



**TRANSCRIPT  
OF PROCEEDINGS**

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**PRODUCTIVITY COMMISSION**

**INQUIRY INTO IMPACTS OF NATIVE VEGETATION  
AND BIODIVERSITY REGULATIONS**

**DR N. BYRON, Presiding Commissioner**  
**DR B. FISHER, Associate Commissioner**  
**PROF W. MUSGRAVE, Associate Commissioner**

**TRANSCRIPT OF PROCEEDINGS**

**AT BRISBANE ON MONDAY, 28 JULY 2003, AT 9.35 AM**

**DR BYRON:** Good morning, ladies and gentlemen. Welcome to the public hearings for the Productivity Commission's national inquiry into the impacts of native vegetation and biodiversity controls. My name is Neil Byron. I'm the presiding commissioner for this inquiry, and my fellow commissioners are Warren Musgrave on my left and Dr Brian Fisher on my right. This inquiry stems from a reference that the commission has received from the Commonwealth treasurer on the advice of a number of his colleagues and covers a range of possible impacts on land-holders, particularly from controls on native vegetation clearance and controls for the purposes of biodiversity conservation.

We have already talked to a large number of different organisations and individuals with interests in the issues, in areas ranging from Northern Territory to Tasmania, from Queensland to Western Australia. Submissions have been coming in to the inquiry following the release of our issues paper about two months ago. We've now received over 100 submissions.

To comply with the Commonwealth occupational health and safety legislation, I should inform everybody where the fire escapes are. They're just opposite the lifts and, although I'm not required to, the toilets, I can tell you, are just behind the fire escape, opposite the lifts.

The purpose of these hearings is to provide an opportunity for interested parties to discuss their submissions with the three commissioners and to put their views on the public record. Following these hearings today, hearings will be held later this week in Cairns and then progressively over the next three or four weeks in most states and territories. We're proposing to produce a draft report for public comment about the beginning of December, and then there will be another round of hearings where we'll be looking for comment and feedback after people have read our draft report and proposed recommendations.

The Productivity Commission always likes to conduct these hearings in a fairly informal manner, but we do take a full transcript for the record. As a result comments from the floor are not helpful and can't be accepted because the transcription service doesn't recognise whose voice it is. But at the end of the day's proceedings we always ask if there's anybody else in the room who would like to make a statement on the record, and they may then do so. The transcripts will be made available to participants for correction within a few days usually, and then the corrected transcripts will be placed on the commission's web site and as usual available through public libraries and so on.

That attends to the housekeeping part of this morning's inquiry, so without further ado I'd like to get into the meaty issues before us. I'd like to welcome Sheila Davis, who's the president of the Gold Coast and Hinterland Environment Council.

If you'd like to come and take a seat over here. It would be really helpful if you'd just introduce yourself for the transcript so they recognise your voice, and then if you can summarise the submission which we've all read - it may be 5 or 10 minutes - and then we can have a discussion about some of the interesting issues you've raised in that submission. Thank you.

**MS DAVIS:** Thank you. My name is Sheila Davis and I'm the president of Gecko, the Gold Coast and Hinterland Environment Council, and for the purposes of this inquiry I've been one of the conservation representatives on the regional vegetation management committee for south-east Queensland south under the Queensland Vegetation Management Act. We have put in our submissions and I've got a couple of more additional submissions that other people gave me to give to you, and I'm not certain whether or not they reached you. We are aware that the Wilderness Society has put in a submission, which we mostly support. However, it's a very general submission and we would like to make more specific comments.

The main thing that I'd like to say is that we agree with the Wilderness Society's submission in that the terms of reference for this inquiry are far too narrow. To determine the impacts of these regulations on land-holders without looking at the impacts of not having these regulations on land-holders and the environment and the wider community we think is a bit narrow. We do note that one of the terms of reference is the benefits of these regulations, and we'd like to concentrate in our submission on the disbenefits of not having these regulations.

Firstly, under the Queensland Vegetation Management Act one of the purposes is to maintain or increase biodiversity and another purpose is to preserve vegetation in areas of high nature conservation value and lands vulnerable to degradation, and that includes areas that might have non-remnant vegetation in them, areas of corridors, et cetera, that need to be regenerated. However, in our committees, where we were consistently outnumbered, just for your knowledge the environment movement in Queensland basically boycotted the regional vegetation management planning process under the Vegetation Management Act because of lack of resourcing, because we don't have the capacity to sit on 30 committees at once, which the farmers do because they're in their areas, so only here in south-east Queensland, both south-east Queensland south and the Wide Bay-Burnett area did we have any representatives at all.

In those meetings, as I say, we were consistently outnumbered and the land-holders in general refused to look at the impacts on biodiversity of the regulations and not having the regulations, and they were also very reluctant to talk about the benefits of retaining vegetation. They only wanted to talk about productivity when it came to just increasing their land area in which to produce.. Despite the fact that we had this wonderful book on native vegetation management in

Queensland, which quotes previous Productivity Commission results, we never opened the book once. You can see this is someone else's book and it was never opened. In that book they talked a lot about the socioeconomic impacts of both land clearing and stopping land clearing, and we never talked about those things. We never talked about biodiversity as it relates to the productivity of the land, maintaining soil biodiversity, for example. There was just either a total lack of time, for one - we were very rushed toward the end - but there was also a total lack of understanding on the parts of many of the participants about the benefits of retaining vegetation and they did not want to know. So we think that if we'd had more time we might have had better results.

There was no discussion of alternative methods or alternative products, which is all contained in this book. There was no discussion of the assessment of the costs and benefits or either vegetation retention or clearing. The mapping and surveys had not yet been done. Even here in south-east Queensland, where we have the finest scale mapping and the best surveys done, they weren't completed by the time we were doing our assessment.

We've got an area of extremely high biodiversity here in south-east Queensland, and extreme landscape constraints. We've got the scenic rim and all of the mountains, valleys and waterways. There was very little regulations in our plan that actually relates to our region specifically, and that was the whole purpose of the plan. There seems to have been a decision made early on to not accept any declarations of areas of high nature conservation value or areas of land vulnerable to degradation because the act specifically says that clearing can be stopped in those areas. So it seems the industry bodies decided early on that they weren't going to allow for that. There was little discussion of the local, regional or wider impacts of vegetation clearing on drought and desertification, all of which were major concerns of ours. There was no discussion of the links between the loss of vegetation and the financial costs to the landholder in terms of salinity, water quality and soil erosion et cetera.

So that's the gist of the problem, we think, with these regional vegetation management plans. The indications are that these plans may be used for the distribution of the \$150 million package that the state and federal governments are negotiating right now. However, our concerns are that these plans were written without any money on the table, therefore the farmers were very reluctant to agree to anything, and now we might have a situation where the money that is there is going to be put out via these plans. So it's a very back-to-front process. What does this have to do with the impacts on the farmers? From a lot of things I read, the drought is heavily impacting on some of the farmers, yet there's no recognition that land clearing actually increases drought, increases global warming and increases the risk to the land-holder.

That's basically our concerns in a nutshell. I have included a copy of the submission that you would have received on Friday. I do apologise, it was a bit late. But I've also included a copy of the submission that was put to the committee by the subcommittee on biodiversity and nature conservation. We were a voluntary subcommittee that met to put some recommendations to the committee itself. I have a copy of all the maps - but not in colour; it's very difficult to see - what we recommended. It was all backed up by science. It was all related to the south-east Queensland regional nature conservation strategy, which hadn't yet been adopted by the Queensland government but it was using the analysis in that strategy. That was mostly rejected, and the only parts that were accepted were with the proviso that there be a package of incentives or compensation for the land-holders.

We're in an area where it's not only impacting upon large land-holders but we have a lot of small land-holders, due to past poor planning decisions, where they allowed rural subdivision down to 20 acres, 10 acres, so some of our concerns in the north coast, Sunshine Coast and Gold coast, were the impacts on these areas. However, the majority of the land-holders were from the Brisbane valley, where there are large acreage lots and a lot of grazing, and those views were always overwhelming the views of the coastal regions.

So there are lots of problems with the process, and I think I included those in our submission. I've also included a copy of the Brisbane Region Environment Council's submission, which I wasn't sure whether or not you'd received and, if you had, whether or not you'd received the attachments, which are reports of land clearing rates I guess in Queensland, of concern, vulnerable, endangered and a further submission from the Sunshine Coast Environment Council. All of these people have also contributed to the main submission. So I've got two sets of those for you.

**DR BYRON:** Thank you very much. There are a number of issues that you've raised that are really very directly relevant to the inquiry, so it's a good place to lead off, with this being the first presentation that we've had in this round of hearings. Could I start with your comments on the quality of the mapping, because that's something that a lot of other people have also raised in submissions: that the scale of the mapping was a bit too coarse to actually come up with sensible detailed plans. Is that what - - -

**MS DAVIS:** In terms of broad scale acreage, the mapping is only to give the department an idea of where they're going and what they have to look at. It's always checked on the ground, is my understanding. Our problem with the mapping here in the coastal regions is that we have such high biodiversity and such small pockets of regional ecosystems that the mapping had to be at a much lower scale. The mapping on the herbarium maps is I think one in 100,000, and here in the coastal regions we,

that is, our local governments, have 1:25,000. The river systems mappings under the purposes of the act is 1:200,000, and that was totally inadequate for the coastal regions or for this region. So we got our committee to agree to 1:25,000 here in this region. But in terms of the accuracy of the maps overall, they all used to be checked on the ground, as far as I understood.

**DR BYRON:** One of the other things that really interested me in your submission was, as you say, the failure to explore all alternative, more sustainable forms of agriculture, and I was wondering if you were thinking of commercial management of native flora and fauna as part of that, or whether you would be opposed to - - -

**MS DAVIS:** If you mean forestry of our native forest, no, we would be opposed to that for commercial management.

**DR BYRON:** No, I was thinking of people who grow boronias and melaleucas for extracting leuk oil and those sorts of things.

**MS DAVIS:** Yes. No, that's perfectly acceptable. In fact, that's what we would like to have seen discussed, but it was never discussed. If it wasn't grazing they weren't interested, it seemed.

**DR BYRON:** And grazing with cloven-hoofed animals.

**MS DAVIS:** Yes.

**DR BYRON:** I was just wondering if you had a position on, you know, grazing with macropods.

**MS DAVIS:** I don't like the idea myself but I'm a vegetarian, so there you go.

**DR BYRON:** You raise the point about there wasn't discussion of the benefits and costs of alternative land uses and it seems that often there aren't really well-developed processes to even have that discussion about the benefits and costs of retention, that frequently people seem to get polarised into "you've either got to clear everything" or "you've got to preserve everything exactly as it is", rather than to work out what's the right amount of native vegetation in the landscape or the catchment and the spatial distribution of that native veg. So it's not just a question of how many hectares there are in a catchment but, you know, their configuration across the landscape. I guess naively, I was hoping that the regional native veg committees would be the perfect place to actually have that discussion and to explore about what sort of vegetation in the landscape, whether it's for biodiversity or salinity controls or habitat or shelter for stock or whatever. But you seem to be suggesting that those discussions didn't take place.

**MS DAVIS:** Well, there was quite a bit of discussion about salinity because that was the government's mission, if you will, to handle salinity. There was a lot of discussion about salinity and catchments. There seemed to be no willingness to go beyond 20 per cent vegetation retention on a property level. 30 per cent is what the act calls for across the bio region. We decided that it should be 30 per cent in each of the subregions. I brought in the Rangeland Journal, which was a special issue on sustainable management of Queensland landscapes, which the department acknowledged that they had but which they had not provided to the committee, and I put a summary of these articles in my submission and one of the articles suggests 34 per cent retention across the landscape, including at the property level. When I brought this information to the committee, the comment that I got was, "What do the scientists know?" So there was very little ability to bring anything to the committee that they weren't willing to accept. It was a very difficult situation. And some people didn't need to back up what they said with science and others who even backed up what they said with science were ignored. So it was very polarised, as you say.

**DR BYRON:** The 30 per cent or more threshold interests me because I understand that in Queensland as a whole there's something like 80, 85 per cent of the area of the state still covered by native vegetation, and I seem to recall reading that for south-east Queensland for many of the ecosystem types there were still well in excess of 30 per cent. Is that right, that some of the - - -

**MS DAVIS:** We're down to 34 per cent overall in south-east Queensland for the south. I don't know. It's very difficult to see how each regional ecosystem could be over 30 per cent. Some of these regional ecosystems are such small sizes that they should be 100 per cent retained.

**DR BYRON:** 100 per cent of what's there at the moment.

**MS DAVIS:** Yes.

**DR BYRON:** But, I mean, the question that some other people have raised with us is that the 1770 distribution of particular ecosystems is not known with great exactness and so if we're trying to say we have to keep, at the very least, say, you know, 30 per cent of what the 1770 extent was of that type, it's only an informed guesstimate of exactly how widespread that ecosystem type was in 1770. We're not sure what the comparator is.

**MS DAVIS:** My understanding is we're operating out of 1960 figures. I'm not absolutely sure but I think that's what - that's the original data that we're going on.

**DR BYRON:** Okay. Now, it's just a habit that when somebody says about

per cents, I always wonder per cent of what?

**MS DAVIS:** I think it's a per cent of remnant that was in existence in some 1960 mapping.

**DR BYRON:** Okay. Warren, would you like a couple of questions?

**PROF MUSGRAVE:** Okay. Thanks very much for coming along with your submission. The thrust of your presentation now has been concerned with the activities of the regional committee and your concern with that. This is just a very broad question, of course, because most states are relying on some sort of regional involvement usually through some sort of community committee. On the basis of your experience, have you got any thoughts on how such committees should be constituted, in your opinion, and as to the process that might be set in place for the determination of vegetation biodiversity outcomes?

**MS DAVIS:** Well, firstly, the act itself would need to be revised. It's severely lacking in some of its provisions, one being the exemption of everything but endangered in any urban areas. So there's no controls at all of anything except endangered in urban areas.

**PROF MUSGRAVE:** Yes.

**MS DAVIS:** No protection of concern, but I understand that's going to be corrected with the package that's coming from the federal government. But one of the things that I consistently said to the minister whenever I saw him - Mr Robertson - was that the scientific advisory panel - they needed a scientific advisory panel to review everything that the committee did as they went.

**PROF MUSGRAVE:** The regional committee.

**MS DAVIS:** That's right. But as they're now, all of the 20 or 30 plans - I think there's 20 final plans but there were 30 original working groups - are now with the ministerial advisory committee on vegetation management, which is the scientific technical panel. However, they went out to public comment before they went to the scientific and technical panel and I think that there should have been a lot more involvement of the scientists, particularly with regard to biodiversity. We did have some scientists come in with regard to salinity, but no biodiversity. We only had a representative from the EPA and he was just seen as, you know, one of us, a greenie. They didn't bring in a team of biologists to actually talk about the values of biodiversity and why it's critical that we keep them, particularly here in south-east Queensland where we've lost so much.



But there is in the submission - I think you've got it - an analysis of the 20 plans and what they include, and that was done by the representatives of the ministerial advisory committee, and whether or not of-concern regional ecosystems are protected, whether or not there have been any recommendations for areas of high nature conservation to be declared or areas of land degradation. These were critical, as far as we were concerned, and the only reason that we went into the process was because we understood that we could get these areas declared.

**PROF MUSGRAVE:** So you're suggesting that there be some sort of balance injected into the process through the creation of scientific committee. How would you envisage this committee working? Would it be advisory or would it have a veto power or - - -

**MS DAVIS:** I would expect it would have to have veto power. I mean, you can't expect a bunch of laypeople to come up with a plan that's going to actually achieve the purposes of the act.

**PROF MUSGRAVE:** Right.

**MS DAVIS:** I would liked to have seen a lot more attention paid to the purposes of the act. We constantly tried to get up the purposes of maintaining or increasing biodiversity and protecting those areas, and we just didn't get anywhere with them.

**PROF MUSGRAVE:** But this identifies a tension then, doesn't it, between the desire on the one hand to have a participatory, bottoms-up, democratic process of decision-making and planning versus a technocratic, tops-down approach?

**MS DAVIS:** There was some technocratic top-down approach and that was to get the outcomes that the department was interested in. We had a lot difficulty with the department in terms of getting up the attention on those purposes of the act - and there are only six of them so it shouldn't have been too hard - to get the attention on those purposes of the act that we were concerned about.

**PROF MUSGRAVE:** Right.

**MS DAVIS:** But the government needs to provide leadership. I mean, we've got a crisis in a lot of areas - in the mulga, in the brigalow - and here in south-east Queensland we've got a real crisis. Our position on the Vegetation Management Act way back five or six years ago when it was first being developed was that we wanted 80 per cent retention because you get extinctions starting at loss of 20 per cent of the landscape. We then went to 50 per cent because you get a greater rate of extinctions, a bigger drop, at around 50 per cent, and then, you know, the premier said, "Look, you're getting 30 per cent and that's it." So we've constantly been working on this

issue. Then we were told that in these plans, in these committees we would be able to get outcomes that were specific to our region and, because our area is of such high biodiversity and does have such landscape constraints, we thought if any region in the whole state gets areas declared it would be ours. But we didn't get it.

**PROF MUSGRAVE:** Okay. Thanks. I have another one, but maybe Brian - - -

**DR FISHER:** I'd just like to follow up on this question that Warren has raised about representation, that you're concerned about not being able to have proper representation if you have too much regional breakdown in terms of the groups working on the vegetation management plans, for example. Yet it seems to me you need local information to ensure that proper account is taken of the actual data that is available and you get decent ground-truthing, and, on the other hand, presumably, there's some local distrust of technocrats coming to talk to local communities. So how do you see that trade-off between provision of local information and community representation versus technocratic input, if I could put it that way? What's your solution to this problem?

**MS DAVIS:** Well, I would have to have seen some requirement that the local knowledge be backed up with some science. I don't know what the answer is. People were there to protect their own interests but I think a bit more leadership and a bit more scientific back-up would have assisted those people. We had two years. It was a two-year process where we met just about every two months for two days, so it was quite a long process, but in the end we were speeded up because I guess we were meeting some time frames that the government had set, but we had a situation where one of the land-holders at the last meeting still didn't know the difference between remnant and non-remnant vegetation. It took us two years to get our heads around the legislation and the terminology, never mind all the science, so I think it could have been a longer process and there could have been more science earlier on in the process.

**DR FISHER:** So you would think that more time and more ability to have better community education is essential in this process?

**MS DAVIS:** Yes, and when we brought up the issue of community education, that is, that this book hadn't even been factoring the whole time we were told, it's not our job, it's not their job, not DNR's, to educate the members of the committee. The members of the committee came with whatever they had and it wasn't their job to educate them. Yet they did take the opportunity to educate us regarding salinity and some carbon sequestration presentations, but very little in other regards.

**DR BYRON:** Just on the composition of the committee, is it supposed to be representative or is it supposed to be skills and competency based? 40 seems like a

fairly large committee to me.

**MS DAVIS:** This was a combination of three working groups here in south-east Queensland. We had north coast, south coast and Brisbane Valley, so we actually combined. So we were a bigger committee than most but we were outnumbered and the conservation representation, which consisted of representatives from different conservation groups throughout the region but also some community representatives were conservation minded - it was about an eight to one ratio. Not only did we have the industries represented, the canegrowers, the dairy farmers, the graziers, but we also had the development industry, which consistently sided with the land-holders. So we were definitely outnumbered.

**DR BYRON:** If it's a purely advisory committee, is that important? If it's a voting committee that actually makes decisions, then composition is critical.

**MS DAVIS:** Actually it was supposed to be consensus decision-making and we spent two days just working out what "consensus decision-making" means, but when it came to the biodiversity provisions there was actually voting taken.

**DR BYRON:** The Fitzroy Basin Association have told me that it took them seven years to get to a sort of consensus position, which reinforces your point that two years is simply not long enough.

**MS DAVIS:** Yes, but in the meantime the bulldozers keep running, as they are now with non-remnant vegetation, in spite of the ban.

**PROF MUSGRAVE:** The question of compensation - I think in that submission you say that the cost of compensating people would be extraordinarily high because of the high land values in the south-east, and yet if we're talking about voluntary conservation of areas of high conservation value or at high risk of degradation, do you think that it's worth exploring some sort of incentive payments that would encourage land-holders to commit to actively managing for conservation? My point is that there's a big difference between telling somebody, "You're forbidden from bulldozing an area," and having them actually want to look after it, and simply telling them what's forbidden doesn't necessarily provide the incentives to manage it well and to perhaps even enhance the conservation status by getting rid of weeds and pests and so on.

**MS DAVIS:** That's right. Our view has always been that land-holders should be paid as natural resource managers, that they should be paid for the ecological services that their land provides - that is, clean water and clean air and soil stability - but during the process there was the opportunity, and I think if we'd had more time we might have gotten there, to have a three-tiered process where, "This is the

requirement, this is what you must do," and then, "This is what we're going to support you in doing, ie property plans et cetera" and "This is what you'll get incentives to do."

One of the problems with that - I had a good conversation with one of the older land-holders out in Brisbane Valley and he said the problem with that is he doesn't trust that the government will follow through. He had some kind of package where he had to fence his land for some enormous cost and the government never paid him the money that they had promised. So there's a lot of distrust out there in the community as to the government following through on incentives packages, and this may be a reason that a lot of the land-holders were just unwilling to even look at anything beyond their duty of care when it came to making any agreements and plans.

**PROF MUSGRAVE:** And you're sympathetic to that position?

**MS DAVIS:** Absolutely, yes. On the other hand, we've got areas, especially close to the coast, of rural land that there's no compensation, or the public purse couldn't afford the compensation, so unless the land-holder actually is willing to enter a voluntary conservation agreement - and there are a lot of people in our region who are but others see their land as their retirement fund and when it comes time they're going to subdivide it to the allowable level and sell it off. So we need incentives that will address that rural subdivision problem in our region, and nothing in our plan addresses that really. We'd like to see an incentive payment to land-holders to put a voluntary conservation agreement or a vegetation protection order over their land if the government could do one-off payment, but there are a lot of people out there who will not accept that, I'm sure, and want it to compensate them for the loss of subdivision rights.

**PROF MUSGRAVE:** But a difficulty that I would anticipate with that position is that you're still calling on the public sector to provide funds either way.

**MS DAVIS:** Yes.

**PROF MUSGRAVE:** So wouldn't your concern about the limits to the public sector's ability to provide these funds apply equally to your incentive thoughts as it would to the thought of direct compensation?

**MS DAVIS:** I think that the level of money that's being provided, this \$150 million package, is not sufficient for what's necessary here in Queensland. We just got \$120 million from the federal government and \$120 million from the state government to provide a five-kilometre section of road in the southern end of the Gold Coast. So if you put that in perspective, you can see that \$150 million is not

very much. However, we've got to look at those costs against the costs of repairing the landscape. How much money are we putting into NHT funding to regenerate the landscape while other land-holders, maybe even right next door, are continuing to bulldoze? We've got to be able to come up with some kind of package that's acceptable to the land-holders and is acceptable to the public purse too to address this issue.

Land-holders were saying, "Yes, yes, we want incentives to do this and that but we don't want those regulations." I said, "Why would the government pay you to do this while letting your neighbours continue to bulldoze?" They didn't want the regulations. So it is still a long way to go in terms of trust and education and the scientific knowledge and having the mapping that is available to the scale that's necessary so that people can be self-regulating, but a lot of it is the attitude, and the government really needs to lead the way, I think, in this. I actually had one land-holder who told me he'd cleared 250 hectares of rainforest because of me. I didn't even know him - because of me being an environmentalist. Because this act was put in place, he decided to go out and clear 250 hectares of rainforest. With these kinds of attitudes, I don't know if there is any amount of money that can be given to reverse that. There's a lot of education that's needed and a lot of leadership.

**DR BYRON:** We've heard lots of examples already of that sort of reactive clearing. Governments, not just Queensland and the Commonwealth government but governments all over Australia, seem to have a lot of difficulty with that one. Thank you very much. You've given us a great deal to think about in the submissions and I look forward to reading the additional information that you just provided now.

**MS DAVIS:** There are two copies here. Thank you very much.

**MR FREEMAN:** Good morning. Lynton Freeman is my name. I don't come from a particular organisation to the commission. In my submission I've tried to maintain a program of an overview, and I think many of the other submissions that I've noted have brought up similar subjects and have tried to maintain that overview. My background is I was chairman of a ratepayers' association, I've been involved in community organisations involving conservation. I've put together industry groups both in heavy industry, agriculture and groups in small business. I've had a lot to do with the industrial areas around Gladstone, the integration, the problems that came with the oil shale mining and the Gladstone industrial development, and we put programs through. Many have been accepted by universities, many universities have worked on them, and some of our EISs have worked on it and meant the establishment of other ancillary industries to go with the thing. We brought in a lot of the monitoring that happened in the Gladstone harbour and those associated things through the university coming in there, and that came through submissions of ours.

