

South Grafton Residents Progress Association Inc.

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18th July 2003

P.O. Box 356
South Grafton 2460.

Native Vegetation Inquiry
Productivity Commission
LB2 Collins Street East
Melbourne Vic 8003

Dear Sir,

**Impacts of Native Vegetation and Biodiversity Regulations
Submission.**

Enclosed herewith is a submission on behalf of our association.

Our association membership comprises residents who are associated with rural pursuits as well as individuals from our community who are very concerned about the relatively large numbers of unemployed or underemployed in this community particularly in the younger age groups.

There is also concern that further loss of jobs and income in the rural industries will spill over into the urban areas with further loss of income and jobs. The timber industry has been one of the larger employers in this district but it has seen very marked reductions in employment opportunities over recent years with the extension of national parks in the area and the Regional Forestry Agreement plus additional cutbacks to log supplies by the state. We are now faced with the pending introduction of Native Vegetation Regulations that will virtually cut off the supply of logs from private properties.

Unfortunately in this area the present form of the, Clarence Regional Vegetation Management Plan is still in draft form but is expected to be gazetted at an early date so we cannot be certain of what the final scope and restrictions applied to the rural industries will be:

Our comments must therefore be limited, as there, are many aspects that. cannot be determined accurately at this time.

Yours faithfully,

Secretary.

SUBMISSION TO PRODUCTIVITY COMMISSION
NATIVE VEGETATION INQUIRY
BY
SOUTH GRAFTON RESIDENTS PROGRESS
ASSOCIATION INC.

GENERAL COMMENT. The comments below have been compiled in the same sequence as the issues set out in section 2 page 12 and subsequent pages of your issues paper dated May 2003.

Our comments relate to conditions as known to us applicable in the Clarence, Valley on the North Coast of New South Wales.

At this time there are certain unknown factors that may change the impact on Landholders and our Regional Community as the Clarence Regional Vegetation Management Plan is still in draft form with a number of aspects yet to be determined. We believe that this plan may be gazetted in its final form at an early date. This means that some of our comments may not be applicable when this document is finalised, alternatively the final form may be even more restrictive than the draft.

Negative Impacts on Landholders.

In New South Wales the *Native Vegetation Conservation Act 1997* and the *Clarence Regional Vegetation Management Plan* have and will have a negative impact on some landholders, particularly where private timber harvesting was or was intended to comprise part of their activities. A number of landholders *have* operated farms for purposes of grazing and the growing of crops with areas of forestry as their form of superannuation upon retirement and or their insurance in case of a drop in income as a result of drought or flood. In other cases landholders have expanded their initial holding that may have been adequate for say dairying in the past with adjacent timbered country so that they could expand their operations as they developed modified fanning activities.

They now find that they will not be able to carry out logging operations in the light of the recent legislation. This means that their incomes will be reduced and the asset values of their properties have also been reduced in some cases markedly.

As far as we have been able to ascertain there is no provision for compensation to the landholder because of the above changes.

Investment in agricultural activities has been effected particularly if timber production was part of that activity. This is due to the influence and complexity of the new regulations and the lack of confidence in the future for the agricultural industries. Landholders will not invest if there is a high risk of losses being generated following any such investment. Funding for investment may not be available from financial markets even though current interest rates are relatively low.

Our association has not been in the market trying to arrangement finance for agriculture but we have discussed with a range of providers their attitude to funding the relevant rural activities. It was made quite clear that funding for timber industry activities would not be available. Funding for other agricultural activities because of

the uncertain future and the reduction in asset values would be extremely difficult to obtain. Also it was suggested that current loans were being closely scrutinised where incomes in the future could be downgraded. Some rural activities are experiencing problems because of the recent drought and these problems may be exaggerated by the introduction of the additional regulations further restricting agricultural activities.

We understand that there are some 1500 properties effected by the Clarence *Regional Vegetation Management Plan* but we cannot indicate the numbers of properties that may be adversely effected. This aspect was not explored as vigorously as we consider was desirable during the development of the regional management plan.

Positive impacts on landholders.

We believe that one benefit in this area has been a greater awareness of the extent of acid sulfate soils and the need to manage this problem particularly in the lower river areas where cane is grown. There has been a marked increase in activities and co-operation from the sugar industry in research and experiments resulting in better management of this problem.

There is no doubt that the clearing of vegetation from along creek and riverbanks has added to erosion. This problem has effected downstream properties and associated waterways together with the property that is the source of the erosion. Any encouragement to protect these locations under the Vegetation Plan will help to alleviate this problem.

Impact on property values.

