



**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 MELBOURNE ON THURSDAY, 14 AUGUST 2003, AT 9.30 AM

Continued from 8/8/03 in Adelaide

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 control. I'm Neil Byron and I've been appointed as the presiding commissioner for this inquiry. I'm joined by my colleagues Brian Fisher and Warren Musgrave.

This inquiry started with a reference to the Productivity Commission from the Treasurer. You're probably all reasonably well aware of the background to the inquiry, and I hope that most of you will have seen the issues paper that we put out a few months ago. We've talked to a range of organisations and individuals with interest in this area. We've travelled from north Queensland to Albany in WA and from Darwin to Tasmania. We've been talking to land-holders, to organisations, state government agencies, Commonwealth agencies, environmental organisations and basically anyone else who was interested in the subject.

We've held public hearings over the last couple of weeks in Brisbane, Cairns, Perth and Adelaide, and next week it will be Hobart, Sydney and Moree in northern New South Wales. We've had over 150 submissions already to this inquiry, and many of them very detailed and very substantial. We're very grateful for that, because it's the information base on which our analysis and recommendations will be founded.

We always like to conduct these Productivity Commission hearings in an informal matter if we can, but we do keep a transcript so that the proceedings are officially on the record. Because we're taking a transcript, we can't really handle comments from the floor. So if anybody wants to make a statement or comment on any of the material that's presented today, I always ask for anybody who wants to, to come forward at the end of the day and then they can sort of formally say their piece on the record. The transcripts will be available to everybody who has presented evidence, for the checking and validation, and then they will be publicly available through public libraries and on the web site, throughout the country, usually within about a week or so.

I think that's all the formalities that I have to go through by way of introduction, so I would now like to welcome the first presentation from Mr Peter Pacers. Peter, if you could just sort of summarise the main points in your submission, which we've all received and read - maybe five or 10 minutes - and then we can have a question and answer session and maybe go into a bit more detail and clarification. Thank you very much.

MR PACERS: Thank you for the opportunity to present my presentation, as they say. Since writing my original submission, a number of my neighbours got hold of it and were so keen on endorsing it that it ended up being passed around hand to hand and went through 51 sets of hands, with 51 additional endorsements to the

submission. So I would like to table the signatures on the back that I have with me today, as supplementary material to my original submission.

DR BYRON: Thank you very much.

MR PACERS: If we have a look at the original intent of the Commonwealth legislation, it looks at protection of the environment of national significance, sustainable development, promotion of conservation of biodiversity, a cooperative approach and fulfilling our international obligations. This implementation has come through a Commonwealth, state, sort of local legislative framework. Unfortunately we've seen the economic burden fall on the local arena. In other words, people in rural and regional areas are copping the brunt of the economic impact and social impact of these legislative changes.

There are a number of examples in my submission, including where there are perverse impacts, where we're getting environmental degradation as a result of overzealous application of what has ended up becoming a very prescriptive and punitive legislation regime, and is going down the track of preservation and no disturbance, rather than conservation outcomes.

The rural and regional communities are ending up disenfranchised as a result, because most of these environmental decisions are made in state capitals and in Canberra, the national capital. It's difficult for people that have struggled with six or seven years of drought, to actually find the time to take out of their business and make submissions or do anything else except survive. Some of the effects of the Victorian state legislation and its policy overlay of net vegetative gain are actually causing significant hardship.

The example I quoted in my submission was of one farmer trying to get a permit to clear overhanging trees from fence lines and having to revegetate far more. There are occupational health and safety issues potentially in that sort of a framework. These don't appear to be considered. As was recently reported in the media, since my initial submission, there's the case of an 82-year-old widow who's trying to get power connected to her house and has to plant 200 trees in order to make up for the trees that have to be cleared to supply power. So for rural and regional Victorians, having power supplied is a luxury that is less important than the application of the Victorian state environmental legislation.

Overall, I would like to say that what has amazed me since moving out to the country recently is just how interconnected things are; how each business relies on other businesses and how \$1 typically goes through 10 pairs of hands, whereas in the city I think it's closer to three pairs of hands. It means that any economic impact is felt far more heavily in the rural and regional communities than it is in the cities. This legislation has particularly long-lasting and deep impacts, in that it's not like

being retrenched from your job where you can go somewhere else and get a different job. This is shutting down aspects of rural and regional business development, particularly in the farming sector, potentially on a permanent basis. Unless you move to another country, you may not be able to follow your previous line of business.

Overall, one thing that I do feel compelled to say is that I'm disappointed by some of the lack of social and economic impact considerations, especially within the media debate. From organisations like for example the Australian Conservation Foundation that I would have expected to comment on particularly the social impact of some of this legislation and the stress that it causes people - you know, which can lead to things like suicide and depression - there seems to be just an attitude that there is no impact of this legislation, or at least that's what I've perceived through my monitoring of the media. That for me is disappointing, because I would have thought that a credible - or for me, almost once a credible organisation like that - would have recognised the social impacts that must be obvious.

Overall, as to how we should try to remedy the situation, that's a very difficult question to answer. I'll make two comments on that, and one is that it would be nice to see some form of positive scheme whereby, through qualification of the golden - I don't know - possum environment scheme or golden something, golden stamp of environmental goodness, will alleviate some of the pressure, because there's no mechanism to say as a farmer, "You're doing well environmentally and your operations are sustainable." There's lots of legislation and regulations that state what you shouldn't do, what you can't do, what you're not allowed to do, what the fines are if you do this. It's all pretty much punitive and prescriptive. There is no single state, local or Commonwealth, environmental qualification scheme that says "you're doing a good job" in a farming or rural or regional area.

The other area that needs to be addressed, and this commission is going some way towards doing that, is the review of the economic and social impact of the whole legislative framework. It goes beyond just the Commonwealth legislation, because most of the legislative burden has been shifted through to the local council area, and where the local council then has to fund the legal action against the local business. Either way, the local area loses because someone goes out of business or the council loses the legal fees and that has to come out of funding somewhere, and councils only have a limited bucket of money and they have not been given significant extra funds, that I'm aware of, to actually fund all this. In any case, it's all negative.

It would be much nicer to see a positive framework and a way in which we can invest in rural and regional Australia and alleviate some of this burden. That in a nutshell is where I'm coming from in my submission. So I'll throw it over for questions now.

DR BYRON: Thank you very much. I guess I would like to go straight to your conclusions and explore further, how do we go forward from the situation we're in at the moment? From what we've heard in many other hearings, the point about excessive reliance on regulation and legislation on what you can't do, and very little positive incentive matters, is one that we should explore a bit further. The other that keeps coming up is the fact that there seems to be no mechanism to look at the environmental benefits and the economic and social costs of a particular decision. Your two concluding points seem to reinforce or repeat that sort of argument.

MR PACERS: Perhaps that's one way the Commonwealth could become involved, in terms of providing a unifying framework or a minimum standard of economic and social impact statements required for any prescriptive or punitive-type legislation, so that there's a requirement for a uniform national approach to the evaluation of the economic and social impacts of - it has to be not just for legislative change, but for the current legislation set as well.

DR BYRON: Okay. Just exploring that first point about moving away from regulations that tell land-holders what they can't do, towards more positive measures that encourage active management, do you have any ideas on that? I mean, are you familiar with the Bush Tender trial that has been going on in Victoria, where land-holders can actually put in a bid for how much money they would need to be paid to do particular works on their property?

MR PACERS: The idea of forming - I'm not familiar with the detail of the Bush Tender. My understanding is that it is an idea to form a covenant between the land-holder and a particular arm of government, in order to manage the bush in an appropriate way. While the idea is sound in concept, the difficulty comes in that there's already a large amount of land-holder distrust of government intentions and motivations in this space. Entering into such covenants carries business risk, in that if the land-holder makes such arrangements they may not be able to change the arrangements at a future date.

The more a land-holder in general is involved with the environmental regulators, the greater the business risk of that involvement is, which is a sort of perverse outcome of this legislation. So while I agree with the intent, I think that the current climate is difficult in which to implement that.

DR BYRON: Again that's a recurring theme in this inquiry, the breakdown of trust; that land-holders are now trying to avoid having anything to do with government agencies because they feel that they've been bitten before. But it seems to me that ultimately, in the long term, land-holders and governments are going to have to enter into some sort of relationship where both sides are happy, in sort of a partnership thing that has to be based on mutual trust. So have you got any ideas of what could be done towards building up that sort of mutual trust that enables us to get these

win-win outcomes, rather than the sort of lose-lose outcomes, where it's bad for the farming business and bad for the environment, that we keep getting examples of?

MR PACERS: Some more commonsense, perhaps more flexibility in the current arrangements as a demonstration of good faith - that would be particularly by the state and local government sphere. But building up a win-win will probably have to happen at a regional and local area. The types of projects that I've seen, where a positive outcome has come about through a community cooperating with environmental regulators, really seems to hinge around one or two key individuals, both within the community and within the government sphere.

I'm thinking of particular sort of Landcare-type projects, where a community of interest in a particular geographic area gets together, decides what they want to do, works it out and develops over time a good relationship with the local environmental authorities. So I think there needs to be a regional-type approach that's localised, and aims to do projects to build that kind of trust and develop those kind of relationships.

For example the tenure, from my experience in the Western District, is incredibly long lived. At one meeting with some - at the time DNRE, now DSE - Department of Sustainability and Environment weed control officers, there was one weed control officer with six months' experience, another one with a few years' experience, and the combined aggregate farming knowledge of the area was about 220 years from three individuals, or four if you count myself. So the aggregate - the length of time government employees spend in those types of positions can constrain the development of a trust relationship where people are moving in and out of jobs and constantly being replaced. A new person comes in and goes, "Oh, well, I don't agree with what my predecessor has done." The project changes direction.

There needs to be a longer-term approach to some of this thinking as well, perhaps through longer term project plans that can provide some reciprocal benefits to both sides, like a conservation agreement and an agreement to validate the current farming practices in that particular geographic region, and with a 10-year life span for example, so that people can just get on with doing things and not be worried about whether or not they're chopping down the wrong plant.

DR BYRON: Thank you very much.

PROF MUSGRAVE: I wonder if could pursue that a little further. In your submission you comment on the lack of consultative mechanisms and note that rural people feel disenfranchised and so on. You talk about agreements between farmers and government. Have you thought about mechanisms by which this might be done; how regions might be involved and how individuals might be involved within the regions in negotiating with government?

MR PACERS: That's a very good question. Part of the disenfranchisement comes from the feeling of being excluded - well, that's the main one - the feeling of being excluded from the process. Notification is often difficult for rural and regional communities. Sometimes hearings for example are published in the major metropolitan newspapers, notices of hearings, notices of legislative changes. Often legislative changes have not been widely published and the environment has been heavily politicised, especially of late. For example, most state government politics revolves around outer metropolitan seats that are the key swinging seats.

So there's aspects of the problem that will be difficult to fix, because of the nature and process of state government politics. It's not so much of an issue in local government politics but the state one is particularly troubling. I think, judging by the amount of submissions received by this inquiry, in the sort of Commonwealth sponsored arena there is generally a better result as well in terms of engagement. It's to my mind - and my experience has been - that it's the state government process that is the most difficult. So I'm not sure how best to answer that in this forum.

PROF MUSGRAVE: Could we come at it perhaps from another direction. We've been confronted with many hard luck stories; people who claim to have suffered under the legislation or under the application, the administration of regulation. Often individuals say that the situation they're confronted with is ludicrous. They're just asked to not proceed with the clearing of a small number of trees and yet nearby there are examples of significant presence of the ecosystem that's involved.

In response to this, proponents of the regulation say that there is the danger of a death by a thousand cuts. If the administrators accede to the argument that it's only a small instance of the threatened habitat - or whatever it is that's involved - that collectively this could amount to a substantial reduction in the habitat. So it would seem to me that if we were to have a commonsense flexible approach to this, there would need to be some sort of deal made between farmers, as well as between farmers and the administrators. Is this possible?

MR PACERS: On a regional basis you could for example try and form a memorandum of understanding in a particular geographical region, where a local community, the overall - the rural and regional community has phenomenal support for conservation and conservation values. Landcare was started in the late 70s by farmers as a volunteer organisation, in order to improve the conservation of their land so that it could be handed down to those who follow them onto the land and hopefully in a better condition to what it was. So there is very strong conservation values in the farming and rural and regional communities.

I would think that something that's likely - it gets down to it has to be locally based, it has to have community support. That community support has to be built. The trust has to be built; something like a project to develop a memorandum of

understanding where people agree, in a community and with the regulators or with the local authorities, on how a certain area or a geographical area will be managed. I think it is possible to construct such agreements. It will take time and it will take effort, but it could be do-able.

PROF MUSGRAVE: Thanks for that. Could I just press you a little bit on that and make the observation that we're talking about pretty serious business here. If the presentations to us are to be believed we have individual instances where considerable sums of money are involved and in some instances the viability of farm businesses, and on the other hand we have scientific evidence put to us that the consequences of clearing could be quite serious in terms of salinisation or other effects. It would seem to me that we have to go beyond a memorandum of understanding. We'd have to have acceptance of responsibility, with appropriate sanctions, and enforcement powers on the part of the state in relation to the agreement that is reached with the community and with individual farmers.

MR PACERS: I would have thought that in the current legislative environment the memorandum of understanding might be a way to give people more flexibility and move outside the current Victorian environmental regime, which actually has a state government policy overlay of net vegetative gain. So there can be no clearing in Victoria any more. That's effectively been outlawed and the intent is for gain on private land, so in Victoria that doesn't really apply.

Clearing is one particular aspect of environmental management that is getting probably more focus than it deserves, because I would argue that there is potentially an absolutely large crisis in our public land management arena, where 3 million hectares of bush burnt out in highly destructive wildfires last summer, whereas in Portugal for example, where some hundreds of thousands of hectares of forests have been lost to destructive wildfires, they've called that an absolute environmental catastrophe. We seem to take it quite blase that - or sorry, let me correct that - there are certain organisations that seem quite blase about the environmental impact of the recent bushfires. So is some farmers clearing a little bit of land perhaps, less destructive than the large bushfire event we've had, and the environmental legislation has probably in my opinion contributed to that bushfire catastrophe, through the overzealous application of a sort of "no disturbance" policy.

So I think there are bigger issues here than just clearing on private land. The economic impacts of the clearing restrictions are quite severe. People's capital value in their land has plummeted quite dramatically in a lot of cases, because land that's currently not cleared will never ever be able to be developed. There is the story in the media of the difficulty of connecting power to an uncleared block. So it goes beyond just clearing. This is not just an issue about clearing. If we are going to conservation and conservation outcomes, what I believe we are originally trying to do is limit the loss of biodiversity and species loss.

PROF MUSGRAVE: Clearing was an example. I didn't mean to focus on clearing.

MR PACERS: Yes, okay.

PROF MUSGRAVE: I think we can leave that.

DR FISHER: Thank you. In some other states we've heard evidence that the regulator from the capital city doesn't actually fully understand the local environment and therefore there is disjunction between what's being done at the behest of what's happening in the capital versus what's on the ground in the local environment. Now, you seem to be saying that here in Victoria where, if I've understood you correctly, this legislation is effectively being implemented by local government, that you also have problems. So if it's not possible for local government to implement and it's not possible to have it implemented at the state government level, do you see any solution to that - or what is the solution, in your view?

MR PACERS: There is some tempting aspect to go, "Well, okay, the process has not worked, has generated terrible outcomes for rural and regional businesses and land-holders in those communities," maybe we should take it out of the local government and state arena and move the legislation into the federal arena. It's difficult to see how that's going to be implemented, due to the lack of ground resources. That's a question I'd like to take on notice if I could and respond with a supplementary submission at a later time, please.