So on both sides of the spectrum I've had a reasonable amount of experience, which gave me an opportunity to make an overview. I'd better explain a little bit more. I've been involved in the finance industry, I've been involved in courts and I've been involved in local government administration. All these areas are very representative of what you're dealing with. The \$150 million that you were just talking about is a very small amount, obviously, and the government can't be expected to provide all the compensation and what's required out of funds. It's just not there.

The reality is that it can, though, provide incentives and cash incentives and do individual agreements with individual property holders, and perhaps that's the way to go. To many properties on the old type of development in the state, they had to handle a certain amount of clearing to release renewals for freeholding and things like that. These were reinspected about every 10 years, and if the department wanted an area off a property and it was still on a freeholding lease or a lease situation, then the government would have an option every 10 years. So freeholding was done usually within 10 years of lease renewal and under conditions of the lease renewal. That means that a lot of areas didn't have full clearing. Then the government went through on the next lease renewal, and if they'd freeholded they couldn't have areas over 20,000 acres. That changed a little bit but mainly that's how it worked. So what they would do was they would then take areas for forestry. Then in the 70s that changed, and instead of going to forestry it started to go to conservation areas, national parks and so forth.

So in Queensland there's been a great evolution along that way, where you've seen a lot of the biodiversity taken into government control, but you've also seen what's been left behind has been the better of the grazing areas or the potential grazing areas, and that's why you see people who've been on the land for a long time

fighting and arguing, because they know what's involved.

Bearing that in mind, and bearing in mind that the government has to have an outcome to suit the community and suit their overall views, a lot of the remnant vegetation that is left on properties is left because it's not the most desirable or not in the most convenient spot to develop, so it hasn't been developed. So the way around that is to devise a development program for each individual property, which may include - I notice in Western Australia they've got a big area of mallee left and it has a similar poison to a gidgee in central Australia. The scientist involved developed a system to be able to use that area by creating a change in the rumen of the livestock, but ran out of money. The people involved in it put in \$90,000 to start it. I don't know how much extra money they put in, but I don't imagine that he needs a lot to finish it. Those sort of programs are a lot of the way around what you're talking about, because graziers would be able to get the value out of the land but they'd be able to maintain the biodiversity and use it in a way that's not necessarily damaging.

We've got to accept that the Australian environment changes regularly. I can take you to areas in North Queensland, up the gulf, where you can actually see the tree line from year to year moving because as the cattle or the grazing animals go in, during the wet season they move the ground as they come along, they incorporate the seed. If it's a particular type of native tree or whatever it might be, and they move the seed, then they're making the tree line grow, and that's how it's working. That's what happened in a lot of the brigalow country and a lot of the gidgee country. As the animals moved across the land, they moved it. I can show you photos of land - I wouldn't have them here with me now but I can get them - where there was one brigalow patch in 25,000 acres. By 1920 it was all brigalow because the animals had moved it over a 40-year period and I think if you go back to some of the 1902 drought records, which was pretty good, pretty careful, you will see a lot of that, and I think CSIRO actually did some work on it, and I just couldn't tell you exactly. So what we're doing with this changed environment before we even start, the number that would go back to the original places are going to be in areas where there were old development with old grazing families who had enough country and they didn't need to move to develop things, and most of that's been taken off people in Queensland and developed.

So to come to some sort of consensus of where to start, it's like you're talking about in the 1770 program. How are you going to do it? Well, we've got major industries, for example, in the Yarwun area we've got - in the Mt Larcom area we've got - I'll guess you'll hear about that later but we've got major industries, major mining industries whose influence on atmospheric emissions is so great that much of the native vegetation in the area will die. Much of the vegetation in the area will die anyway. The governments, after a long period of time and a lot of nudging, have decided that the way to do it is to actually buy these people out but not under the

Mining Act, under another act. So they're going to shift the people out of the area. The mining company involved has gone and developed a lot of timber areas and they're going and building to get carbon credits or whatever it might be.

So one of the ways around it is being led by industry, and industry is showing us one sort of way and that is to develop areas on properties and to make areas on properties and put them aside, even though they're for a use, but to create a use for industry. I think in Tasmania they have a program where you can't cultivate unless you have an area equivalent put aside as timber or as natural regrowth or something like that, and some of those people are looking at buying areas in Queensland, and I think some of them might have, that have been replanted into timber. Incentive programs like that may work in an area like Tasmania where the correlation isn't so big but in Queensland and probably most of the rest of Australia it's not possible. So it has to be integrated, and I don't think there's an easy way of integration without cooperation, and obviously the common denominator is money.

So we get back to a program that we have to come up with. I notice that in the drought subsidy programs the government is not putting aside as much money as they thought that they would need. So obviously to create these programs isn't as expensive as to provide it through interest and to help people do it themselves. So interest subsidy programs to provide - for instance, it's going to be a while - the way to integrate cycads is if you can come up with a way so the animal accepts what's in the plant without affecting the animal. Just from my notice, it would be about 20 per cent of animals that eat cycads that die. Most of the rest get lameness. Now, the way around that of course is to find something that stops them from digesting what's in the cycad or what's in the plant in the first place and making sure it doesn't affect anything else, and that's the ultimate, but to get to that stage people might have to fence off areas and things like that if they're going to let them grow. Even though they're so slow, you can bring them on quickly with fire.

So in areas like in central Queensland where you have specific cycads that you want to save that's in grazing country, you might have to come up with those sort of programs or in other areas like some of the other submissions show. To do that they're going to have to fence it off or do whatever is their farm plan or whatever they decide is necessary. To do that they're going to have to spend money. The easy way is to provide an interest subsidy but provide some sort of way so that the bank can't just step in and take them over and sell them up, because the banks will. How that's done, I guess, is the recommendation that would come from you people but I can see that that is probably the most acceptable way at the moment of getting around the problem and maybe the government can then assess the most desirable areas that they would want to buy.

Now, in a lot of Queensland we've seen government forestry go the national



path and there's one problem with that. When forestry areas were put apart and they were harvested the first time, no-one went in and took out what species that came in there that weren't there originally. For instance, if you take out ironbark then you get spotted gum regen, okay, and if you take out spotted gum, sometimes you'll get blue gum regen and so forth, and then if you take them out initially you'll get an annual weed, you know, or upgraded weeds until the canopy builds up again and so forth. No-one's ever took the time or did anything to stop that. So the actual areas that they've taken are not very representative of what was there originally anyway.

The loss of that to the community in those areas is being measured out there right now. To give you an example, a sawmill that wouldn't normally increase its - would leave its staff the same, to fit in with the program, they cut their staff from 35 to eight and went out and spent a lot of money to change their machinery. Other sawmills have gone out and been given incentives and they have changed their programs again, and some of them are taking smaller timber and so forth and so on but none of those things in the long term are really the desired result. Sure, it might be keeping the price of timber down but only until such time as it's outpaced by something else. So what we have to do if we're going to look about it in a practical way is find a way to keep the social impacts to a minimum as well as give the desired results.

Most social impacts revolve around a couple of things - in the bush anyway - education, health and financial wellbeing, and those things change as an area changes. For instance, you're talking about clearing in central Queensland with bulldozers. Much of central Queensland wasn't cleared with bulldozers. Much of it was done with an axe. In fact, most of south-eastern Queensland would have been done with an axe. So that what you're seeing is, I think in a lot of the coastal areas and a lot of the areas, you're seeing the people that go out that have been providing that sort of work are going. The dozer operators in the west and their staff, they will have a rationalisation, whatever it might be. The big variation that comes is, as markets change, people in rural areas and I guess to a certain extent in city areas, have adapted to the changes in the markets, and I see a lot of submissions from other areas where they're complaining because the 10 year program on lay pastures isn't long enough, and I can well sympathise because there's no point. There's absolutely no point in plowing something up just to make it - it's like burning a paddock for the sake of burning it. It's just a waste of time.

So somewhere along the line you have to get around those problems and I guess your submission - what you put to government - will help that. So the regimentation of a lot of these things isn't possible but if those people are not necessarily paid so much to leave that country in lay but we do have a lot of native flora and fauna, particularly flora, that is well worth propagating and no-one's done any work on it. For instance, there's parakeelia. In some places parakeelia in central

Australia is a very worthwhile plant. In other places it's not, it becomes toxic. But then you have lots of other plants that - in the south-east corner of the state you have kangaroo grass which fits in with some of the work done at some of the universities where it's the highest producing local dry-matted grass in Australia but where we run into trouble with it is that it's of low content and it has to have something to go with it.

I see in other submissions they're complaining about how lucerne doesn't fit in with the program. We do have a lot of native legumes that can easily be propagated up to take the place of lucerne in lots of ways, and because we haven't put a lot of effort into that in Australia, the tropical pasture industry is a long way behind the temperate pasture industry, and perhaps some of the incentive money could go into that, in that sort of area, to encourage people to put those sort of legumes in and then they could retain their existing areas. Now, any questions?

**DR BYRON:** Thank you. I have a couple but do you want to go first, Warren?

**PROF MUSGRAVE:** Thanks, Neil. Thanks very much for coming along and thanks for your submission. You touch on a lot of things, raise a lot of things, and we've only got so much time. Perhaps, just to get back on to a point that was raised in the previous session, this question of compensation versus incentive schemes, and both Ms Davis and you have raised that possibility and both of you referred to the difficulty of the public sector being able to provide sufficient funds to pay full compensation. You've raised the possibility of having some sort of interest-subsidy-type arrangement. Could you just expand on that a little but in particular a question that arises in my mind is, is it possible for government to achieve its goals, its biodiversity and vegetation-preservation goals, with the level of interest subsidy which is less than what full compensation would be?

**MR FREEMAN:** If the interest subsidy is on a provisional basis, in some cases it wouldn't need to be more. You see, if someone's got an area of spear grass country for some particular reason and they haven't been able to - look, we have to accept that there's methods of sowing legumes and increasing pasture viability for all areas, because there pretty well is now. So that what happens is that if they have a large area of spear grass that's running one to eight or one to 10 or whatever it might be, and they have the potential to bring that up to carry the same number of livestock as they are - this is just a simple one - livestock that they are for using the whole area, then you've got a formula, haven't you? You've got a formula because they're starting off with, say, 500 head on the whole place and they can run 300 on their developed area. If you can bring the 300 on the developed up to carry the 500 head then you've got a formula for giving them an interest subsidy.

**PROF MUSGRAVE:** As a sort of deferral of payment formulas.

**MR FREEMAN:** Well, no, not necessarily a defer - yes, okay, the government picks up the tab, like they do now with drought subsidies.

**PROF MUSGRAVE:** Right.

**MR FREEMAN:** Okay, and that will allow an area to go off and stay conserved or preserved, whichever you like, at least for some period of time. Now, industry changes make a difference of course. If they start to restrict the use of the land that's being developed then you're going to get problems because people won't be able to switch from grazing to farming to so forth and so on - not in every area but in a lot of areas.

**PROF MUSGRAVE:** Does that concern you? Do you see some precedent for the part that you arrange that you might in place, in policies such as drought relief and so on?

**MR FREEMAN:** Yes, and I consider it a very good precedent.

**PROF MUSGRAVE:** Yes, in what they could do. In your submission you refer to certificates available under the Commonwealth Bankruptcy Act that you think might be relevant to situations such as this; holding off the financial institutions while productivity gains such as you've just described are obtained. I'm not familiar with such certificates. Could you tell us a little bit about that?

**MR FREEMAN:** All right. In the 60's and 70's drought when drought subsidies were given to people under the Commonwealth Bankruptcy Act, it was the old rural reconstruction board. It used to be able to give a certificate and the banks couldn't move in on people at that time while they were under rural reconstruction.

**PROF MUSGRAVE:** Right, okay. Yes, I see the sense of it.

**MR FREEMAN:** So you'd have to do that because otherwise - see, the banks are saying, "The scheme is five years long but if we don't start to get our money back in three years we're going to sell them up," and that's what they're doing. When a person goes into that sort of subsidy program and they're going to lock the country up, immediately they admit that they're going to lose money, that they're not going to be as viable as they were before, so immediately the banks are going to step in and say, "We'll sell you up."

**PROF MUSGRAVE:** Okay. Could I just change tack. You refer also to your involvement in the social impact assessment for the Awoonga dam project. Could you tell us a bit more about that? I ask you this question because we're aware of the

fact that many rural people are concerned about the lack of adequate socioeconomic assessment of proposals in relation to vegetation in the area.

**MR FREEMAN:** Yes. The socioeconomic problems are major for them because education becomes a problem immediately because when you lose employees - many people employ young families. They will only employ families because it keeps the schools going in many areas. Many people are - that area I was explaining to you before, where there were 30-something people and now at the sawmill it came back to eight employees. Imagine what that did to the school and to all the programs in the area, the little shop, the pub. They all struck big problems. The way we got around it was on that social impact assessment we'd worked very hard to get a bitumen road in that area, and it was only 70 miles from Gladstone, so by making sure that that bitumen road went through out of that social impact assessment, that allowed the pub and the shop and everything to keep open because it is a touristy area from Gladstone. So people went and used those facilities.

That's the sort of thing you might have to look at. For instance, you may have to try bring along another industry. I noticed that you touched with the people before about wildflower production and things like that, and seed production. There's a hell of a lot of seed production and wildflower production that's lost, and it's lost when people go through and harvest their timber. They don't take the seed off it. Forestry might collect some, but there's a massive market for eucalypts and they just don't do it. It's the same thing with wildflowers, when you're talking about certain types of wattle and things like that. Wattle becomes a pest in certain areas, but it could be cultivated. But they have to be able to move it, they have to be able to plough it out, so that they could bring it back to manageable size and in a manageable way so that they could harvest it. I can see that it would work, and with certain types of melaleucas too, tea-tree and things like that. But you have to be able to have that process available.

**PROF MUSGRAVE:** But in some places there are rules against commercial utilisation of native flora.

**MR FREEMAN:** Yes, and I think it's a bad mistake, because one of Australia's biggest mistakes and why we haven't got so much biodiversity is that we've never used our own.

**DR FISHER:** You've referred in your evidence several times, or you seem to be suggesting there was a lack of research and development going on with respect to use of native species, ability to adapt to the Australian landscape. Can you expand a little bit more on that. Do you see it necessary, for example, to - or is there some impediment in the research and development process to solving some of these problems?

**MR FREEMAN:** I'm sure there is. Money is number 1, but number 2 is in Queensland we used to have - and I can see why the government took it away - a very good system of consultation between scientists and the primary industry sector because of the DPI. The government took that away and I can see why, but the point is that once we lost that - some of my programs, the people from Gayndah used to come up every year from the research station and follow my programs, and then if they thought they were all right they'd introduce them down there. We did that for quite a few years and there was a really good interrelationship because they took my ideas to someone else and somewhere else.

On the land it's pretty well impossible to keep everything to yourself, so what can be gained out of intellectual knowledge, intellectual precedent is very little. The reality is that once they took that away they lost that relationship, and so that's why in central Australia, and where you get the gidgee and the problem with the Mallee - because there's just not that money to finish it. If scientists had been given the money to finish that, that would have been a well worthwhile project. There's no need to clear land if you can use the native species, and then you've just got to see which ones are going to stay and which ones aren't, whether it's going to be a conservation area or a preservation area. Most of those areas will only be conservation areas anyway.

**DR FISHER:** So are you referring specifically to research and development or are you more concerned about availability of extension services?

**MR FREEMAN:** No, but the extension services gave the research and development the leg that it needed. If the extension services came out to a property and they said, "I've got a problem with parakeelia. Over there it's not poisonous but over here it's poisonous," they would go out and try to work it out, wouldn't they? The loss of those extension services lost a lot of the relationship between the scientists and the farmers, not in every case but in a lot of cases, especially when it comes to using native stuff. For instance, the forestry from my place had an area of 5000 acres and they had the rainforest next to where we had the rainforest. We cut our timber out of the rainforest and we regenned it. They cut the timber out of their rainforest and they replanted it. Our regen area, because we didn't cut it bare, could yield all the time. We stopped using it, but it could yield all the time, and theirs couldn't.

In the forestry heartwood areas, for want of a better word - eucalypt areas - first of all they came in and the undesirable species - so they lost a lot of production there because they didn't go and maintain it. Secondly, they didn't keep it to a growing pattern so that you had young trees coming on all the time.. You had too many mature trees in there and they just stopped everything. Then you went on to the

program of, "We only sell every nine years," which lost the whole benefit of having it. From my areas, we would go through and clean up the undesirable species, let the better ones grow. The desirable ones would house all the parrots and all the rest of it and so forth and so on because they would be left there, and then you would have the young trees coming on in a program all the time - not necessarily all of the same age because you wouldn't want poles and everything all the same size, but in that sort of rotation, so that every 10 or 15 years you got a cut.

The easiest way to explain it is when the forestry freehold in the area - they said there was 10,000 cubic metres of potential wood - I cut over 10,000 metres in the first cut and there was another 12,000 metres to go in the next cut, which is going on now even on what's there. They're doing it now. They might be wasting a lot because of the way they're doing it, but that's how they're doing it. So what they saw as a 10,000-metre program turned into a 22,000-metre program, just by farming it the right way. In that, we put legumes in there and we could use that to graze and we got a lot better result with our natives, because you know what happens with natives if you fertilise them: they just die. But by the cattle being around and everything being around it, it moved soil, did everything that was necessary to make it work, so the production out of the area was a lot greater. I see another bloke has got a submission along the same lines, from Nanango.

**DR BYRON:** We're running out of time. There's just one more I wanted to ask you, to come back to the point that we had stated before. It seems to me that a lot of freehold property owners have retained some native vegetation, particularly on sand areas or ridges or areas where it was never going to produce much and the cost of clearing it wasn't worth the effort et cetera. But apart from that, if you're talking about the more agriculturally productive country, which might also be of very high conservation value, how are we going to deal with that? You've probably seen all the submissions that say just telling people that they have to retain native vegetation doesn't take into account the high agricultural potential that that land might have. What do you think about incentive measures and ways to actually encourage people to retain and positively manage for conservation purposes on their land?

**MR FREEMAN:** Not in every area, but normally if someone is going to retain an area it's usually next door to a neighbour's retained area - not always. There is a chance that a lot of negotiation could go on between land-holders and government for some of those areas to be brought into a corridor and consequently bought by the government. What's happened is we had a big program with stock routes in Queensland, probably all over Australia, and I see submissions from stock route coordinators. There's a problem that a lot of our stock routes are gone of course, and a lot of them are fenced in and so forth, but we have a very good precedent for being able to take areas like that to turn them into corridor. It would fit in with everything else that they've done if they were to try and hook those areas up and actually buy

them off the people, buy them off the grazier, and do it on a system of stock routes. Do you know what I mean? In Queensland they've brought in trusts for Aboriginal reserves, and you could do that very easily. Thank you.

**DR BYRON:** Thank you, Mr Freeman, and thanks for the effort of coming all the way.

**MR FREEMAN:** Thank you.

**DR BYRON:** Mr Flanagan.

**MR FLANAGAN:** Good morning.

**DR BYRON:** Good morning and welcome. Could you just introduce yourself for the transcript, for the record, and then maybe give us an introduction and summary of your submission and we'll have discussion from there.

**MR FLANAGAN:** My name is Gerard Flanagan. I'm the head of Brisbane Montessori Secondary School. It's a new secondary school which opens in January 2004 in Fig Tree Pocket. There are three reasons for putting the submission forward. Being a newcomer to the Australian product, I have possibly an outsider's view and a broader view of why Australia annually has a problem with its land and water management. The second reason was to demonstrate to the pupils in the school that you don't have to be part of the government or part of a large institution or professional organisation or of voting age to actually take part in a democratic process and to be able to make submissions to inquiries such as this. The third reason was it enabled me to provide materials from the web sites for the children at the school which we call real text in the English curriculum that they could actually use as reference material for their work in humanities and English and in debating.

I'd like to just put four points from my submission forward as a summary. Australia as a continent is geologically old. The topsoil depth of the continent is thin and the mineral content of the topsoil is poor. It does appear to me as a broad view that the applications of European farming practices are not and have not been suitable to the Australian continent and the application of European water catchment, storage and distribution methods are not and have not been suitable to the Australian continent.

The introduction of large-scale European monoculture farming to a low mineral environment meant high returns initially, followed by annually lower returns, unless of course you choose to constantly add chemical fertilisers to artificially raise the mineral content, with subsequent side effects, of which we're all aware, in rivers and along on-shore coastlines, or you strip native vegetation back to expose more mineral content soil for more monoculture production and the cycle is self-generating. From that of course - and this is part of the regulations, or part of this commission's inquiry, is to address the damage done to native Australian fauna and flora.

Finally, I would submit that the task of altering water catchment and distribution methods and altering farming practices in order to sustain food production and communities across Australia would actually require a national approach and non-partisan politics - politicians - non-partisan states and territories. In fact it's probably the major issue which would draw Australia together as a nation



unlike any other issue it has faced before.

I'd like to make reference to a document that I discovered after I put my submission forward, called the Australian Agricultural Assessment 2001 which is part of the land and water management audit which was started in 1999 and was released in 2001. It did mention Australian farmers and graziers are increasingly aware of applying sustainable farming practices. Many farmers are also monitoring natural resource condition on-farm and managing to minimise off-farm impacts. It did mention the adoption of best management practices is gathering pace. However, when you look at it in detail it mentioned that the survey in 1998-99, that grain farmers were achieving a high level of better management practices. Even so the industry average for total adoption of nominated best practices nationwide was still around 7 per cent.

Australian Agricultural Assessment also looked at the state of the mineral content of soils around all of the states and territories and it looked at it in terms of nutrient management which is a comparison of the amount of nutrients that were put into the soil artificially and the amount of nutrients that were taken out by grain and livestock. Since we are in Queensland it's quite relevant to look at the Queensland situation. Both grazing and cropping across all of Queensland, apart from the Atherton Tableland, shows a negative value, in fact that the soil is being depleted by both grazing and cropping; a support to my particular broader view that European farming practices are not working for Australia.

The point of bringing this to the attention of the commission is to say that continuing to look at regulations imposed on the operation of the land is missing the broader view that the actual use of the land is not appropriate to the state of the Australian continent.. It's a European approach which I believe everyone would look at and see that it's not actually working at this point in time and hasn't worked for a large number of times. The land and water audit also has a good look at the mean annual rainfall and distribution of variability of rainfall which demonstrates that there are large areas of Australia which could be better utilised for catchment storage and distribution of rainwater rather than relying on the standard system which is in place now which is to use the major rivers as they are while creating very large reservoirs.

The problem with creating very large reservoirs - for example , a study done on the Aswan Dam in Egypt was that more water was lost from the evaporation from the reservoir than was required by the United Kingdom in any one particular year. Finally - this is quite short compared to the others - two little points to bring to the commission's attention: considering that the legislation and the documents on which the commission's inquiry is based predate the 2001 land and water audit, would it not be prudent of the commission to raise the existence of this particular 2001 land and water audit with the government, with regard to the government taking this into

account when it's proposing regulations and enactments before parliament for the use of land and water in Australia.

Would it also not be prudent if the government, given the existence of the 2001 land and water audit, to make this particular information readily available to farming communities, agricultural businesses and raise the importance of the audit with regard to altering water management and land management practices in Australia that would best suit the Australian continent on which we all rely. Thank you very much.

**DR BYRON:** Thank you very much. Yes, I think the three of us are quite familiar with the national land and water resources audit but you may be quite right in thinking that there's still an awful lot of people out there who haven't heard of it or don't actually know and understand the results. I'll ask - Brian Fisher, as you probably know, is the head of the Bureau of Agricultural Resource Economics, but my understanding of the quest for more sustainable agriculture in Australia is through CSIRO and various research stations. There are literally thousands of prototypes out there that have been developed, it's just that none of them are commercially viable at the moment - is one way that has been put to me.

But I think the general points that you made about Australian agriculture exporting topsoil to the rest of the world, in effect, mining our own limited reserves, those sorts of points I think have been known at least in the academic community for quite a long time, so they may not filter down into practice very much yet. Brian, do you have anything that you want to say?

**DR FISHER:** I guess the question I wanted to raise was whether you had any thoughts about the best way to overcome some of the problems you've raised. One of the impediments, it seems to me, is that the government - and it's a bit hard to understand in Australia which part of government has its hands on the levers and I think that's one of the issues we face in this inquiry because different responsibilities under the constitution are left with different levels of government. Have you thought about those issues more broadly and the solutions that might be in your mind about overcoming some of these problems with respect to developing sustainable farming systems in Australia?

