

20 Th. October, 2003

The Chairman Productivity Commission,
Native Vegetation Management Enquiry,
Canberra

Dear Sir

I wish to express my concern over the proposed vegetation management policy of the Queensland Government; and, in particular, the proposed clearing prohibition on remnant vegetation. There has been no opportunity for people such as myself to express our views or have input into the debate. The political process appears to have become the province of an elite drawn from agro-politics, environmental movement, bureaucrats, and politicians. This means that views of ordinary people such as myself are neither heard nor recognized; and, yet we are the very people who will carry the consequences.

It is worth noting that in the USA some years ago a narrow information flow from such elites was recognized as detrimental to constructive rural policy formulation and action was taken to broaden the information flow from all sections of the rural community. (The Human Face of Sustainable Agriculture: Adding People to the Environmental Agenda ; www.prairienet.org/community/pcsa/sustainag.html 0/02/97 page 4-5)

My main concern here is the blanket prohibition on remnant vegetation. The level of dislocation this will trigger within rural communities at both farm and community level is not being adequately address in the public domain by any of the elites involved in official negotiations. The dislocation will be both short term and long term. For the individual, it will be foregone current income, future income, wealth accumulation; and, subsequently, inadequate retirement provision. The community will experience flow on or multiplier effects from a static or contracting rural industrial base, declining real incomes, rising levels of poverty and further rural population dislocation. It will compound trends already identified in dryland farming and grazing communities (Productivity Commission Draft Report; Impact of Competition Policy Reforms on Rural and Regional Australia, May 1999)

A Personal Illustration

After ten years as a senior executive in commerce, illness forced my family and I to return to our freehold family farm in the mid 1980's. It was a "green" or virgin block on which little development had taken place because of the soil type and lack of suitable pasture plants. I applied my trained research skills to find suitable pasture and legume plants that would bring the country into a level of production sufficient to support a family. This has taken twenty years of my life.

In 1987, the grass Premier Digiteria was introduced on a trial basis with a companion legume Wynn Cassia. The initial success encouraged the establishment of a small-scale broadacre

experiment over the late 1980's and early 1990's of around eighty acres. This broadacre trial has survived and thrived through the drought years of the 1990's and the current historical drought. Other legume species of promise are Stylo's and Serradella.

Two years ago the success of the broadacre trials encouraged me to structure a modest initial development phase for the property as a pathway to financial viability over a long term program. A permit to clear remnant vegetation was obtained for the initial stage of a proposed ten year development program. The current proposal for clearing prohibition on remnant vegetation means cessation of my long-term program. Over 80% of my property still remains remnant vegetation and becomes virtually worthless. Neither has there been any endangered or at risk species identified on the property nor do any published colored maps identify threatening salinity

Probable Impacts

An unfair situation prevails. A landowner can sell timber for commercial sale; but cannot clear a tree to plant improved pasture to develop the property for grazing or other income generation. Therefore, the timber industry can structure a living from existing remnant vegetation; but not the landowner. Farm forestry in these western areas provides income on an opportunity basis; but cannot be incorporated into reliable annual income streams. This is unjust and discriminatory.

A prohibition on remnant vegetation must further compound rural decline and population dislocation. The effects will be more pronounced in communities dependent upon traditional grazing industries and underdeveloped dryland farming enterprises. Industry and population will most likely concentrate in the developed regions of the southeast and remaining coastal strips already under population pressures. Existing environmental problems are likely to compound and new ones generated. The Murray Darling system itself is likely to become a focus of population and industry reorganization and consequence increased negative environmental impacts.

Population relocation will pose problems for Government provision of service in the "sponge city" areas. The loss of services to communities that lose population will pose another set of problems. The pressure on home prices is likely to be compounded in the relocation areas by the shifting rural populace

Wealth and income will redistribute from the less developed landowners to the more fortunate ones with fully developed enterprises. The proposed transitional arrangements based upon a ballot system will mean further compounding of this feature. Can you visualize a less developed property owner approaching a bank for development funds based on winning a ballot! Wealthy landowners with surplus funds will be placed in a position of advantage.

Less developed landowners will be forced to rely more heavily on fire to control unwanted undergrowth. This will mean increased incidence of fires and subsequent serious consequences for rural service communities and lager centers. Environmental damage will also occur from the forced reliance upon hot fires to control unwanted undergrowth regeneration from time to time.

The proposed compensation package is little more than a de facto land resumption program. Undesirable features will be leaving the costs of maintenance; rentals and rates to the landowner denied the right of increasing production to offset these imposts as they increase over time.

Clearing of remnant vegetation prohibition is in direct conflict to established rural industry policy philosophy and direction. Offsetting real commodity price decline through raising efficiency and productivity at both farm and industry levels has been the basis of rural policy for almost two decades. Cessation of property development that must follow a prohibition on remnant clearing brings the two major arms of rural policy: environmental and industry, into direct conflict. The real world consequences will not be insignificant.

Compensation

Opportunity cost analysis upon which proposed policy is based is highly questionable at both theoretical and practical levels. People like myself were never consulted or asked for an opinion. In fact, we were unaware that it was taking place and therefore denied the opportunity to present reality to the process. The opportunity cost of lost current and future production from contracting development impacting upon communities and regions could not have been factored into the calculation. It is a reasonable question to ask: just what source comprised the information base?

WTO Agreement on Agriculture Options (Annex 2)

There are other solutions accepted in most developed nations that are signatories to the WTO. Australia has been an enthusiastic member of this organization and it is puzzling that WTO Agreement on Agriculture Rules is not applied to domestic agricultural policy.

WTO AoA Rules, provides for decoupled income support programs that can be used to support farm incomes through inadequate commodity prices. Other countries require environmental policy objectives as part of a decoupled commodity income program.

Specific environmental policy instruments provide for loss of income or cost compensation. Eligibility for such environmental programs are made dependent upon clearly defined environmental or conservation objectives. As payments can be tied to fulfillment of conditions, vegetation retention percentages could be structured into such programs. Preservation of endangered species would also sit comfortably within such programs.

Carbon Credits

There appears to be confusion between the objectives of the State and Federal Governments. Queensland is concerned with salinity as the priority. Federal interest appears to be with green house emissions or carbon credits. Brazil grants carbon credits for the production of sugar cane. Such a program could assist the debilitated sugar industry whilst contributing to the Federal Government's carbon credits objective.

Conclusion

It is regrettable that information flows in the rural policy making process have become so narrow that I have had to write this submission. The points made in this letter are serious and do not reflect well on the established policy making process. Policy appears to have been poorly thought out and structured. If it is implemented as proposed, the direct impact will compound further rural decline and impact negatively upon the social fabric of rural communities. Unrecognized public expenditures will emerge in the future to counter these unintended outcomes. This will be the real opportunity cost identifying the failings of current analysis, narrow information flows, and inadequate policy development processes.

Yours Faithfully

L.H.(Ben) Rees B.Econ.; M.Litt.(econ.)