DR FISHER: Okay, thank you. The other question that arises in my mind is your suggestion of a golden possum award, if I could characterise it like that. Now, that seemed to imply to me that you had in mind that somebody would define what was a sustainable farming system. So you would set up a set of benchmarks or performance criteria that would define sustainable farming systems. Why are you convinced that that would be any less problematic than any other system designed by government that is in effect setting up a set of benchmarks or regulations? Why are you convinced that setting up your golden possum award won't actually result in a set of regulations that you will also have to meet?

MR PACERS: Yes, there would be regulatory aspects to the great golden possum award. However, given the way the current legislation works, it would certainly be worthwhile exploring the implementation of such a scheme. Part of the negative impact is the social impact of this legislation where there's an enormous amount of uncertainty as to what you're allowed to do and not to do in terms of ordinary farming practices. Things that have been going on year in year out, maybe for 90 years, 100 years, are now suddenly subject to question. The definitions aren't that well defined: "You're allowed to maintain your existing structures and so on and

your existing paddocks, et cetera, but there's always regrowth. If you don't tackle it within a certain number of years you're liable under the legislation. When did that thing spring up there? Was it one year, two years, five years, seven years ago?" So there's always this grey area where people, I've noticed, are concerned as to whether or not you're doing the right thing. This feels like you're always under threat of being prosecuted for something you may have inadvertently done wrong.

If a particular farming operation can be golden possum stamped then it could give the land-holder a greater sense of security that they've been endorsed as being doing the right thing environmentally sustainably and they can simply get on with their farming operation rather than, you know, lying awake at night worrying about whether or not they've done the right thing or not or whether or not they're going to be prosecuted with some quite stiff and heavy penalties which can be up to - you know, they're semi-criminal, there can be a jail component, there can be a \$120,000 fine, and the legal costs can absolutely wreck your business, especially if you're struggling with difficult farming conditions and low commodity prices.

It just might be a mechanism that could be explored to provide greater sense of mind and a positive focus so that people can feel, "I'm a farmer, I'm proud of what I'm doing. I'm farming sustainably, I'm doing the right thing by the environment and I'm being recognised for it and I can use this as a way of saying, no, hang, on, you can't just hang - you know, you've caused environmental destruction because you're a farmer. Here, you go. You have been officially credited as being a good person in doing the right thing."

MR FISHER: So the aim in your scheme would be to focus on the farming system as a whole, not on one tree.

MR PACERS: That's right.

MR FISHER: That's the idea?

MR PACERS: That's correct, because there might be a negative impact in one aspect but there might be corresponding positive benefits somewhere else and it needs to be looked at in that sort of totality. Part of the idea was really, what can we do, what can we do that's something that might be positive and received positively as opposed to only tackling this by a prescriptive program of what you're not allowed to do.

MR FISHER: Thank you.

MR MUSGRAVE: Are you from the Western Districts?

MR PACERS: Yes, I have a property down there.

MR MUSGRAVE: Yes. Yes, I can understand your statements about clearing now. To your knowledge is there a set of clearly defined vegetation and biodiversity outcomes for your region, for the Western Districts, or whatever you might think of as your region or catchment?

MR PACERS: Absolutely not; it keeps shifting. Currently they seem to be a bit unclear. For example, the Otways was subject to the regional forest agreement not so long ago. The current state government appears to be trying to overturn that through some of their work to convert all public lands in the Otways area into a national park. There's some evidence in CSIRO's report into stream and soil erosion in south-eastern Australia that indicates that some of the estimates of clearing in the Western District have been exaggerated and there has been less clearing than may have been previously thought. In terms of having a well defined conservation outcome, biodiversity and so on it keeps changing, it keeps shifting, and the target zone - I couldn't point to a place and say, "Here's the targets, they're well defined and they're publicised here." It seems to be much more a political issue than an environmental issue in that area.

MR MUSGRAVE: So an implication of what you're saying is that if a person was the subject of regulatory decisions that were adverse to them and sought a rationalisation of that in terms of pre-ordained biodiversity vegetation objectives they would be hard put to get a coherent response.

MR PACERS: That's right. Whether or not you've done the right or wrong thing in terms of clearing and land management comes down to the definitions in the regulations and the legislation and that has no objective criteria for measuring the impact or otherwise of biodiversity and conservation values. Allied to that is my suggestion of the positive scheme. It is actually something that's difficult to define as is evidenced by the fact that there is no positive scheme to say what is good environmental practice; there's just the tonne of regulation to say what you're not allowed to do.

MR MUSGRAVE: The golden possum award is an example of such a positive scheme. You have already responded to a question about the Bush Tender scheme but have you any other thoughts about such positive possibilities, incentive arrangements that might give us a different approach to regulation to the rather negative approach we seem to have at the moment.

MR PACERS: For me personally, I'm less looking for incentives to do the right thing environmentally. I feel personally committed to do that. What I'm more interested in is some business certainty for my farming operation rather than subsidies, rather than any type of payments. That's the prime consideration and the prime motivation, being able to carry out a farming operation that's being run

sustainably on that property for almost 100 or in fact probably over 100 years now. It's very similar to what was - you know, the land use is very similar and hasn't changed over a long period of time. So for me, business certainty is far more important than incentives and it is as basic as that. It's just the privilege to be able to carry out a business with a degree of confidence that it won't be taken away from me because of ill-defined, we've got to save the environment at any cost through any action, no matter who it impacts, regulation.

I feel like I could be run over by a steamroller and the entire capital investment in the farm could be substantially degraded and we might be faced with a future where the farm would never run profitably if restrictive environmental regulations were placed on it, which is a shame because it carries one-third bush, it has been farmed sustainably for 100 years and yet that's what I feel under threat of. So for me, business certainty is the main thing that I would be looking for.

MR MUSGRAVE: Thanks.

MR BYRON: I think that's probably a good place to leave it. I'm sure we could go on a lot longer but we've got a lot of other people to hear from today. Thank you very much for making the effort to come and thank you for your submission and all the thought that has gone into it.

MR PACERS: Thank you very much.

MR BYRON: Next we have got Mr Jack. If you could settle into the hot seat there, just introduce yourself for the transcript.

MR JACK: Good morning. My name is Ian Jack and I thank you for the opportunity to submit my submission. The background to my concerns arose through the application for a planning permit to construct some dams on our property - a dam on our property. I'll have to present this in a chronological order so that it sort of makes sense as to the concerns that we have. They cover such issues as water, native vegetation removal, planning, insidious committees, placebo public meetings, conflict of interest, fire, and national park as neighbours. All of these have affected the development that I'm pursuing and as such had an effect on the productivity of the development.

My history is such that some 28 years ago I shifted out of Melbourne and bought a farming property just out of Benalla and have farmed sheep for wool since that and I still own that property. I'm a qualified civil engineer. I have had considerable connections with planning issues, town planning issues, both representing clients and myself in a number of business activities. I consider myself to be fairly responsible towards community efforts and social considerations. At about 1998 I had the opportunity to pursue one of my long-term goals to start a vineyard and olive grove at another property some 100 kilometres from our home in north-east Victoria. I purchased some 240 acres - 240 hectares - from the Commonwealth government that had previously compulsorily acquired the property some 25 years prior for the purpose of building a rifle range which they didn't pursue. They subsequently let the property to a neighbour and I wanted to develop the property after we've purchased it.

It was advertised with a ground water licence of some 108 megalitres and that water was currently used at the time to flood irrigate a five-acre stand of lucerne. When we took possession of the property I approached both the Goulburn-Murray Water to ascertain what opportunities there were to build some dams on the property and also I made contact with DNRE at the time to ascertain if they had any concerns over tree removal for the construction of these dams. The DNRE's response was that they wouldn't consider anything until they got an application for their comments from the local authority planning department, and Goulburn-Murray met us on site to indicate what their concerns might be with building dams. The property has two gullies that both capture water. One side of the gully was deemed to be - well, possibly on a waterway and they would suggest that we sort of pursue the other side of the property where there were springs and soaks and it was over the area where the current 108-megalitre ground water arose.

On applying for the planning permit we were given a number, of 99003 and to date we have not received either approval or rejection of that planning application.

But during the drawn out process of ascertaining the requirements from the statutory authorities as to their conditions in granting a permit, it was subsequently resolved that four dams could be built in lieu of the one that we wanted. Now, all these four dams were sort of at a much lower grade level of water storage and catchment than the original proposed and the original proposed dam was found to contain some - thought to be at the time - endangered species and rare species and as such they would prefer that the dams be built at another site. Now, at this point you'll have to guide me as to whether I'm giving you too much detail or as to whether it sort of fulfils the overall situation of what you're looking for.

DR BYRON: We have read the detailed submission quite carefully, so you can probably summarise a bit more.

MR JACK: Okay. Well, the outcome of the four dams were that I built one dam and subsequently built another dam, but the other two dams I've been stopped from building through change of legislation and it comes under the farm dam legislation that has recently been introduced into Victoria. The native vegetation concerns have arisen out of reports by some people on the DNRE that have close associations with most other committees and there seems to be an assiduous connection between the personnel that are on the committees, because everywhere you go there are the same people appearing on the committees.

The water issue is further complicated by the fact that the planning officer for our municipality is also the chairman of a stream flow management strategy committee that is supposed to be comprised of 50 per cent farmers and 50 per cent other bodies representing the statutory authorities. What it appears to be in our situation is that the results of these committees are being implicated to us at the planning stage rather than it being treated as an individual situation. There are a number of conflicts of interest that I raise in my submission, that cover once again the same people within the various departments that we've got to deal with and it comes into a range of categories, the conflicts of interests.

The issues that we have with National Parks as neighbours, as probably you've heard before but it's common to all National Park adjacent landowners - in our case I feel it's somewhat more pronounced because we've just discovered that adjoining our property is a reference area which is totally exclusion zone and it is only a 50-metre boundary between our property and that total exclusion zone. So it will never be controlled, never be burnt and never be managed, other than by neglect.

In essence, my submission covers all of the concerns and there is a lot of detail that could go in to illuminate some of the problems. It might be at this stage that I conclude my submission and be open to questions.

DR BYRON: Thanks very much, Mr Jack. How much of the development that you

originally proposed on this property have you been able to do? I mean, you say you've got one or one and a half dams instead of the one big one or four small ones. You talk in the submission about having to scale back the olive planting and so on.

MR JACK: The original intent of the 240 hectares was to build an 80-hectare olive grove and a 40-hectare vine plantation. At this stage there's only 10 hectares of the vines planted and there's still another 15 hectares of olives to be planted, and there's another area reserved which will either - another area of 30 hectares that will either go to olives or vines, depending on some outcomes. But in essence, I need to store 200 megalitres of water. At the moment I have stored only 50 megalitres. I'm in the process of building one more dam and have been stopped on the other two dams, and the four dams would total the 200 megalitres.

I have consulted with Goulburn-Murray Water on a number of occasions. They've certainly told me what I couldn't do and I've had lengthy discussions with them trying to ascertain what I can do. I've listed 15 items for discussion, which took place on 31 April this year and to date I've not had their response as to what I can do in the way of getting some security for my water. I'm greatly concerned in the water tenure. Whilst I've been able to purchase a ground water licence and winter fill licences, the current legislation is such that the ground water licence can be taken off me at any time and this is just not tenable at all. I cannot proceed until I get more secure arrangements with my water.

DR BYRON: Do you think the people in the various agencies you've been dealing with are aware of the consequences that these delays and indecisions are having, or it isn't something that worries them?

MR JACK: No, I think they have a duty to do and that's not one of their considerations. They have a role to fulfil in fulfilling the legislation. They do not agree with the legislation but that is their role. They have said openly in some instances that, yes, they've got a nasty job to do and they've got to do it. The time or consequence considerations just does not appear at all. I have had nine - well, many, many meetings on site, up to nine people at a time representing four departments and nearly all the departments except for the Department of Commonsense, and I think that is where their role needs to be. There needs to be some balance between what you want to do and what you're able to do by legislation, and some intermediary assessing whether the concerns that each side has raised can be evaluated and a decision made on that basis.

DR FISHER: Thanks. So the principal problem - it seems to me that you're saying to us there's two problems, two principal problems. One is the uncertainty created by the ongoing negotiation that you find yourself involved with and the other one is about not being able to ascertain what you can do versus all of the regulatory arrangements that tell you everything that you can't do. So you can't ascertain - you

can't find anybody to give you a statement of what is possible. You can only find people to tell you what is impossible.

MR JACK: Well, that particularly relates to the water storage issue, that that is the case, that I cannot find what I can do. I've been told many times what I can't do. But there seems to be reluctance to take - from the statutory authorities to just take any line on that, because issues change. You know, it's an evolving process, this legislation towards conservation.

DR FISHER: So does that mean that what you're seeing is basically a whole bunch of risk-averse bureaucrats who are effectively prepared to tell you what the legislation says you can't do, but there's nobody willing to take a risk and chance their arm at giving you some advice? Is that - - -

MR JACK: That's quite the case, yes. It seems to be that, from what I've observed by what other practices have been conducted by some neighbouring properties, it seems to be that there's an element that you're far better off to do what you want to do and suffer the consequences, rather than to adhere to the legislation. The legislation is erroneous; it's detrimental to progress.

DR FISHER: If I've read your submission correctly you seem to be saying that there are cases where the statutory time limits have been breached in your case. Is that true?

MR JACK: Well, my understanding of how the planning process works is that the planning officer is the coordinator with the statutory authorities and then after the planning officer receives the comments of the statutory authorities, the conditions are added to or the permit declined. There's a period of time that has to take place and none of those times have been adhered to, but Natural Resources have the power to be able to apply for an extension of time and grant it to themselves. So the time limit is not enforceable.

DR FISHER: So the arrangements are that if the department is taking too long it can just extend the time it needs?

MR JACK: Itself.

DR FISHER: Itself?

MR JACK: Yes.

DR FISHER: And you have no recourse to appeal in that process?

MR JACK: I understand I have no recourse to appeal. What instigated the issuing

of the permit in the first instance was that I'd sent a letter to the CEO after I'd spoken to the mayor, as to what action I could take to try and get this dam approval going forward, because I had a contractor at site at that time champing at the bit to make a start and it's sort of coming winter. I had to get some dam in, some storage in, to get my first year's plantings in. The letter went to the CEO and I was promptly granted a permit and that seemed to be the only course of action that I had. There was no other action. If I had have had a refusal I could have taken it to VCAT or taken some action. But if they do not answer then they just keep on stalling.

DR FISHER: So what happens - and in your case what has happened, is that you had a set of approvals there.

MR JACK: Yes.

DR FISHER: This process then goes on. In the meantime the legislation has changed as the department extends the time it needs for itself and then that results in you not being able to proceed with something that was originally approved. Is that correct?

MR JACK: Well, it's not completely in that arrangement. The reference I made to the ambiguous time completion clause in the planning permit stated that I had to start the project within two years and complete within two years. Now, there were four dams on the project. I was required to submit a plan for each of the dams before commencing the project and receive approval from DNRE as to the site of the dam. I did that for the first dam, which was site number 4, and number 1 at the same time. I submitted that promptly after I got the planning permit. I submitted the plan for dam number 3 a month later and I didn't receive a reply and in fact I've not received a reply at all to that submission. I've received a verbal reply saying that it was okay, but that was some 12 months after I put it in. So when I started the dam, the actual construction, in between times I'd actually started clearing for that particular site. I was stopped from building that dam on the authority that I hadn't - that I'd exceeded the planning time, the time for completion.

The issue then became sort of unwieldy because they said that when I spoke to the planning manager, the technical manager for the municipality, he said that it would only be a matter of seven days before a new application would be proceeded with and you'd start construction again. Well, that was - it nearly took 10 weeks before that came through and it sort of got us into the winter and that sort of missed out, and then the change of legislation was in with the new government and one of the other sites that I was intending to construct that I had already started clearing on, that I had permission on - this was dam number 1 - during one of these inspections it was deemed that I'd illegally cleared native vegetation from the dam site that I had approval for. So it sort of - and then it was deemed by Goulburn-Murray that it was now on a water course. So it sort of gets messier and messier and without any

resolution to date on that paragraph site.