**MR FLANAGAN:** Yes, it would require the formation of a national department - not understanding fully how the political system works in Australia, the requirement of a national department that would have the necessary powers to not only fund but to enact regulations so that the states adopt particular water management or land management practices. Naturally you're going to look at 20 or 30 or even 50 years to alter the situation as it is now. Whether in fact that subpolitical will exist or whether the constitution allows a body such as that to come into existence that would actually have regulatory powers over the states and the territories, I don't actually know. But

it would require that sort of step forward.

**DR FISHER:** Right. I think that's sort of somewhat in conflict with the arrangements in the federal system at the moment. We have the Council of Australian Governments, for example, dealing with water reform issues. That's a cooperative arrangement between states and the Australian government. So you're looking forward to some change in the political structure of Australia to solve this problem.

**MR FLANAGAN:** That's correct. I believe that it requires that sort of step forward.

**DR BYRON:** One of the points that have been made in many of the other submissions that we've received, I think I can summarise it as, Australia is not only very large but also very heterogenous and as a result, one size fits all is not a very wise strategy given the environmental variation, differences in land use and land use potential and differences in land users and interests and aptitudes, capabilities, et cetera. So the response to that I think is that the centre should not necessarily dictate or prescribe too tightly to the states, and even within the states we have these regional vegetation committees, and even within regions there might be a default or preferred outcome. But if a particular property owner can explain why the default rule doesn't make sense on his particular property or on that particular paddock in his property, then there might be some grounds for exercise of professional expertise and judgment. So that sort of devolving down to local knowledge from grassroots seems to me to be a different strategy than sort of trying to issue broad edicts from the centre.

**MR FLANAGAN:** I can see it would require both, and it's at the level of education as well - educating right down, as you say, to the grassroots about the actual information that's in this audit and how it affects people on their own particular land-holdings if management practices are to be changed, and some of the submissions - I've read them all - do that on a small scale. If it's just management practices are to be spread statewide or even nationwide, it comes down to who will actually require money, as most things do, but it also will require a change in an attitude to the relationship with the land. But in order to get the best out of the land and maintain the land, you can't simply use the practices that were brought over 200 years ago. They don't actually work.

That's, I suppose, my particular response to that. It is a change, I suppose, a sea change that would be required and it would be a slow process. Education is at one level to do that but it's a change in the direction of what is more important to the development of Australia as a nation. Where does the funding and the direction go. I think that's a political change as we mentioned before.

**DR BYRON:** Are you familiar with a book by Bruce Davidson entitled The History of European Farming in Australia?

**MR FLANAGAN:** Yes.

**DR BYRON:** The problem that occurs to me - and I think you've tangentially raised it - is the conflict that exists between your recipe and the sense of urgency that environmentalists feel. The environmentalists might argue that we don't have 40 to 50 years to have the sea change that you refer to. Had that come across your mind when you were - - -

**MR FLANAGAN:** Yes. There are short-term changes that need to be dealt with, but it's also the case of having read the submissions realised that perhaps there is, as I'm talking about, also longer-term and broader view change that needs to take place. So it's not at the expense of short-term changes which have to be decided upon, have to be enacted upon. But there doesn't seem to be, from my short reading of what's happening in Australia that there is this broader view. It seems to be a year-round, year-round subject, integrate and tackle a problem which just rolls from one year to the next. But next year you will be faced with something along similar lines again because of the situation.

**PROF MUSGRAVE:** Perils of the three-year electoral cycle.

**MR FLANAGAN:** There is also that, yes.

**DR BYRON:** I'm trying to articulate what's going through my mind and it might not come out very clearly. I think the reaction to this inquiry is that the regulations that have come out largely in the last few years are imposing on their ability to do what they plan to do. What you're suggesting is, rather that concentrate on that we should be challenging or questioning their plans. What they were proposing to do may not actually be in Australia's long-term best interests, rather than focusing on the tensions, the symptoms and the problems that arise through this transition process.

**MR FLANAGAN:** Again it is a question of both happening at the same time. The fact of the matter is the addressing of issues in the short term is occurring now, otherwise this commission wouldn't be in existence and this inquiry wouldn't be ongoing.

**DR BYRON:** But I'm seeing your submission as a plea for us to think about the long-term big picture rather than a series of short but quite poignant small pictures.

**MR FLANAGAN:** Again I'll say, as I've said before, it's not at the expense of that.

But I didn't believe, looking at the submissions, now we've been in Australia for two and a half years and eventually will be a citizen – there is the political will there to address the longer-term issues, which are the unfortunate land management and water management of the Australian continent, which appears to be specifically from the European point of view and not from an Australian continental point of view. It was just to raise this to yourselves and to other interested parties: that we also do need as a nation to take a much longer and broader view of what we're doing with the land that we're on and the water that we use, not to say at the expense of situations that do require work now. But it may be because of a longer-term view and a longer-term change that these issues will actually disappear, go away, and be changed to the advantage of all.

**DR BYRON:** It does seem to me that Australia collectively has relied fairly heavily on regulation and statute proscription - some would call them command and control measures or requirements to get permits and so on - as a way of moving to this transition towards a more sustainable Australian land use. What the submissions seem to be telling me is that relying on that regulatory apparatus may actually have impeded communication. Rather than building a consensus about where we're going in the future, it has actually interrupted the dialogue between land-holders and governments and environmental groups and others so that it has become more of a battle than a discussion.

**MR FLANAGAN:** Yes, I agree with that, and possibly one of the outcomes of this, by the process of education and making everyone aware of the details of that - I refer to that particular document, the Land and Water Audit for 2001 - and making that a purpose of education, is to see that this is the state of the land and water as it is now. We are not utilising it well, we are not managing it well. Using that as the basis to bring the parties back together for a longer-term view rather than - as you've said, there's been this breakdown in communication and then you get sides drawn up with battle lines in between, where it becomes quite small scale over small issues which divert resources and funds and peoples' attention from lifting their eyes up and seeing perhaps a broader vision of what needs to be done.

**DR BYRON:** Would you like to add anything else?

**MR FLANAGAN:** No, I'd just like to say thank you for the invitation.

**DR BYRON:** Thank you very much for all the thought and effort you've put into your submission. I think we should adjourn for a small break and a cup of coffee and we'll resume at 11.30.

**DR BYRON:** Thank you very much, ladies and gentlemen. Let's resume the public hearing on the impacts of native vegetation and biodiversity regulations. The next presentation is Mr Fritz. Thank you. Can you please just introduce yourself so they get your voice on the transcript.

**MR FRITZ:** Good morning, and thank you for this opportunity. I'm Bill Fritz, a third generation canefarmer from Bundaberg. I'm probably a little bit out of my depth here but I'll do my best. I'm speaking for my neighbour too, who constructed a weir across a dry gully. We probably wouldn't have built the weir, but Water Resources convinced us that it was an ideal spot to erect a wall to save water for our farming operations. We've got a problem of salt water intrusion in our area and we thought that if we can get away from drawing water from the underground it would help other growers further inland to stop the salt water intruding. However, we got into a little bit of trouble after we built the wall. Water Resources gave us a plan and how to build the wall and that.

We did that and, approximately a week after the wall was constructed, two gentlemen from Fisheries turned up and wanted to have a look. We had no objections to them having a look because we thought we did everything above board. When they got in there they said that we'd destroyed marine vegetation and we'd have to tell them what we'd done, how we did it, and that it would go to Brisbane and they'd make a decision. They said we should have had a permit to build the wall. After we did that we got on to the Internet to find out a few things about "tidal" and all that, and after we got information off there we found out that we were right and they were wrong, but their attitude was, "You're wrong, you don't know." We were even told that they don't necessarily use as "tidal" what's in the Fisheries Act, and I asked him, "Well, why is it in there?" and he said, "No, it's not that." He said, "You just don't understand what 'tidal' is." I thought that "tidal" was water coming in covering land and then receding but apparently that's not how it works.

The part that really annoys me is that the gentleman from Water Resources that told us to do it and how to do it, three weeks later he contacted Fisheries and took them in there to have a look. So that's the disappointing part. He said that we'd contacted him and everything in information that we have, but that still didn't make any difference. It doesn't make it any better. But I've always, since I've been farming, tried to do the right thing by the environment. We haven't burnt cane for 10 years and we don't burn anything. Everything goes back into the soil, and I'd say that if we were still burning cane, I wouldn't be doing it now because it would be impossible with the water restrictions and that - you just couldn't afford to do it - and with the drought over the last 10 years, that's not helping either.

This dam or wall that we built was to act as a chemical trap, fertiliser trap, and I thought that that was good for the environment but according to Fisheries, that's the

trouble, we're stopping the nutrients getting into the sea. All the information I have is that we're supposed to do something similar to what we've done, so I feel that we've been hitting our heads up against a brick wall for the last two and a half years by Fisheries trying to make this area tidal. In February last year they wanted to come in and check the tide. They did all the tide checks by height measurements and that, and they found out that the water wouldn't get to the wall - it would be right on around about the HATS tide, Highest Astronomical Tide, which occurs any time but it could be in a 30-year break, but it could be in a three-year break too. It just happens, it's nature. They wanted to come in and we told them they could come in because the predicted tide was 3.53 and I'd checked tides at 3.46 and they were nowhere near the wall, and we arrived there and the water was up to the wall. You had to go down to have a look, but it was up to the wall.

So Fisheries then said that, "Well, that's tidal," but they can't use HATS tide as tidal. They can in marine parks and on crown land but not on freehold land - well, the last time I looked they couldn't. That's where it's at now, with them still trying to convince us that it's tidal. The water that got in there, it came in pretty close the next day, and that's two days out of two and a half years that the water got in there. The "tidal" definition in the Fisheries Act of 1994 states that it's got to get in permanently or periodically and they seem to think that two days out of two years is periodically, but the definition of "periodically" is "on a regular basis". So that's not really regular in my terms. That's about it. Thank you.

**DR BYRON:** Thank you very much. Your submission raises all sorts of very interesting points about what seems to be a lack of coordination or communication between different parts of state government apparatus or even different parts of the same department.

**MR FRITZ:** Definitely. To make it worse, at home the three divisions are all in the same building side-by-side and they couldn't even get any cooperation amongst themselves, and since all this started I haven't even bothered to contact them to see what they're doing. The only people I talk to is the underground water people.

**DR BYRON:** Now, quite apart from all the legal and definitional disputes, could you just in your own words describe what the environmental consequences are of your dam or wall or weir or whatever we call it. What's the overall situation now in terms of environment, broadly defined, including vegetation and birds and animals and things, compared to what it was like before you put the wall in?

**MR FRITZ:** Before we put the wall there, there was probably around about four hectares of this saltwater couch and on each bank there were a few gum trees. I forget the technical name, botanical name, of the trees but I call them she-oaks, but that's not the correct term. That's what it was - dry until it rained, and unless it rained

more than probably four to six inches over four hours, it would never have any water in it. That's how it was, dry most of the time and this couch. When we used to burn cane, it used to get burnt every year, but it would be at least 10 years, probably 12 years, since I've burnt any canes or my neighbour has burnt any cane. It wouldn't have been burnt in that time and it's about 18 inches thick. The environmental part is they believe that we've stopped the fish from travelling upstream and downstream by erecting the wall.. With the wall there and the fresh water on the other side, there are fish in that side, freshwater fish, but no fish could have travelled upstream and downstream on the normal tide. I wouldn't say that when it was flooding and there was a really high tide the fish couldn't get upstream or downstream.

**DR BYRON:** The purpose of our inquiry and these hearings isn't to try and resolve individual cases like yours, but we're trying to look for general issues that apply sort of nationwide, if you like. But it seems that one of the things that your case illustrates is that we don't seem to have good mechanisms for weighing up what are the environmental costs and benefits of a particular action and how those net environmental gains or losses compare with the economic and productivity gains.

**MR FRITZ:** Yes.

**DR BYRON:** Now, I understand your case. Having this wall there and having the water supply has contributed to the productivity and the profitability of your farm. It may have actually contributed to the environment in some ways in terms of a watering point for birds or wild animals or something and it may have had - "may", I'm not saying it has; may or may not have had - some environmental costs with regard to fisheries. But what this is all telling me is we don't have a good way of sorting this all out. The fisheries people's job is to look after fish and the water people's job is to look after water, and the foresters look after the trees. Have you got any suggestions of what it would take to be able to come to some reasonable, sensible outcome on these sorts of things?

**MR FRITZ:** Yes, well, we as farmers have got to do courses to become accredited for different things, but I suppose if you work for Water Resources you only deal with water. I think it would be a good idea if they had to deal with other parts of water, like tides, and Fisheries could deal with the water side of it, but they don't seem to want to do that. They just stick to what they're trained to do and that's it. They won't diversify to something different. Like, they're educated in one line and that's what they do. They don't do anything else. Fisheries have got all different departments who deal with all different things. This has been through every one of them and they still can't come to anything.

Like you said, it really hasn't got a lot to do with biodiversity but with the environment I think stopping the chemicals and that getting into the sea is a good



thing. I read somewhere that cattle country is probably the worst for causing problems to the reef, and this area that drains into this gully would probably be a thousand acres of cattle country. If that's right, that cattle cause more strife, we're doing a good thing there too.

**DR BYRON:** You've put in a sediment and nutrient trap.

**MR FRITZ:** Yes.

**PROF MUSGRAVE:** I'm not a lawyer but this does raise in my mind some legal questions. In your experience you may have got the knowledge and ability to answer some of my questions. The first one is that you received advice - I presume written advice - from one arm of government, Water Resources, that the dam was a good thing, that you should go ahead and install the wall, and then subsequently another arm of government appeared and said, "Well, you're doing something which is not consistent with the requirements of the legislation that we administer." Now, there have been legal actions associated with this. In these legal actions, was the question raised that one arm of government gave you advice that you should do one thing and another arm of government subsequently came in after the action was taken to say it was wrong, and the law said, "This is all right and you must bear the cost" or "You have no grounds for appeal in that situation"?

**MR FRITZ:** We appealed against the restoring of the area to its natural form and we went to a fisheries tribunal, and they told us that our appeal wasn't valid because we didn't have it in on time. I said to them that we had it in on time and they said by their information we didn't. So I told them what had happened and then they got into a flap and they sent a bloke back to their office and he come back with a bit of paper and they said, "Yes, you're right, we're wrong, but that doesn't really matter. You did this and we want it gone." That's their attitude. The charge that we were charged with was building a wall without the chief minister's permission. Our barrister went to Brisbane and spoke to them and they more or less told him, "You won't win and that's it."

So he convinced us that we'd be better off pleading guilty to the charge because the trial could have gone on for five to five days and you're paying a barrister for four to five days. He said, "The most they could fine you would be \$5000 and just take it from there." He said, "If you went to trial it probably could cost you anything up to \$50,000." So we thought that \$5000 sounded better than the other.

**PROF MUSGRAVE:** Of course.

**MR FRITZ:** So we went ahead and pleaded guilty - the three of us. The contractor, my neighbour and I were fined \$1000 and no conviction recorded because of the

circumstances.

**PROF MUSGRAVE:** The water resources agency, it wasn't fined?

**MR FRITZ:** No.

**PROF MUSGRAVE:** What a pity.

**MR FRITZ:** No, but that's the part that really hurts. We probably wouldn't have even considered it if the thoughts weren't put in our minds. It got to the stage that we were just making no money out of growing cane and it got to the point that we'd either have to do something or give up, so we ended up doing something. But the tribunal told Fisheries to allow us to apply for a permit. We didn't know what good that was going to do because the two Fisheries blokes that came down, we asked them could we apply and they said, "No, it's too late." We went ahead and paid the fees and that to apply for a permit and we sent that down, and a couple of days later they sent a letter back and they said they wanted \$2500 to do an assessment. We thought that was a bit steep because they did all the assessing they wanted to do.

Our environmental scientist wrote a letter saying would they waive the \$2500 considering all the work was done. They wrote back and said that it's a fee that they came to and we had to pay it. So we didn't pay it, and about four weeks had gone by and we hadn't heard anything, so our solicitor rang Fisheries and they said, "You're holding up the works because you won't pay the fee." In the meantime, Fisheries from Brisbane came and had a look, and the bloke that came there and had a look said, "I don't know what they're going on about." He said, "They'd have to give you the permit." So our environmental scientist told us we'd be better off paying the \$2500 to get it out of the way because we were going to get the permit. So we did that, we paid \$2500 on 23 January. That was a Thursday. Friday, they would have received it; Monday was the Australia Day holiday; Tuesday, we got a letter dated the 28th saying that they had refused the permit.

**PROF MUSGRAVE:** Nice and prompt. It seems to me that an implication of the barrister's advice is that you're in a situation where ignorance of the law is no excuse.

**MR FRITZ:** Yes, well, it was all to do with the way the charge was worded.

**PROF MUSGRAVE:** Yes, I'm sure.

**MR FRITZ:** If it had had in there that we had contravened the Fisheries Act of 1994, we might have been able to do something there, but it was just that we built a wall without the chief minister's permission.

**PROF MUSGRAVE:** Which is an indisputable fact.

**MR FRITZ:** Whether you needed the permit or not couldn't - well, they wouldn't discuss it. By the Fisheries Act no permit is needed unless it's in tidal area, and it all gets back to "tidal".

**PROF MUSGRAVE:** Okay, thanks.

**DR BYRON:** So what conclusions does this leave you with in terms of the way you believe local communities are feeling about the way this sort of legislation and conflict between legislation and conflict within departments is occurring? What do you see as the consequences of all of that?

**MR FRITZ:** To us it's quite devastating really. You know, we tried to do the best thing by the environment on more than one front, and all we seem to have done is got into more trouble because different departments have got no coordination between them. Like, if Water Resources had told us to go and see Fisheries, we would have gone and seen Fisheries, we would have applied for the permit how we applied and most likely, even though they said in the letter that they sent refusing the permit that it had been done before they wouldn't have granted the permit. But that's contrary to what other people in Fisheries have told us, and if we had done that we would have just had to pay the permit fee and that would have been it. Well, if they had refused it we would have known we couldn't do it.

There was another option that we were given, to build a ring tank, which would have held about 30 megalitres of water and cost \$70,000. This one that we've done cost us \$23,000 and holds around 80 megalitres, so in terms of profitability it's a long way in front. Then for two farmers to pump 15 megalitres out, it would help, but for a \$70,000 outlay it's not good sums. That's about the best I can answer that question.

**DR FISHER:** I imagine you feel a bit like the meat in the sandwich there between different parts of government.

**MR FRITZ:** Yes, definitely, but they are telling us to restore this area to the way it was - it's going to be a lot harder to shift it than it was to put it there, and I'd say you could do environmental damage by shifting it.

**DR FISHER:** That would be a supremely ironic and perverse result, wouldn't it?

**MR FRITZ:** Yes, but then again we're responsible for that; they're not. In other words, they're going to us to tell us to be environmental vandals. That's the way I see it.

**PROF MUSGRAVE:** We get the message, I think, but unfortunately, as Neil said, as far as your specific problem is concerned we're not in a position to help resolve it.

**MR FRITZ:** No, that's right.

**PROF MUSGRAVE:** But you've certainly given a clear message.

**MR FRITZ:** Yes. I understood that when I heard previous speakers. My complaint isn't with the problem here, it's more with government departments. I realise that, but I guess that if all things can be heard, at least it might sort something out and other people mightn't have to suffer the same way as we have.

**DR BYRON:** One of the messages is that some of the legislation, not just in Queensland but in other states too, is written in a way that says if there's any threat to any particular species, the action must be stopped and there's no way of taking into account any other environmental benefits or productivity benefits or anything else; it's just that very hard and fast absolute line. A lot of the threatened species legislation and some of the other acts in other states is like that, where the government officials whose job is to implement that act just don't have a discretion, because the act says that you have to save this species no matter what else. So there might be a message there we can take a bit more widely.

**MR FRITZ:** That's another part that hurts too. I believe all that, that that should be done. Okay, thank you.

**DR BYRON:** Thank you very much for coming, Mr Fritz.

**DR BYRON:** The next presentation is from some members of the East End Mine Action Group. If you could first of all just introduce yourselves for the transcript, a bit of background, and maybe you can give us a shortish summary of the sort of main points, then we can have the backwards and forwards discussion.

**MR BRADY:** Thank you. Good afternoon, ladies and gentlemen and commissioners. My name is Peter Brady. I am a fourth generation land-holder, a bit like Mr Fritz - very much like Mr Fritz, actually. Our organisation have been in dispute with Queensland Cement and Lime, known commonly as QCL, which recently changed the name to Cement Australia. We're also in dispute largely with the Queensland government, or the various arms of the Queensland government. This dispute has been ongoing, continuous, for eight years. The dispute has been caused by both the company and the government hugely understating the extent of water loss in our district of Mount Larcom, which is close to Gladstone and the QCL limestone mine.

For the benefit of the commissioners and the public sitting here today, the limestone mine has a history of not going really well in Moreton Bay. They were thrown out of Moreton Bay here for not behaving, they were thrown out of Rockhampton at Mount Etna for not behaving, and in our opinion they have behaved abysmally in our community.

My family has lived on the land where I am now for all of that four generations. I wish to make comment very briefly today in the limited time available on water loss on that land, loss of land productivity, loss of land values, and the final point that I will make extremely briefly is the endangered vegetation and aquatic life which I see as totally lost in our local creek systems.

Mine de-watering began in 1979. The mine has never stopped pumping water from the bottom of the pit since that time. We as a community received early warning between 1987 and 1989, when all our surface streams began to disappear. What I mean by surface streams are our local creeks. This was well before the drought years of the 1990s. Government departments have tried to educate us that it's drought that took our water, and yet the drought started in the 1990s, and has continued through the 1990s, I might add. However, our water was gone prior to that.

I'm going to speak about four main creek systems which are the main arterials of our district. Scrub Creek has lost in total between 10 and up to at times 15 kilometres of surface water. Machine Creek has lost between 10 and 12 kilometres of surface water, Hut Creek has lost four to six kilometres of surface water, Jacobs Creek has lost also four to six kilometres of surface water. There are a number of other smaller streams and creeks that had water on a non-permanent basis

which have been totally lost also which I won't mention.

The total loss of those four main creek systems is between 28 kilometres and up to 40 kilometres of water from once perennial creeks - totally lost. This represents 85 per cent of our community, 85 per cent of what was good agricultural land, which the CSIRO broadly brushed in 1965 as good quality agricultural farming land. This 85 per cent of our district is 170 square kilometres in area. It might sound very small on the size of Queensland, but to us it's 85 per cent of our community. Given another five to 10 years of de-watering, I believe that at least 200 square kilometres will be lost and a large percentage of our surface water and also our ground water. Ground water is now what's been severely affected since 1990.

There is one interesting positive side issue - I don't want to stress the negative only - namely, that a dry gully that was once only two kilometres long in total, called East End Gully, has now become known, named by government and the mining company, as East End Creek, which has been permanently running from the discharge from the mine. Unfortunately, this discharge travels downstream through poor quality land where no people live at all. This new creek has run consistently for 24 years.

The land upstream of the mine has lost productivity for a number of reasons. The principal reason is the loss of irrigation water. 20 years ago the district had 20 small-scale irrigation families. Today there are six. Approximately one-third of the area is now irrigated with only one quarter of the water that was available 20 years ago. We felt 20 years ago it was available sustainably because it was not being lowered. It was always renewed on an annual or every second year when it rained.

The second serious issue is the lowering of the water table. Over 85 per cent of our district has had the water table lowered seriously. This has meant that it now takes much more rain to wet up the dry zone above the water table. An example of that is where once in our district small scale lucerne farming was taking place on dry land, where the lucerne roots could access the water table quite readily. This is no longer possible. Problems associated with the land have led to the loss of value of unimproved values in our area of up to 40 per cent over very recent years. Sales values have decreased by much more than that 40 per cent. At the same time, most of the rest of our Calliope shire is booming, as well as the surrounding area around Gladstone, which is also booming.

The average for the Calliope shire for the increase is approximately 12 and a half per cent per year. This has meant that our community is now at least half of the value that it perhaps should have been if it had kept place with the rest of the Calliope shire. There is one other devaluation area in Calliope shire, namely

Targinnie, which has a somewhat different problem but still associated with industry. In many areas of our district very large old gum trees have suffered severe stress because of the fall in the water table by in some places up to 18 metres. Some of these gum trees have been estimated to be between 3 and 5 hundred years old. It would appear that one or two more long dry spells will probably mean the death of many of these ancient gum trees.