There have been several properties that we are aware of where the value has been heavily impacted. These are properties that have been built up over the more recent times as a result of consolidation of a number of smaller holdings or where timber harvesting was to take place to maintain income under adverse conditions or to provide retirement income. The new regulations will preclude the harvesting of timber and both income and asset value has been impacted.

It is expected that the downgrading of income, and asset values will continue as the full effect of the regulations is felt. The current situation is one where lack of confidence in the future of rural industries also could be considered as a cause of the downgrading of asset values. Whether this will be a long-term trend can only be determined in the light of experience with the regulations when their effect and scope becomes fully known.

Administrative costs for landholders.

The statutes are very complex and will require considerable expenditure on the part of landholders to ensure that they do not become penalised for breaching various sections of one or more of the requirements.

Where clearing of an area requiring the submission of a development application becomes necessary the landholder (at his/her cost) could be required to secure expert reports as well as legal assistance to ensure that their application has a chance of

success. Further costs will be incurred if an appeal mechanism is undertaken when an application is rejected.

The terminology used in the draft management plan is quite extensive and unique for instance the following definition of clearing is used.

"Clearing native vegetation means any one or more of the following;

- Cutting down, felling, thinning, logging or removing *native* vegetation,
- Killing, destroying, poisoning, ringbarking, uprooting or burning native vegetation,
- Severing, topping, or lopping branches, limbs, stems or trunks of native vegetation,
- Substantially damaging or injuring native vegetation in any other way.

Note: clearing native vegetation, or clearing protected land, does not include sustainable grazing, "Native Vegetation Conservation Act 1997)."

We have not been able to find even a similar definition in any dictionary available to us.

Appendix A is attached and sets out the key plans and strategies that apply to the Clarence Native Vegetation Plan. It should be noted do there are numerous other statutes that must be met by the landholder that have not been listed. All these requirements must be met by the landholder and because of the complexity of these plus the fact that they are frequently being updated or extended the use of expert advisors will be a frequent requirement of the landholder.

Government measures to mitigate negative impacts.

As far as we are aware no assistance has been offered to landholders to offset the negative impact of the legislation.

The final regulation applicable to this area when gazetted may clarify this aspect.

Impacts on non-landholders and regional communities.

At this time as the Regional Vegetation Management Plan is only in draft form it cannot be predicted with any accuracy what the extent of the impact will be on the non-landholders and regional community.

Any properties that may have included private forestry in. all or part of their operations will be heavily impacted as will the associated community. This will involve transport services, equipment and machinery suppliers; labour employed on farms or in associated milling operations and marketing. It is obvious that there will be a number of small saw mills forced to close and this downturn will flow on to the services and the suppliers of inputs into these operations. This area is one with high unemployment already and this level will increase as the full extent of the limitations become known.

As far as we have been able to ascertain funds for investment in rural activities will be difficult or impossible to secure more so if timber getting or milling is involved. This comment is made as a result of inquiries our members have made to financial service organisations in the area. The current lack of confidence in the rural industries has in part been responsible for the tightening of funding. Admittedly the recent drought has

contributed to caution in the finance industry as far as the rural industries are concerned. Inevitably regional communities will be severely impacted and further disadvantaged as a result of the current changes to the regulations are concerned.

Efficiency and effectiveness of environmental regimes.

The environmental benefits that the regulatory regime seek to promote have been summarised in Appendix B. This Appendix is a copy of several pages extracted from the draft Clarence Regional Vegetation Management Plan that has been issued for public exhibition.

As stated previously the Management Plan in this area is still in the draft stage and has not yet been gazetted. While some suggestions as to how the costs of addressing the environmental costs have been made at this time it appears that the cost will be born by the landholder. This is not equitable in our opinion, as costs should be spread over all beneficiaries.

There is proposed that a link to other over-arching environmental objectives be established. See Appendix A attached.

At this time it is not possible to determine the effect of the current proposals as they have not been gazetted and the final form of the Management Plan has not been determined.

Perverse environmental outcomes?

We are not adequately informed on the matters referred to in this section of the Issue Paper to make a realistic contribution but make one observation below.

It is expected that a number of landowners covered by the plan applicable in this area as known to us at this time will not have an incentive or funds to manage the native vegetation on their properties. These are on properties where the incomes and asset values will be reduced particularly those properties that have income or potential income from forestry operations. Many landholders are in the older age groups have little or no chance of securing other forms of employment and will remain on farms virtually existing on a subsistence level of farming and because of this fact the properties will deteriorate further.

Cost effectiveness.