MR FISHER: Thank you.

MR MUSGRAVE: Thank you, Ian. On page 6 of your submission, you refer to compensation might be payable under the Fauna and Flora Guarantee Act. Can you give us any details on that?

MR JACK: Yes, the Victorian Fauna and Flora Guarantee Act allows for compensation to be paid for some areas where they have deemed it to be of a worthy classification, and there is protocol that you've got to go through to have that site ascertained as to whether it warrants compensation. I haven't gone through that process. It was not alluded to me at the time that that was available. It was made heavy reference to in not accepting the site 1 as the original site as being acceptable because of the trees that were contained within the Flora and Fauna Guarantee Act under the endangered species category.

MR MUSGRAVE: To what extent are your problems caused by the legislation and to what extent are they caused by the implementation of the legislation and the associated regulations? I can't imagine - - -

MR JACK: I don't know. I can't separate the two.

MR MUSGRAVE: You can't separate them.

MR JACK: No, I don't really know whether it's manifested by the planning authority or - which in itself is sort of a situation that arises, because it's not directly related to the shire. It's a business arm of the shire acting as an individual business. Now, there are certain events that happen from there that sort of have to - they have to generate their own income and this is another way of deriving income, as I see, by penalties or extra fees, but as to how the legislation or its implementation has caused the problem, I don't know. I believe there are some aspects of the legislation that I'm required to adhere to are beyond what's in the legislation.

MR MUSGRAVE: So are you saying that we have an enforcement organisation that is funded out of revenues earned as a result of fines arising - - -

MR JACK: Well, there's no doubt that there's some funds that come from fines that supplement their income. Whether it's entirely - there are a number of activities the business arm conducts that raises income. I understood that the planning part was to be at no cost to the applicant, apart from the application fees, and it was a cost that the shire had to wear as part of their overall rating system, rating income system, but in this particular case, in the particular municipality, there is a business arm that has a whole range of activities, and some of them are actually in conflict with the

ratepayers activities.

MR MUSGRAVE: Okay, we seem to have some game keepers and poachers mixed up here.

MR BYRON: Can I just follow up on that one?

MR MUSGRAVE: Yes.

MR BYRON: Because you mention in the submission about this planning infringement notice that you received.

MR JACK: Yes.

MR BYRON: There were certain requirements that were imposed and penances that you would have to pay, and penalties and offsets and covenants and so on, but then when you had the on-site meeting, these requirements were reduced.

MR JACK: Yes.

MR BYRON: What surprises me - I mean, is it commonplace for land-holders to be able to renegotiate the penalties under an infringement notice?

MR JACK: I have no - - -

MR BYRON: Or does this suggest to me that the penalties that were imposed were sort of plucked out of the air?

MR JACK: Well, it sort of came across to me that that was the case, but it was certainly only at the end of the day that that sort of - I came to that conclusion. Prior to that it was a very obvious threat and concern, but there was another instance that sort of arose that I haven't alluded to in this report that indicates to me that the planning arm is a measure of or a means of deriving income. I had built a shed on the property, which was part of the original planning application, and I said that the shed would contain shower and toilet facilities, and on one of the inspections, the planning officer commented that, "I see that you've got a fireplace in the shed and that you've got a satellite dish on the roof. You must be using it as a dwelling," and I said, "Well, on occasions I stay overnight because I have a night rate watering system and I have to monitor the water." He said, "Well, in that case, you'll have to apply for a dwelling permit." I said, "Well, what does that entail?" "Well, you'll have to make application and it doesn't require any plans but there's a fee that you've got to pay." So I sent off \$230 for the application to change the farm shed use to a dwelling, and promptly got a reply to say, well, I haven't sent enough money and they needed \$460. So I sent the funds across, and then the permit arrived, and in the

permit it required me to put in a 90,000 litre water storage, which is probably fair enough, but it's alongside a 46 million litre dam and they required a \$1500 road contribution levy.

Now, the only part that I've been aware of in my practices with planning issues and road contribution levy is where there is a change of use. Now, I maintain that a dwelling on a rural property is hardly a change of use, and I sought some legal advice on this, which cost \$1000 to ascertain, and the comment was that, "You can't do that. That's illegal." So the conclusion that I came to from that is that he either doesn't know what he's doing or it's just a rip-off. I haven't paid the \$1500 and I haven't received any letter since. So draw your own conclusion as to whether, you know, whether that's a money making arm.

MR BYRON: Well, one of the things that's come up in a lot of the other submissions and hearings is that the offsets that are required in terms of how many seedlings you have to plant for every tree you cut down, or how many hectares of covenant they want for every hectare that's declared, you know, the ratios vary extraordinarily which suggests that there is no sort of guideline. It's whatever the individual thinks he can demand. The penalties or offset requirements seem to be plucked out of the air a bit.

MR JACK: Yes, maybe. There's a bit more definition that I've since discovered in the last week or so in the catchment management strategy plan for revegetation, and they list what size diameter tree and how many trees it requires to replace that, and I think it goes from 10 centimetres that requires 10 trees up to a metre where it requires 400 trees. It's in that order. So there is now - this is only conducted in about, it's only produced in the year 2000, maybe mid-2000, but the interesting part of that is that the same people on that commission are the same people who were - who was, one person, a councillor of the municipality at the time, who was a board member of the Indigo Way Services, the planning arm, and also was part-owner of a nursery, and what sort of stuck out most of all is that during the negotiations for the tree planting exercise in the planning infringement notice was that the tree nursery was the first one suggested as to where I should purchase the trees from. Now, if that's not a common interest, then it must be fingers in the pies or snouts in the trough or something or other. It's quite distasteful. The councillor is no longer a councillor.

MR MUSGRAVE: If I could just conclude with a question similar to the one I put to Mr Pacer, and that is have you been able to get unambiguous and clear explanations of decisions adverse to you which are couched in terms of desired vegetation and biodiversity outcomes and associated strategies for your area? It's a complicated question. I hope - - -

MR JACK: Yes, yes. No, not really. The bush fires came very close - I'll just

deviate a little bit - and whilst I prepared a revegetation plan to satisfy the planning infringement notice, I'm concerned somewhat now, after speaking to the people from Parks Victoria about the national park that they have no management plan for the park but a reference zone. The trees that are required to be planted attract birds, draw the water from the ground water supply that I'm required to pay for, irrespective of the use, and they are a fire hazard. So whilst there was a clear understanding of what I could do at the time, the bush fires and my knowledge of what the parks have been, the management practices, have led me to believe that, no, I may have to take a different slant on that planning infringement notice. So, no, you know, whilst the guidelines are, I thought, were in place to enable me to proceed, there are some issues that have come up that cause me some concern if I do proceed. I've started to prepare the ground but I haven't done any planting as yet. I'm sort of in limbo at the moment.

MR BYRON: You mentioned in your submission about some individual paddock trees, I think, in the area that you wanted to plant olives. Is that right?

MR JACK: Some individual - - -

MR BYRON: Isolated trees in the paddock or in the area that you were proposing to plant olives, and there were restrictions on removing those isolated individual trees. Is that right?

MR JACK: The point that I raise there is that during the negotiations with NRE on site on three or four occasions, it was asked where I was to require further trees to be removed from so that I could, you know, continue the plantings, and there were designated areas where those trees were to be removed from, and I took it at the time that they were compensatory for the retention of the Warby Swamp Gums in the wetlands area. There were remnant trees - part of the report by DNRE to the Indigo Shire for their conditions of granting a permit - and they were such that the trees could be compensated by retaining the native retention, but when those trees were removed, I was subsequently issued with the planning infringement notice.

MR BYRON: I think that's what I was wondering is whether those individual trees scattered around the paddock were of particularly high conservation value? Was that statement made at any particular time?

MR JACK: All the trees on the property, I would say, are in a poor state of health. They are affected by mistletoe generally and, no, there are a number of trees that are worthy of preservation, certainly, in the size and the character of the trees, but in general terms, no, they were in poor condition. They had not long to live.

MR BYRON: I guess what we're getting at here is if somebody tells you that you can't remove trees to put in an olive plantation and all the economic activity that goes

with that sort of investment and property development, it would be interesting to know whether these trees were, you know, extraordinary samples of rare species or the habitat for rare and endangered species of bird or possum or skink or something, but you seem to be suggesting they are just a bunch of average or rather sick old trees.

MR JACK: Yes, in the remnant vegetation there was nothing outstanding at all about those trees. You know, I'm aware of salinity issues. I'm aware of the carbon issues, and I think what I'd taken out was certainly replaced by the 15,000 trees in the way of both of those addresses. Of the 15,000 olive trees, there is probably one third, or over one third of the property still remaining natural vegetation which I think it will probably always stay that way. I have no intention of further reduction of any native vegetation at all.

MR BYRON: I'm probably naive, but I would have thought that any rural shire, particularly in Victoria, would be quite happy to see an individual property with 30 per cent or whatever of native vegetation retained and tree plantings of relatively high value crops like olives and vines, and this, I would have thought, would be something they would relish and bend over backwards to accommodate as opposed to sort of rough grazing as it was before.

MR JACK: Well, I, like you, am naive also. I would have thought that would be the case. We started out with two permanent employees, and I thought, well, you know, there's not too many people in the valley that employ people and I thought, well, I must get some sort of, well, credit for that, but, no, that wasn't taken into account at all. They have a duty to do and it's a closed shop circuit between all of the people that are connected in those decision-making situations that safeguard themselves and their interests. The prime interest, I think, that being so close to Albury-Wodonga, or my prime concern, and this is only my trying to judge as to why this has happened, is that there seems to be a push for more rural residential than residential land, and I note that there's some comments in local press lately where a prominent vigneron had developed a vineyard in Beechworth and subsequently there was a re-zoning alongside his property over a number of acres, hectares that zoned it rural residential. Well, that's almost an incompatible arrangement, given the nature of what's required in producing quality grapes.

Now, the concern for that from my perspective is that the Beechworth area will be a very notable wine growing district, and if it's going to be allowed to be excised into smaller allotments for the purpose of gaining extra revenue, I believe, it's to the detriment of the industry and to the detriment of the progression of development. So it seems to be that because of the proximity to the denser cities where there's more employment that there's more emphasis given to the development of smaller allotments at the expense of rural properties. That's my generalisation in trying to come to some logical reason why this is sort of happening.

MR BYRON: Sorry, just to try and clarify and summarise that, you're suggesting that the native vegetation controls and some of the other environmental controls may be used in a somewhat - - -

MR JACK: No.

MR BYRON: - - - arbitrary way to achieve other agendas?

MR JACK: I believe in the case of restricting the access to my water, the native vegetation was the principal legislation that stopped my development in getting the dam sites approved. It was all related to native vegetation, but the comment I made about the Beechworth and the vineyard has got no relevance to the native vegetation.

MR BYRON: Is the Warby Swamp Gum really that rare?

MR JACK: No, another bone of contention. Immediately, well, within about two months after getting the planning permit approval to build the four dams, I had a young fellow from NRE come out to investigate the sites of the Warby Swamp Gum, and I said, "Well, I'm pretty proud that I've got something that's rare and that seems to be valuable." He said, "You're site number 75." He said, "They're everywhere." It's just that people hadn't discovered them. So it was not long after that that I think they came off the - and I stand to be corrected on this - I think they came off the endangered species list onto the vulnerable - I don't know, but it's certainly not endangered, not endangered. Well, they're more endangered from mistletoe than by removal.

MR BYRON: Well, I'm afraid we're going to have to leave it there on account of time, but thank you very much for coming, Mr Jack, and that's another very, very interesting case study of the way the legislation has been applied. Thank you for your efforts.

MR JACK: Thank you.

MR BYRON: I suggest we break now for a cup of tea or coffee and resume at 11. Thank you.

DR BYRON: Thank you very much, ladies and gentlemen. The next evidence is from Gippsland Farm Plantations so, Rob, if you could just introduce yourself for the transcript, briefly summarise the main points in your submission, which we've all read, and then we can discuss it for a while.

MR WILLERSDORF: Thanks, Neil. My name is Rob Willersdorf. I'm the Executive Officer of Gippsland Farm Plantations, although now known as Gippsland Private Forestry. Our name changed since the lodging of our submission. My personal background - I'm a professional forester. Gippsland Farm Plantations - or now Gippsland Private Forestry - is now an organisation which provides an industry development promotion role, specifically for us in Gippsland, but there's like organisations elsewhere in the state. So in the context of this submission, we're not a grower organisation as such but more involved with advocacy, in this instance on behalf of the private forestry sector.

If I could summarise the submission that we lodged - as I've said, we're an industry development organisation and are looking to contribute a perspective relating to private forestry, as we understand it. I've indicated how we, if you like, define that in the context of your inquiry. The focus of our submission, it would be fair to say, looks at the impact and the interaction between private forestry in its various guises in Gippsland - and I guess I would suggest there's a reasonable extension to the rest of the state - that interaction of private forestry and specifically the local planning scheme provisions that relate to native vegetation. I've referred to the specific clauses, and I assume at some stage you've had a look at those clauses in the planning scheme. So it's that aspect of the interaction with native vegetation, if you like, regulations - not that they're regs - and private forestry that the submission deals with.

It's also been put together in recognition of the development and now the adoption of this framework document, which again I assume you're familiar with, and if not, perhaps encourage you to do so. So that's an expression of the state government's policy position. So we are conscious of its contents in developing this submission.

In the submission I've listed six, if you like, general areas or aspects of private forestry activity that I believe there is some interaction and impact by the planning scheme provisions as they relate to native vegetation. I discuss them in a little bit more detail later in the submission. There were some broader principle issues, if you like, that I sought to discuss with you earlier in the submission, relating more generally to how what I would describe as the general native vegetation sort of policy and regulatory environment relates to private forestry, and perhaps more broadly private land in Victoria.

If I could just bring out the main points of those five or six points that I've

listed on page 2 of my submission, the first is I think there's a real missing element in terms of encouraging landowners to value native vegetation and regard it as an asset, rather than a liability. There are a number of ways that that I think is being manifested and you will hear no doubt, on a number of occasions, specific examples of that. But it seems to me that at present our native vegetation sort of policy environment doesn't really understand or address the fundamental drivers that influence the behaviour of private landowners in terms of trying to achieve the outcomes that it seems are sought by the policy documents.

The second one relates to private forestry specifically, and I feel that again in the general policy environment there's a lack of recognition for the scope of private forestry to be a significant contributor to the objectives for improved native vegetation outcomes. It seems to me that the opportunities for productive private native forest use, to provide a positive management incentive to owners of private native forest, and the scope for commercial gain from the growing of planted trees to actually drive revegetation at a significant scale in Gippsland, in Victoria or elsewhere, have been largely overlooked.

The third principle is it seems to me that there's an opportunity to perhaps deal with that first point I mentioned through the consideration of some sort of return or reward to landowners for native vegetation that's managed well, or whatever judgment is assigned to that, in terms of a policy expectation or desire. The concept I guess I'm referring to is variously described as environmental services, environmental benefits, ecosystem services and the like. I've mentioned in my submission that there's a reference in our regional strategy - which I would be pleased to leave a copy with you - which deals with that again as a policy sort of issue, and there may be some themes that you care to consider.

One of the ironies, it seems to me, from experience to date in terms of both my former involvement - I should have added that at one stage I worked with the department and in fact was at the sharp, pointy end of the introduction of native vegetation controls when they were first introduced in the state. So I've seen it at that sharp, pointy end and to some extent it's somewhat of a relief to look at it from a step removed in latter years. But it seems to me, as an observer of the conduct of our sort of policy environment to date, that there's little reward to native vegetation owners for good - what would be deemed generally good past or even future management intent.

The example I would give is that generally there's a view that vegetation that at this point in time is assessed as being degraded, through whatever past management regime - I would suggest it's fair to say that it's generally easier to obtain a permit to modify or clear vegetation in that sort of condition than what might be termed more pristine vegetation, again whatever that means. So the corollary of that, it seems to me, is that what would be judged now good managers in terms of their native

vegetation, in a sense wear a penalty for that, albeit through actions in the past.