The dry creeks have lost all their fish, shellfish, birds and all other plant life. These once permanent creeks are now in many cases growing lantana and other vermin in the base of the creeks where once there was five metres of permanent water. I wish that I were not painting such a bleak picture for the vegetation and the future of my Mount Larcom district community. However serious this may seem, even more serious is the future of our humankind in the area. I now wish to pass on to a colleague of mine, John Kelly, who will introduce and speak about how the people in our area have been affected socially. Thank you very much for your time.

**MR KELLY:** Thank you, Peter, and thank you, commissioners, for allowing us this opportunity to present this submission. I'd like to read a letter from a long-time president of the community and it was addressed to "to whom it may concern". It was written last year and I'll just read it briefly to you:

Just over 84 years ago I was born in Bracewell to pioneers Tom and Anne Brady. I now reside on the farm that my husband and I purchased in 1949. It's approximately two kilometres from my place of birth. I've lived in this district Bracewell for all but nine years that I lived in North Queensland. During my 75 years of living in this area I've witnessed a great many changes. I've experienced the droughts, the bushfires, the floods, the good times, the hard times, the happy times and the sad times.

The Bracewell district and surrounding areas produced many solid citizens who played important roles in the development of this country. Bracewell has had its fair share of good farmers and public servants and servicemen for all our wars. This district has a proud history of primary production. Its fertile lands, average rainfall and good water resources - surface and underground - have made my family and many others too, want to continue living and working and farming there.

I've seen many changes in types of cropping in farming, producing dairy goods, beef cattle, pigs, poultry, beans, cotton, cereal crops, peanuts, fruit and vegetables, just to name a few. None of these industries had a detrimental effect in the district. In fact, they probably enhanced it. In the mid-1970s we were visited by the mining industry, namely the limestone mining companies, and I was given assurances that

they were seeking only the limestone and that they would not affect our water we used for farming. I, along like many others, was very concerned.

By 1987 I noticed the water levels in our wells and bores had fallen and that our creeks no longer held water, even after some of the biggest floods that I'd seen in my many years of living here. The creeks became bone dry within weeks. This horrified me as it had always been the case that if we'd had an average summer rainfall, our creeks would hold all winter and indeed often rain continually.

Watercress, bird life, platypus, fish were sighted frequently, now we have nothing but bone dry gullies. The mining company had permission from the government to take the limestone but we believe no-one had permission to take the water which is really our lifeblood. Our wonderful little farm had been tended lovingly by my late husband, the family and myself for some 55 years. Even though it's one of the smallest farms around we never sought or received any government aid, for example, drought relief. Yet this little farm provided for families, educated eight children, mainly through private boarding schools, and it has provided positive experiences for and developed a love of and the deep respect for the land and each of the individuals.

We feel devastated that due to the de-watering of this area, the land is degraded significantly, a treasured little asset built up over half a century has been grossly devalued and I ask in the concept of justice, should this be possible?

Now, that's one little human story and there's probably nearly two dozen other ones in that area would be very similar. These people, they have a lot in common. They've worked their little farms carefully, they managed through dry spells, droughts and floods, as they said. They were solid citizens and they developed their farms and businesses too in the area - not just farming - often going without themselves in order to provide for their old age. They looked upon building up these assets over time as their nest egg to care for them later on in their twilight years so that they could retire with some dignity.

These people placed belief in the ethic of hard work and trusted that the governmental agencies would act as their guardians to their rights; had every right to feel that their efforts and solid citizenship would produce security in old age, but alas this doesn't seem to be the case. The social impacts of de-watering in this area have been really catastrophic to the land-holders, many of them on small land-holdings. Whilst the mine and the governmental agencies agree about de-watering up to



500 metres from the pit, it has been recorded by a land court decision on 28 February last year 2002, in an appeal against land valuations that the blighted area - as Peter said - extends to some 170 square kilometres, and Pete's described, in 1976 is perennial, now dried-up for 90 per cent of the time.

These creeks include Robertson's Creek, one of which ran through our family farm. We often marvelled at finding the freshwater mussels, especially near what we called the big waterhole out the back. I remember seeing two large circles there when I was a child and didn't know anything about it, but we later discovered that these were bora rings. My father found shaped stones believed to be native implements in this area. Looking back, this waterhole must have been permanent for possibly centuries, as it had no doubt been a meeting place for the Aboriginals. These waterholes were deep and permanent and they acted as boundaries for the farm. No fencing was needed. Today the dry creek beds have to be fenced. The waterholes dry up within weeks of flood rain now.

Productivity in this area is so reduced that it's almost impossible to sell land. Banks will not lend money for land in the blighted area. Land valuations - we've received concessions from 12 per cent to 25 per cent in this Land Court decision in February 2002. This has happened when probably everywhere else in Queensland land valuations have had record increases. A study by valuers of three recent sales actually came up with land having a negative value. This was arrived at after looking at the gross sale price of the farm, then taking off the value of the improvements. The land came out as a negative value and they said, "This can't be, so we'll have to devalue the value of the improvements in order to give the land some positive value."

Landowners feel so discriminated against that they believe that the powers that be are just waiting for them to walk out, sell out for nothing, or die out. What was for many generations a wonderful food and stock producing area has now turned into a de-watered wasteland. The noise and ground vibrations caused by the mining activities has also had a very deleterious effect on the neighbouring complex that breeds bloodstock, racehorses, and also is a breeding place. These people too have suffered financially because of this.

Just to finish up my little section, we're not against mining. The limestone has been a nuisance in our paddocks over the years as we've farmed, but who allowed our water, the good quality water, both surface water and underground water, to be taken and wasted by being pumped down a gully, as Peter says, that flows into the sea nearby? How can this be allowed to happen in the driest continent on earth, I ask you? But thank you very much for listening to me.

**MR LUCKE:** Good afternoon to the commissioners. My name is Alec Lucke. I'm also here as a representative of the East End Mine Action Group this afternoon. I'd

like to come up to your table and give each of you a copy of the presentation I propose to make. You'll be relieved to know that this big sheaf of paper isn't the presentation, but what it does do is give you a chronological summary of the submission that the East End Mine Action Group has made to the commission. Within our 97-page summary we hadn't provided a chronological order. This does that, and I'll be speaking to you today with the covering page and also I'm going to refer to a table on the second page and there's a series of documents that I want to very briefly relate to because I'm going to speak about administrative matters.

It's my task today to speak about the administrative decisions and how they affect us. I draw your attention to a matter that goes to the very heart of the democratic process. We are alleging on 23 October 1995 the Goss Labor cabinet, without consultation, inappropriately traded away the rights of affected land-holders in terms entirely unsatisfactory to us by committing to QCL approvals and project certainty well ahead of the completion of the IAS process or evaluation of QCL's social, economic and environmental impacts.

Before I attempt to substantiate this claim, the question posed here is: is such conduct by government now commonplace and acceptable, and is the pre-empting of approvals, emanating from the very top and filtering down as a directive to senior bureaucracy, a subversion of the bureaucrats' proper role? In other words, is the sap flowing the wrong way and does this send all the wrong signals to the public servants and compromise their ability to fulfil their role and to conduct fair and impartial assessments. In their understandable ambition and desire for continued employment, are public servants being placed under unacceptable pressure to conform and deliver the already predetermined outcome? The East End Mine Action Group would contend it does, as we have documents in our possession that suggest that there is widespread corruption of technical appraisal and administrative processes.

I want now to refer you gentleman to the second sheet of paper underlying that actual presentation. It's a table format. It says on the left-hand side Administrative and then it has a date beside it and on the right-hand side it has Quote, and below that I'll refer you again to a number of actual documents. The first document I want to refer you to is a DME letter of comfort to QCL. This particular letter, dated 8 August, doesn't actually say it's a letter of comfort but we have other FOI documents that describe this letter as a letter of comfort. The letter itself is interesting. On page 2 at the bottom of the third paragraph - and I'll quote that to you from my resume here:

Renewal of the package of leases at the appropriate time will then take into account the documents already lodged and accepted. Provided the revised EMOS and plan of operation are submitted by mid-October 1995, the department undertakes to ensue the documents are processed and, if

appropriate, accepted by 1 December 1995.

You'll be able to find that highlighted on that particular document on page 2. In view of our brevity of time I'll go back and refer you now to a second document which EEMAG wrote to the DME. It's underlying that first three-page document and it's a single-page letter. The interesting part about this you'll find highlighted in the second paragraph. It actually reads:

After obtaining and perusing the draft terms of reference of the IAS, the group have been disconcerted to learn the Water Resources have not been included as an advisory body and that the EMOS is quoted as presently in place and that there appears to be a concerted effort to ensure that water depletion and consideration of any remedial solutions are omitted from the impact assessment study.

You've got to understand that the East End Mine Action Group was formed on 1 September 1995 and this was one of the first letters that was written. As an uninformed community - and EMOSs were very new as well - we really had no knowledge of EMOSs but, as this letter conveys, and quite correctly, the EMOS was quoted as being in place.

I want now to refer you to the original sheet of administrative matters again. It's an item Ministerial Memo obtained under FOI. This one is to Minister Hayward, Department of Business, Industry and Regional Development, outlining the package offered to the QCL parent company, Holdebank. I want to refer you to page 3 of the memo under the term Issues. I'll read it to you. It says:

An interdepartmental committee chaired by the Office of Major Projects in the Premier's Department has been negotiating with QCL on these matters. Basic agreement has been reached on all the above matters, excluding electricity tariffs.

You'll see under the list of issues that item (e) is the renewal of the East End mining leases, and that reference to the, "Basic agreement has been reached on all the above matters excepting electricity tariffs." If I could now refer you to page 4 of the same document. You'll see the very last sentence says, "These issues were considered by cabinet last week, 23 October 1995," and lists a submission number. We would be suggesting that what our government actually did was to negotiate with the company and reach an understanding in advance of any environmental assessments or impact assessment study or anything else. In other words, they pre-empted the matter. It's interesting that the day of that ministerial memo was the same day as the release of the QCL Impact Assessment Study, the draft Impact Assessment Study. So they sort of had the common decency to wait until at least they had drafted

the draft QCL Impact Assessment Study but that sort of infers that the draft Impact Assessment Study was pretty well cast in stone. It also says on page 3 of that same memo that the Cabinet - and that's on page 3 - it actually says, the first paragraph under Issues, that the Cabinet needed to consider it because the QCL holder bank board had their meeting on Friday, 3 November 1995. So in other words, everything had to go back to the holder bank board for approval and the government really had to cross the t's and dot the i's to give them the reassurances.

Now, unfortunately our community didn't get these same reassurances. Premier Goss visited Gladstone on 23 November and actually announced the QCL project as certain to proceed. Now, the likes of the Impact Assessment Study was not finalised until 2 February 1996. So, like, it was pre-empting - and I've referred - a quote here from Martin Foreman who was the general manager of North and Central Queensland Cement, and he was responding to a fax from the EEMAG organisation, and what Martin Foreman did in this quotation I'm going to read to you - and it's on the document at the end of the document sections in this letter. There's a letter from Martin Foreman to Liz Birkstrom, and Martin Foreman did a good spin on this because he said:

Your concerns mirror my own. The coverage of the Premier's visit to the Fisherman's Landing -

and that's where they have their facilities, other than the mine -

did not accurately report what was said nor represent the true state of affairs. All statements have, and will continue to, stress that the project is subject to the successful outcome of the IAS EIS. The Premier's statement related only to the project approved by the QCL board, that is, internal approval, not external approval.

I would suggest that we've put before you sufficient evidence to at least circumstantially and very substantially circumstantially and perhaps greater than that, to suggest that when Premier Goss made his announcement - as indiscreet as he might have been - he was stating from a position of certainty that this project would proceed.

If I can go back to the original presentation where I left off half-way through the first page. From February 1996 Liz Cunningham held the balance of power in a coalition government with Tom Gilmour as mines minister. So effectively we had a coalition government. The documents show that valid attempts were made to instil some balance and accountability despite the minister not always receiving the support of his department. In June 1998 the Beattie labor government assumed office. Since that time EEMAG allege our experts have been ignored. We have been subjected to

false benchmarking and offered only ineffectual remedies or processes of entrapment. We are alleging the regulators have forced the onus of proof upon us, insulated QCL from our claims and interpreted untested sections of the law beneficially in QCL's favour.

Finally, after eight years we've exhausted all the State administrative processes available to us. An examination of the Targinnie buy-out and the QCL lease renewal at Mount Larcom are examples of an abandonment of the principle of coexistence. We are alleging the Queensland government or its agencies within the Gladstone area are conducting environmental policy on a political rather than on an environmental basis, and in doing so are ceding our constitutional rights to transnational companies without preservation of our own legal rights or payment of compensation.

That actually concludes my presentation but I can say this as well, that during our journey down here to speak with you gentlemen today, we sought to meet with Premier Beattie. We had Liz Cunningham for the last two weeks making overtures to Premier Beattie's office. I have had contact with them nine times, as recently as this morning, and we did not receive a response. We were not told "yes" and we were not told "no." What we were told today was that Mr Beattie was out of town on a country cabinet meeting. So I guess the answer is that we don't get to see Mr Beattie. Thank you for your patience.

**DR BYRON:** Thank you very much, gentlemen. I mean, this is quite a saga but as I've said on a number of occasions to other people, our inquiry is really not set up to or empowered to attempt to resolve particular issues, and I mean, we've heard evidence and held meetings with people all over Australia who have problems and grievances and so on, but we're not actually a dispute resolution tribunal, and despite some people's perceptions to the contrary, we can't actually override what state governments do. What we're looking at is what matters of general principle can we take from this most unfortunate saga that you have to live with, to try and ensure that these sorts of things don't happen again or are not repeated elsewhere. In terms of the relevance to our terms of reference, I can see that there are serious impacts on the landholders in both agricultural production and environmental impacts from rivers drying up. I can understand your concerns about legislation and the administration of legislation. What I'm struggling with is what message we can take from this or what we can do with it. Maybe I'm the only one who's struggling.

**MR .....**: Can I attempt to answer part of - - -

**DR BYRON:** No, please, please.

**MR BRADY:** Okay, one of the things we would like is consistency, consistency from government departments. What we are dealing with is, our community right at

the moment are struggling with a separate issue to what we've described today of tree clearing. Now, the landholders feel that they've been unfairly targeted. The way we see it is that the government departments handling tree clearing have been taken over by the green terrorist. The green terrorist is now in control or has control of that particular department. Now, the laws are coming down on us pretty hard and I own a business also for tree clearing or for scrub clearing. That's devastated. That's a separate issue. However, in this issue with water where water and mining are concerned, we are reasonably regulated where water and farming is concerned. The government departments have a fairly even-handed approach in that area but where mining impacts on water tables, there appears to be absolutely no control whatsoever.

**DR BYRON:** So there's an inconsistency.

**MR BRADY:** Absolute inconsistency. Now, we feel that it's simply because we are small bickies and mining is big bickies. You can easily administer and control the small bickie farmer one-off on his own but you can't control and you just can't handle the big mining companies, or our government at present is not attempting to. Alec mentioned Tom Gilmour, a previous minister, who attempted it and he appeared as though he was going to wield the big stick on the mining companies too. Now, he got undermined within his own department. His own department within absolutely undermined him and he lost government or his party lost government and he even lost his seat through various things that were done to him to undermine him. Now, that's our perception of how unfair it is and how inconsistent the various - I think listening to Mr Fritz, I can agree with a lot of the things he said previously - we're finding exactly the same - there's no coordination between the various arms of Queensland government departments. I might add that we have had quite a bit of Federal government contact and there seems to be a lot more coordination there, a lot more. Am I right in that Alec, that we are not having any problems with the Federal government contacts?

**DR BYRON:** That was going to be my other question.

**MR LUCKE:** I think there's another point that I didn't make and I hoped it might come out in this further discussion, and that's the matter of intimidation and fear. Now, in view of the presentation I've given and the reference to the way that the government in our view have pre-empted the decision-making processes, you probably think that the intimidation and fear is coming back to the performance of the public servants and are they intimidated in fear of their job? Well, yes, I believe that they are and I believe that that flows right across the board including all the tree clearing and all that sort of thing but the fear, the fear is not fear within the departments. The fear is within the landholders, and when we talk about blighting, part of the blighting is the failure of the Environment Department and the EPA to fulfil their proper role as policeman, so that we know they're not going to do the

bloody job and therefore we know we're stranded. That's our fear.

Those people out in the western countries that have lots of problems in relation to tree clearing, they likewise will have this same fear, that they're going to be discriminated against. So the fear is not in the government departments out of concern for their jobs because they all know that if they conform to the directive that's coming down and they put aside the prospect of becoming that very isolated whistle-blower - and you know what happens to whistle-blowers, so there's not going to be very much of that, and I still think that this submission that we're making today talking about these administrative issues flows right across the board. It doesn't just apply here and I think that's our fundamental problem.

**PROF MUSGRAVE:** So we need to search out aspects of what you're saying that enable us to - - -

**MR LUCKE:** Yes, I believe so.

**PROF MUSGRAVE:** - - - work towards generalisations that are relevant to our terms of reference.

**MR LUCKE:** Okay, but if you look at tree clearing at the moment, you've got Mr Beattie saying, "I've put \$150 million down on the table," and you've got other people saying, "\$150 million doesn't even go close." I mean, we've got a situation here where we've now got a pre-empted decision from the Queensland government saying, "Well, that's our bottom line," and is that one that's going to be enforced upon this broader community because the government's in a position to enforce it? But yet there's no science to back it up. I mean, they do the science. I mean, what we've done in the East End Mine Action Group, we've obtained the advice of independent consultants and that independent advice does not conform and does not substantiate the false benchmarking and everything else that's occurred. So we're up against a very concerted sort of situation.

**PROF MUSGRAVE:** I'm sorry, I think you misunderstood what I was saying. I didn't mean to challenge you.

**MR LUCKE:** No.

**PROF MUSGRAVE:** I was just agreeing that our position is that we have to take, from what you're saying, elements that help us to produce generalised positions that conform with our terms of reference, and what strikes me about your situation is that you're describing activities of a mining company which, through its de-watering behaviour, is inducing outcomes which are negative outcomes of a type similar to those which are the objective of native vegetation and biodiversity legislation, and

that the Queensland authorities do not seem to have been actively addressing these - - -

**MR LUCKE:** Yes, because they're political decisions. They're not environmental decisions.

**PROF MUSGRAVE:** Indeed, and also lack of coordination and communication within government. A question that comes to my mind is - and I assume that you've tried this - what are the avenues of appeal and redress that you have? I mean, I would have thought that if an agency is not acting according to its legislation, that there would be some avenue for redress for those who see this, so that they can appeal through the courts. Has there been any legal action in relation to this?

**MR LUCKE:** Well, yes and no. I mean, we spent \$50,000 on solicitors and they never managed to get anything to court.

**PROF MUSGRAVE:** Is that because of their competence or something else?

**MR LUCKE:** Well, I think it denotes the nature of the problem.

**PROF MUSGRAVE:** Yes.

**MR LUCKE:** I mean, we're talking about the world's biggest cement company here but the real problem isn't that. The real problem isn't the world's biggest cement company. The real problem is what the government has done by the way they've granted these approvals and the way they've backed them up, and the way they've used their interpretation of the sites is they have insulated the company against any legal action. In other words, if we have legal action, it has to be a legal action against the government because - - -

**PROF MUSGRAVE:** Indeed.

**MR LUCKE:** - - - if we go to court against QCL, effectively the court has to decide the relevance of the technical information, which QCL and the government and the EPA and all that say is accurate and which our experts say is highly inaccurate. So in other words then, you've got to challenge the science and then if the science doesn't stack up, you can show that the approval doesn't stack up. But at the moment they're protected by the way the Queensland government has insulated them.

**PROF MUSGRAVE:** Yes, but you said you would have to take action against the government.

**MR LUCKE:** Absolutely.



**PROF MUSGRAVE:** Why can't you take such action?

**MR LUCKE:** The difficulty, of course, is the cost.

**PROF MUSGRAVE:** Yes.

**MR LUCKE:** I mean, at the moment. We have never ignored that. We've always been hopeful of an administrative or a political outcome, which makes a lot more sense than a legal outcome.

**PROF MUSGRAVE:** A little bit cheaper, isn't it? Yes.

**MR BRADY:** Could I briefly answer Warren's question that he asked. I expect the question is a little bit - Warren, we probably chose poorly. We backed the wrong horse. For three years we had solicitors and barristers working for us and during that three years we had a change of government in Queensland, and it turned out that the horse we backed was prepared to take on one political form of government but when the opposing party got in, they were connected, they were one and the same thing. Our barristers and solicitors actually were a form of part of that government.

**PROF MUSGRAVE:** So there is a line of legal action that it might have been possible.

**MR BRADY:** It still may be.

**PROF MUSGRAVE:** And you see that.

**MR BRADY:** It still could be, yes.

**PROF MUSGRAVE:** Yes. That's interesting, and I'm not saying you should do it because I understand the awe-inspiring prospect of entering on such action in all sorts of ways, as well as expense. Just changing tack a bit, what about the water law? The mine through its de-watering act is actually depleting these Karst aquifers in a way that's having some sort of devastating consequence on the environment as well as your economic and social situation. Does the Mining Act override the water legislation, do you know?

**MR BRADY:** To us it appears to.

**PROF MUSGRAVE:** It appears to, yes.

**MR BRADY:** It appears to totally override it, because during the course of this

dispute, in 1997, the mining company's lease expired. They only got their leases renewed - they've been running without leases until this year.

**PROF MUSGRAVE:** That's a mining lease?

**MR BRADY:** A mining lease, yes. They've operated by the grace of the mines minister, a special dispensation from him, until this year. They've only just very recently had it renewed, and to do that the old pumping regime that all the damage was done on was - six megalitres a day was their upper limit. They've now been lifted to 10 megalitres a day that they can actually pump out of that Karst system.

**PROF MUSGRAVE:** So they actually did have a licence to extract water from the aquifer?

**MR BRADY:** They had a licence to extract water up to that limit. Apart from in flood times, during recharge times they're able to discharge whatever comes in.

**PROF MUSGRAVE:** Yes. This is not the place for us to go into a detailed discussion of Queensland water law, but I'm starting to get some feel for the nature of the complexities and difficulties that could be popping up here. I don't want to pursue that further, Neil. That's horrifying.

**MR LUCKE:** In relation to this particular submission we've made today and the one that we've lodged with you people, next month the Mount Larcom community restoration project study, which was an initiative of the federal government under regional solutions, should be released. I would be hoping that it would also deal with a range of issues which may not necessarily relate precisely to what we've presented and talked about here today. It should deal among other things with the future prospects of our community. It should also deal with the industrialisation process and how we're affected by that, and I think what we probably haven't touched upon today is the fact that QCL really are a base producer of the lime which is a core product for that industrialisation project. In Gladstone we really see now the development of industry on a scale that will probably make the Gladstone area the premium industrialised centre for Australia, if it's not already.

We have this state development area which is very adjacent to us, and we have the approval process now within the auspices of the coordinator general. So I would suggest to you gentlemen that what I'm saying is the company of the likes of Alcoa Aluminium have a \$3.8 million project. They go to government and the government say, "Yes, we want that." The government basically sit down and negotiate a package, and then all the approvals have to be flowed through the process and those approvals ultimately reside now with the coordinator-general. The councils are just referral entities. So there's no independence, and the coordinator-general really is

just an extension of government. There's no impartiality there.

In other words, the government know before they start that they've got these projects and they're going to go ahead, and the public servants who are called upon to make the appraisals and to make the assessments are either going to be very brave or foolish, aren't they, if they don't conform? This is, I'm saying, a problem in terms of the performance of the public servants and the quality of the work that they are generating. They're now generating work that gives the government what they want. The government are operating in a climate of intimidation of the public servants. The public servants are prepared to cop it because there's nothing they can do about it, and we are the victims of that process.

**MR BRADY:** We used to use the term "partial confiscation of our land", "de facto partial confiscation", and we're getting to the stage now where we feel it's almost complete confiscation of our assets. I think you heard John earlier say that lots of land in the last two or three years - we had a pent-up 15 years where people weren't prepared to meet the market, they weren't prepared to take the lower and lower and ever-lower prices, and now we're getting people who are either dying of old age or giving up, and they're actually selling out at prices that are way below the value of the improvements on that land. So I think we've already reached the stage where we've had total confiscation of our assets. We're not too sure where to from here. We have, as Alex said, exhausted all the administrative processes within the Queensland government. The ombudsman has sort of dismissed it as a case that he can't take. That's basically where we ended up with the ombudsman. So we've really been through every process we know. The legal system is the only one left.