We do not have facts relative to costs to be incurred in the administration and enforcement of the relevant Act and any regulations. It is obvious that there will need to be increases in the staffing of the associated Government Departments and this aspect is noted in the draft Regional Management Plan for this area. We do not know the quantum of increases.

Government will cover these costs initially but recovery will be through penalties and or charges to landholders where development is required under the regulations.

Adequacy of assessments of economic and social impacts.

An assessment was made as part of the development of the management plan, In our opinion this assessment was inadequate in a number of aspects namely:

There was no brief issued to the Consultant as far as we can determine.

Inadequate time was allowed for the accurate determination of the various factors.

Inadequate data was available to the Consultant on many aspects (this fact was commented upon in the Consultants report that was distributed to the community). Some 1500 properties come under the umbrella of the Regional Plan but the sample selected in a survey to evaluate outcomes was allegedly 10 and how these were determined could not be ascertained by us.

There is a strong suspicion these were selected to try to minimise the disadvantages to landholders.

We understand that CRAFTI mapping was used to determine some aspects of the economic and social effects, as no detailed mapping was available for individual areas. CRAFTI maps were found and known to be incomplete or incorrect in a number of aspects.

In our opinion the assessment of economic impacts has been completely inadequate in this instance.

As the Management Plan for this area has not yet been gazetted and therefore its final requirements are currently unknown we cannot comment on factors that might be taken into account in assessing an application to clear native vegetation. Our considered opinion at this time is that only environmental goals will be considered not any economic or social impacts on landholders or the community.

Transparency and community consultation.

In the development of the Management Plan for the Clarence Valley while the relevant department claimed that the development process was widely advertised from 1998 the main body of the community did not become aware of the real intentions of the plan until about August 2001. This led to deputation's to the Minister including a number of submissions from various organisations.

After this date there were further meetings with various sections of the community but in our opinion these were carefully stage-managed in what we believe was a desire to secure a predetermined conclusion. In this regard we have in Appendix C included a statement from the Chairwoman of the Clarence Regional Vegetation Committee that supports our contention. This statement was included in the Draft Clarence Regional Vegetation Management Plan issued to the public for their information.

At the time of compiling this submission the plan in this area is still in draft form so it is not possible to comment upon the introduction of the regulatory regime.

It is our understanding that after the Management Plan is gazetted that all-subsequent decision and approvals will be a matter for determination by the relevant department and a decision by the Minister.

The Membership of the regional committee for the Clarence Regional Vegetation Management Plan is detailed in Appendix D attached this is a copy of a data sheet issued by the Land and Water Conservation Department.

Note: It is to be noted that while one of the rural activities in this area is Private Forestry the committee did not include any representative from Forestry as a member.

Where the draft guidelines were not agreed *to by the* community except for minor changes the complaints were in our opinion ignored as there had been a political target set and it had to be met.

Options to reduce adverse impacts of environmental regimes.

In order to reduce any adverse impacts a program should be established to ensure that there is co-ordination of the efforts of the government scientists who are expert in the field with the individual landholders. This would enable the landholders to be educated in the scope and requirements of the legislation. At the same time the scientists could demonstrate the means of managing the rural properties so that the landholders retain their present level of income or increase their level of income while meeting all their obligations. This could mean setting up plots on Government land and/or arranging for plots to be established by individual landholders and managed under the direction of the scientists. **It is essential that there be face to face contact and close liaison between the two parties** not landholders, being dictated to by some unknown person of unknown political persuasion and or qualifications. In view of the very diverse landscape throughout the Clarence Region it may be necessary to appoint field officers under the supervision of the scientists to advise and demonstrate to individual landholders alternative technologies for alternative fanning methods where such are found necessary to maintain income levels.

Our impression of the draft plan for this area is that the landholder has no rights only obligations to manage in accord with some outside determination.

Government should meet the cost of this program. In view of the lack of confidence now apparent in the rural industries and the expected difficulty of raising finance to enable investment in programs to achieve the requirements of the legislation Government may need to set up some form of development Bank or equivalent providing investment finance required. Alternatively Government could contract to financial providers underwriting the loans required.

Where it is not economic to adopt alternative management practices Government should compensate the relevant landholder and train him/her for alternate employment. Similar consideration should also be made available to suppliers of inputs to the landholders.

It is also considered that some sections of the draft plan for this area must be revised, as current proposals cannot be met in a practical manner. This aspect will in pan be met by the adoption of the proposals in the first paragraph under this section. For example the proposed management of woody weeds is not economically practical also the proposed determinations of clearing around and along accessways etc cannot be met under normal modes of operation.