My fifth point is I think there's a real danger in attempting to, in a policy sense, try to apply the same sort of logical approach that is used for public land - in this case vegetation management and conservation planning - and trying to apply that into a private land arena. There's clearly some significant differences in terms of what I call the land tenure matrix. As a consequence, the ability of private land to absorb the implications of the sort of measures that might be undertaken with respect to native vegetation management on public land don't, in my view, exist in the same fashion, and I don't think the policy environment provides sufficient recognition of that.

My submission then deals with, as I said, about six examples of specific implications of the current native vegetation policy environment, particularly relating to planning scheme provisions and private forestry that I'm aware of in Gippsland, and again I would suggest perhaps apply more broadly within the state. They vary from what would seem to be unfortunate implications of the current policy environment and the specifics of the planning scheme provisions, through to some unfortunate consequences as a result of the current planning environment.

I don't propose to run through them in detail, unless you would like, because I would like to explore them perhaps more with you. But perhaps for the benefit of the room, they deal with volunteer native vegetation grown within established plantations and the need for a permit to remove that as part of what would be regarded as normal harvesting activity at either the conclusion or even intermediate rotation length of the plantation; the implication for the sort of general attitude towards perceived risks, in terms of choosing native species for new plantation development; management of native forest regrowth on land that might have been previously cleared of forest, and there seems to me to be some sort of perverse outcomes there; the situation with respect to harvesting regeneration of private native forest that might wish to be conducted by owners of that sort of resource; clearing of existing native vegetation to establish new plantations on private land and the way that that impacts on the prospect of new plantation expansion, particularly in areas where that might be regarded as an overall good outcome; and finally the opportunity, through the planning scheme, for the code of forest practices provisions, which relate to timber production activities in the state, to be applied perhaps more harshly than they were intended, so that introduces equity issues and the like.

My conclusion goes that - there's examples in your state's circumstances where the conduct of private forestry activities in our region are impacted by native vegetation and biodiversity regulations and, as I say, particularly the planning scheme provisions that relate to native vegetation. It's fair to say the significance of those impacts varies, by generally speaking they don't assist private forestry to compete with other rural land users as a viable agriculture enterprise. That would

seem to be unfortunate in the broader policy context. As I say, that seems unfortunate in light of the considerable potential for private forestry to contribute substantial economic, social and environmental benefits to the state.

In most of the instances that I've illuminated obviously in more detail in the submission, the impact is largely caused by the requirement to seek a planning permit in order to conduct the private forestry activity that's described. That in itself imposes time and cost and uncertainty to the land or the forest owner concerned, and you will have heard more detailed examples of specific instances of that, I'm sure. The other aspect, though, is assuming you get a permit - and where one is granted, I should say - the actual degree to which the conditions that are imposed with the permit affect the cost-effectiveness of the intended venture. There are a number of examples where if you like the cost of implementing the permit conditions outweighs the benefit that the initial venture was seeking to achieve.

DR BYRON: Thank you very much, Rob. You've raised a lot of very interesting questions there. The one that I'd like to explore first is your point about native vegetation being seen as a liability under the existing legislation and land-holders having to be sort of forced by legislation to look after it, and how we might turn that around where people would actually start thinking about remnant native vegetation as a positive asset or even new vegetation of native species as a positive asset. Can you elaborate a bit more on that, please?

MR WILLERSDORF: Yes, thanks, Neil. It seems to me there's a number of ways of trying to respond to my contention. For example, we would propose that where landowners had native vegetation that lent itself to being used in a productive fashion for forestry purposes, private forestry, conducted in their native forest block, but if that was easily provided for, if you like, then people could come to see that as an asset, as it was in days gone by, as I'm sure you would understand. It strikes me that the attitude that prevails in certainly the quarters of Gippsland that I'm familiar with, that the private native forest, because of the either perceived and/or actual constraints that apply to its management, now come to see it often as a liability, and yet if we could encourage a situation where people could continue to see that land as productive and contributing to their farm enterprise then perhaps their stance and their management input would be substantially improved.

DR BYRON: I think we've now had examples in, I think from all states except Tasmania, where people have actually planted native species on their private property, only to find that subsequently they're not allowed to either harvest it or even in some cases to lop it, and as a result of that are saying things to us, like, "Well, in future we'll only ever plant exotics." Now, to me that seems to be a somewhat perverse outcome when governments have said that they would like to see more - - -

MR WILLERSDORF: Yes, I agree.

DR BYRON: - - - native vegetation.

MR WILLERSDORF: And my understanding of the Victorian situation is that again under the planning scheme provisions that prevail, planted trees, regardless of species, are exempt from the native vegetation provisions - obviously only where it's native vegetation - but there is a real wariness in the rural community that I've encountered that say, well, if the government could introduce native vegetation controls as they did back - I forget the year now, it should have been indelibly printed in my brain but it's well over a decade ago now - then their confidence that that circumstance might not change and embrace planted native vegetation in the fashion that you describe, Neil, is real, and more than one person has said to me, "If I was planting a plantation, I wouldn't use native species for exactly that reason." And if I could go further, there are examples where existing plantations of native species are encountering certainly community attitudes that are seeking to demonise native forest.

DR BYRON: I think there might be a bit of, sort of, semantic confusion there between natural forest in the sense of naturally occurring, and a plantation of trees with Australian passports.

MR WILLERSDORF: Yes.

DR BYRON: A blue gum plantation is native vegetation in one sense in that they're Australian trees but it's not a natural forest, and somewhere along the lines, I think, we're using the same word with many different meanings.

MR WILLERSDORF: Yes, you're right, and sometimes that's accidental and sometimes it's probably more on purpose. There's an example where it gets even more perverse in that there is certainly a section within the community that would like to see plantations established or managed such that they perhaps might deliver, demonstrate - whatever - more biodiversity sort of values. In other words, by companion planting with understorey, different rotation lengths and so on and so on and so on, as a number of ways that a forester could tweak with the plantation design and management, and improve, as it were, biodiversity outcomes - again, depending on how that might be judged. But the irony of that is that the more you go down that route, the more it starts to look like native forest and the more at risk people or owners of that resource either feel or would anticipate they would feel and so they don't go down that path.

DR BYRON: We've also had examples in a couple of states where trees of an Australia species are what the agriculturists call woody weeds, and in the south-east of South Australia there's a spiny acacia - in parts of New South Wales and

Queensland there are different things - but once the woody weeds get to be more than 10 years old then they are remnant native vegetation that can't be touched, and that seems to be a bit ironic at times.

MR WILLERSDORF: Yes, well, we're finding that even in pine plantations in Gippsland that, bless their socks, are able to grow acacia, often Black Wattle - for those who know it - or Blackwood even in some of the higher rainfall areas, manage to volunteer and grow within the plantation and, as I've described in the example, technically a permit is required to remove that wattle or other species that's grown up amongst the pine, let alone - and I mean, the same situation can apply in hardwood plantations but it seems even stranger in a pine plantation - and so technically because of the current planning scheme provisions and the exemptions that in this case don't apply, a permit is required when that pine plantation is scheduled to be harvested.

DR BYRON: You've suggested in your submission a very, very easy amendment or editing change to cope with this unanticipated event in clause 52.17. Have you had any feedback on whether that sort of very simple, almost obvious, amendment is likely to get up?

MR WILLERSDORF: Not in so many words, Neil, but you may be aware that with the adoption of the framework document that the state government has introduced or has released, there's a number of other steps that are now in train, and again our organisation through some other associations has been able to contribute to and participate in that sort of fine tuning and operational guideline development. My understanding is that the intent ultimately is to review and presumably reframe the current planning scheme provisions as they relate to native vegetation. Ostensibly to give effect to this document, we would be hopeful of being able to influence the development of those planning scheme provisions to accommodate the issue that we've referred to.

DR BYRON: Thanks.

DR FISHER: Now, can I ask you to do a thought experiment for me. You're a professional forester. Imagine that you have just inherited a few hectares of nice dairy - or what was nice dairy farming pasture land in East Gippsland, good rainfall, and you've decided you're going to grow a native forest for sawn timber. I take it that you would put in a native species hardwood.

MR WILLERSDORF: I would have thought so, yes.

DR FISHER: First of all, let me ask you a question: under these circumstances you would plant a hardwood native species?

MR WILLERSDORF: In terms of meeting the objectives straight up that you've described, yes.

DR FISHER: Okay. What risk premium would you build into your calculations to deal with the sovereign risk associated with the possibility that regulation would change between now and the 25 years or so that it would be, between when you plant and harvest, to cover yourself for changes in possible legislation or community attitudes that might end up with you having a nice native forest that you would never harvest?

MR WILLERSDORF: You mean I can't convert it into an economic value, but it's significant - and I guess my observations are made knowing that people have spoken to me and we're in the business of providing, you know, advice on request from landowners on an almost daily basis so we are constantly, if you like, engaged with that very issue.

DR FISHER: So if your normal hurdle rate would be 15 per cent would you be demanding, say, 25 per cent, 20 per cent?

MR WILLERSDORF: I think it would be of that order, yes. I mean, it is hard to value the sovereign - or it is hard to determine the extent of the risk. I mean, on one hand if the department or the government was sitting alongside me they would argue that at present there is no risk, that I would be entitled as things stand now to harvest native species established as a plantation/forest if they were planted trees. But the risk of that policy environment changing, you know, is hard to gauge. Some people are clearly sufficiently deterred by that risk to not proceed with a venture of that type.

DR FISHER: Right. So in their minds the risk premium is 100 per cent.

MR WILLERSDORF: Exactly, yes.

DR FISHER: But in your mind a more reasonable number would be 15?

MR WILLERSDORF: Yes, and if it was that then I could tell you that the venture wouldn't proceed because it can't deliver that.

DR FISHER: Right, and the other question I wanted to ask was, you said earlier on that you were at the pointy end of when the current regulations were introduced and I just wanted to ask you one question and I guess another thought experiment. Imagine that you, at some point in the future, get a call from the minister saying that you are now in charge of the relevant department. What is the one key thing you would do with respect to the currents of native vegetation regulations? What's the single most important improvement that you think you could contribute with your

current experience?

MR WILLERSDORF: Well, I've got an answer. I'm not sure it's the - but it's one I'd like you to keep in mind.

DR FISHER: You can choose two if you wish.

MR WILLERSDORF: No, I will. One of them is, I think the - and I've only seen one of the presentations so far, but I guess I can anticipate the sort of contributions that people are making to your panel. As far as Victoria is concerned, it strikes me that fundamentally there needs to be an assessment of whether the Planning Scheme is the appropriate avenue to deal with native vegetation, management conservation, call it what you will. I mean I understand, having been involved back at the time, why it was adopted or why it was utilised as the means to introduce policy intent. But I think on reflection one wonders whether it actually is the best mechanism, particularly as it relates to forestry. Can I explain why?

It seems to me that the Planning Scheme, and particularly using permits, deals with specific events and the Planning Scheme generally is more about land use change, generally speaking, in terms of issue of a permit to alter, you know, land use in some way or another. When you apply that to a forestry environment, someone who might wish to engage in ongoing productive management of their native forest, it strikes me that a permit type approach is quite clumsy. It deals with the single harvesting event that's next on the horizon. It gives a person no confidence that they will be able to continue that into the future.

If their intent is to conduct some form of productivity improvement, silviculture if you like, on their forest which itself requires a permit, there's no way of singling that a future permit presumably would be required to subsequently reap the reward of that intermediate investment, would be able to be redeemed at a future harvest. I mean, if you look carefully at the Planning Scheme there is a provision for longer term sort of management plans to be used as the basis for a permit. But to my knowledge, that has either not been used in Gippsland or, at best, used very rarely. In other words, there's a real reluctance on behalf of those involved in permit assessment of incidents of this nature to, as it were, look too far down the horizon tunnel and I think that's unfortunate.

The other thing that you perhaps might care to talk to local government people about, how they strike a fee for permits for involving native vegetation, particularly as it relates to forestry. My understanding is, the fees generally for the permits relate to the sort of value of the development. Trying to translate that into a forestry context is quite difficult and again I would suggest handled very arbitrarily by individual local government authorities. So it strikes me that the Planning Scheme, in large part, struggles to deal with the implementation of the broader policy

environment. Again, it's more about a protection sort of stance rather than encouraging ongoing sound management, which comes back to those other sort of, I guess, fundamentals that I was referring to.

One of the other things that I'd like to leave with you is a document that our organisation was heavily involved in, which is called A Landowner's Guide to Managing Private Native Forest in Gippsland. So I mean, I provide it simply as a demonstration that there are other tools to perhaps try and encourage the sort of ethic and outcome that we're talking about. Now, this document was developed in the knowledge that there would be some form of, you know, regulatory environment prevailing and you could argue, well, perhaps there needs to be a range of tools and instruments applied to achieve the sorts of outcomes we're after.

But it strikes me that in a number of respects the current Planning Scheme provisions produce unintended outcomes. Now, one would hope that with a, if you like, policy review, the climate that perhaps hopefully exists in Victoria at present, there's an opportunity to deal with those. We'll certainly be doing our best to encourage that to happen.

PROF MUSGRAVE: Rob, thanks for your submission. It's very interesting and quite helpful. You refer to a couple of documents, one being the government framework for action and the other one being your own regional strategy. I wonder if I could ask you a few questions in relation to those. First of all, regarding the framework for action, in your opinion does it provide a sound overall basis for more detailed planning at the regional or lower levels of the community?

MR WILLERSDORF: The simple answer is yes. At face value I think it provides - certainly as far as private forestry is concerned, particularly as it relates to private native forest management, I think it provides the opportunity by and large for that to be carried out in what I'd regard as a generally reasonable sort of fashion. The devil will be in the detail in that, for example, the policy document provides, as far as it relates to private native forest and a proposal to harvest and regenerate a block of native forest or a portion of that block - (a) it provides that generally that would be regarded as an acceptable activity in vegetation types that are deemed to be not the highest of conservation status, however they're defined. In Gippsland that would certainly mean that there's quite a lot of area that would, if you like, subject to permit be available for productive management of private enterprise.

It then deals with how the net gain or offset provisions would be addressed in terms of a harvest and regenerate proposal, and generally - I mean, at face value it says:

A genuine attempt to regenerate the site would be deemed as adequate offset or net gain.

In other words - I mean, it could have been worse in that it said, "If you want to harvest 10 hectares you have to regenerate some number more than 10," if you follow my - and so extend the area of native forest. So it doesn't do that. But that's as far as it goes really at present. The devil will be in the detail in terms of the guidelines that in effect guide the departmental and local government staff when they are actually penning the permit conditions that would apply, and we haven't seen that yet.

PROF MUSGRAVE: Are you confident that those guidelines when they do appear would be capable of rationalisation in terms of outcome, say for your region, that are contained within the framework?

MR WILLERSDORF: Confident? Not entirely, and I think that's because I think underlining the entire policy position as far as certainly it applies in Victoria, is a sense that it is better to protect and hang on grimly to the remaining native vegetation in the state and a preparedness to allow it to be managed in a way that provides returns to the landowner as well as the broader community I think are somewhat sort of reluctantly incorporated in the framework document. I mean, that's my view, completely independent of any previous department association.

PROF MUSGRAVE: Does the framework provide you with reassurance about the adequacy of the science underpinning it and does it provide you with an avenue to access the science?

MR WILLERSDORF: Again, it would be better if you - - -

PROF MUSGRAVE: I haven't seen it, clearly.

MR WILLERSDORF: I know. Well, I'll leave the - no, I will if you like. I wasn't aware that you perhaps hadn't seen it but I'll certainly leave the copy I have.

PROF MUSGRAVE: I'm asking your opinion.

MR WILLERSDORF: The question would obviously be better responded to by the person who wrote it.

