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Attention: Ms Michelle Cross
Native Vegetation Inquiry
Productivity Commission
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Dear Commissioners

The purpose of this letter is to bring to the attention of the Inquiry several obvious deficiencies in the estimate of the cost of Native Vegetation Legislation in Murweh Shire reported in the Draft Report – Impacts of Native Vegetation and Biodiversity Regulations. I understand that the Productivity Commission will release more data during March but it was not released at the time of writing.

The Wilderness Society believes there are serious deficiencies in both the methodology and data used to estimate the impacts on Murweh Shire. These deficiencies extend to both the estimates of vegetation thickening and the estimates of the financial consequences for landholders in the Shire.

If the Foliage Projective Cover is projected back in time as Kenny and Beale have projected forward 40 years you get an FPC for Murweh Shire of zero in 1980. A treeless Murweh Shire in 1980 is a ridiculous outcome which casts doubt on their whole methodology.

The model implies plummeting carrying capacities in remnant vegetation over the last few decades. Have stocking rates been reduced to reflect this? Had data been provided on stocking history in Murweh Shire it would have helped to shed light on this.

Bruce Wilson's submission to this inquiry states that the FPC that Kenny and Beale estimate for 2040 is likely to be physiologically impossible.

Crucially Wilson shows that Burrows estimates vegetation thickening rate equivalent to 0.2% increase a year in FPC about a fifth that calculated by Kenny and Beale. Fensham et al cited in Wilson's submission has a vegetation thickening rate that is lower again at 0.14% year.

Turning to the financial analysis of the effect on Murweh, from the limited information provided in Appendix K it is not possible to adequately evaluate the estimates and conclusions. From discussions with Productivity Commission staff I gather the data was not obtained from a survey but rather from Devine Agribusiness' own trading data.

Unlike Moree, Murweh Shire has a number of different land systems which produce markedly different returns to clearing. Given that the best land would have been cleared first, using those returns and applying them across entire properties or the Shire is likely to grossly overestimate returns from future clearing.

Independent data on land types available for clearing, price changes and returns on that land are needed before a dependable estimate can be made of the costs of vegetation regulation. From discussions I have had with Inquiry staff these estimates of future returns are highly sensitive to the values chosen for the costs and future revenue streams input to the model. It is crucial that the data used be transparent and be obtained in a way that will not bias the results.

To avoid allegations of a conflict of interest any consultants hired to look into the effects in a region should not have any material or financial interest in that region. As Devine Agribusiness trades in Murweh Shire, it is unfair to expect it to maintain the independence required to provide objective data.

It is difficult not to conclude that the grave methodological deficiencies identified in this letter largely explain the inconsistency between the results based on Devine Agribusiness data for Murweh and the ABARE/BRS results for Queensland as whole.

Yours sincerely

Noel Ryan
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