

Submission to the Productivity Commission

On behalf of Charles Mills (Uardry) Pty Ltd and Yanga Pty Ltd

Please describe how native vegetation and biodiversity/threatened species laws have impacted on your:

<i>Farming practices (your day to day operations)</i>

Overview: Under the new NSW legislation whenever we seek a Development Application on farming land – no matter how small the development (see below) - we have to show that there will be no deterioration to the overall environment of our farm. Such deterioration does not have to be proven as it is judged on a *precautionary* principal. In many cases there has to be an improvement. So if we want to plough up 500 hectares for irrigation (about 1.4% of our property – of which only 4% is developed) we have to off-set a further 500 hectares as a conservation zone with strict management controls. Although we are not intensive developers and inclined to conservative and sustainable farming practices, having irrigated the same paddock since 1890, this precautionary policy comes at a significant cost which we farmers – not society – have to pay.

In all other walks of life there is no similar dictat. Take as a simple example the action of commuting to work. Only a commuter bicyclist going to work can honestly say his/her commuting has no bad effect on the environment. All other commuters are either using some form of non sustainable energy source eg petrol or diesel to propel their car or bus to work. If they are going to work by electric train or tram only a very small percentage of electricity is generated through green sustainable means. The *precautionary* principal if applied to commuting would ban all vehicles apart from bicycles or solar powered vehicles. If it has to be applied to farmers they should be compensated for it.

Impact on day to day operations.

Threatened species and native vegetations laws have prevented development closer to the river and near existing irrigation blocks due to estimated - not proven - habitats. Often the initial concern for the environment, for example the allegedly threatened Plains Wanderer bird, is precipitated by aerial maps with no ground-truthing. Subsequent ground-truthing suggests initial concerns to be exaggerated or misplaced leading to multiple repositioning of our development. Other development had to be found at more cost due to new infrastructure and costs associated with evaporation on further open channel irrigation.

At times, the level of concern expressed by the authorities is farcical; we had to wait 3 months for approval to reposition further downstream two decaying dead red gum trees that posed a threat to our adjacent irrigation pump. The amount of paper used in the “dead stump” Development Application, including Satellite maps would have been meant more living trees were lost in this simple repositioning exercise. We appreciate river flora and fauna require logs to breed around but this level of overservicing was farcical. The property in question has over 100,000 living red gums on it.

Productivity (ability to develop existing or new land)

It has restricted our ability to develop irrigated land. It has added about 10% to the financial cost of preparing and implementing Development Applications through the use of several consultants eg a threatened native species specialist and a pastoral consultant specialising in getting DA's approved. However, an even bigger problem was that it took over 18 months to get a decision on one 500 hectare development, because of the *precautionary* principal policies are being developed along the way without clear criteria. Often these policies are being policed by young inexperience inspectors and who are far from masters of their own subject. On one occasion we had to tell one inspector what a common Bathurst Burr was. Productivity and profitability has been lost in the meantime.

Sustainability (the ability to improve your land and the environment)

Even though less than 4% of our 35,000ha property is developed, any property development needs approval – even the removal of two dead redgum trees mentioned above. Clearly this has limited the production potential of the property through restricting development.

Properties that are well looked after should be encouraged and rewarded for their efforts whereas blatant misuse of land and the environment should be handled on a case by case basis. There should not be an under-informed blanket approach.

600 acres of this property has been sustainably irrigated since 1896. There is no apparent sign of degradation such as salination, yet for any development, however small, seems to go through a standard procedure. On another development on a 70,000ha property of which only 2% is developed for irrigation and it is estimated there are about 2.5M red gum trees, it took over 5 months to get permission to remove 100 gum trees within an existing irrigation paddock set up in the 1980s. These trees prevented accurate laser layout of row crops, yet their official removal was delayed by 5 months. This delay meant we could not grow vital summer pastures on this 85 hectare block to tide us through the worst drought in 100 years. As a consequence, we had to bring in feed for our cattle costing us approximately \$20,000+ labour.

Property values and returns

As discussed in the overview such strict controls on Development have decreased or restricted property values. If society wants to foster sustainable practices, which is commendable, it should foot the bill not just the farmer who is making a very poor return for his/her capital invested.

Whilst we appreciate the community's need to conserve our environment, we question why just those living on the land should pay the price for such conservation. We all pay for National Defence or Health Cover through our taxes yet why do those on the land have to pay, through loss of production, opportunity or resale value for all such conservation? Conservation zones are apparently being established on the Paroo River where the landholder is paid to conserve an area eg 10% of his/her property. This seems much fairer. An alternative would be to consider an environmental levy on the cheap food we produce on this irrigated land so the end consumers would be paying for any damage to the environment to be fixed as far as is possible.

<i>Investment patters (either on- or off-farm)</i>
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In our own case a lot of capital has been injected into one operation - \$2.5M since 1998 yet the final outcome is very much in jeopardy due to a sudden apparent halving of our permanent bore water allocation. We have recently contributed \$15,000 to a legal fighting fund to cross examine this new legislation that has sought to cut our subterranean bore water licenses by 48% in the last 6 months. The science behind this 48% reduction is at best questionable but this does not stop the Department implementing it from 1 July 2003. After multiple legal and other submissions, the Department is reconsidering this draconian reduction in one year and staggering it like other users to be phased in over ten years.

Anyone investing capital in agriculture would like more security and a clear agenda with long-term policies.

The alternative encourages those who do not have much respect for the law to cut corners, leading to more environmental degradation and good long-term thinkers moving to areas where investment outcomes are more certain.

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