PROF MUSGRAVE: I'm asking your opinion as a person who works underneath it.

MR WILLERSDORF: Yes. No, I hear what - - -

PROF MUSGRAVE: Or within it.

MR WILLERSDORF: The document - well, yes, relies in terms of its implementation and hence application - relies heavily on the preparation and adoption of what it calls regional native vegetation plans, some of which have been developed, as I understand it, to draft stage under the auspices of the various catchment management authorities in the state. So in a sense that's where the science will be described, it seems to me, because the principles in terms of EVC classification - and I forget what EVC stands for - what is it, ecological vegetation classes. So that's a sort of fundamental concept that's introduced with the framework document and the description of those and the assignment of conservation value is largely left, as I understand it, to the regional native vegetation plans. So in itself, as to answer your question, I think it provides the setting that could enable what I'd regard as a reasonable sort of application of native vegetation policy particularly with respect to private forestry. Whether it actually delivers that, if you like, will hinge to some extent on things that are yet to emerge.

PROF MUSGRAVE: Yes, all right. Just shifting to another point you made - it's your point 3 of your five points. You're talking about the desirability of the public sector putting its money where its mouth is, in effect, and the discipline that this would impose. We could talk about this at some length, but you make an intriguing reference to cost sharing in your last sentence of the relevant paragraph and I wonder if briefly you could just expand on that. You say that the issue of cost sharing needs to be much further developed. What do you have in mind?

MR WILLERSDORF: Firstly, the concept of cost sharing in my mind simply relates to there being a contribution from the community at large in respect and hopefully in proportion to the community benefits that are being derived by a particular stance or policy position that's adopted by the community at, if you like, some cost or implication to in this case a landowner with native vegetation. The term "cost sharing" - and again it's something you may care to pursue - my recollection is that the Murray-Darling Basin Commission has undertaken some work exploring this concept of, if you like, joint contribution or reward or the like, for a range of desired land management practices or outcomes. In fact, I think they have a discussion paper on that very topic.

PROF MUSGRAVE: So has the Productivity Commission, I might say.

MR WILLERSDORF: Good. I'm pleased to hear it.

PROF MUSGRAVE: I was wondering if you were going to tell the Productivity Commission it should change its tune, but clearly you don't intend to do that. Okay. I see where you're coming from on that, and perhaps we'd better close on that.

DR BYRON: I'm afraid we could go on at length, but in the interests of time, I'd just like to thank you again for the submission and for raising those issues that

haven't come up as often from the commercial forestry sense. Thank you very much.

MR WILLERSDORF: Thank you. Is it appropriate I leave these documents with Vince or - - -

DR BYRON: Vince can handle it. Thank you very much.

DR BYRON: We now have the gentleman from West Wimmera Shire Council. If you could take the hot seat and - one at a time or - - -

MR McKAY: One at a time.

DR BYRON: Okay. If you could just introduce yourself for the transcript, please.

MR McKAY: James McKay, chief executive officer West Wimmera Shire Council. Good morning, and thank you for allowing us this opportunity to speak here this morning. The thrust of our submission was really on the impacts native vegetation regulations have on landowners, and I want to focus on that. I have three councillors with me; Mayor Bruce Meyer, Councillor Ron Hawkins and Councillor Warren Wait, two of whom have put in written submissions but would also like to talk on particular aspects of native vegetation, how they see it impacting on farmers, and dealing with aspects of interpretation of the legislation by various bodies and how that impacts on landowners as well.

A bit of background on our shire. We're 400 kilometres from Melbourne on the Victorian-South Australian border. We have a population of 4500 and it's falling. The main population areas are the small towns of Apsley, Edenhope, Goroke, Harrow, Kaniva, and 49 per cent of our population are employed in agriculture. The northern part of the shire is given over primarily to cropping, and the southern part of the shire is grazing with a number of wetlands. There's a lot of bird life and biodiversity in the shire. As a matter of fact the shire has been likened to Kakadu in the extent of its biodiversity with the range of bird life it has and other flora and fauna; very significant orchards in the little desert, and there are some significant birds including the red-tailed black cockatoo which causes some farm owners some problems.

Some of the types of crops that have come out of the shire are lucernes for hay, wheat, oats, barley, sorghum, canola, lupin, those types of things, and in 2001, \$163 million in agricultural produce came out of West Wimmera shire.

As you can imagine, with 36 per cent of the shire still covered with native vegetation and with that level of agricultural activity going on, there is some difficulty or there are some significant issues that occur from time to time with native vegetation. One of the more recent impacts or one of the more recent things has been the use of centre pivot irrigators. For those who don't understand what they are, they are a large rotating irrigation method, but they require that you don't have trees in the way otherwise you have a problem. It won't go round in a circle. These improve the productivity of the land considerably, but they do require the removal of some trees.

Where the trees are bull oaks, which the red-tailed black cockatoo feed on, it

can cause significant problems for landowners, and Councillor Wait is going to provide an example of where it has caused problems for a landowner. Landowners in different areas of the states are finding that the provisions relating to native vegetation clearance are open to interpretation which is what we've found. In our shire there are certain exemptions and we apply those exemptions to the farmers to clear long fence lines, to clear around farm equipment, to take some trees for fence posts et cetera without requiring them to plant back trees. In other areas of the state, those same farmers - those farmers wanting to do the same types of things are being told they have to plant back, and when you're talking about a 10 to 1 or 30 to 1 plant-back, that is a significant cost for a farmer, particularly when they are exempt with those activities. So there is some confusion and the mayor will also talk a little bit about those confusions.

To give you an idea of some of the costs, when a landowner wishes to remove trees, they obviously make application to council. Depending on the tree species they need to plant back, a local chap who does a lot of the plant-backs for farmers has given us a cost between 5 and \$7 per tree to plant back and sustain that tree and ensure that it grows. They have to achieve roughly a 75 per cent strike rate for some trees and a hundred per cent strike rate for others, bull oaks in particular, and the bull oaks are the most expensive tree to plant back. They're \$7.

In addition to that if they're required to fence, at \$3 a metre for a simple agricultural fence to protect the trees, there's another expense to the landowner, and the landowner is generally expected to carry this cost themselves. To give you some ideas of some of the types of things that have been going on, in 2002-2003, 25 permits were approved to remove 1152 trees. That seems like a lot, but 15,000 trees had to be planted back. In 2001-2002, 1150 trees were approved to be removed; 10,000 trees were planted back. When you look at some of the individual landowners themselves with the requirements that are being placed on them with some of those costs, even though they are indicative costs, in one particular case, a gentleman had sought approval to remove 200 trees and was required to plant back 6000 trees. At \$7 a tree, that's \$42,000, forgetting about the cost of fencing and the loss of productive land.

Now, that would probably outweigh the benefit he was trying to achieve by removing the trees. These are some of the - and there are others here. Another one, 2000 trees they had to plant back. That's \$10,000. It's a lot of money and they're being expected to wear those costs. The landowners are not saying that they don't want to do it; they are doing it. As a matter of fact, there's an example in West Wimmera shire where 35 farmers got together over a 75-kilometre, 12-kilometre wide stretch of the shire to plant a biolink. Now, they voluntarily isolated parts of their land, they planted native vegetation. They are protecting that native vegetation, so they do have a commitment to native vegetation and to preserving it. However, when it comes to the planning legislation, where they want to use the land for the

purpose for which they bought it at 600 or 1500 dollars an acre, depending on where you are in the shire, they're then having a number of additional conditions placed on them which at times defeats their purpose of clearing the land of trees. Like the gentleman said before, the costs to comply far outweigh the economic benefits of actually undertaking the task.

Landowners in the shire - and I've talked to many of them - are keenly aware of the importance of sound environmental land management practices. They're aware that this is their greatest asset. As farmers they've got to look after the land. They can't let it deteriorate and they don't allow it to deteriorate. They identify already and separate off areas of native vegetation for livestock, for protection but also because they're aware that they need to protect the environment. So they are already doing that.

The thing with the native vegetation at the moment is that there is a degree of uncertainty, and there is a degree of uncertainty from the landowners' point of view and they're thinking about whether or not they want to do something with their land. The native vegetation requirements are seen as a barrier, a significant barrier, and it can dissuade them from undertaking that work on the farm. So it reduces the economic activity that's going on, it reduces the economic output. It takes away the landowner's right to farm. If it doesn't take it away, it certainly restricts, and can serve to discourage other people from coming into the farming industry and certainly discourages people coming to our areas to live. We have enough difficulties now with people wanting to leave the country to come to metropolitan Melbourne and other places like that without further disincentives such as this.

Australia still relies on primary production for a significant part of its national export income. Farmers in Australia provide some of the best quality grains, meats, fruits and vegetables in the world, and all Australians benefit from this. The choices we enjoy in our supermarkets are as a direct result of what our farmers are doing out there, and it seems to us that when a farmer wishes to undertake development on his land they're not saying they don't want to comply with the native vegetation legislation - they're happy to - but what they are saying is, "If we have to carry the environmental agenda for the wider community, there must be consequences for that wider community and there must be some form of compensation." How you determine that is difficult. Maybe it's just the cost of plant-backs and the cost of fencing and the cost of the loss of productive land. It's something that needs to be worked back.

But what the shire is contending is that there needs to be some form of compensation for landowners if they're expected to carry a good part of the environmental agenda, at their own cost at the moment. Thank you.

DR BYRON: Thank you very much. That was very clearly, unambiguously stated,

thanks, Jim. I'm just wondering if it might be actually more efficient if we hear from your gentlemen from the Wimmera and then we ask the questions to all of you at the same time, if you don't mind.

MR McKAY: A fine idea.

DR BYRON: Thanks.

MR MEYER: Bruce Meyer. I'm the mayor of the West Wimmera Shire and my main contention in the inquiry is that I believe that when the native vegetation laws were established in Victoria they were probably based on the assumption that commonsense would prevail. A lot of it isn't actually defined; it is actually a commonsense approach. We're finding that there seems to be a fair bit of confusion as to what actually is legal and what actually isn't legal, and we're finding that there seem to be a lot of people interpreting it in different ways. Also in particular the DSE officers, when they get themselves involved in the process, tend to come from different directions according to their own whims and fancies, and that actually does complicate the whole issue.

For us - and Jim has alluded to it - a lot of the need for any particular removal of native vegetation often comes from a change of land use. In our shire we've found over the last few years that the cropping side of it probably has prevailed and to the south of the shire there has been a lot of growing of canola in particular and probably a small introduction of winter wheat and other crops of that nature in areas that traditionally have been grazing. To be able to do that does involve some clearance, but where the confusion comes in is when a person makes an application, what actually is 10 hectares? Does that mean that it's 10 hectares in a defined area or is it 10 hectares of vegetation which can be compressed and may get in that way? Do you know what I mean? 200 hectares, and it might have 20 trees or something, compressed, does that make the issue?

We've explored that issue out with the local DSE branch, and they couldn't explain it to us either. There are guidelines which they couldn't find and didn't know existed. So there seems to be a little bit of a problem from their side as well.

Now, when we go into the Telopea area -Telopea Downs, which is to the north of Kaniva into the Big Desert - the issue of clay topping has become a very big practice lately. A very large percentage of that land now has been clay-topped or will be, and the production that they are getting out of that land is quite phenomenal after it is clay-topped. It is not uncommon to be growing a tonne of canola to the acre, a tonne of barley, a tonne and a half of weight. They are probably growing with clay-topping as much as what a lot of the open country and probably exceeding a lot of what the Wimmera is producing. That will entail the removal of scattered items of native vegetation such as yacca and honeysuckle, and to a degree some

stringy-barks, but again we're getting back into the detail of what is permissible and what isn't, because there isn't any clear-cut spelt-out rule to say: is the shire in charge through the planning scheme, does it involve 10 hectares, what is 10 hectares, who is actually making the decision? There seems to be a great lot of confusion that comes into that area.

To be able to take out say a yacca bush may be a very small thing, but to be asked to plan 30 trees in its place makes the removal of that one bush quite ludicrous, so you wonder whether it's worth it or not, and that does happen. But what I've encountered a fair bit lately is the issue particularly of fence lines whereby the government's native vegetation laws, as I understand them - again, it's supposed to be based on commonsense and it says "a fair and reasonable distance" - the wording is "fair and reasonable" each side of the fence line. That usually is interpreted as a metre, but again I know - and I'm getting this relayed to me on a very regular basis - that people have gone to a DSE office and they've said, "I won't let you do that," when in fact they're not the planning officers. They really have no part in it but they are assuming the mantle of the role and are making it very, very difficult for people. That is not an uncommon thing. I'm having many, many cases of that related to me.

We have had DSE officers actually sitting in our council chambers and express to us, "You cannot take out one tree without my permission." That is quite widespread; it is not an uncommon thing. We're finding a lot of that. We've even had articles written in the paper expressing, "If you want a planning permit, come to us, the DSE, for native vegetation." Again, it's the shire's role as the planning office. I'm not talking here of isolated cases; that seems to be quite common.

One other thing too in productivity: we're finding now the farms don't tend to be aggregated; they tend to be often split up, and a lot of the roads may require the removal of a few limbs as the size of machinery is increasing and ever-increasing, and I've had two cases recently expressed to me that for the sake of limbs covering 200 metres of road a person has had to drive up to 20 kilometres to get around. Again, there's resistance to be able to let a person through that 20 metres. Again, the resistance comes from who's in charge, who's making the decision. What I believe is that there need to be very clear-cut guidelines to the rules so that everybody is very, very clear on these things as to what can be done and what can't be done and that everyone will abide by one set of rules, whatever it happens to be, rather than this idea that it's coming out of one DSE office - you've got people saying, "I won't let you do this," and another one, "You can do something else," and there seems to be general confusion right across the board as to what you're allowed to do.

I'll just finish up briefly with the comment - and I know it was said before - that I believe that right through our shire many of the paddocks still have trees in them and they've been very, very well looked after in the past, but I could go across the Wimmera and I could show you areas where there's not a tree in a paddock

anywhere. Those people are laughing, because there's nothing to stop them doing whatever they like with their paddocks. The only trees that remain are on the roadside, and there would be thousands and thousands of acres that are like that. In our area, where there are some, with increasing size of machinery, nobody is asking to clear paddocks wholesale but there may be a request for some thinning to let things go through. But again it's this confusion as to who's really in charge and who's not. Thank you.

DR BYRON: Thank you very much, Mr Meyer. We'll come back to you in a minute.

MR HAWKINS: Thank you, commissioners. I'm Councillor Ron Hawkins, a professional farmer by virtue of training and a lifetime's experience. So I am in a unique position to comment on the subject at hand today because I come from two angles, being involved in the planning and approval process and also being an active farmer in the field.

Might I say at the outset that the community's awareness, and certainly the people of West Wimmera, of the value of native vegetation has been enhanced over the last 20 years and I think we've got to acknowledge that. But we've also got to acknowledge that we have severe problems, particularly in the interpretation or the implementation of the desires of the community. The native vegetation in the West Wimmera is an asset, and unfortunately a lot of that asset has been denuded by this legislation. We have vast areas, certainly in the south, of huge red gums that are a huge resource for the community. They've got firewood value, they've got milling value, which is now virtually locked up and can't be touched. The reality is that those trees, with very few coming in new generation because of farming activities, are all getting old and there's an asset just wilting and going to waste.

We've been over the last couple of years in a process of developing a reasonable native vegetation plan on the whole Wimmera, not just West Wimmera, and there's been a lot of community consultation. At this point we've seen the draft but we haven't seen the final report that's come out, but there is some doubt or worry that what the public consultations agree to and what's going to come out are not going to be the same.

As we said earlier, the shire is the planning authority, and I did note the professional forester from Gippsland's comment about local government not being the appropriate authority to do the planning. I would contest that because we are finding that it is the local involvement of this group - the councillors and the council - that it is keeping a lid on the zealots in the green movement or in the bureaucracy. So we're striking a bit of a balance between everybody but the local involvement is very important, and we are keeping, as I mentioned, a bit of commonsense in the process.