**PROF MUSGRAVE:** As I say, we really this morning can't go into the complexities of the situation that you're involved in, but I've got a feeling that it's extremely complex, particularly in relation to law as it pertains to the ground water. I have a feeling that if the administration of Queensland law in relation to ground water is much like in New South Wales; it could be a very, very murky field of law to get involved in. I would not be at all surprised if I was to be told that you were in a position where the legal situation is a very difficult one.

**Mr BRADY:** As land-holders we've tried for around about 14 or 15 years to get our area a gazetted area, where DNR - used to be called "irrigation and water supply" - actually gazette an area and then control what's happening within it so they know how much farmers are using, they know how much the mining company is using. We can't get that. They won't even gazette the area. It's easier to leave it out there in the murky distance so that nobody really knows what's happening.

**MR LUCKE:** See, in Queensland you can go to the Ombudsman's Office and they're supposed to consider the performance of the government departments, and

we've done that. We went to the ombudsman again and again and he wouldn't act. We then took two submissions to the CJC. In the first instance the CJC wouldn't act and they referred us to the ombudsman. I said, "Look, part of the problem with the ombudsman is the ombudsman refused to investigate our complaints and it's all a matter of timing." You know, justice delayed is justice denied. After the CJC were negative on our first response, they provided the guidelines as to what they believe constituted an application that would be of interest to them, one that they might react to, so we resubmitted a second application on different grounds. We named various parties within the government departments, et cetera and we named what we considered were breaches of regulations and things, and they referred us back again to the ombudsman. They said, "Look, if you go to the ombudsman, the ombudsman will consider those issues and if there are any breaches of regulations or any illegalities it will be referred back to us."

When we went to the ombudsman, the ombudsman finally decided that, yes, he would investigate the renewal of the QCL leases, and he then placed an embargo on the government department so they couldn't renew the leases. That was sort of on a voluntary basis because he really had no control over the minister. But he could at least contain the performance of the government departments while he was doing this investigation. We believe we placed before the ombudsman evidence which was absolutely able to be interpreted and the ombudsman had grounds where he could reach conclusions without any real confusion of the matter at all.

But the ombudsman ruled that he didn't have the technical competence and that he didn't have the jurisdiction and under the Ombudsman's Act he was at liberty to refuse to investigate the matter further, which is what he did. He told us that we could take the matter to the Land and Resources Tribunal because that was a matter that had this particular role, that it could deal with it. But our advice was that EEMAG could not appear at the Land and Resources Tribunal because we had no standing, and that the Land and Resources Tribunal have no jurisdiction to consider administrative matters pertaining to the performance of government. It would then be a matter between us and QCL. We said, "But our grievance in this instance is not with QCL, it's with government."

In other words, we've seen a subversion of the ombudsman's role. When my wife rang up the CJC and said, "Look, we're pretty tired of all this. We've been to LCARC," which is the body behind the ombudsman, "and they've only got a monitor review and that sort of role. They can't intervene, and they shed us as well," and the CJC said, "You can't come back to us because we've got no referral from the ombudsman." We're locked out of any administrative process in the state. We have no process left.

**PROF MUSGRAVE:** Catch 22.

**MR LUCKE:** In so much that we either now have to go to court - if we could afford to go to court. But the sort of money that was talked about when we looked at court was - half a million dollars was mentioned. In recent times there has been - and you gentlemen may be aware of this - a relaxation of the court processes where third party funding now becomes available. It has only really become available basically this year. It was previously available for insolvency cases, and that sort of funding is possible. In the advice that we've had, we are of the view that the Queensland government are in breach of statutory duty.

For instance, I'll give you an example. We had a meeting with the mining registers in Rockhampton on 28 November 2002, and at that meeting it was obvious that in that period while we dealt with the ombudsman in which we couldn't talk to the government departments, the mining wardens had no real understanding of our issue at all, and yet they were the people at the coalface. We said to them, "If you are going to renew these leases, you must do so with fairness and accountability, because otherwise you could well be acting illegally because we believe that the minister had no grounds to renew these leases." The leases were not able to be renewed, in our view. We believed that they had to go to a fresh application.

The mining registers just said to us outright, "Look, the minister has directed that we do this," and that's what we're saying about the direction flowing from the top; it flows down. The public servants aren't making the recommendations, making the judgments, making the assessments and flowing it back to the minister. That's not happening. You've got your tree-clearing guidelines, what you're looking at here, and it won't be any different. That's where the difficulty is. When they do do their assessments, they do it in a culture of fear and intimidation - fear for the landowners and intimidation for the public servants.

**PROF MUSGRAVE:** There's nothing like the enticement of economic development to some governments.

**MR LUCKE:** Yes, but the difficulty is that the public servants - from their point of view, they're probably not happy, but what can they do? What can the landowners do other than make representations to whoever they can, like to this body or somewhere else? But in the end the government will decree what are the decisions, and in this instance it's a joint decision about tree clearing and the Productivity Commission and all those decisions that flow on. There's some prospect because it's a joint decision, and in our case there may be some prospect because we have an over-allocated resource and under the COAG system there has to be fairness of water, equity in distribution. There's none at the moment. We have an over-allocated resource and that has now got to be dealt with.

**DR BYRON:** You've given us a great deal to think about. I wish I had a magic wand that I could wave and fix everything up, but unfortunately there's not a lot of them around. I even wish I had a helpful suggestion on how you can proceed.

**MR LUCKE:** Can I just say this: that we're satisfied and grateful for the opportunity to be here today. To get to our state of knowledge we have worked on this issue for eight years, and some of what I've said today has been said for the first time. We hadn't had that understanding of our issues until we prepared our submission for the Productivity Commission and until some of our documentation came back from the ombudsman and there was the likes of that document saying that the cabinet endorsed this thing. We'd like everybody - I mean, I've got a houseful of documents and we've managed to lose a couple of critical ones.

**PROF MUSGRAVE:** There's nothing like writing something down, is there?

**MR LUCKE:** No.

**DR BYRON:** It has been helpful to us too, so thank you for the effort.

**MR BRADY:** Thank you very much for your time.

**DR BYRON:** I fear that you might still have some way to go yet, but all the best.

**MR BRADY:** Thank you. We might pass that on to the next generation. Thank you, gentlemen. It's much appreciated.

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**DR BYRON:** Good afternoon, ladies and gentlemen. We'd like to resume the public hearing of this Inquiry into the Impacts of Native Vegetation and Conservation Controls. Our next presentation will be a representative of Timber Communities Australia, Grafton branch, Mrs Susan Doust. If you'd just introduce yourself for the purpose of the transcript, and who you are and your connections, and then if you'd like to just give a five to 10-minute summary of the main points you want to make because we've all read your submission, and then we can have a sort of question and answer session. Thanks.

**MS DOUST:** My name is Susan Doust. I'm secretary of Timber Communities Australia, Grafton branch. We made our submission to the Productivity Commission because we're very concerned. I'd better preface this. The north coast of New South Wales is unusual in mainland Australia in that a large component of our timber industry is on private property. The nearest one anywhere like us is Tasmania. So if you have native vegetation, Regional Forestry Agreements, threatened species, Wilderness Acts, all those things impact on the industry in northern New South Wales, and that's why we made the submission.

We hit on a number of things. Property values are being affected as we speak now. One of the things that's happening in our area is because new forest areas were locked up and the supply for the crown mills is not there, they are now competing aggressively for private property supplies which means that the land-holders are doing one of two things: they're hanging onto their timber for the highest price which means that the supply for all the mills, particularly the small ones that run on private property are becoming very difficult to access.

The other thing that's happening is there has been a history on the north coast of people using timber on their place. They're not widespread logging; they're single tree-logging, but they've taken the timber - traditionally when one generation retires, they'll take the timber as sort of a superannuation payment and then leave the rest to go on for the next generation, and so forth and so on. When they saw their native vegetation plan, it became rapidly clear to them that in the long term they would not be logging. So henceforth the mills were initially inundated with people trying to get their timber off.

A lot of the timber wasn't of a size that the mills would touch. So we have two competing problems in the north coast. The one I raise here is two meetings ago, a logging company came to our meeting. They have a mill as well. The father logs, the son runs the mill, and they were going to buy a block that was being valued for its timber. They thought to help themselves they'd go and have it assessed by an assessor from I think the National Resources and Planning - they were DLWC - came out.

Now, he assessed it for the vegetation plan using what we call crafty mapping. Their assessment on the old way of doing - of before the plan was it was fifty-fifty; 50 per cent of the trees of the trees were left there, 50 per cent were accessible for logging in and around whatever conditions they had to do that job. His son came back to him and said he had 8 per cent. That was the return he would get after he'd walked around with the inspector. That was all that was left on that block, which means its value for the land-holder had gone. They no longer had the same value as it had before, which suggests they may even have a problem at the bank, but it also means that the industry - that individual is saying, "Well, if that's happening on this block, that company, and that's happening on that block, I'm no longer viable to stay in operation."

Now, that's a fact of life. That means for an area like ours, Grafton, the socioeconomic study done for the Regional Forestry Agreement, the socioeconomic study done for the vegetation plan identified Grafton as having the full impact of any reduction in the timber industry, and that's exactly what - I hate to sit here and say it, but that's exactly what's happening on the north coast.

There's a landowner - none of these people wish to be named I might add.. There's a landowner who somewhere in the early 90s bought from out west, checked with all the departments whether he could clear with it and do what he wanted to go do to make a grazing property. He was told yes, and bought it. The subsequent decisions that were made over the years after he bought it means he no longer can clear that land. It is high conversation value forest. So he no longer can use his property the way he does, and he's gone out and taken a day job, and the only market he can find to buy it is National Parks, and he's still waiting to hear back from those people. That's a fact for two separate organisations that are the most recent that I can remember right now. There's more than that, but that's all I can remember at this stage.

Crafty mapping is the greatest concern we have. Crafty mapping came about in the RFA, and it was fine, it was a satellite shot. It has no credibility with any department within the New South Wales government except National Parks, and the reason it doesn't have credibility, the photos were fine, blowing them up was fine, that was great, but when it came to the photos being assessed, they got in their brothers, their wives, their daughters, their sons and their cousins. They gave them a little microscope thing and told them to go over and identify what was on it, and that's where it was fraud, and that's when it fell down. There's a thing called the Doppler, and I think it levels as a 3 in the scale of mapping. That makes it not credible.

Now, the fellow that bought the property in the 90s, his quarry was designated old growth. Our ridge on our property was designated wetland, and I have the photos



here that I had to pay to have taken to submit to have it taken off the map for the vegetation plan because when the vegetation plan gets gazetted, the map gets gazetted. After it's gazetted, you can't lift any inaccurate data off that map, and we already know the map is inaccurate. We have lantana as rainforest, we have orange trees as rainforest, we have gullies as level 3 streams, we have dips in the ground as level 1's. They're all written all over it.

Now, this vegetation plan has disappeared into government before the election and we haven't seen it since, and there's such a thing as the Wentworth plan. As riparian zones, it takes one of our properties clean off us. The point we want to make here in this submission is somehow or other, land-holders have to have ownership if you want public good conservation. For public good conservation to come from an interest group, from bureaucrats or from a political party with no input from the key stakeholders and the key affected is not the Australia I grew up in and is not the Australia I want to see in the future.

If you want something to happen for the good, you've got to engage the key stakeholders. You've got to give them ownership of the problem and you have to get them working with you, not having reports going over television where one interest group is standing on a boat saying, "We have to force them." That's unacceptable, and that was on ABC in the last two weeks. That's unacceptable, and this is why my committee wanted this submission put in. That was it.

**DR BYRON:** Thank you very much for that. That's a very good summary. It probably won't surprise you to know that many of those issues that you raised have been raised already with us by a number of other people in other states facing the same sorts of issues. One in particular that has already come up this morning is about the accuracy and the quality of the maps that are used to prepare the plans. So if the maps are wrong, the plans based on them are likely to be wrong, too.

**MS DOUST:** That's right. .

**DR BYRON:** Where to begin. You've said that all conservation on private property must be voluntary. Sometimes I think it's helpful to sort out what we mean by "voluntary". It can either mean people who just do it, you know, off the top of their head willingly or if you willingly enter into some sort of contract - do something, as long as nobody is holding a gun at your head, it's still a voluntary action - - -

**MS DOUST:** That's right.

**DR BYRON:** - - - even though you get paid for it.

**MS DOUST:** That's right.

**DR BYRON:** So when you said "voluntary", did you mean either or both of those?

**MS DOUST:** Both of those. What happened was in the midst of the native vegetation, a proposed regulation came out from the state government in which - I don't think I have it here, but if there was a change of regime on your property, if you wanted to do 10-year regrowth, and there was a couple of other notes on it as well, you gave up 15 per cent of your property to biodiversity for that right to do those things. So it basically boiled down, if you wanted to go from cropping to grazing, from grazing to cropping, you gave up the 15 per cent.

That lit a match in our district, and these are the petitions that evolved, that came from, that if the state government in New South Wales wanted - and I guess it's the same all over the country, if they want conservation, that's not the way to do it. That was to come in as a regulation if there was no plan gazetted in your area. The plan - there was only one plan gazetted in the state of New South Wales at the time, and none of the others were anywhere near gazetted. So it was due to come out in the July, and that's where that petition came from.

There was a petition ahead of that with exactly the same number of things on it; it was to do with the vegetation committee and the lack of consultation. Because forestry is an issue for the north coast, there was no-one with expertise in forestry on the committee. The plan was inconsistent with the Regional Forestry Agreement. There's no compensation package in place, there's a lack of equity and fairness. The plan will erode property rights and the plan is based on policing regulation and not on consultation with stakeholders. That was the first petition involving the vegetation plan.

The second one was to do with that proposed regulation which seems to have also disappeared into the state government and we haven't seen it since. So that's basically where it came from. If somebody wants to sign up part of their property to do anything environmentally, more power to them. If they wish to do that, that's fine, but it must be something that - that's where it gets back to, something that land-holders are a part of, voluntarily be a part of it. A good land-holder - and we are land-holders; we know what we're talking about. A good land-holder knows that if the environment is right on his place, he does better. A good land-holder wants to hand down something that's better than he's received. He's not in the business of destroying his property, because to destroy his property destroys him.

So most of them want better environmental outcomes around their property, but if government and groups come at them with a big stick, heavy regulation and punishment to get it done, what you end up having is the willing land-holder goes right back and puts his back up, and he won't play, and that's the risk you're running.

**PROF MUSGRAVE:** You mentioned regrowth. Do you have a draft plan?

**MS DOUST:** Yes, we do. I have it here. I'm submitting that. We have a draft, and I have the socioeconomic study that was done. It used the RFA socioeconomic study for its data. It came together from the - it went we think over eight weeks. I think it was more like six weeks and they had a list of people to interview and their outcomes. So I've got all the documentation for that.

**PROF MUSGRAVE:** Are they minority reports or dissenting reports?

**MS DOUST:** The dissenting reports were - we've got our submission there as well - TCA's submission for that. The dissenting reports were locked up and are not free for public information. They held a closed meeting to look at their submission.

**PROF MUSGRAVE:** Sorry, who's "they"?

**MS DOUST:** The vegetation committee held a closed meeting to assess all the submissions, and what happened after that, they went with that and they're not available to the public.

**PROF MUSGRAVE:** You weren't a member of the vegetation - - -

**MS DOUST:** I was.

**PROF MUSGRAVE:** You were.

**MS DOUST:** But it was rapidly obvious I was an alternate for New South Wales Farmers. One of the New South Wales Farmers' delegates went public after about two and a half years to try and let the key stakeholders know what was going on, that this committee was sitting, these were the decisions they were making. It might be a good idea if they put submissions in, paid attention. She got attacked - one of the worst meetings I've ever sat on - and was told she should resign before she speaks; that only the chair could speak. So I resigned, and I was already a member of TCA, and we wrapped up TCA and we went round the halls and informed everybody, and that's how we got the submissions and everything in.

**PROF MUSGRAVE:** Okay. So you could say that your committee and the plan production process was not free of dissent.

**MS DOUST:** Yes, you could say that, very much so.

**PROF MUSGRAVE:** We've already heard this morning the experience with the

area around the Gold Coast where the environmentalists produced a dissenting report.

**MS DOUST:** Same here. The dissenting report - there were dissenting reports on the web for the Lismore plan. We're the furthest north branch of TCA. So we were getting feedback on the Richmond plan as well as ours. The dissenting report from the environment report was on the Net, and one of the things that's in the plan that were - there's two things in the plan that are of concern. One is development consent where if we as land-holders wish to do something, we apply for development consent. They even want you to notify if you use an exemption which there's no point in having if you've got to do that.

We put it a development consent. The environment movement in the submission to the Richmond plan wanted those development consent processes to be made public so they could do a submission on it. I submit that that abrogates our rights of freehold title, and that's not what any of us are in the market to do.

The other one is farm plans. There's a big push for us individuals to do farm plans. That's great, but if you're on the land, you know that you have to react fairly fast, and in our case we went from drought to a hundred-year flood, to a hundred-year drought to black frost that wiped out our cane crop. I don't know a government department who can move to amend your farm plan as fast as you have to move on the ground to do it. That's apart from the fact that you might want to, like, clear a drain, do a riverbank, something like that. You've got to apply to so many different - there's so many different acts overlaying that in New South Wales that you're going to breach one of them no matter what you do because they compete with each other over what the outcome has to be.

**PROF MUSGRAVE:** There's no one place that you can go to to ensure that you're not going to trip over someone?

**MS DOUST:** DLC handles the Native Vegetation Act. National Parks handles the Wilderness, the Scientific Committee - the EPA is involved in there as well, and there's something else. I can't think of it, but there's at least seven - I think New South Wales farmers identified seven to nine different acts that applied to a land-holder in what they want to do. We also have WorkCover involved now wanting us to put in farm safety plans as well. So there's a whole mishmash of things we're supposed to be doing.

**PROF MUSGRAVE:** So could we come back to regrowth. How does the draft plan propose to handle regrowth?

**MS DOUST:** In this draft plan, you can do nine years, nine months; 10 years you

have to apply for development consent. 10 years is seen as a living forest and you very likely won't get development consent to do that. Also individual trees left on the cane fields, dead or alive, they have to stay. If a tree is in the middle of the cane fields and you're harvesting or you're running a tractor, it actually breaches OHS and safety rules for that to happen. Another thing is clearing along fence lines; we understood it to be three metres on either side, but it turned out to be three metres with the fence line down the middle.

That's fine and great on flat ground on a bright sunny day with grass this high, not terribly good for the firefighting truck in hilly ground in the dark with thick timber and a crown fire. You'd never be able to turn the truck around. There were problems like that within the plan and the definitions of what you could do on your place around the vegetation.

**PROF MUSGRAVE:** The typical holding in the area with regrowth, in the absence of the regulation saying that once it's over 10 years, nine years, nine months, it becomes old growth, what typically would be the length of time that someone would allow the regrowth to exist before it was cleared? That might be a difficult question to answer I appreciate.

**MS DOUST:** It is a very difficult one. We have more native vegetation on the north coast than we had 20 years ago because a lot of the larger properties - most of the vegetation is on the upper parts of the rivers. The lower parts are turned over to the cane industry and cropping and varying. The top part still has timber and cattle, and a lot have kept the timber on ridges and that, and they selectively harvest it for whatever occasion they want it, and it depends on the cycle. They're very cyclic, and they don't do a whole forest; they might only go in and take out half a dozen trees in any one year. Some will do a bit more. It depends how many fence posts they've got to do, that sort of thing.

So there's a lot more regrowth because the properties have broken up, new people have come in and bought bits and pieces of them, they haven't cleared it or kept it clear, the regrowth down the way that the original land-holder did. So you've actually got more trees and regrowth, and that still applies. It's actually more of a trouble of trying to prove that that is regrowth from 20 years ago and it's not a forest. That seems to be a concern with a lot of those land-holders.

**PROF MUSGRAVE:** Okay. Thanks very much.

**MS DOUST:** You're welcome.

**DR BYRON:** Are you aware of any instances where people have actually established a forest for future sale of timber, only to find that it's now old enough and

looks sort of natural-ish and so they weren't allowed to log it even though it was sort of a human-made plantation?

**MS DOUST:** Plantations were declared by the state government that they belong to State Forests, and there's a plantation further up towards the border that was planted by banana growers when they were using wooden boxes that were the State Forests. They were declared in the last round of National Parks. The one down south below Coffs has non-endemic trees; they were trees not native to the area that were planted there, and plantation declared in that, but private property plantation after a certain date, no, because they've got the accreditation. It's actually the plantation before that date. It may not have been planted in straight lines, whatever.

There's a land-holder that has tallowwood that was specifically planted for the next generation. He's the next generation. His grandfather built a tallowwood house many many many years ago, and he was waiting to use some of the timber out of the tallowwood to build his tallowwood house on the property. He now can't touch it. It's one of the trees that he's not allowed to touch under the plan.

**DR BYRON:** What I was thinking of, some states - I think Tasmania, Northern Territory - native vegetation controls quite expressly say, "This does not apply to native plants that have been domesticated or cultivated or planted," or something like that, and yet in New South Wales and Queensland there seem to be examples of - - -

**MS DOUST:** One of the examples that came to light when they went to public consultation was planted ti-tree. Ti-tree was - you weren't to touch the ti-tree in the riparian zone. So the people who'd planted ti-tree plantations had a problem, and that was actually addressed. There's not a lot in the way of private plantations. The only ones we have are the ones that the state government have taken. I guess what we could say is most people have nurtured the timber on their place - not exactly planted it, but nurtured it - on the north coast, and selectively logged it over the generations or the cycling harvest, and that's the problem. That's what's been looked up under the vegetation plan.

**DR FISHER:** We've heard quite a bit of evidence this morning and in submissions and I guess from you in a sense that there has to be community ownership of the data themselves before you get reasonable acceptance of vegetation management plans. To what extent do you think local communities have access to the necessary technical information - - -

**MS DOUST:** I don't.

**DR FISHER:** - - - that will be acceptable to state capitals effectively, in ensuring that these - first of all that the management plans are 'ground-truthed' properly and

secondly that they can be accepted in whatever state capital we're talking about?

**MS DOUST:** If I had this answer, I wouldn't just be secretary of Grafton's TCA. I've thought about this a lot. One of the problems with the plan is that there was no input from the land-holder. They put them on a bus and they'd run them out and they'd show them this bit of forest and say, "It's that," and then they'd take it back. They got no practical input into the plan. So there's no practical way of implementing that plan on the ground, and there's also the problem of what works well in this valley is a total waste of time in that valley. What works best in the western districts isn't terribly useful to us on the coast.

I don't know what the answer is, but I think that this vegetation committee had DLWC representative, a National Parks representative. We had two environment organisations. We had New South Wales Farmers, one other rural. The third rural came from fisheries - and don't ask me how, we don't know - and the Department of Ag, and they had voting rights on that committee. So whatever the push was from head office was the vote that they took, and I sat there - often we'd turn up at the committee meeting and find that the goalpost we thought we'd met at the last committee meeting had moved and we were now aiming at the goalpost over here, and nobody understood how and what they got there. Another time a subcommittee will have worked on something that none of us knew anything about, and their data was delivered up to us and we didn't know where it came from.

So we often had a moving target, and a case in point was when this plan was put out for public submission, corridors were laid across it, and I know for a fact corridors were never discussed within the plan. I knew corridors were discussed on the Richmond plan and I was waiting for them to turn up on the Grafton plan, but they never did until the final one went out. Those corridors laid over cane land and over water in Palmers Channel. So presumably the wildlife left the forest and wherever it was coming from, toddled through the cane, swam across the channel, got through the cane and toddled off to the beach because that's where it ended up.

I took it to mean that there was a political agenda that they were going to - "This is what we're going to do. We'll amend that the way we want it to be." It went back down to Sydney. We were advised that they would be amending it down there, and we haven't heard anything since, except about the Wentworth plan, and we haven't heard anything about that. So that's basically where we are. We don't know what they've done in the Wentworth plan.

**DR FISHER:** So is it reasonable to suggest that if local communities had access to their own independent technical advisers, that a better job could be done?

**MS DOUST:** I think a much better job. New South Wales Canegrowers have an

independent program involving acid sulphate soils. They're much different to other organisations in that they're a much tighter controlled group of people, but they actually proactively manage their acid sulphate soils. Under this system that wasn't available to land-holders per se. Wetlands are being improved on - farmers are voluntarily improving wetlands in our area and reconstituting wetlands, but that has nothing to do with this plan and there's no mechanism in this plan for that to happen.

