan region, especially in the area with Nyngan as our service centre?

“OUR LAND IS OUR FUTURE ,
& THAT OF OUR CHILDREN
& OF OUR WHOLE DISTRICT,
AND WE ARE PASSIONATE ABOUT IT ! ”

WE NEED YOUR HELP.....THANK YOU.