As the CEO said, the shire has had a tradition of grazing. The situation is that the development has been later than in a lot of other parts of Victoria and the reality is that with these native vegetation restrictions coming in, in the 80s, we've got caught up in it. It's been a big negative factor because I think it is certainly impeding some development. The centre pivot irrigation area has been mentioned. That has gone quite well. I think that has gone on pretty well, but the broadacre, and certainly the red gums, I think is where the biggest problem is.

I think the inconsistencies of the implementation is a huge worry. We have done a work lately from the shire's point of view. We've had legal opinion on administering the planning scheme and we have found that very, very enlightening. I believe now after going through that process that probably the shire and the planning authority has not exercised the authority it has had in the last 20 years, and I think the more that we can get involved, the better. To follow on that theme, a lot of the work that's been done in the plant-backs and that are of a piecemeal nature; you knock out 10 trees and you have to plant 100. There's no overall strategy to get an advance in the environment.

What I propose in my submission - and I think it's gaining some momentum in the community - is that the planning authorities encourage people to go for whole farm environmental and production plans, have them submitted into the system as the way forward, perhaps with the maximum life that the planning authority can give - say five years or something like that - then when the time is up, after they have improved and the works have been done, they be ticked off as time goes on; get some sort of coherent long-term strategy to meet not only the environmental needs but certainly the production and sustainability needs. We've just got to come to grips with what we've got. Just throwing money at a problem is not going to be the whole answer. It may be part of the answer, but I think it's the long-term planning by the land-holders and to unlock a lot of the assets and the resources we've got. The resource has now been locked up to a large extent, and I don't think this community can afford that.

As I said earlier, the trees on the freehold land, on the farming land, by virtue of 150 years of settlement - there are just no new ones. All the ones that are there are old. I'll give you an example. We did knock down some this year on our own property. We had some millers in who got very excited about the whole prospect of getting some milling logs. They were beautiful-looking trees, they looked healthy, and the minute they came down they were rotten in the centre, all hollow, and their value was only firewood. So their enthusiasm soon waned because you go from a maximum value for sawlog to a minimum value for firewood.

So my plea is for the commission to highlight the fact that we've got to get into some long-term whole farm environmental and sustainable planning so we can all

find a way forward and unlock the resources we've got. Thank you.

DR BYRON: Thank you very much, Mr Hawkins. That's a good point. Mr Wait.

MR W. WAIT: Warren Wait, councillor, Shire of West Wimmera. I've got some plants here. I've got three plants actually. They're prickly acacia. They aren't for a little princess; they're as prickly as they can be. I dug them up yesterday. I don't have a permit to dig them up. I need a permit to dig them up. These are only about six months old. They're very prickly. They have a habit of just spreading out, and these three plants would be enough to fill this room. Most farmers are digging them out because they are very prickly; rabbits live underneath them. I can't as a farmer have them because they just get in the wool, one serious complaint about it, and not only from the roustabouts, and when they're on the road they cause trouble.

They used to be a noxious weed, but now the government has changed the rules because there are too many of them round and they are no longer a noxious weed, they are protected, because birds live in them. I find it very hard, being a farmer, just to give you one example, to protect them when in actual fact they are causing me trouble. The dogs won't even chase the rabbits underneath them because of the prickles. They're full of prickles. That's one of the troubles, but that's what happened the other day. The catchment management authority tells me I cannot touch it; the neighbour tells me to get rid of it fairly fast.

But that's not what I was really going to talk about at all. My problem was the farmer down the road from me has tried for the last 18 months to get his permit through to push down some 98 bull oak trees. He did the correct thing. He applied for a permit but, no, it was referred to Environment Australia. Environment Australia thought they'd better refer it to Environment Victoria. Environment Victoria referred it to Trust for Nature and they referred it to the World Parrot Fund. They referred to the red-tailed black cockatoo recovery committee, and they referred it to the local person. They decided they didn't know what to do with it so they decided what they would like is to get the public involved and it would be advertised in *The Age* in Melbourne and the local paper. Then we got the local community once again involved.

The bottom line is that no-one really knows what they're doing. This all happened thanks to the DNRE and the shire's permit we are just waiting for. The local people have complained too. So here's a man who may want to push down trees to develop his farm but yet the uncertainty in this game is just unreal. There's no time line. It's mainly caused in this case by the red-tailed black cockatoo. The majority of people in the West Wimmera shire like, as I do, the red-tailed black cockatoo, but there's an understanding and a balance, and this is where we find that we as a council have lost that ability.

It's one thing being a planning authority. That's fine, but if you're a referral authority you've got just as much or more say than you have as a planning scheme. You don't have to really justify it, but the bottom line is that it has more say over the planning scheme. We as a council are responsible for the planning scheme but quite simply you can be a referral authority and just get all your ideas in. The ideas are changing throughout the shire. What we need is a referral authority, one that we understand, and we need the authorities to have a common theme across the shire.

In one shire we have a swinging gate on one end of the road and at the end of the road we have a locked gate because the road rules - one comes out of Hamilton and the other one comes out of Horsham, on the same road. So the DNRE are not consistent with their rules. To give you another example of inconsistency, it's considered about nine feet on the crown land side of a road, on a fence line, as Councillor Meyer said, is acceptable. That's three metres. But if you put in pines or some trees, if you plant, you have to leave 20 metres between the crown land and your plantation. They insist that it be 20 metres, but when you're clearing land they allow only one or up to three metres. There has to be some consistency. Thank you. That's about all I've got to say.

DR BYRON: Thank you very much, Mr Wait. Maybe if the four of you can sit up there.

PROF MUSGRAVE: Can I just say thank you, gentlemen. It really is extremely helpful to have a presentation such as you've organised coming from a shire, from the shire itself and also from farmers within the shire, albeit members of the council. I wonder if first you could just explain to us a little further the role of the council in the implementation of native vegetation and biodiversity regulation in Victoria. I've got some feel for it but it's not clear in my mind. I get the impression that council is the ultimate consent authority. Is that - - -

MR MEYER: I just explained, when a person makes an application to clear native vegetation, as the planning authority that application comes to the council. Any area up to 10 hectares, the council makes a decision on it. It may refer it to the DSE under section 52. Their opinion is only an opinion, it is not binding on the council. Once it exceeds 10 hectares, their opinion is mandatory. It comes under section 55 of the Planning Act and their opinion is mandatory. That's how it works. So the council is in fact used, you might say, once it exceeds 10 hectares.

PROF MUSGRAVE: That's very clear and concise. Thanks for that. All morning I've been carrying on about whether there are clear and unambiguous statements of outcomes that are desired by the regulators and I wonder if I could put that a little more precisely in your instance. On page 2 of the council's submission, I think it is, there's the table of the trees, the permits given and the offsets that have been required. In those determinations as to what offsets would be required, is there

available any clear explanation of the rationale for these offsets and how they fit into the grand scheme of things for native vegetation and biodiversity within the region and the state?

MR HAWKINS: As I understand it, that's grown over the last 20 years out of probably the DSE. They've determined a 10 to 1 plant-back, and that has varied up to 15 or 20. In the case of bull oaks they're demanding 20 plant-backs with a 75 per cent retention rate after five years. So, as I said earlier, a lot of these things have grown up by evolution of people's opinions. They'll be feeding in stuff. When we first started doing these permits we had two or three or four conditions, and as time has gone on people have got different ideas and bit by bit the number of conditions have grown by up to 15 and 17. So the answer to your question is probably there's no scientific rationale in all that; it's just evolution, the way it's grown over the years.

PROF MUSGRAVE: You don't know of any such explanation and you're not confident you can access it?

MR MEYER: If I can explain it better, there is no rationale. The plant-back amount is determined by a so-called policy coming out of individuals or an individual branch of the DSE. One year it might be 10, the next year they say it's 15 and then they say it's 20 and there's 30. But there is, again, no rationale in determination of a paddock that may be heavily timbered and you want to take two out of it, or three or four or five or whatever - any set amount you may think of - as against another part of the Wimmera that doesn't even have a tree in the paddock, or only one, you might say. There is no rationale. It just seems to be a rule out of an individual's head across the board.

MR McKAY: But it is underpinned by the net gain process.

MR HAWKINS: The concept of net gain.

MR McKAY: For every tree taken there's got to be more put back. So you take something, you put more back.

PROF MUSGRAVE: But is there a good scientific reason advanced - - -

MR McKAY: The answer is no, there is none.

MR MEYER: Not that I'm aware of, but there may be someone who can tell you that there is. But there you go.

MR HAWKINS: Could I just say there that a lot of this native vegetation has become almost a religion. It's a belief system without necessarily a scientific base to

it. That's the stage we've got to and that's where all this unpredictability comes from. This officer has got this idea and that officer has got that idea, and the mythology just builds up. That's why this council has taken a bit of a stand in the last six or eight months. It's all getting a bit out of hand, so we've got our own legal opinion on the implementation of the planning scheme and, colleagues, I think it's a lot clearer now, isn't it? We understand our role more now than we have in the past, and I think that's a positive thing - and it's the local input into it too. We're getting that local input into it more. Rather than just automatically referring it off to referral authorities and letting them sort of dictate the terms, the council itself is now becoming more aware and active.

PROF MUSGRAVE: Through trying to pin down some of these people in the agencies perhaps?

MR McKAY: We are actually starting to develop collaborations with them. I've brought them into my office, we've sat down and talked about some of these issues, because there is confusion out there. There's also confusion in their own minds as to where their authority stops and ours starts. I think that's been in part maybe the shire's own fault. It hasn't been stronger about its position, its role and we are certainly redefining that and developing it further with these authorities, because they have been dealing with us under section 55, which is a - you've got to take advice. You've got to take the advice. You've got no choice - when in actual fact they should have been under 52, and we were falling for some of that.

In answer to your previous question, it seems there is a rationale here for the plant-backs, and it was prepared by the North-East Catchment Management Authority; it might be something you want. But it does talk about ratios. The plant-back ratios are based on research which indicates an average growth rate for trees of 0.4 centimetres per year. It acknowledges that the habitat value of trees does not accrue according to a linear scale and that large, old trees have significantly greater value than smaller, younger trees; hence they've come up with a number of types of plant-back ratios. But there is a rationale, and I would assume that's a rationale that's being used - - -

PROF MUSGRAVE: Certainly.

MR McKAY: So there is one.

PROF MUSGRAVE: Perhaps I could ask a similar question in relation to the cockatoo. Your story of that application is intriguing, but once again, are you aware of any accessible and clear statement as to the - what should I say - the situation in relation to the cockatoo in terms of habitat requirements in your area, how this application might fit in to the broader habitat requirements in that area, and then how the habitat and climates in your area fit into the grander scheme of things for

red-tailed black cockatoos in the state?

MR W. WAIT: We understand this, and I believe that the majority of people in the area protect the red-tailed black cockatoo. They like the bird. If you come to the West Wimmera Shire, you'll see a sign up as you approach our shire, "Dead trees are protected in West Wimmera Shire." Down the bottom in little print, they've got, "Only if they've got holes in for the red-tailed black cockatoo." The people are usually travelling along fairly fast and they miss the little bit at the bottom, and they see how - that all trees are protected, right, which isn't quite hardly fair or correct. But the bottom line is that, yes, I believe there's a balance here, and I believe that we need - we don't advocate you push down every tree. We like our red-tailed black cockatoo, we like all that, and we believe there's a balance there that must be achieved. We want a balance. But we believe that maybe the people who aren't in favour of letting trees be pushed down at all are using this little regulation to stop the tree-clearing process.

PROF MUSGRAVE: My question relates to the balance.

MR W. WAIT: Yes?

PROF MUSGRAVE: Do you have some clear indication for your region of what constitutes this balance and then what constitutes the balance between your region and the wider state?

MR W. WAIT: Well, I believe that with the red-tailed black cockatoo - Environment Australia come down - we understand them as some expert with the red-tailed black out of Canberra. We understand that they are the experts, and yes, through and through, I understand that they - if there's a dead tree with a hole in it, if there's a hollow, we will do all we can to protect it. Stringy-bark trees, regardless of size, if we have a plantation of two acres of stringy-bark trees, it must be protected. The overlay of the red-tailed black is larger than the council's regulations, so therefore we have to take into consideration everything, if it's anything to do with the red-tailed black cockatoo, and I believe that our policy, the council's idea and our policy, will protect the bird in all ways.

The bird is actually pretty much confined to West Wimmera Shire. There's a thousand birds, so that's all there is, and it is a significant species of bird. They are rare, and this is a particularly rare species, and they do rely on the bull oak tree. So there is a lot of scientific research that has been done and is there, and we accept and respect that, and we're not trying to wholesale rip down the bull oak trees.

PROF MUSGRAVE: That's very interesting.

MR W. WAIT: They don't like single trees but they like clumps of trees. So we

protect the clumps of trees and the rows of trees along that - - -

PROF MUSGRAVE: Well, finally, given this knowledge, is there some sort of outcome that's spelled out as to what is the minimum desirable level of habitat in your area in order to make sure that we've got a healthy population of red-tailed black cockatoos?

MR McKAY: I have a feeling that - my understanding at the moment is that there is significant research being done by an individual here in Melbourne on that particular habitat.

PROF MUSGRAVE: You know that such an outcome is being attempted to be - - -

MR McKAY: I believe that's what they're trying to identify, because they are quite concerned that loss of the trees, loss of any more trees, will mean the end of the species. But that's what they're trying to determine.

MR HAWKINS: Could I just go back a step there. The red-tailed black cockatoo is protected by a World Heritage listing. There's only reputed to be 700 to 1000 left in existence. The natural feeding habitat is stringy-bark for most of the year, but in the autumn, late summer, autumn, the bull oaks are the feeding area. The Environment Australia standard says that single trees - and I think this is probably a fair comment - that single trees are not of very much interest to the bird, but clumps of trees where they congregate - fairly social sort of a - - -

PROF MUSGRAVE: They make a lot of noise.

MR HAWKINS: Yes, they make a lot of noise, and that's only certain times of the year, but a lot of this activity is evidence out of one PhD student in the Monash University School of Biology, who is working in the area, and a lot of the activity and this appeal that council - the way it speaks of, comes from that source. So it may be a test case to see, you know, where the parameters are. But certainly it's a huge problem for that particular land, while it's all sorted out.

PROF MUSGRAVE: PhD students underpin all sorts of things these days, it seems, but thank you for that. I think that that case study is extremely interesting and also what I found of great importance was your perception and understanding of the problem as it relates to that cockatoo. Thank you.

DR BYRON: I don't want to get too much of the detail, but I assume somebody has done work that shows that the reason that the cockatoo is a small population and declining is because of destruction of nesting sites or feeding sites, and it's not because of predation or something else eating all their eggs or - - -

MR MEYER: The bird never has had a large population, and over a number of years, it has slowly shifted north. So in the days of white settlement, for example, that bird would probably have never been found in our shire. It would have been confined to the area of the Glenelg Shire, and it has now covered a wider area and into the south-east of South Australia. I would say it's probably like it always has been.

DR BYRON: I was just thinking it would be extremely ironic if we went to a great deal of trouble to protect the nesting sites and the feeding sites and then found out it was something else that was in danger. But anyway - - -

MR W. WAIT: I think there are - you know, when I was young, and I've lived there all my life, I never came across this red-tailed black cockatoo. Now we see a fair few of them. In fact, my brother over there who will be next, he has got nesting sites in his paddock that the government put in, and we'd never seen these things before.

DR FISHER: So we might have a net gain in - - -

MR HAWKINS: Well, just following on about net gain, in the early days of white settlement, the stock were driven down the roads, but that's not happening now because they're all transported, and I think it would be a fair comment to say that there's more bull oak trees in West Wimmera now than there has been since the early days of white settlement, because all the roadways are coming up, are regenerating. Once you take the stock off, the native vegetation regenerates. The other thing, of course, is that I think we've said earlier West Wimmera is still 35 per cent - of 9200 square kilometres, 35 per cent of the shire is still native vegetation, and that's what the freehold people find a little bit hard to cope with, because there's just so much native vegetation.