This plan is mostly about telling the land-holder what you can't do, "and this is what will happen to you when you do it." If you make a mistake, you're liable as much as if you did it deliberately. That's what that's about.

**DR FISHER:** So does this mean basically that what we have is a situation where the departments of state have access to technical information.

**MS DOUST:** That's right.

**DR FISHER:** And local communities have access to the practical information about where ridges and gullies and creeks and things are, and there's no proper way at the moment of bring those two information sets together.

**MS DOUST:** No, there's no mechanism for that to happen. In the committee's life, if the land-holders said, "No, if you do that, you'll end up with this," they are actually knocked out because they didn't know what they were talking about, they didn't have the scientific basis, and this gets back to the other thing: a lot of farmers have been on their place or landowners I should say have been on their place for generations or they're farmed or they're grazed or they're cropped or whatever for generations. So the way they're operating on their properties has been amended by the property itself or by the climate, by the soil, by the way that the system works in their area, and they work the best way for that system to help them, most of them. I'm not interested in the ones who do other things just those ones.

To ignore the advice of the people that are on the ground and have to implement whatever the decisions are, means that you get decisions being made that ultimately work out badly for the environment and badly for the future. We've got to have sustainable futures. We all know we've got to have sustainable futures. We've got other generations coming along behind us, but it doesn't help for bureaucracy and political parties to be saying, "You do this this way," when the person on the ground - a typical case of that, our little old Almarra Creek comes off or used to come off the Clarence on both ends, but it's cut off on one end and has a floodgate on the lower end where we are.

Part of it round the experimental farm in the drought came out - the bed of it - and has acid sulphate. So that led to the EPA and DLWC wanting to put water in.



The problem was the water in the river was about 15,000 parts per million salt or more - might have been more than that actually, but they went ahead and did it. So they covered those acid sulphate soils in the basin up here with salt water, and that salt water stayed in the system for a very long time. The land-holders at the lower end of the Almara were saying, "That's exactly what was going to happen; that you're going to put more salt in there in those soils by doing that than if you left it shut and just let them sit out. Nobody was touching them or anything; they were just sitting there. So if you just left them like that and waited for nature itself to flush the system, you wouldn't get the salt in there."

Last I heard they only just got the salt out and it would be six months or more since they let that water in, and it came in so fast because the river was this high and the creek was that high. So nobody was irrigating out of it, there was a stop pump on it. It was just nature and the drought that had dried it, and it just went through. It would have been at the first bridge of the creek where my husband was taking readings, in two or three hours it climbed something like a thousand points for salt, just where he was putting his thing in. The area that they had trouble was just where the acid sulphate soil is; that's where the salt stayed and they couldn't get it out. Even after we had all the rain that broke the drought, acid was there.

So I think that's a classic case where the land-holders on the creek knew the best way to handle that creek, but the bureaucracy had other agendas and said that you had to cover it and keep it covered. It would have been long-term much better not to put the salt on that; much better. So that's just a case in point. Unless you give some sort of value to the landowners, some sort of rights as per their property rights, rights as per water, give them a valid voice equal to all the other voices - and I mean "equal" in the fullest sense - you won't get things happening on the ground the way they are now voluntarily for the better. You'll actually cause more damage doing it the other way, and that's after - must be going on 20 years - the timber decisions. That's what I've come to believe.

Unless you involve the people that actually have to implement it and have the most to lose or gain and give them ownership of what you're doing, you're going to end up with a much worse outcome than you're ever going to get the other way, and I believe that complete. I don't know what the answers are, but I believe that.

**DR BYRON:** I was just going to, in closing, say, a number of other people have made the point about the solutions, local ownership and that legislation can actually, if enforced, get people up to some sort of minimum level of compliance, but it doesn't encourage people to do that little bit extra, voluntary measures, and just telling somebody that you're not allowed to bulldoze an area doesn't mean that that ecosystem is going to be well managed forever after.

**MS DOUST:** That's right.

**DR BYRON:** Somebody needs to look after it and have an incentive to look after it.

**MS DOUST:** Yes. We've actually been talking about stewardship payments. A lot of people don't want to leave their property. Even if, like that gentleman that bought in the 90s - he does want to leave his, but just say it's a family property - they don't want to go, it's been something that has been in their family for generations, they need a stewardship payment of some description to enable them to stay and do what the community wants on their property.

Those of them that have that topography on their place, they need some sort of payment to help them exist because they can't make a living if they can't use the property, and if we are demanding that they can serve that property because it has those higher conservation values - and there are properties on the north coast that are in that place - they need to have some sort of stewardship payment, they keep the ownership of their land, the community keeps the conservation values, and there has to be some value to the land-holder on that. Not all of them are going to want compensation and live at the beach. So that's a very important point that I don't think a lot of people are making.

**DR BYRON:** Thank you very much. You've made it today.

**MS DOUST:** Thank you.

**DR BYRON:** Thank you very much for taking the trouble to come all the way up here from Grafton.

**MS DOUST:** Thank you. I'll leave those there for you. They were meant to go with the submission.

**DR BYRON:** Vince will collect those.

**DR BYRON:** The next presentation will be from AgForce. Welcome. I'm sure you know the ropes, but if you can just name an affiliation for the transcript and then a brief summary of the main points in your submission, which we've all read, and then we can have a question and answer session.

**MR ACTON:** Thank you. I'm Larry Acton. I represent AgForce. I'm the general president of AgForce. We represent about 7700 members across Queensland involved in the cattle industry, the grain industry and the sheep and wool industry. Obviously it's a very large state, so it's very diverse; most variable climate in the world. We work within 13 different bioregions across the state, and 24 subregions where regional vegetation plans and other groups work on a range of things.

I think one of the points that our people make time and time again is that producers need to be able to maintain financial returns to meet their debt commitments, their family obligations, protect and sustain environmental values, and to provide for succession, and the current process certainly isn't doing that and isn't delivering either environmental outcomes or sustainable and viable primary production.

The uncertainty that is out there now is becoming the main threat to this viability and sustainability, and there's three areas that people continue to talk to me about when I travel around. They've got no confidence in long-term investment any more. They're not in a position to confidently pick up new technology and best practice farming methods, and more frightening to me as president of the organisation, I hear from young people all the time, "There is no future for us out here. They continue to change the rules. We don't know what the rules are going to be next week. We've been involved in this farm since we were kids," or "Mum and dad and I bought this place, and all of a sudden we find that we can't develop it to the extent that we thought we could. So it's not going to be able to carry more than one family here. So I'm going to have to go." That's the story that we get time and time again.

In terms of developing this submission, our organisation, because of its experience with applications for exceptional circumstances and other things, developed a survey that we sent out across the state to our membership. We got something like 90-odd detailed responses to that survey and a lot of other anecdotal comment as well, directly to me, directly to individual staff members. I pick it up as we go round. As late as this morning, there's another two emails about some of these issues.

From those surveys and from knowledge that we had, we put together six specific case studies for the submission. I guess the key issues that we tried to address are the productivity loss involved in some instances, the capital value loss,

compliance costs, personal impacts, community impacts, relationship with government - and I have to say that there's no trust any more; there is absolutely no trust any more. I met with the Premier on Friday to talk about this issue and I said, "We have brought our membership to a stage where they were looking at property planning for their individual places and a range of other - we've had them involved. We've had them go back and get involved in the regional vegetation planning process after they went through it for two years in 1993, and that was thrown out the window. We got them back into the process again."

But as I explained it to the premier the other day, they're like a mob of cattle now that have turned around and they're going back that way behind us, and we've got to pull them up and turn them around before we can get them to go forward again, and that I think unfortunately is a result of all this uncertainty and the fact that a lot of people have had to carry financial burdens because of legislative change over the last decade with no financial recognition or reward from government of any sort, and it relates to a range of legislation.

We've always tried to work on four basic principles in terms of this area of policy. There needs to be regional solutions. I heard it said just a little while ago that you need different rules and different outcomes in this catchment to what you do in this catchment, and that's why through the 13 bioregions in Queensland and the 24 different regional vegetation planning areas - because obviously in a lot of cases, the seasonal conditions and the climate are dramatically different, the vegetation is dramatically different, the soil type is dramatically different and the land use is dramatically different.

So we believe that there is only one way that you can get a proper outcome in terms of the environment and economic output and social infrastructure in the long run, and that is through a regional approach, but it's got to be based on correct and good information that's ground-truthed where possible, and there is a consistent approach by the departmental officers in assessment and so on. We've also always argued that you need a legislative framework, but where possible to deliver these outcomes, self-regulation and peer review and so on is a much better way of getting outcomes that deliver sustainable environmental outcomes as well as obviously some productive ones.

Finally there are a lot of people already affected by legislation and will be affected by some of the current discussions that are going on in Queensland. They need to be in some way or another recognised in terms of the burden that they're carrying on behalf of, in a lot of cases, the whole community for environmental outcomes, and there should be compensation. I guess one of the concerns that we have is the command and control type approach of current legislation. We believe it's not working. There is a distinct lack of resources.

We heard talk previously about the mapping. We've got all sorts of instances where the mapping is totally wrong and decisions are being based on that; a lot of very inconsistent advice being provided by departmental officers across the state, either because of inexperience or because they're under such terrific pressure. There are so few of them now that they're not able to respond to requests for advice in a timely manner, and I can talk about that. I think I need to, but at the end of the day, the only way that we believe that this can be resolved properly and get outcomes is if it's outcome driven, based on regional outcomes that are developed by community groups.

Can I just say that the regional plans are developed by something like - 24 plans I spoke about, there's been almost 500 people involved in the development of those plans. Around about 55 have been AgForce members. The rest have been a cross-section of Landcare representation, environmental representation, indigenous in some cases, local government and the community. So they are a cross-section of people in the community that have put together what they think is the best way forward in terms of managing the vegetation and the biodiversity in a particular area.

I guess the last thing I'd say is that in our case studies, we have tried to present instances of property devaluation and the difference between developed country and undeveloped country and the problems people are actually having trying to sell property now, depending on the level of development of that property, and I guess even since we've put this submission together, there are all sorts of instances of where valuation system in Queensland which is based supposedly on the unimproved valuation, but obviously in the marketplace people are looking for development potential, there is becoming a very clear separation of fully developed country and similar country that's got development potential but that isn't developed at this stage, and there's a marked change coming. I think that's probably all I can put to you at this stage.

**DR FISHER:** So just picking up on that last comment, are you basically saying to us there that in the property market now, buyers have already factored in an expectation that they won't be allowed to develop in future and hence there's a substantial difference between the realised prices for developed country and country that might have been potentially developed under, say, rules that operated in 1970 or something like that? Is that what you're saying to us?

**MR ACTON:** I think clearly people aren't so much sure that they're not going to be able to, but the uncertainty of it has got to the stage where people aren't prepared to take the risk because they've watched the leverage of the control - if you go back - and I said this again to the Premier last Friday in front of the environment groups that were represented there, that in 1993 when the initial move was to control vegetation

management on leasehold land in Queensland, the position of the environmentalists at that stage was that they wanted to protect all endangered ecosystems or threatened ecosystems.

In 1997-98 when we started to work on the legislation for freehold land - 99 - it was endangered and of concern. In this particular discussion going on right now, it's all remnant, but at the meeting the other day, they said to the premier, "But there is also some areas of - selective areas of regrowth that need to be protected as well," and land-holders out there certainly in the marketplace for land at the moment are concerned that already there is a proposal on the table to stop any further development after 2006 of remnant vegetation. Potentially that may expand. So they are moving away from - and there are a lot of instances in the last couple of months in the Moura area of Queensland where property has come up for sale - fully developed property has come up for sale, and the actual price per hectare has jumped in some cases 2 to 3 hundred dollars a hectare, and that's sort of coming from a level of, say, \$350 to just above \$700 a hectare in that period of time.

My manager - and this is a personal example I suppose, but my manager at the moment has been trying to buy property for about six months, and any of the places that he's looked at that he can afford have got development potential, but he cannot get an answer from anybody in any government department as to whether or not - and the people that are selling the properties cannot get an answer or clarification on whether or not a potential buyer can develop any of that country, to the extent even of being able to thin some of the thickening that's going on in some areas.

**DR FISHER:** To your knowledge are there other factors that might be causing changes in those - - -

**MR ACTON:** Land values.

**DR FISHER:** - - - land values? For example are there new cropping technologies in the system that would make that land more productive than it was, say, 10 years ago that might be explaining the differential that you're talking about, or is it entirely do you believe to do with development potential?

**MR ACTON:** Actually the properties I'm talking about are more for grazing purposes, not cropping. I suspect it would be wrong to say there isn't, in some cases, some element of land practice or farming practice that's involved, but in the instances that I've just referred to, it's purely for grazing. The property has no - well, I suspect that if there - they're being bought by families that have been traditional grazing operators and their only intention is for grazing, and a lot of the vegetation that we're taking about in Queensland now where there is future development is really only probably going to be in most cases for grazing.

It's wrong to make a generality in total, but the vast majority of development potential left in Queensland is predominantly - would be predominantly for grazing purposes.

**PROF MUSGRAVE:** On these fully developed properties for grazing purposes, are there management techniques available that prevent vegetation beginning or can you expect those properties to slowly revert to their original vegetation as well?

**MR ACTON:** I think in most cases if they were left for 20 years, they would revert, but they are fully developed, they're very heavily pastured country, and under the current rules - and I stress under the current rules - and even with the discussion that's on the table at the moment, providing they maintain the control of regrowth which is minimal at the moment on the places that I'm talking about, then that shouldn't change, and I guess with the productive capacity of this country, I would expect that they will be able to maintain the country at the appropriate time so that it doesn't become blurred in terms of whether it's regrowth declining or receding to a remnant stage which is part of the concern of a lot of people in terms of their management of regrowth where it's getting to an advanced stage.

**DR FISHER:** Perhaps, presiding commissioner, if I could just have one more question.

**DR BYRON:** Please do.

**DR FISHER:** As you know I'm an economist, so I normally wouldn't ask this sort of question, but one of the things that you said before was that you were - if I didn't mistake what you were saying to us, was that the whole of the Queensland farming community - perhaps you didn't say the whole of the Queensland farming community - now were pretty upset with government processes, and very distrusting and concerned about the way the system is working. What do you see as the solution to that?

**MR ACTON:** Our solution has always been that you have to engage people in the delivery of the outcome. So we've said to government from 10 years ago, the way forward is to set a legislative framework in broad principles, but not to be prescriptive; to set broad objectives, and then to empower these regional groups, which we've had in place now for over a decade in a fluctuating involvement, to allow them to then come back with the best outcomes or the way to deliver the outcomes for their particular region.

What's happened is they've developed 24 regional plans like were on the table here before, that deliver their best recommendations under the current legislation, but

unfortunately they've done that with, at the same time, an administrative process driven totally by, I think the word was used, "the big stick" where legislation was actually passed that increased penalties, gave more powers to investigating officers and put the onus of proof back on the landowner. I guess what we've argued all along is they need to be outcome driven, they need to be given - the responsibility needs to be given to regional groups under the legislative framework with the right level of resources and the correct data and information and mapping and systems in place.

For instance at the moment the government cannot tell me what tree-clearing applications have been made in a particular region and what impact that will have on the 13 different bioregions or the 140-odd different regional ecosystems that might be in that particular region's control. They cannot tell me what's there, what implications it might have on those ecosystems. There is none of that basic information available in a correct form. So just to summarise, a legislative framework with a regional approach based on good information is the way we've always believed that those sort of things should be addressed.

**DR BYRON:** Just to pick up on the point of based on good information. The point being made many times today and in many of the submissions about, you know, you can't come up with a sensible plan if the basic data on the maps is faulty. Maybe it just takes time or better information, but if there was a process where sort of draft maps were laid out and people were given 12 months or something to look at how their property has been classified and to get back and that no decisions at all were to be made until everybody could agree that what was on the maps was actually factually correct, would that be a step forward?

**MR ACTON:** 18 months ago now I travelled with the minister around Queensland for two days, and we demonstrated to him that the mapping was, in a lot of cases, wrong. We talked about a process where we were - because there is no confidence first of all that land-holders will come in and provide the right information. There is no confidence from land-holders' perspective that having provided that advice, that it will be taken on board and incorporated at a government level, and there is even discrepancy in Queensland between the satellite imagery and the management of that and the Queensland herbarium maps that have been developed using computer models of that imagery.

So one of the things that we have tried to suggest is a way of correcting the maps in a bulk form as quickly as possible. Unfortunately that action hasn't been taken. Your suggestion is a different way of doing it. One of the things that we have supported is a moratorium on any further applications for - in fact we publicly initiated - after the original moratorium was put in place, we publicly initiated an extension of that moratorium to allow time to try to resolve these things because we



continually were told that if it wasn't in place, panic clearing would continue.

What isn't recognised is that no clearing can continue in Queensland at the moment without a permit, except for particular areas on freehold land that have already been developed and can be maintained. I'm not sure that I've answered your - have I answered your question?

**DR BYRON:** I was just thinking of years ago in Victoria there used to be a Land Conservation Council and one of the things they did was prepare maps and get everybody from all shades, all stakeholders, everybody to say, "Yes, those maps are factually correct," and then you can go and have an argument about whether it should be national parks, state forest, farmland, cattle country or something else, but until you got the maps right, you didn't start having the second argument.

**MR ACTON:** You'd be aware perhaps that we've had some meetings with the Prime Minister in the last two or three weeks on this issue, and one of the matters that I raised with him is that if we are going to - unless they're just going to shut it down totally and not have any further development, even then we are still going to have to have some reasonable mapping so that we can follow what's happening with the thickening and encroachment that will go on. So this issue of mapping and information is critical whichever way we go, and we put that very strongly to the Prime Minister, and I did to the premier on Friday.

**DR BYRON:** Just changing tack very slightly, my observation is that on an awful lot of properties, there's vegetation - that's unlikely to be cleared anyway simply because of topography or slope or soil type or access - - -

**MR ACTON:** Economic.

**DR BYRON:** Yes. So one of the things that concerns me as a taxpayer is that, you know, under some of these schemes that are around, we could end up paying a lot of money to people to not clear land that they weren't going to clear anyway. There's a few too many nots in there, but if there's land that is basically protected simply by its location, that it would cost more to get rid of the vegetation than what it's worth for production, that native vegetation is pretty safe I would have thought.

**MR ACTON:** I agree. We have always said that there is a basic level of care or responsibility that a land-holder has to accept, and that includes some of the things that you spoke about then in terms of riparian zones and slopes, depending on the agreed level of retention and if it's reasonable. So we have always accepted that there is a duty of care with the land-holder. The debate hasn't been had about where the line is between that level of duty of care and what people are being required to undertake on behalf of the rest of the community for environmental outcomes.

I suppose I'm focusing totally on the vegetation area, but really all this started in Queensland - well, it started quite some time ago I suppose, but it started to come to a head in 1992 when the Nature Conservation Act was legislated here in Queensland, and the Land Act was changed in 1994, and the impositions then on vegetation management came onto leasehold land. Then in 1998-99, the Vegetation Act for freehold land with the federal legislation for protecting the environment and biodiversity, and since then we've had a conglomerate of - I think we got to about 45 different plans and policies and legislation that can impact on an individual.

If you're in a catchment for instance that runs into the Barrier Reef protection area, then you might pass all the requirements for the Veg Act and others, but the Barrier Reef plan is likely to have another imposition on you. So with all the different layers, we know that there's a significant amount of vegetation in Queensland that will never get touched. Interestingly in some of the areas where the majority of vegetation remains now - for instance, in one of those bioregions that I spoke about, the Orensley uplands, the level of vegetation at the moment is somewhere between 96 and 98 per cent original vegetation, and these recommendations from the group that looked at their area was that only 1 or 2 per cent of that should ever be cleared. So they're saying, "We don't believe that any of it should ever be cleared."

There are some instances in some of those areas with different regional ecosystems or different types of vegetation where there may be development potential that is foregone. Then I think that's got to be looked at. So that's why we've said to the Prime Minister and to the premier, "The way out of this isn't to come along over the top of all this planning process and drop another level of restriction on. What we need to do is work out the agreed greenhouse outcomes for the federal government and the biodiversity outcomes for the state. We believe there needs to be some recognition of development potential. Work out those agreed outcomes. Give it to the regional groups to implement at a local level. Provide the right level of information, and work out not how much money is going to be required, and the principles that will underpin an incentives-based protection program, but also recognising that some people will need to be outrightly compensated because of the viability issues with regard to their plants."

**DR BYRON:** I think in terms of areas of high conservation value and low agricultural potential it's pretty easy, when it's the other way round; it should be pretty easy. The real difficulty comes when you've got areas that are most agriculturally productive and also of sort of high conservation value, perhaps because there's relatively small amounts of that ecosystem left which typically occurs on the best soils for example. So then you need to have a mechanism saying, well, it's high value for both sets of objectives, and how do we actually organise a process for

deciding what land use is going to prevail there and who's going to pay for it, or whether compensation needs to be paid?

**MR ACTON:** We've been saying for a number of years now at AgForce level and at NFF level that we need to recognise that there is a difficult issue in the midstream there, but it doesn't mean that it shouldn't be addressed. There needs to be a process because until now we haven't even had people prepared to discuss underlying principles to address that issue.

**DR BYRON:** It's not obvious at the outset whether the answer is to have every second property totally locked up and every other one totally cleared or to have, you know, some properties with more grazing on property and less to veg and the place next door is the other way around. There's any number of - I mean, the country is very diverse. So trying to put a one size fits all is not going to work.

**MR ACTON:** We'd agree with that. We would definitely agree with that. I mean, I think in terms of the case studies that we've got in our submission here, there's quite a range, and I understand that you are going to visit one of the case studies, Goshen Station, in the next couple of days. There you will see what I would regard as people trying to do the right thing with their property and not over-develop it or anything like that, but an absolute frustration over six, seven years now because they've been getting conflicting answers from departmental representatives, people have gone back on their word after they've given commitments verbally in front of others, all sorts of rules changing, and these people just don't know which way to turn now.

So that's one instance. There are also instances where state and Commonwealth legislation, because there are two different assessment processes where plenty of people - we've got plenty of examples, but there's one in here where they can get an approval under one level, but the state hasn't been able to deliver because they haven't got the resources or they're not prepared to make the decision.

**DR BYRON:** We've had examples already of where there's inconsistent legislation, even within jurisdictions, that one act says you have to do it, another act says you're not allowed to do it, that sort of thing. We've also had examples in many of the submissions where people have said, "Look, the act hasn't changed at all over the last 10 years. It's just that the interpretation of it changes every year."

**MR ACTON:** Yes.

**DR BYRON:** I guess, do either or both of those things occur in your experience here?

**MR ACTON:** Yes. I think there's no doubt that there are instances where for

instance, as I said - well, if you take the federal EPBC act and the state Vegetation Management Act, in the brigalow bioregion of Queensland with regard to brigalow regrowth, under the state act it's regrowth until it becomes 75 per cent of its original height or has 50 per cent canopy cover. Under the federal act, that's got nothing to do with it. It's the condition of the understorey and whether it's more than 15 years old. So it can be that high, but - I mean, that's where the inconsistencies come in. We've had representatives from Environment Australia - I've actually taken the federal minister and the state minister at different times and showed them, and then we've had representatives from Environment Australia come out, and they've said to me in front of the landowner, "Well, that's obviously not regrowth under our laws," but it's 26 years old. Yet the law says you can't do anything with it because it's 26 years old.

So there's that complete uncertainty. Then in terms of the legislative changes that - sorry, the interpretation but the lack of change, there are plenty of instances from land-holders around Queensland at the moment where different - well, even though the regional planning process, the regional group has come up with what they believe is a recommendation, and then the Environment Protection Authority departmental people who we were told at the start of this process would be there to provide advice and information, but not to influence the process, have come in and written their rules over the top of what was negotiated around the table.

So there are layers that have been dragged into this process. We've had approvals for clearing in western Queensland in particular circumstances for encroaching gidgee and initially you were able to clear and plant introduced pasture. Now they're providing very limited approvals, but you can't plant introduced pasture because supposedly all of a sudden it's not sustainable in that same soil. So the rules are changing - and this is what I said at the start, we're getting inconsistent interpretation by individual officers who are either overloaded or have an agenda of their own.

**DR BYRON:** Just one more on the legislation. Queensland's native vegetation legislation which I think was proclaimed in 2000 is actually - is the most recent end of the spectrum. We've heard a fair bit of criticism, but do you think it's got any superior features in some ways, you know, compared to either what was there before or what you know of in other states? Is this sort of the state of the art? Has the legislation been evolving in terms of being more sensible or practical or effective?