I mean, there could be 2000 acres here and if there's a tree over the fence line in freehold and you want to remove it, all hell breaks loose. So, you know, talk about commonsense, there's not too much of that when you've got so vast an area. Now, just getting back to what I said in my submission. I think we've got to find a way forward and try and get some sort of a scheme and rationale to try and move forward rather than everybody belting their chests and belting their heads against brick walls, you know.

DR BYRON: Speaking of moving forward, I mean, I think Jim mentioned the biolink project that was a voluntary - - -

MR HAWKINS: Government-sponsored. It was Commonwealth money - National Heritage's trust money.

DR BYRON: Yes, okay, but that still suggests that, you know, there are people in the district who are willing and able to come forward and do things for, you know, biodiversity, environment conservation, broadly defined. Now, is that a success story that we can look to as a model or a prototype of how things can be done without using the regulatory big stick to hit people over the head and enforce that?

MR HAWKINS: We encourage you, sir, to come out and have a look also, but everybody we brought out, everyone who has come out and visited have only gone away impressed with what has been done, the plant-back. I mean, the whole tenor of the thing, everybody has been impressed. But the trouble is that we get the zealots who, for their own reasons, are trying to highlight what - the trees that go down, you know. So certainly I'd encourage anybody to come and have a look and I'd be pleased to show you around, show you what we're doing.

MR W. WAIT: Yes. The people are - we aren't all pushing trees down. There are people out there who are actually planting trees and like them.

MR McKAY: I should point out that those plant-backs that I told you about are the plant-backs that they had to do as a result of a planning permit application. There are other farmers out there who have significant plant-backs going on because it's part of their overall farm-management plan. So a lot of it is going down, and you'll need to see examples of that.

PROF MUSGRAVE: Do you have a sense of when enough is enough? How much plant-backs do you need, do you know? Is there a need?

MR W. WAIT: In places like - I've got a lake at my property and I've just been planting trees around the lake to make it better. But what I have noticed is some farmers develop their farms quickly over the last 50 years, and some are very slow, and the ones that are very slow have got trouble because they've got a lot of trees and the machinery can't fit between them, whereas other people that have developed their farms correctly don't - you know. Also we sold some of - on one of our places we sold all these trees off for sleepers and we got rid of a lot of big red gum trees about 30, 40 years ago for sleepers.

The next-door neighbour who, didn't need the money and just left his trees there, he's now left with his trees there and he can't get rid of them, and he'd have one tree for every chain and he can't get rid of the trees. But because we didn't have any money we bushed out all our trees and they went. But that's how the system works and that's how blokes got caught with the trees.

PROF MUSGRAVE: We've had many examples of this.

MR McKAY: As to when is enough enough, there are people who would say we should return all the land back to its original condition.

PROF MUSGRAVE: This is the point of my question.

MR McKAY: These are the extremes.

PROF MUSGRAVE: I'm not getting a sense of some sort of orderly process of decision-making which perhaps could be done in a collaborative way between - if the federal government is involved, then the state, the shire and individual farmers. What is the appropriate level of revegetation for the West Wimmera Shire? You know, if we're playing around with the wellbeing of people in a serious way, if we're concerned about the wellbeing of our environment in a serious way, it seems a reasonable aspiration, doesn't it?

MR McKAY: And in a way we're starting to do that by getting the agencies and the referral agencies and the catchment management authority and starting to talk through what is it we're looking for, what is it the farmers are looking for, find the balance. So that everybody clearly understands where we can go, what we can do, and farmers aren't being criminalised for wanting to use their land for the purpose they bought it.

PROF MUSGRAVE: But ultimately you perhaps would need to enshrine this in some sort of formal arrangement or even a contract.

MR McKAY: Understood, yes.

MR HAWKINS: Wouldn't that be the planning thing I spoke about, to use something - - -

PROF MUSGRAVE: It is indeed. In fact I noticed, Ron, your point on that. I was going to ask you a question about it, but I've got a feeling that Brian might be getting a bit anxious to get his oar in here.

DR FISHER: Perhaps, Mr Hawkins, if I could ask Prof Musgrave's question for him about planning. You talked about the notion that you thought that it would be good to have long-term farm planning and long-term environmental planning. It just crossed my mind as you were saying about it, I wonder whether you're not on the way down a long slippery slope where you're almost inviting a bunch of central planners to come into your shire and give you a little bit more help with respect to the way you manage your land.

MR HAWKINS: Well, that could be possible if the thing got out of hand, but I would have thought if this is the community's aspiration - the community at large's

aspiration, we've got to find a way of meeting those aspirations, but also keeping our productive base. At this minute I believe our productive base has been eroded, and people have taken huge economic losses because of these native vegetation rules. Like Councillor Wait said, if you had - one of his and my friends has got 3000 acres with huge red gums, which in a milling sense are worth a fortune for royalties, it's worth a fortune to that family and it's locked up and cannot be moved.

If there was some plan that he could harvest X number a year with, say, a plant-back X number a year and have the same as any other crop, then not to be sacred - those trees are not sacred; they're just another crop like wheat, barley, the whole works - wouldn't that be a positive thing for the community at large and that family?

DR FISHER: I guess what I'm really driving at is whether it's a planning approach that will lead to that outcome or whether there's a marketplace approach that might be more appropriate and lead to a better outcome. You see, my suspicion if I could be just sort of paranoid for a moment, is that the more planning you have, the less likely you are to head necessarily to an optimal outcome, and it just strikes me that there's the possibility that there are marketplace solutions that we could explore that might lead to the outcome that you're talking about.

MR HAWKINS: I'm a businessman and a pragmatist and I thought this was the way forward, you know, to try and meet everybody's aspirations. That's where I'm coming from. I'm not saying I'm falling over in enthusiasm about it all, but what I am saying is that I am a business person and try to be a pragmatist, and I think out of all everybody's aspirations - you know, farming, community at large, the greenies, whoever you'd like to name - we've got to find a way forward. At the minute we're in a stalemate situation.

DR FISHER: I guess the other issue I just wanted to raise quickly was that I can understand - I'm finding it hard to understand why there are so many interpretations of the same piece of legislation. I can understand for example why you might have a confusion about - let's say you've got 10 red gums in a hundred hectares and therefore the question is what constitutes 10 hectares? Do you define the drip area under the tree, add up the 10 trees and then that's less than 10 hectares.

MR HAWKINS: That's one interpretation.

DR FISHER: So that's one interpretation. The other interpretation is it's a hundred hectares. Therefore you have to go to the other place. So I can understand that there is potential room for interpretation there, but it's much more difficult for me to understand why, say, clearing a fence line is subject to interpretation. Is that because somebody has written the word "reasonable" or some other such word in the legislation?

MR MEYER: Precisely. The word "reasonable" is there. The reason why the confusion basically is there is up to the philosophical outlook for the person who wants to make the determination.

MR HAWKINS: Yes, and people are - - -

MR MEYER: And that varies from individual to individual. One person might say - I can give you an example of a chap that was related to me, in the last week, he has a patch of native vegetation, four fences cross it in a cross right through it, and he said to an officer without realising, "What can I do?" He said, "Just trim along the fence." He said, "Yes, but that won't allow me to take a tractor or anything along to drive me fence posts in." He said, "I won't let you do that." That clearly is the advice that he gave, and what he said he wouldn't let them do really is illegal because that was his own philosophical - - -

MR HAWKINS: It's his own position.

PROF MUSGRAVE: - - - position and not really a legal position.

MR HAWKINS: And over-extended his charter. That fellow - it wasn't his business anyhow - that particular officer, it is not his business.

PROF MUSGRAVE: No.

DR FISHER: Okay. So there's an issue there first of all about people exceeding their authority, but there's also presumably - I mean it strikes me - why is it not possible to go back and amend legislation such that you sweep away some of these difficulties. I mean, why is that not happening?

MR MEYER: That's clearly what I state in my submission; that it was clearly stated you do a fence line, you do so much this side, this side. Clearly it's black and white, no more issues. Everyone would know precisely what they can do. As it is now, everyone is having two bobs worth and everyone is - it's even got to the stage that we know - apparently we read in the Weekly Times that people are even made to plant back with limbs hanging over the fence.

DR FISHER: This legislation has been around for 14-odd years, hasn't it? So what is it - more than that. So what is an impediment to an amendment going through the parliament?

MR HAWKINS: It's only a matter of political will.

MR MEYER: There is no impediment. It's up to the politicians to do it.

MR McKAY: And it's something that we are now pushing with the department ourselves saying that, "There is this confusion. This needs to be clarified," for them, for us and for the landowners. You've got to create certainty, not uncertainty.

MR W. WAIT: State government is greener now. Basically the state government wants - and they work through the catchment management authorities and so forth and so on, and they're greener now than what they were back five, 10 years ago. We're actually working with the government, and the government can say tomorrow, "There's no West Wimmera shire." We're gone.

DR BYRON: I don't want to push this too hard, but I'm just looking at the 52.17 on native vegetation and it says:

A permit is required to remove, destroy or lop native vegetation. This does not apply ... to the removal or destruction of lopping of the minimum extent of native vegetation necessary for the construction, operation or maintenance of the farm structure including dam, track, bores, windmills, tacks and fences.

MR MEYER: Precisely. It seems pretty clear.

DR BYRON: It seems pretty clear.

MR MEYER: You see what we're saying - - -

DR BYRON: Permit is not required for construction of fences.

MR MEYER: It seems pretty clear, and that's how we interpret it.

MR HAWKINS: DSE often tells you there's got to be - like, the average person doesn't really understand - quite often doesn't understand that the shire is the planning responsible authority. In a lot of people's mind, the DSE, because - you know, they go to them for advice, and then the officers, as I said a while ago, exceed their charter. If you're the average Joe Blow, you don't know the difference and you take notice of what they say.

MR McKAY: When you see that, it's black and white, but people are dealing in shades of black here and we don't know why because it is pretty straightforward.

MR W. WAIT: But the officers will take notice of DNRE. Shivers, I would if I was an officer.

DR FISHER: Let's imagine I'm a farmer in your shire and I decide - I've read the

act and - - -

MR HAWKINS: We've just increased the population.

DR FISHER: Yes, you've just increased the population by one.

MR HAWKINS: Excellent.

DR FISHER: And I read the act and I decide that I'm going to construct a fence. I've got a D6, the blade is about 12 foot wide and I run one pass down, and I put my fence up. Will you prosecute me?

MR W. WAIT: No, but you'd probably have some interest from cars that have got red numberplates. That's what you'd have, and they would be telling you - they would be waiting for you on the other end of the fence line - no, along the fence line.

MR HAWKINS: I guess the response to that in general terms, West Wimmera shire as a basic tenant - it's not absolute, but we don't prosecute. We try and find a way - and we've had examples of this. We try and find a way of accommodating the law but getting a positive result for the environment. We've had examples of that. We're under extreme pressure from the DSE to prosecute, and we won't do it. The history of prosecution is not all that successful because you get one person's opinion on the bench on the day. There's one council - I think Capaske did prosecute. They ended up with a bill of \$60,000. If that happened to West Wimmera shire and we ended up with a bill of \$60,000 with the costs against us, we would look bits of fools to our ratepayers.

So we pride ourselves that we meet our legal obligations, but try and go forward, and that's the stance we take, and I think it's the stance that is being accepted or being respected by our ratepayers, and I think - we've still got to unlock the binary. That's my - I guess we've got to go forward otherwise the whole thing is a nonsense really. That's why we're keen to be here talking to you today.

DR BYRON: Thank you very much for coming, gentlemen, and thanks for bringing the spiny acacia.

MR W. WAIT: It's yours.

DR BYRON: Normally I'm a big fan of native vegetation, but that one - no, we were told in South Australia about how that stuff is covering tens of thousands of hectares on their side of that imaginary dotted line, too.

DR BYRON: Mr Wait, sorry to keep you waiting.

MR A. WAIT: Thank you, gentlemen. My name is Anthony Wait. I'm also from the West Wimmera shire, but my submission is not made in any cahoots with the shire. I was unaware until the last couple of days there was a thing. My submission basically deals with the effect of the costs of the native vegetation acts and whatever's on farmers. I've given various examples through my submission as to what we face. My property would probably contain the most significant nesting sites of that wretched bird, but the World Parrot Fund has erected nesting sites on the property. They are unmaintained, a lot of them - if the parrot went in, he would sit on the ground because there's no bottoms in the holes.

The last set of nesting boxes were to go up, and occupational health and safety stepped in and wouldn't let them use second-hand SEC poles. So it cost a thousand dollars a pole. They bought the poles from southern Queensland to put more nesting sites. Timber Corp got involved in the system. The SEC lines run through our scrubs. They are unburnt. Birds Australia have put a moratorium on the burning of the scrub. They say it takes 250 acres of stringy bark scrub to feed a pair of red-tail cockatoos.

The SEC goes through, it takes the men three days to cut the shoots off the line with an axe over a kilometre because they are not allowed to take machinery into the scrub. I believe this impacts on our SEC bill. You might say, "Well, it's only just that kilometre," but it's a Victoria-wide problem, so therefore the issues are in that respect. We are not allowed to let our trees down, our dry trees. They are unsafe. I have trees on our property that I will not let the tractor operator drive within the falling-down period, because I'm frightened that the trembling of the weight of the tractor moving the ground will tip the tree over.

On the issue of water, on the issue of dam legislation, we have a commercial dam on our property. This was created by our own goodwill many years ago as a wetland. It became full of yabbies. I applied for a yabby licence. The DNRE came up and said, "It's probably the most magnificent stretch of freehold water in the state, in the west of the state," he said, "it's excellent." He gave me my licence and I proceeded to sell a few yabbies. It's been dry since 1994, but to re-get that licence today, I would have to satisfy eight government departments, and if I could satisfy them, which I couldn't, I wouldn't get my licence anyway. It would be a much diminished licence. So \$250 a year, I've maintained the licence.

So now we have the farm legislation, the farm dam legislation. To harvest my yabbies I use no water. The only water I use is what would be on my trousers as I walk out. No, it's still commercial and it has to be registered. Well, I said, "How do you measure the water?" They said, "We measure it through evaporation." So, fair enough. I said, "What happens in December when I find that a couple of my water

holes in the catchment area haven't filled? I'll take the fire pump down and I'll pump the water out." "Oh, no, you won't." "Well, why not?" "Because it's commercial." But I said, "It's only for stock and domestic." "Ah, but if you've registered it, it's become a commercial dam." This is a swamp catching rain water, not a river. If you register it, it becomes commercial. So here is my cost. I've spent \$1500 on this licence on a dam I can't use.

We've just bought a property at Heywood. Now, it's in a 32-inch rainfall. So we thought we'd cover ourselves with water, we'd buy it where it rained. So we've bought this property. It's the basalt plains of the Western District, probably as fertile a country in Victoria. We looked across to the neighbours and they've got a bulldozer working, and the bulldozer is pushing the rocks off, just pushing them off into the holes that are naturally formed, and towing a roller around, and they're turning it from country that you can't ride a motorbike over to country that you can drive a luxury car over and increasing the carrying capacity threefold, and we thought, "Hell, that would be a good idea." So we made the necessary investigations. "No, no, everything is hunky-dory. That's quite legal." Well, we paid our deposit and we signed up and we took delivery. In have come the Aboriginals and said, "No, no, no. You must stop, because it could contain sacred sites, but for \$50,000 we will check."

So there's a bit of discussion just going on at the moment as to whether we could perhaps be a bit more flexible with the money - \$50,000 less. But in comes John Howard with his EPBC legislation and that country is now classed as - and I read it from this map, which isn't in my thing - "Victorian volcanic plain bioregion." They think it's world heritage - snakes and thistles and stones. No trees, just snakes and - where do we go? The cost of this EPBC leg - and I might say that we were in another commission sitting with Ian Cawsley, and the EPBC legislation was pointed out to him, and he looked up and said, "I don't know how that got through. They must have got it there late at night." He said, "We wouldn't have normally passed that legislation. We must have a look at it." Well, of course, you know, you can imagine they haven't looked at it.