**MR ACTON:** I think the best way I could answer that is there was nothing in place on freehold land before this was introduced. It sort of came out of the blue, but there was a long process of negotiation, and I guess we delayed that because we were concerned that there was no recognition of the financial impact on land-holders by the potential of this legislation, and we also argued strongly to try and get it made more flexible rather than the prescriptive approach that they have which we really

weren't successful in because our argument was if you're going to get regional groups to go out and try and develop the best outcomes for their area, you've got to give them some leeway.

But the legislation as it was written really kept them constrained. For instance can I give you an example, and once again this is one that I think both the minister and the premier have some degree of acceptance of, even if they're not prepared to move on it at the moment, but in a lot of cases there has been land cleared that perhaps in hindsight people would believe that maybe shouldn't have been cleared, and in other cases there are areas of remnant vegetation that could be cleared. One of the things that we have argued right from the start is that if we are to get better biodiversity outcomes and prevent degradation, which are two of the key principles or objectives of the act, then as land-holders and as regional groups, we should be able to put in place rules that allow some swapping or trading, if you like, so that if I'm prepared to give back an area of regrowth and let it regrow and not be disturbed, then in return clear some - and it may be a smaller area of remnant - then that may be the best outcome for everybody, but under the legislation at the moment it can't be done.

**DR BYRON:** No. It doesn't have the flexibility.

**MR ACTON:** It doesn't have the flexibility.

**PROF MUSGRAVE:** Larry, just coming back to this proposal that more responsibility be devolved to the regional groups, I wonder if we can just expand on that, benefit from your thoughts. How would such a regional group be constituted in comparison with the present situation?

**MR ACTON:** One of the concerns obviously is it has to be a genuine process first. It's got to be a genuine transparent process where it doesn't end up, like I said before, where people get around a table and come to an agreed position and then over the top of that, a departmental officer or somebody else imposes their view, and that's the one that goes forward. But we strongly believe still the model that we've currently got is almost right. The only problem is it's not resourced and it doesn't have access to the information, and certainly the correct information.

**PROF MUSGRAVE:** Let's deal with the resourcing subsequently.

**MR ACTON:** Yes.

**PROF MUSGRAVE:** What does the present one look like then?

**MR ACTON:** It varies in the regions - remember there's 24 regions.

**PROF MUSGRAVE:** Yes.

**MR ACTON:** If it's, say, the wet tropics, it will have increased representation from the environmental groups because there will be two or three that have an interest there, probably the timber industry, the sugar industry, the fruit and vegetable industry. We may have an involvement, in some cases we don't, but more community people I suspect. Whereas if you go to the north-west Mitchell grass country, there may be an environmental representative there or their place might be taken by a representative from the Environment Protection Authority. There's likely to be more grazing industry people there and more local government people there, and Landcare I suspect.

So the constitution is slightly different to fit the circumstances, but it needs to have that cross-section of the community, Landcare, local government, land-holders and the environmental movement, and for instance that north-west Mitchell grass area did have involvement from the indigenous people, too; they weren't involved in every one either.

**PROF MUSGRAVE:** Are these people appointed by the minister?

**MR ACTON:** They are approved by the minister.

**PROF MUSGRAVE:** In your ideal organisation, would they still be appointed by the minister?

**MR ACTON:** I think they have to, to have credibility. So what happened in these circumstances was the minister wrote to AgForce and said, "You have the opportunity to nominate two people on the north-west Mitchell grass and the wet tropics, three here," and so on, and at the same time they wrote to local government, and similar types of letters were - - -

**PROF MUSGRAVE:** Okay. So let's get back to the resourcing and empowerment. What extent of resourcing would you envisage?

**MR ACTON:** For one thing our people have done this twice now and they get no financial payment whatsoever. They're doing it entirely at their cost. Sometimes meals are provided, sometimes they go and get their own meals, but essentially they're doing it at their own cost, and we don't believe that's fair because this is only one of the things that's going on. At the same time there's the National Action Plan for Water Quality and Salinity, there's all sorts of other groups that we're being required to get involved in.

So there needs to be a level of financial recognition of the cost. We did talk with the minister at one stage about a daily sitting fee. That seemed to go nowhere, and I suspect that under current circumstances that it's unlikely to either, but more particularly it's having access to good mapping, to being able to go out and ground-truth that, to challenge if it - and local knowledge is we believe one of the most valuable assets in this whole process, where people - if people aren't told what the objective is on the land and are given some authority to provide the answers, 99 out of a hundred will go out with a genuine desire to deliver that. But in a lot of cases they've been given wrong mapping and they're sitting down arguing with people, "But that's not right. We can't make decisions on that." "That's the best we've got available, so you're going to have to."

Then the process, because of the three categories of endangered, of concern and not of concern, there's a sort of an unwritten rule that as a particular ecosystem - and there are hundred and hundreds of them - approaches one of the margins if you like and is at risk of changing status, then they need to know so that they can make decisions about that, but a lot of that information is absolutely impossible to get hold of, if it's available.

**PROF MUSGRAVE:** What about the idea that the resources of the committee be such that it can employ expertise?

**MR ACTON:** We talked about that. For a start we said to the government that a lot of our people haven't got experience in this area. They've got a genuine interest and a desire to come up with the solutions, but they don't have the knowledge. We either need two or three people to "hold their hand" and educate them or somebody with that knowledge that can support them, and we were basically told, "We haven't got the resources."

**PROF MUSGRAVE:** Which is a pretty chilling statement if the idea of compensation or government-funded incentive schemes is put on the table.

**MR ACTON:** Yes. We realise that. That's the dilemma that we have, and that's why there is so much frustration and anger and lack of trust in this process now because every year they're seeing a change in the rules, and it's not recognising any of their problems; it's ramping up the rules which constrains what they can do more, no recognition of those factors at all. I think where you're coming from is if we can't get what would seem to be a modest level of resources to make the process work, then how are you going to fund the higher - my response to that very clearly is that's not my problem.

That's the problem of the governments - federal and state. If they are fair dinkum about recognising that it's unfair to expect one sector in the community to

carry the full burden, if they're fair dinkum about that, and we can work out some realistic principles, then it's up to them to find the money. I've got some suggestions, and one of those is that we need to make sure that the process at the end of the day is such that it's not all going to land on the government's desk at the start like that, but that over the next 10 or 15 years or more maybe, it will be an issue that needs to be addressed, and I keep thinking about - not that I have a lot of confidence in the way that's worked either, but Paul Keating put a big lot of money or made a lot of money available to the Aboriginal Land Trust for purchase of land where the earnings of a certain fund were provided on an annual basis.

If you get this right - I mean one of the problems here in Queensland is if you get a tree-clearing permit, it has to be acted on in two years. So whether it's drought or there's a commodity collapse or whatever, you've got two years to clear, and I know of plenty of people - I was talking to one this morning - who because they are so uncertain about whether they can get another permit, have gone out and borrowed money and almost made themselves unviable to actually meet the conditions of the two-year permit. Now, that is ridiculous, and in terms of the greenhouse objectives of the federal government, if you can reduce the annual clearing rate and drag it out over a lot longer period, that in itself is going to meet some of the financial implications, but it's very complex obviously.

**PROF MUSGRAVE:** Someone might suggest that if you were to get that degree of devolution and, perhaps even further, the degree of sovereignty over some resources to enable the committee to do its own work, someone might suggest that there would be difficulty in getting true devolution in the sense that the people at higher levels of government in the state are prepared to let go.

**MR ACTON:** I suspect that's probably realistic to some degree. I guess there still has to be a legislative framework that these people would be required to deliver outcomes underneath, and I suspect time frames set. We are told in Queensland by the director-generals of the departments involved that they support this approach because it engages people at a local level and there are better outcomes out there if you do it properly. I suspect it will need a balance between what we have now and what would be ideal.

**PROF MUSGRAVE:** Compromise would be necessary, yes. You talked about hammering out principles and then sorting out some answers, but that raises the thought in my mind that it might be difficult to get your principles hammered out without knowing how much you'll have in the way of dough because that will constrain what you can do, won't it?

**MR ACTON:** Well, it does, but the big problem that we have - if you take for instance our experience here in Queensland, there's been considerable media debate



about whether the amount of money that's been put on the table by the federal and state government currently for this proposal that stops tree clearing in 2006 altogether is appropriate. We don't believe it is, but we've got no way of proving it because at this stage we don't know the rules except that if the proposal stays on the table, there will be no more tree clearing after 2006.

But there was another paper that talked about a totally different scenario where of concern and endangered wasn't able to be cleared on freehold land, and it came up with a totally different figure obviously because a lot of the land was more agriculturally productive, had higher valued vegetation on it as well and so on. Neither of those in my view was right, and at the end of the day, it's a combination of being able to develop principles that are reasonable and fair because I keep saying, we've got to get some fairness into this. There isn't any at the moment.

The Prime Minister agreed, there needs to be some fairness. NFF have argued that there needs to be some fairness. The level of fairness then becomes the debate about what is a fair thing to require land-holders to accept in terms of responsibility, and what is really totally unfair for them. There will then be a bit in the middle, and it's where you set the bar.

**PROF MUSGRAVE:** Yes. Okay. So you're arguing that there are a lot of principles that can be established without - sort of universal - - -

**MR ACTON:** I would argue so, yes.

**PROF MUSGRAVE:** Regardless of the level of resourcing available.

**MR ACTON:** Yes.

**PROF MUSGRAVE:** I would certainly accept that. That's all from me for the moment.

**DR BYRON:** The "C" word, compensation, keeps coming up in these sorts of conversations. A lot of the people that we've already spoken to in our visits around the country are saying, "Well, we don't really have our hand out for money. What we'd really like to do is be able to manage our property the way we - - -"

**PROF MUSGRAVE:** That's right.

**DR BYRON:** But if it gets to the point that the government is convinced that there's an area of really high conservation value, and for whatever reason it needs to be taken out as public land to be managed by public servants at public expense, then compensation should be paid. There are a few people that we've spoken to who

complain that even where governments have acquired freehold land for future national parks, there are social impacts in terms of the community that's left behind. There are fewer kids on the school bus, fewer suppliers to a particular butter factory or whatever.

**MR ACTON:** Yes.

**DR BYRON:** Do you have any comments to make on that - - -

**MR ACTON:** Yes, we do.

**DR BYRON:** - - - even where compensation is paid?

**MR ACTON:** There's a number of things there in my view. Certainly the impact on local communities is an issue as far as we're concerned because we do represent small business. In addition to those 7 and a half thousand members, we do represent small business in a lot of those local centres, and our argument there is that if the price of fuel goes up in their town, it's not only the rural producers, but those that have to pay an access to education and all those sorts of things. So it does have an effect on the community.

One of the interesting things that we are told - and I mean, I suppose we're talking about different levels again - all the time now from the Environment Protection Authority officers here in Queensland is that the best way to manage the crown estate as they call it, is for land-holders to be involved. So incentive payments to land-holders to actually look after that area on their place, and true - and I mean this in the sense of that word - true and real voluntary covenants over some of the land is another way of doing it.

Unfortunately we're having to deal with situations where supposedly voluntary covenants and supposed incentives are being forced on people as a prerequisite to being able to renew a pastoral lease or something in that term. So there isn't transparency and real fair dinkum approach to it at this stage, and in a lot of cases - as you'll see in our submission a couple of examples where people have actually negotiated that sort of an arrangement with a government department and are sitting back waiting and waiting and waiting for the money. It hasn't come forth. So it doesn't give any of us any confidence under the current arrangements that those things will work either. I'm not sure whether I've answered your question about the local community.

We do believe, yes, that there is an impact - if the land is bought up by the government and the people go, there is definitely an impact on the community, but there is also an impact on the environmental outcomes and the biodiversity that

people supposedly are trying to protect.

**DR BYRON:** I guess my final comment is that even if it was agreed that governments have the power to require certain things or forbid certain things on freehold land, I think one could make an argument that it's not a very sensible thing to do anyway, even if you can force it, because in the long term what's most likely to give the best outcomes is the voluntary cooperative partnership type of arrangement where both the government and the land-holder objectives are being satisfied; the classic win-win example. Even if the government can wield a big stick and force people to do things it's unlikely to be an ideal pattern in the long term.

**MR ACTON:** I can only totally agree with that. I mean, that really is the essence of what we believe needs to happen along with - I mean, this is a complex issue and it's not the solution for everything, but at the end of the day, that underlying principle of engagement and involvement voluntarily - and outcomes based on regional or local levels is certainly the better way. We believe that if there was a complete restart of all this and you went into it in that sort of a way and put the objectives up on the wall and told people what they were and let them go away and deliver them, it wouldn't cost the government anywhere near as much money as it's already costing them with this command and control approach, and they'd get a lot better outcomes for the environment and for the people.

**DR BYRON:** We're not starting from a blank sheet of paper now, are we, and - - -

**MR ACTON:** Unfortunately, no.

**DR BYRON:** - - - to have that sort of cooperative voluntary partnership, win-win type of thing requires a certain amount of mutual trust on both sides.

**MR ACTON:** Yes. That's going to be hard. Those cattle are going this way at the moment.

**DR BYRON:** It comes back to your opening comments; a lot of the trust is not there at the moment.

**DR FISHER:** Can I have one more?

**DR BYRON:** Sure.

**DR FISHER:** Can you perceive of an environment some time in the future where you might imagine some of the money spent on some other government programs, for example say the Commonwealth AAA package or something like that applied more generally in the rural sector such that you had arrangements in place whereby

farmers were entrusted to look after properties that were of conservation value and that was done in parallel with an adjustment scheme for example?

**MR ACTON:** I've got to be a bit careful here because I think you'll probably get a personal view rather than an AgForce view on this one.

**DR FISHER:** I was asking you to theorise.

**MR ACTON:** Yes, sure. I have actually had discussions along those lines with people like the Deputy Prime Minister, in terms of achieving some of the outcomes of government and the community and involving people who don't want to leave where they've lived all their life, and their friends and their community. So I would have no problem with that sort of an approach, and I think that part of the problem is that once again it comes back to confidence and trust in being able to get to where you might want to go with that, but my personal view is that there is some scope for further discussion, but don't put that down as an NFF or an AgForce view.

**PROF MUSGRAVE:** I've got a last one, too. Just what you've been discussing with Brian and my earlier line of questioning, it now leads me to think of the possibility that we may not be able to get the adequate degree of empowerment of communities, regions and individuals out there to look after the environment the way we've been discussing without saying we've moved towards a fourth tier of government. It's not a frightening prospect; it just seems an unclimbable cliff.

**MR ACTON:** I wouldn't be interested in that to be honest. I think we've got to do it in the structures that we've got. I don't see it as being necessary to go to that - - -

**PROF MUSGRAVE:** Don't go that far?

**MR ACTON:** No, I don't, because at the end of the day - I mean, one of the discussions I've had with the minister just recently is along the lines that we've been just talking, and not on this issue, but over the last half hour, and his response was, "Well, why didn't they protect me from the criticism on a particular issue in a particular region that came from the community generally?" - and I said, "Because they have got no authority whatsoever under the current rules" - none at all, except that they have been given the responsibility of going away and coming back with some recommendations which he, as minister, can throw in the cupboard or take some notice of.

So until there is some recognition of their role in a real sense, then they're never going to be prepared or able or want to do that. Mind you, I think that they are the people that can bring the pressure to bear on their peers in their region who aren't pulling their weight. Much as I've been criticised by saying that by some of the other

community groups, I still believe that that will happen if they were given the right role.

**PROF MUSGRAVE:** That means moving some distance - - -

**MR ACTON:** Some authority.

**PROF MUSGRAVE:** Yes, some way from where we are now towards that more authoritative role.

**MR ACTON:** I mean, I think under the NAP program, there is probably an additional level of responsibility given to those people and those local groups than what is given to this group, and in Queensland they're setting up - what do they call them - NRM groups across the state, and I suspect they're going to have even a higher level of control. I'm getting a bit tired of all these new groups that are coming because it's the same people that have got to get involved and have input, but I think in theory it can work.

**DR BYRON:** If it's not clear how all those groups relate to each other and if it's the same people that end up doing all the work, it's - - -

**MR ACTON:** I don't think anybody knows anywhere within government even how they relate to each other.

**DR BYRON:** There's a bit of a recipe for contradictory recommendations, too, isn't there?

**MR ACTON:** Mm.

**DR BYRON:** Thank you very much. I hope we haven't exhausted you too much. I don't think we've exhausted the topic though. There's a lot more work to be done on it.

**MR ACTON:** I think you'll see some interesting practical things in the next couple of days and the NFF will obviously be talking to you. I'm not sure whether I'll be involved in that or not. Thanks very much.

**DR BYRON:** Thanks very much for coming.

**DR BYRON:** Thank you very much, ladies and gentlemen. We'll resume now. Mr Danzi, if you could just introduce yourself and your affiliations for the transcript.

**MR DANZI:** Eric Danzi from Canegrowers.

**DR BYRON:** If you wouldn't mind just giving a summary of any main points from your submission that you'd like to highlight for us. We've all read your submission. So if you can do that in sort of 10 minutes or so, then we can have a discussion.

**MR DANZI:** Okay.

**DR BYRON:** Thanks very much for coming.

**MR DANZI:** That's okay. I'll try and be very brief. I mean, you've given me 10 minutes which is probably enough to go through some of the main points from the submission. Just briefly, obviously the veg regulations have had a pretty significant impact on the cane industry and will continue to do so into the coming years. Some of the issues I'll just go through very briefly. I'll talk a bit about the Canegrowers organisation, speak a bit about the state of the industry which many of you might know, but I'll speak very generally about some of the impacts of the legislation including the costs on growers, touch on some of the issues of transparency, and then try and speak a bit about some of the regional impacts. I've got quite a bit of detail on the submission on some of the regional impacts, but I'll just into that for you today.

So first of all Canegrowers - we represent the canegrowers of Queensland. We have about 6300 members which is about 94 per cent of canegrowers in Queensland. We have offices up and down the coast. We've basically covered the coastline from about northern New South Wales all the way up to Mosman just north of Cairns. We have 20 offices all up, one in Brisbane and 19 regionally. So the submission we put in to this inquiry had input not only from Brisbane canegrowers but also some of the offices up and down the coast which are most adversely affected.

Onto the state of the industry, I think many of you would be aware that we're facing quite a few challenges at the moment, which has been well documented, both through Queensland and throughout Australia. We have some real issues as a result of a pretty significant fall in commodity prices or sugar prices over the last three or four years. It's seen prices fall by about, I don't know, 30 per cent - over the last three or four years, and that's really caused a lot of problems in our industry.

As a result of that we're really in the process of implementing change in the industry to try and cope with these lower prices. There will obviously be some structural adjustment over that time, but in that, one of the ways that's been

recommended to us anyway to cope with the change is to expand, take advantage of economies of scale and size, and that's certainly been significantly hindered by some of the legislation. People who had spare land which they were going to expand onto certainly can't do so any more under a number of cases, and that's made it very difficult for them to adjust in these times.

The impact of legislation, obviously it's had a pretty significant impact on farming practices, what you can and can't do, and also on farm values. Over the last three or four years as a result of the lower commodity prices and the more bleak outlook for the industry, farm values have come down, but over and above that the fact that you can't clear some of your land has really made that, you know, have zero value versus a commercial rate of maybe, I don't know, 6 or 7 thousand dollars a hectare in the current depressed climate. So it certainly has had a significant impact in those areas where they couldn't clear or can't clear any more.

One of the other issues is the cost imposition on growers. There's been little or no implementation of any schemes to try and share the burden of the legislation. To a large extent, growers have been asked to sort of foot the bill for these new environmental ideals, whether they be good or bad, and that's certainly made it very difficult for growers and also really makes them ask the question should I be bearing all the costs of this new legislative requirement? Shouldn't others in the community also help foot that bill?

Transparency, just briefly, it's fair to say that some of the regulations have been implemented in a reasonably transparent way. I think some of the regional processes at a state level have been quite reasonable. They've been quite long and laborious, I have to say; sort of been started three years ago or so, but at least they've been transparent, attempted to empower some people, you know, throughout the state at a regional level. However, I think it's fair to say that some of the other legislation and schemes being developed haven't had the same level of transparency or consultation with grassroots people, which has made it very difficult for them to understand why decisions have been made and also makes it very difficult for them to be, you know, empowered or encouraged by what's going on. So it's largely about decisions being made either in Brisbane or Canberra largely independent of the real world, and it certainly means that those growers and regions are somewhat sceptical and jaded about some of the decisions being made.

Very briefly I'll speak about some of the regional impacts. In our submission I think I had regional input from about five or six of our regions. Many of them spoke about the individual impacts on growers. I know I had some cases in there from Bundaberg and Isis and even Maryborough. I think also Tully really spoke about the effect on individual growers; case examples saying, "I've got a 300-acre farm and this hundred acres or whatever I can't actually touch any more." So it's very real that that

area has been locked up, they cannot expand on that land. That land they can't sell for any commercial value.

It's fair to say the area in the cane industry which has been impacted more than most is around Mackay. In that area the land which could be expanded onto is largely remnant and without being able to clear on lots of that land, as they now can't do, that has meant that a lot of land and a lot of value has been taken out of growers' hands. I think the estimate is about \$80 million for the Mackay area, and that was done by our office up there. Lots of other parts of the cane industry - to a large extent you're probably expanding mostly onto old grazing or grazing land. So the issue of the legislation isn't as big, but certainly in Mackay the majority of the expansion would be on to remnant vegetation.

That's just a quick overview of our submission. If you certainly need any further information, feel welcome to contact us or I'd encourage you strongly to travel up and down the coast - I know you're going to Cairns to speak to some people out there, but as I said, the area probably that's been most impacted has been Mackay, and that's certainly an area which I'd encourage you to speak to some of the growers up there, and I'm sure there'd be many who'd be very keen to speak to you. They were the main points, thank you.

**DR BYRON:** Thank you.

**PROF MUSGRAVE:** Just expanding on that reference to the group permits for drainage maintenance that you - you just mentioned that, and I was looking at your submission and you refer to the group permits that you have organised with government in relation to drainage maintenance - the fish habitat code of practice.

**MR DANZI:** Yes.

**PROF MUSGRAVE:** Do you see any scope for that to be extended to other forms of regulation?

**MR DANZI:** Certainly we do. I haven't touched on some of the water issues here, but just with regards to the drainage issue, that was certainly a very positive program. It was certainly a reasonably cost-effective and sensible way to actually implement that sort of policy. We have been working very strongly with the state government over the last two or three years that I've been involved anyway, to try and increase that sort of - the partnerships between state government and industry to sort of proactively manage some of these issues. Whether that's over water, drainage, vegetation, there is certainly real scope.

They've had a very successful program called Water Sufficiency over the last



four years which I've been managing, and that's certainly been a very positive partnership which has certainly alleviated or helped to alleviate some of the issues with regards to water reform implementation. I don't think it's solved everything, but it's certainly gone some way to solving some of those issues in a proactive way.

**PROF MUSGRAVE:** Compliance - having grower compliance with whatever you've negotiated, I guess it's easier in the case of the cane industry because of your regulation that you have within the industry.

**MR DANZI:** I don't think it's the regulation which makes it easier; I think it's the fact that we've got 19 offices up and down the coast and implementation of some of those proactive sort of stances can be implemented because of the resources we have. I mean, we have 110 staff up and down the coast in 19 offices. So if a person in Tully wants to do a course on something, we can organise it. We can certainly be very positive and forthright at a local level to ensure that they are involved, and I'm sure we can do that in many other areas, not just with regard to tidal drains.

**PROF MUSGRAVE:** So you've clearly got a very well-behaved population of growers.

**MR DANZI:** I think they're much more well behaved than they used to be. I think that's probably the case for agriculture generally. I think it's fair to say that the agricultural industry is much more aware of the environmental issues which face them and are much more responsible on the whole, and certainly, you know, the minority who don't do the right thing are seen as outcasts to a large extent. I know certainly in the four years that I've been at Canegrowers, that sort of evolution or increase in knowledge and awareness has been very clear and stark, and certainly when I started, the environmental issues were - I don't know if "irrelevant" was the right word, but weren't seen as much of a priority, whereas these days they're really forthright in people's minds.

In fact they're too forthright at times with a lot of the negative media and whatever that goes on about, you know, the impacts that we're supposed to be having and that certainly creates a lot of negative feeling up and down the coast, which isn't very helpful at all, I must say, in trying to implement any sort of program. That's something we face.

**DR FISHER:** I was wondering whether you can explain to us the economics of clearing versus buying the next-door property basically with sugar, and say you're looking at 7.7 US cents a pound this financial year and 65-cent dollar or perhaps higher, the economics are not sounding so crisp. So what's actually the economics of going in there and clearing, which I presume around Mackay it's sort of fairly heavy vegetation, versus actually just going down the road and already buying a developed

property?

**MR DANZI:** Obviously the costs of clearing are much lower than the costs of buying other property. Buying other property in Mackay might cost you in the order of \$7000 a hectare. The returns from that at the current price really aren't there. So the idea of expanding by buying someone else's property is very limited at this point in time, and also a lot of growers, because of the depressed state of the industry just aren't selling farms. You know, the sort of values they would probably get by selling are substantially lower than what they would see as a fair return for their property. So even buying blocks is very difficult.

If you look at the idea of clearing land, you're probably looking at much less than \$7000 a hectare to clear land and develop. So you probably are talking about, you know, a thousand or so dollars versus 6 or 7 thousand dollars, and the returns on the thousand dollars or whatever it might be for clearing are probably there, especially if you can take advantage of increased scale and size of your property. The returns on buying your next-door neighbour's farm just aren't there.

**DR FISHER:** So why is this disequilibrium in land prices occurring? I mean, if you can actually take a property and develop it and still make money out of it, why aren't land prices coming into long-term equilibrium? There seems to be some sort of - - -

**MR DANZI:** They are, Brian. I mean, reality is that prices in cane farms have probably fallen by 30 to 50 per cent over the last couple of years as a result of fallen prices. Prices started falling about four and a half years ago I think. It probably took, you know, two or three years for it to sink in with the industry that, look, the world has changed and prices have fallen and returns have fallen. So I think it's just part of that sort of adjustment. There was no price fall for a couple of years. Now they've probably fallen by, as I said, 30 to 50 per cent across the industry and I would expect you'd probably see that fall further.

It doesn't hold very well so far as compensation or anything from loss of rights to clear land, but the economic reality is land prices have fallen and probably will continue to do so to some extent over the next two or three years. How far? I don't know.

**DR FISHER:** So over, say, five years, you'd expect to see that equilibrium come back such that the rates of return on developing land are sort of equivalent to going down the road, given presumably if - unless of course we have a serious increase in access, say, to the United States sugar market.

**MR DANZI:** That would be nice. I think what you're likely to see is either land

prices continue to fall by another - who knows - 20 per cent or whatever it might be, and I think you'll see as a result of some of the initiatives implemented by the industry over the last two or three years and into the future, that productivity and profitability will start to increase, and that will certainly stabilise values of farms as well. As you said, if world prices pull up or we get access to some other markets, that will obviously increase returns, but I think it's fair to say that a lot of growers would like to get out of the industry at the moment, but their returns just aren't there in their minds and they prefer to sort of sit out another few years and see what happens to prices and values of property. But, yes, you're right, there is a disequilibrium.

**DR FISHER:** So then are you saying to us that these concerns that are expressed in your submission, they're really about distributional issues rather than efficiency issues at present, given the current state of the industry.

**MR DANZI:** What do you mean, Brian?

**DR FISHER:** In the sense that are you saying to us that property prices are having a long-term down trend - - -

**MR DANZI:** Yes.

**DR FISHER:** - - - but farmer are hanging in there hoping that things will be better, but from your analysis, they sound actually as if they're going to be worse. So actually these growers should have sold up two years ago, not two years hence. So they're trapped, and they're concerned about the vegetation management arrangements in Queensland and they can't develop, but it almost sounds as if - it doesn't sound like a good development prospect anyway. So is this really saying something about the notion that those people who haven't had an opportunity to clear yet feel that it's unfair, given that their neighbour down the road did some clearing and was allowed to do so 20 years. Is that really the issue or is it something else?

**MR DANZI:** Look, it is, but I think it's fair to say that the problems in the industry are relatively short term, and certainly over the last three or four years, the amount of clearing and development have slowed right down with the price, but I think as that sort of short term becomes a reality, you will start to see people develop a lot more at the sort of prices we have, and the people who are going to stay in the industry and make a go of it - and that's certainly, you know, half of them or more - will see that as a commercially attractive proposition.

Certainly when you look at the returns from expansion onto land by clearing that are there for many growers, there's no doubt about that; the growers who are going to stay in there for the long term and who are relatively efficient. As I said, I

don't think they're there at \$7000 a hectare to buy, but at a thousand dollars a hectare to clear, that will certainly be very attractive, and certainly many of the growers that I speak to, if the ones who have got spare land and are going to stay in the industry would certainly be clearing that over the next five years or so if able to.

**DR FISHER:** Yes. I guess one of the reasons I'm interested in this question is because we've seen in submissions and heard some evidence that the arrangements are having an impact on land values, but from your evidence it sounds as though in the case of the cane industry it's actually quite difficult to sort that out because you've already got a serious negative trend in land values anyway. So trying to sort out the effect of the legislation versus other market effects would be difficult. Would that be correct?

**MR DANZI:** It is, but I think you can still separate those growers who - the market value of a grower who has got some remnant vegetation and can't clear versus, you know - per hectare, versus those who don't. So I think it is possible to do it. However, as you said, because it's very difficult (1) to see what the market value of land is, and secondly to try and differentiate becomes very difficult to see. It is an issue.

**DR BYRON:** You've been talking about land that is sort of seen by individual cane farmers as potentially good cane land with clearing and cultivation potential, but other people would look at that same land and see it as, you know, land of high conservation value perhaps. It still seems to me that somewhere we need a mechanism for comparison or choosing collectively about which land use is most likely to be in the long-term public interest. At the moment, having a farmer look at it and see how many tonnes per hectare he can get out of it and having somebody else look at it and saw how many interesting species are there doesn't actually facilitate a dialogue of comparison or resolution of what's actually in the best interest.

**MR DANZI:** I think it's fair to say that it's a little bit harsh to say that growers only think about money and productivity on their land. I think it's fair to say that many growers do value, you know, issues such as biodiversity and other issues to do with the environment. As I alluded to in my presentation, over the last three years, regionally as they've developed these vegetation management plans, I think it's fair to say that growers in the industry recognise that, yes, we do need to leave some remnant vegetation behind.

As I said, I think through that regional process, I think there were some reasonably positive negotiations about what is reasonable and what's not, which should stay, which have got high value and which bits haven't got high value. However, through some of the more arbitrary blanket resolutions to some of these regulations which haven't sort of had that local involvement and understanding have

made that very difficult, but I think it's not fair to say that growers do not value environmental issues. They certainly do.

**DR BYRON:** Sorry. I didn't consciously mean to imply that, but what I was trying to say was that the value of land for commercial production is fairly clearly determined in the marketplace.

**MR DANZI:** Yes.

**DR BYRON:** The value in the land for conservation purposes is much less precisely determined.

**MR DANZI:** Yes.

**DR BYRON:** Frequently people who think that the land should be used for conservation rather than additional cane fields are arguing that the government or the taxpayers at large should acquire this land and then manage it and protect it for conservation purposes, but only in a few cases do they actually pay the direct costs of that. Again there seem to be major asymmetries on the two sides of the argument. We can find out pretty precisely how much it's worth - any piece of land anywhere in Australia is worth agricultural production. It's much harder to find out whether the conservation values are greater or less than that.

It seems to me that somehow or other we need some way of a public decision-making process to make sure that the land goes to the purpose for which its social value is highest.

**MR DANZI:** I think it's fair to say that if government went in there and said, "I want to acquire X per cent of the land in this catchment and I'll offer you market value for that land," you would get many growers who would stand up and say, yes, they're more than happy for that to occur, but where that doesn't occur, it makes it much more difficult and much less palatable for a grower to give up, you know, the use of his land. I'm saying that a market solution would certainly be very positive, whether you're talking about water or land or anything else. But that doesn't seem to be an option which is being seriously looked at this point in time.

**DR BYRON:** Yes, because regulatory changes don't have direct budgetary costs, say the treasurers.

**MR DANZI:** I understand that.

**PROF MUSGRAVE:** I have nothing.

**DR BYRON:** I was wondering if - although it isn't actually alluded to in the presentation, is it Compass that's the - - -

**MR DANZI:** Yes.

**DR BYRON:** - - - program for sustainable sugar production?

**MR DANZI:** Yes, it is.

**DR BYRON:** Can you briefly tell us how that's going and how many people are now adopting the program and that sort of thing, if you know anything like that off the top of your head.

**MR DANZI:** I know that quite well. We recognised I think about five or six years ago as an industry the need to be more proactive in the environmental area. As a result we developed a code of practice back in 1997 or 98 I think it was, about five years ago - 1998 as I recall - and that was really a booklet saying, "These are the things we should or shouldn't be doing with regards to your property or the industry."

Two years ago we enhanced that and developed that further into what we call Compass which is effectively a training and self-monitoring process for growers on the key environmental issues of cane-growing. It covers issues such as water, fertiliser, management, a whole raft of issues. That's a one-day training course which the industry runs for its growers at a relatively low cost, where growers can go through the - I think it's 10 sections of it to evaluate their own performance and identify opportunities for improvement, and also evaluate themselves against what is considered a reasonable industry benchmark.

To date we've had about 10 or 12 per cent of our growers go through that course in the last year and a half. We're targeting to have 30 per cent of our growers through it in the next couple of years, and we're very confident they'll be able to meet or exceed those targets. At the same time we recognise that, you know, although we have developed a code of practice and a training package called Compass, we need to go further. We're in the process now of planning the development of an EMS framework for the industry, and I'm relatively confident that in a couple of years time we will have that up and running and approved, and our target will be, over the next five years, to get something like 80 per cent of our growers involved in that sort of program, regardless of what it's called, of evaluation and improvement in key areas, of sustainability both environmentally and economic.

So it's been a very difficult process to get growers to recognise the importance of some of those issues, but it's becoming a lot more politically acceptable than it used to be. I think if we can develop in the right way, form the right partnership

within industry, but also with government at various levels and community groups, we think that would be a very positive program, and not only positive, but also have a real impact on the practices and sustainability of our growers and our industry.

**DR BYRON:** Would you see that EMS leading into something like an accreditation program where those who can demonstrate that they're meeting best environmental practices would have some preferential access to something or receive - you know, in terms of water or biodiversity plans or something else that they would somehow be taken to have already demonstrated compliance in terms of - - -

**MR DANZI:** Certainly those discussions have been going for many years with largely the state level or state government. I think the state government is relatively keen to continue to pursue those options, and we have talked about, you know, preferential access to things such as water, possibly different prices depending on if you do or do not participate in different programs. So that has all been discussed. I think we need to further discuss that and it will be a few years before we'll know whether we've got anywhere with that. But certainly the alternative compliance is an issue which we're very keen on. Reality is that it would be much more palatable, low cost and also achieve a lot more through a proactive industry-run program. So we're very keen on that.

I think it's also fair to say that, you know, regulations can be very expensive for governments to implement, and partnership with industry would certainly help to lower the cost of that. Obviously one of the real challenges there is the sharing of power between industry and government. That's something which government, especially at stage level, has been very reluctant to do. So that's a sort of hurdle we'll have to get over.

**PROF MUSGRAVE:** I'm ready to ask a question now. The reason why I let Neil down just now when he said to me was that I was searching in the papers from Canegrowers for reference to the mahogany glider. I seem to recall something in here that implied that the mahogany glider problem was a problem that manifested itself and then didn't manifest itself; that there was a problem associated with the mahogany glider which led to some regulation and control of clearing or whatever which was found not to be warranted. Is that correct?

**MR DANZI:** I'm not familiar with that. I understand the issue of mahogany gliders, but I don't know it in detail to know whether what you're saying is correct or incorrect.

**PROF MUSGRAVE:** I couldn't find it in here, and that's why I - anyhow, let's go on from that. Thinking about what I know of the cane industry, which I think is somewhat less than what you know, it strikes me as an industry which is very

precisely defined within individual valleys. That would be correct, wouldn't it, and this suggests to me that it would lend itself to scope for quite sound planning over the whole industry within a valley with a high degree of consultation, exchange of information amongst growers and the mill and so on, and government which would lend itself to perhaps happier outcomes than the case studies here would suggest being achieved where you've got dealings between individual growers and central government. Do you feel that would be so?

**MR DANZI:** Very much so. I think as I said before, except for the bit between Bundaberg and Mackay, we basically dominate the coastal landscape between northern New South Wales and Mosman. We are pretty closely located. Generally we're talking about only the bit between the range and the coast of 50 K's. We have got very significant structures in place within the industry through Canegrowers, the SES, the mills at a local level. In most areas we are the dominant enterprise, the dominant, you know, employment area. There's only probably a few which they have significant diversity into other crops.

I mean, Bundaberg and the Tablelands and a couple of others and Tully, where they support a culture cross, but in many areas such as the Burdekin and Mackay, it's basically cane, and it would be relatively - I don't know if "easy" is the right word, but it is very possible to regionally manage the process and come up with a reasonable outcome negotiated at the local level. That's why I said before that some of the regional veg management plans being developed at a regional level where you have had industry, local government, community, state government involved have been very difficult, but are getting somewhere. I think there's a fair bit of agreement that has come out of those, but that's been to a large extent sort of sidelined or they've said, "Thanks very much for your effort, boys, but we'll now do this," and it's just made it very difficult.

**PROF MUSGRAVE:** Yes. We've been told quite a bit about that sort of thing happening, but within the individual valleys, I assume the industry is just one part of the totality of the various groups that are on the committees that draw up the plans.

**MR DANZI:** That's right, yes.

**PROF MUSGRAVE:** Has there been any move within the industry to perhaps coordinate its approach to the preparation of plans, approach to government in relation to the management of clearing of whatever the issue might be?

**MR DANZI:** Certainly there's been lots of discussions up and down the coast about what's been happening. Certainly at Canegrowers we try to provide some leadership to our offices and our regions about the issues.



**PROF MUSGRAVE:** I'm not expressing myself as well as I should, and I apologise. Certainly at the moment we have a situation where government deals with individual growers and said, "You can't clear that bit of land there because that would be contrary to our targets for management of vegetation."

**MR DANZI:** Yes.

**PROF MUSGRAVE:** I wonder that there would not be scope for a more cooperative approach on the part of the valley industry which might give outcomes which are satisfactory to government and are more satisfactory to the growers as a group than would this business of government dealing with individual growers.

**MR DANZI:** As I said, that's largely been what's happened through the regional veg management process.

**PROF MUSGRAVE:** That has happened, has it?

**MR DANZI:** Yes, it is.

**PROF MUSGRAVE:** Yes, okay.

**MR DANZI:** Until an arbitrary decision was made by others which has sort of put that to a halt.

**PROF MUSGRAVE:** I see, yes. Well, I didn't understand that point you were making. I'm sorry for that.

**MR DANZI:** That's okay.

**PROF MUSGRAVE:** But I am a little surprised. I wouldn't have thought that that would have been quite so successful.

**MR DANZI:** Three years is a long time, but - - -

**PROF MUSGRAVE:** It is indeed.

**MR DANZI:** - - - to be honest, as I understand in the cane areas and also the other areas, there was a fair bit of agreement after that three years about, you know, what we should be doing, which areas should we be locking up and which areas shouldn't we be, but one of the consistent points was if you want us to lock up different pieces of land, there really needs to be some sort of compensation, you know, for that, and that was really a sticking point. But if there was a reasonable funding available for such a package, yes, this could be quite readily sorted out at a local level between the

key stakeholders.

**PROF MUSGRAVE:** Okay. Thanks very much.

**DR BYRON:** Thank you very much, Mr Danzi.

**MR DANZI:** That's all right.

**DR BYRON:** Thank you for the time and effort that Canegrowers have put into the submission.

**MR DANZI:** Do you need anything else?

**DR BYRON:** Is there anything else you'd like to say?

**MR DANZI:** No, that's fine. If you need anything else, just let us know. As I said, I'm more than happy to organise visits up and down the coast in different areas. As I said, I strongly encourage you to go to Mackay especially to have a look what's happening there.

**DR BYRON:** Thank you very much.

**MR DANZI:** Thank you.

**DR BYRON:** That concludes the planned program, the scheduled proceedings for today, but as always the commission's habit is to invite anybody else from the audience, anyone who would like to make a comment or anyone who wants to come back up who's already spoken today, that's allowable to, but it's an opportunity if anybody wants to put anything onto the record or any comment on the day's proceedings, but if - - -

**MR FENSOM:** I'd like to take the opportunity.

**DR BYRON:** Thank you. That's why we offer it. If you'd just like to come forward and name and affiliation for the transcript.

**MR FENSOM:** My name is Edward Fensom. I'm the acting coordinator for Brisbane Regional Environment Council. We're a greater Brisbane-based group looking at the planning matters around Brisbane, and we do a lot of committee work with state and local government and we'd like to add some further comments about the vegetation management in Queensland and the biodiversity assessments that are out of sequence with a lot of other processes.

As it stands we have 24 regional vegetation management groups which were supposed to be placed in a bioregional category - that's 13 bioregional groups. That never happened, and the sitting fees never occurred. Theoretically under the Vegetation Management Act, a bioregional plan for each bioregion is supposed to be put in place, but we only have 24 plans that may or may not be fitted together. A lot of commotion has been raised about endangered and of-concern regional ecosystems. Unfortunately they only serve as a surrogate biodiversity assessment of the total Queensland landscape.

Much of the biodiversity has not been recorded or captured or appropriately documented for the Vegetation Management Act. If you peruse the Vegetation Management Act at length, you'll see that there are a lot of databases and information bases that are required to undertake the decisions of how the land was supposed to be appropriated. Unfortunately the biodiversity components including high conservation value - endemism, refugia are just some of the items that weren't documented. Lands subject to degradation were reeled in under some salinity hazard mapping, but still the database doesn't exist in any integrity for most of the bioregions in Queensland.

As in the submission, we only have a fairly good threshold for fauna surveys in about one and a half bioregions, and the wet tropics and South-East Queensland are only functioning because of work by the Wet Tropics Management Authorities, tertiary institutions, and in South-East Queensland the RFA. So in South-East Queensland, what's on the freehold land, which is probably about 80 per cent is only

subject to documentation from EPA records or the Queensland Museum, except to say that the EPA has started doing biodiversity planning assessments in the Queensland bioregions. There are four printed to date and hopefully we'll see another three this year. These biodiversity planning assessments are generally composed of expert panels looking at flora, fauna and sometimes landscape.

These have generally been put into place out of sequence with the decision making of MCVM - that's the ministerial committee looking at the regional vegetation management plans. So what we've had is regional ecosystems mapped by the Queensland herbarium. They've been available for practically the whole state or the state that's - you know, the regions that are under examination at the moment, but the biodiversity planning assessments have not been in place except for one or two bioregions. So they're out of sequence with the decision-making process. So what those RVMP committees or RVMC - that's the actual term - they don't have those biodiversity planning assessments at their disposal, and they also don't have a lot of those other environmental databases which are prescribed under the act as a statutory requirement.

Unfortunately for Queensland, we're stuck with leasehold land being 67 per cent and it's subject to native title claims, and most of that leasehold as suggested by Larry Acton is probably not useable for cropping, although some ministerial relaxations have been given for minor ancillary uses on the pastoral holdings. So really there's a disadvantage in the framework we're operating on, and most local authorities don't have - of the say 120 local authorities, we don't have many tree-preservation local laws. We have about a dozen or so that may have local laws in some form under the Local Government Act which is different from their planning legislation

There's a problem of integration at probably four levels of government here. On the coast of Queensland we have a sort of an informal statutory process dealing with regional planning as a land use at a regional level as opposed to the NRM, the vegetation management plans et cetera. There's been some attempt to correlate them in South-East Queensland, but it's a very big silo effect of agencies not integrating, but even the integration will not solve the database problems that we have with biodiversity.

We feel that the thinning process that's being brought through the back door with the Vegetation Management Act will principally attack the biodiversity in the coastal areas of Queensland because thinning really attacks the understorey, and that's where you have a lot of the biomass is still either under the ground or near ground level. That can be checked with other scientific papers, but we stand to lose a lot of the - more of the lowlands of Queensland with the thinning process under the Vegetation Management Act.

I would just say that I'll try and supply the inquiry with any further information I can obtain to indicate that we're sort of not operating on a balanced framework under a lot of this stage legislation, and we'd like to see the - obviously the state and federal agreement to go ahead with more appropriate incentives, but the information base to make the land use decisions just isn't there yet. Thanks very much.

**DR BYRON:** Thank you very much.

**PROF MUSGRAVE:** It's not the first instance of environmental legislation containing decisions based on inadequate science or lack of data. I think in New South Wales - - -

**MR FENSOM:** New South Wales was a prime example.

**PROF MUSGRAVE:** They seem to be particularly good at it.

**MR FENSOM:** It's sort of been a catch-up phase with its vegetation mapping, but I don't know the extent of its biodiversity assessments.

**PROF MUSGRAVE:** This doesn't mean that the plans that are produced are therefore illegitimate in some way because they haven't been based on the data that's prescribed in the legislation.

**MR FENSOM:** There are some clauses relating to unmapped data, but what you'll see for Queensland is certainly that the white spaces on the map contain a lot of regrowth vegetation. Some of it of high conservation value, particularly in the wet tropics lowlands. The map is regrowth when they do contain endangered species.

**PROF MUSGRAVE:** Do you believe the plans should not have been proceeded with?

**MR FENSOM:** Yes. I don't think they should have been proceeded with without those biodiversity planning assessments and those other data sets which I've outlined which are in the act.

**PROF MUSGRAVE:** Would some of your fellow professionals perhaps disagree with you, citing the precautionary principle?

**MR FENSOM:** That's a very protracted process. I think it's only been in one court case that I know of in Queensland. I don't think there was a definitive outcome with that, but, yes, it's a bit hard to take. It depends which court you're in I'm afraid.

**DR BYRON:** A number of people have raised the question of the composition of these regional native veg committees; you know, how they're appointed, whether they're representative of particular institutions or sectors or whether - I mean, in other places they have skill or competency-based people on these committees who are deliberately chosen not to be representative of a particular interest group, but I would have thought that if a minister appoints a committee knowing that there's 10 of the and four of the and six of them and one of these, this one may be in the minority. It's fairly predictable in some cases what the action will be simply by the matter of the appointment.

**MR FENSOM:** That's a foregone conclusion in Queensland because most of the conservation movement - environmental scientists I presume wanted to stay out of the process because of both the structure of the committees and the complex and probably unequal nature of the process. The other thing is that we're trying to nominate high conservation value lands under this legislation. There's about a four-step process, and examining the legal - I haven't seen the legal opinion, but it seems that immediately it's designated or proposed that it's high conservation value land and it's supposed to be - you're supposed to consult with the land-holder immediately. Those things haven't happened to my knowledge.

I think it was Mr Acton that may have indicated that they're not going to agree to high conservation value designations through the committee process unless the money is on the table. That's what has unfortunately been said, but what I'm seriously worried about is that a lot of the information that exists probably in several departments about high conservation land is not going to be published. The maps on the web site and the maps available from DNR don't give any equity in - you know, it should be public information. I know it should be consulted, but there's very real problems of several types of land clearing eventuating in the duration of whatever process is going on to try and resolve it.

There's high conservation value land in nearly every hinterland between here and Cairns, and some of it's very high conservation and it's not necessarily going to get on any maps, and that's a real problem for Queensland and it's a problem for Australia. There are other sites in Queensland that are of international significance because of their cultural heritage, their geodiversity, their biodiversity and their position in the landscape. Some of these have been looked at by the federal government in terms of wilderness reports, but they don't even make this RVMP process. So that's another federal report that we'd like to see.

**DR BYRON:** Do you know how many of those areas of high conservation value could be classified as under threat, because it seems to me if they're relatively remote or inaccessible or of low agricultural or urban potential, they're fine. There's no great urgency to set them aside.

**MR FENSOM:** Yes.

**DR BYRON:** They might still be here in another 20 years, whereas a little pocket down on the coast might not be here in 12 months. Do you see the different urgency?

**MR FENSOM:** Yes, there's different threatening processes and different time frames, but certainly the coastal lands of Queensland, and particularly South-East Queensland is under huge threat as much as I suppose greater Sydney for urban expansion, and I think statistically South-East Queensland from Noosa to Coolangatta has got the highest growth rate or certainly published growth rates that I've seen as a graduate town planner in Australia, and we're just heading down that track again with a new regional statutory planning process again, and really it's a worry to try and contend with that. Thanks.

**DR BYRON:** Okay. Thank you very much. That was an unexpected bonus. Thank you.

**MR FENSOM:** Thank you. I'll try to keep the inquiry further informed.

**DR BYRON:** Thank you, and this time I will declare today closed. Thank you very much.

AT 5.05 PM THE INQUIRY WAS ADJOURNED ACCORDINGLY

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