So again, we wear the cost, and this is where as farmers I just feel that if this stuff is world heritage listed and it's so famous and so good, how come, after we've bought our title - and if you read a title carefully, it says the words "fee simple", and "fee simple" simply means, to my knowledge, to be used as is currently used. So the word "fee simple" on your title virtually guarantees that the use of your land won't alter. But, of course, these zealots within government, they seem to just, you know - can alter it willy-nilly, and to the last group, you, sir, on this end, you asked the question as to who makes the decisions, if you said to me, "Is it raining downstairs? Should I take an umbrella," and I go, "No, no, she'll be right, it's only," and off you go and you step out into Collins Street and it's flooding down, you'll go, "That idiot." But if I say to you, "No, no, no, it's bucketing down. You take an umbrella," and you

walk out and you look up and it's sunny, you don't care. So I haven't really made a wrong decision. I've got it right. The fact is I've got it completely wrong but I've got it right in your favour, and that's how these fellows work. They work, not to make the decision for themselves but to make the decision to make sure that their backsides aren't burnt from above, and every decision is made with fear from above.

Now, I've touched on the water thing, I've touched on the red cockatoos and I've touched on the basalt plains. I don't know, I didn't - I've got the general - the other one, superphosphate. We're getting articles printed, and all these legislations come in, the first thing that you'll see is in the farmer's page or the agricultural page of the papers an article, and one of the articles that's just come out is, "Run your fence lines a chain in your paddock. That way you'll avoid all this problem with trees." Another one that appears, and I must say I have absolute abhorrence for catchment management authorities. I think they're dangerous. I think they were inflicted on us by the Kennett government. Kennett's gone, and you would know why, because that was part of it, but we're seeing superphosphate management strategies put on us. Now, they're blaming superphosphate for all sorts of problems, but it's pretty expensive, so it doesn't cause many - but we're going to be hit shortly with a series of rules and regulations regarding super, and again, who pays? We pay. We've got it as efficient as we can get it, but when these rules come, and they are coming, then what do we do?

I mean, we've got NLIS tax, which is probably a good idea, identifying every beast. They're little electric ear tags, we can tune them to the cricket, put them in the cow's ear, and off we go. It costs you about \$2000 a year. We're not a huge operation. Where do we pick that \$2000 up? We can't keep absorbing our costs and then absorbing this rubbish like the basalt plains. Here we've got as good a productive property as we can get, and we went through the right channels to buy it, but when we get it, we've got Johnny Howard and co down with this legislation. Now, of course we could still - there's been no mention in our rate notice. There's been no notice in the papers, so I could probably start a bulldozer up tomorrow and do it. We've actually financed ourselves to do it, but we've been stopped, not through any particular legislation but through fear, because once the aboriginals - that's not the issue you fellows are on now, but that is an issue that stopped us - but then when we can get rid of them, we've got the EPBC legislation, and I would just say that the effects of conservation on farming is extreme. Well, my attack would be to unplan. I haven't actually seen how a plan would quite work, but without repeating myself, I just can't keep going on these things, but it's an issue that I've felt very strongly and I've seen fit to come down and I would thank you, sir, for your opportunity.

MR BYRON: Thank you very much, Mr Wait. Yes, you made your points loud and clear. Brian, did you want to start?

MR FISHER: Yes, can I make an observation and ask a question?

MR A. WAIT: Yes.

MR FISHER: My observation would be that actually before I went outside I'd ring up and get a market-based weather forecast and then I wouldn't have to worry about blaming anybody, and if the forecast wasn't right then I obviously didn't pay the right price. Now, my real question though is can you give us - you've gone through some of the frustrations that you obviously feel about certain sets of legislation impacting on your production - can you give us some sort of feeling for the, some quantitative feeling for the impact on the productivity of your properties? So basically if we look at productivity in, say, broadacre cropping, it's been growing over the last 25 years across the wheat belt of about somewhere between three and four per cent, in the case of livestock industries, sort of around one or one and a half per cent. Now, in your case, what do you think is the impact on the growth and productivity as a consequence of these bits of legislation that have an impact on your farming operation?

MR A. WAIT: I think we have to farm smarter to hold our productivity as it is. I just think that there's no room up. We're sort of running at a fairly productive level, I'd say, our farm. My family farm is pretty up and running. I just can't see anywhere to go with it. Well, we went, we went into the basalt plains. We just seem to have struck a bit of trouble there now, but I can't see how you can, unless you start on different crops, and of course you're in a 28-inch rainfall, 27-inch rainfall, which sort of stops us, precludes us from growing grains. I'm strictly a grazier, but, yes, I just don't feel there's anywhere to go. No, I'd say that. The problem that we get is, it's my neighbours, the fellow with the great stand of millable timber, he won't grow another tree because what he's already grown is locked up. So what is the point, and we could argue that if he were encouraged to let these trees go, it would bring more native vegetation. There would be a net gain automatically because people would say, "Hell, that's a good idea," and it's by their negative actions and negative thoughts or their, you know, "Stop doing this and that," that actually stops everything. If it was a positive slant that they had on things, then we would, you know, it would go back through the system and that way it would work.

MR FISHER: So if I get your business strategy right, basically your business strategy has been to expand the number of properties you have in an attempt to get economies of size, basically.

MR A. WAIT: That's right, that is exactly right.

MR FISHER: You're trying to become viable as a farmer, or maintain viability as a farmer by expanding size, but you feel that you've been impeded by a bunch of regulations in terms of the development that you need to bring these properties into full production. Is that a fair assessment?

MR A. WAIT: Well, that is a fair assessment. I'm like Ron, I'm a businessman first and a farmer second, but I don't think you can be neither. You have to be both. The blue gum plantations came in and allowed us to get rid of our less productive property, and the blue gums, I mean, they cop all the flack. They're dreadful. Like, the whole 70,000 acres, you can imagine what they've done to salinity. No-one says a word about it and yet South Australia have become the first government in the world to tax rain water. You've got the salinity zealots saying, "Plant trees." You've got Timber Corp and Co planting 70,000 hectares and they don't sort of know about it, or they don't want to know about it, and the other thing with Timber Corp and APT and the rest, they could very rarely buy land with more than 70 per cent plantable. So what they did was, they've let huge areas of native vegetation regenerate on private property. So the net gain has come.

We were in one of these hearings and the fellow was there and there was a property just south of us, 10,000 acres that the fellow was trying to sell, and I said to the fellow, "If you want net gain, there it is. The government won't touch it" - typical proof that every farm in Australia is for sale, just name your price, and yet the government with their net gain won't come at it. So to get back to the question, yes, the way to increase our holding and increase our livelihood is expand our farms.

PROF MUSGRAVE: Thanks, Mr Wait. You referred to the catchment management authority as being dangerous.

MR A. WAIT: Yes.

PROF MUSGRAVE: But you didn't enlarge on it. Why don't you enlarge on it?

MR WAIT: Well, I will enlarge on it because (a) they are appointed: there is no way that you can get on a catchment management authority unless you are signed off from Spring Street. So therefore catchment management authorities, despite the rhetoric we are told, are not rural based. They are based from Spring Street, and (b) catchment management authorities never take a vote at their meetings. Not once do you see a vote. It is, "Well, yes, we've looked around and, yes, you all think that would be a pretty good idea," and write it down. So that's why I think they're dangerous. They don't face the public and they don't face the - like the councillors over there, they've got a very risky operation every four years.

PROF MUSGRAVE: Yes, and we had a bunch of councillors there who seemed to have a pretty good understanding of a few of these issues that we are confronted with under these regulations. So if you had a more democratic process with the catchment management authorities or some other structures that were more democratic, more accountable, do you feel that maybe we would be able to make superior decisions in managing our landscape?

MR A. WAIT: The other day in the Mail Times there were some new members of the catchment management authority appointed and they all had their photos in the paper, and I looked at it and I thought, "Well, they'd be the same old suspects," the same old lot with a green bent. I don't think there would be such a thing as a democratically elected catchment management authority or it would fail. It just wouldn't happen because you would get people that would be sympathetic. I mean, I wish the first settlers had shot the first red-tail cockatoo that came to our district, because then we wouldn't have that problem. Then we wouldn't face higher insurance costs and again we get to productivity. We pay the insurance costs because we're at the high risk of being burnt out.

Now, my neighbour and I, we were writing letters to Chloe Munro, warning that fires would come through the scrubs this summer because of the lack of - or no management, and she kept saying how well managed they were. But there hasn't been much correspondence since January. So my argument is: we are bearing the costs in a very unbalanced manner. We are bearing the costs for this native vegetation and whatever, and whichever way we look, we cop it.

DR BYRON: Back on the theme of how do we go forward from here, we've talked with everybody else about are there different ways where the crown and the freehold landowner could come to some mutually amicable agreement about if you have a particularly rare and valuable piece of habitat or endangered flora or fauna or something, they make you an offer and say, "We will pay you tens of thousands of dollars up-front plus X thousand dollars a year to look after it," or, "It's terrific that you've got ten breeding pairs of these parrots on your property. If you can get it up to 50 within the next ten years we'll give you 100,000 bucks as a reward."

Now, my guess is that if you thought we were fair dinkum, you might actually take that up and you would find new ways of breeding up these birds that nobody else had ever even dreamt of before, you being an innovative farmer, et cetera. But I mean, have we ever tried doing any of these positive incentive-type things as opposed to the regulations on what you cannot do?

MR A. WAIT: When the red-tail recovery team first started, they naturally came to our place because of the parrot farmer's bloody boxes and we showed them the odd nest because we could find them. But our southern neighbour, not our neighbour within two or three K but about 10 K away, he showed them his nest that had produced a living baby cockatoo for the last 20 years. That nesting site hasn't produced a living cockatoo since. So I would suggest to you fellows that by me knowing where these sites are and shutting up, I'm going to produce far more live little cockatoos than I ever will, because once the recovery team come in, the birds disappear.

Now, we went out in the paddock the other day to find galvanised iron, rusty galvanised iron, nailed to the trees and this is to stop the possums from running up and eating these eggs. Another PhD from Adelaide has decided that the possums eat the red-tail black cockatoo's egg and therefore that makes them endangered, so we've got this rusty iron tacked around our trees. So no, you see, that's the problem: I've got the nests and I know where they are, and I know and the cockatoos know and I reckon that's about 100 per cent of the knowledge needed.

DR BYRON: Do the possums know?

MR A. WAIT: Well, you see, the possums went because they disturbed the egg. If a person climbs up - and even as a kid collecting birds' eggs I knew that once I went to a bird's nest that was the end. Very rarely would the bird come back. So if you stick your head in a cockatoo's nest, look down and see the egg, the mother looks down and sees you, she's all over, and the possum goes, "Well, I'll have the egg." That's how it works. I mean - - -

DR BYRON: She's not guarding it.

MR A. WAIT: Yes. So no, I wouldn't entertain it because, you know, I want the bird. So I don't see that as an option at all.

DR BYRON: Okay, good. I think we might wrap it up there, but thank you very much for coming and thank you very much for all your insights and sharing your experience and expertise with us.

MR A. WAIT: Thank you very much. I appreciate the opportunity.

DR BYRON: I suggest we break now and resume about 2 o'clock. Thank you very much.

(Luncheon adjournment)

DR BYRON: Thank you very much, ladies and gentlemen. We can resume the public hearings for the Productivity Commission's inquiry into impacts of native vegetation and biodiversity regulations. The next evidence we've got is from the Australian Conservation Foundation. Tim and Charlie, if you could each introduce yourselves so that the transcript gets the voices clear.

MR T. FISHER: I'm Tim Fisher, land and water coordinator for the Australian Conservation Foundation.

MR SHERWIN: Charlie Sherwin, the biodiversity campaign coordinator for the Australian Conservation Foundation.

DR BYRON: The normal procedure, gentlemen, is that if you would sort of summarise the main points of the submission, which we've both read, and then we can spend the rest of the time having a question and answer session.

MR T. FISHER: Thanks, Neil. I'll hand over to Charlie to run through our submission, the main points in it - Charlie prepared the submission for us - and then we'll field questions.

MR SHERWIN: I'm going to take the submission as read pretty much, and I'll just run through quickly the main thrust of it and then leave as much time as possible I think for dialogue. Essentially we'd just like to urge the commission to keep in mind the scale of the natural resource degradation and biodiversity loss problems that Australia is facing at the moment. Some of those include above natural nutrient loads in 90 per cent of our river reaches. The environment is significantly modified in 85 per cent of our river reaches. 80 per cent of river reaches are negatively affected by catchment disturbances. In terms of salinity, 5.7 million hectares is affected or at risk of dry land salinity currently, and that's predicted to grow to 17 million hectares by the year 2050. This affects not only agricultural productivity and land values but 20,000 kilometres of roads and 1600 kilometres of railways in Australia are already at risk from infrastructure damage to rising ground water and salinity, and this will more than double by the year 2050.

We've got 2891 threatened ecosystems in Australia and over 1500 threatened species. We're the highest per capita emitter of greenhouse gas in the developed world. That includes emissions from burning and rotting bushlands following land clearing. These are just a selection of some of the trends in the environment that are trending downwards at the moment. It's very important that in considering biodiversity and native vegetation regulations and their impact on various sectors, on public and private interests, we focus very much on the need to reverse these environmental trends.

We also urge the commission to consider the net effect, if you like, of

biodiversity and native vegetation regulations and indeed of the entire policy tool kit that government and society uses to address these problems. It's very important to identify verifiable facts as far as possible to look at the costs and the benefits to the private and the public good, in short, the net effect of the policy approaches that are being applied, and to separate the effect of regulations from the effect of droughts, commodity price fluctuations, broader economic conditions, weather, et cetera; to keep in mind that declining environmental trend that we need to be addressing; and to state assumptions clearly along the way.

Our contention is that biodiversity and native vegetation regulations across Australia need strengthening, accompanied by a strengthened and broadened suite of policy tools beyond the regulatory approach. The current regulatory regimes are failing to reverse those negative environmental trends I mentioned earlier. These regulations must be seen in the context of an overall policy tool kit, including market mechanisms, incentive approaches and voluntary conservation efforts, but they are a necessary element. ACF are not aware of anywhere in Australia or overseas where native vegetation clearing particularly has been reversed or halted without a regulatory approach.

Regional vegetation management committees are an important part of the policy tool kit that's needed to address these problems, particularly vegetation clearing, but in and of themselves they will not reverse the decline in the quality and extent of Australia's native vegetation, and they're not appropriate bodies to be setting targets and standards for vegetation clearing controls. They do have a role, but that particular role is beyond the ability of regional committees to fulfil.

The regulations in Australia need strengthening, and this needs to be accompanied by approved funding for natural resource management and biodiversity conservation, including appropriate transitional assistance where rapid shifts in regulatory regime are faced by land-holders and where demonstrable hardship is found to exist. As currently operating, the regulatory framework on biodiversity and native vegetation is having little effect on both land-holders and environment protection itself. Some individuals are suffering undue hardship due to changes in regulatory regimes and this needs to be addressed, but we believe that the impact of these regulations is limited by and large to individual or enterprise level rather than regional, state or national level impacts a such or net effects.

We do believe, though, that regulation can be very, very effective and cost-efficient in delivering environmental goods to the public and in getting on top of these reversing environmental trends, particularly when accompanied by appropriate financial assistance to land-holders. We base this partly on the Prime Minister's Science, Engineering and Innovation Council finding that protection high conservation value vegetation in Queensland would deliver \$20 for every \$1 that it cost the public purse in achieving that and, building on that work, Environment

Australia's finding in the current proposal to tighten regulations over clearing of remnant vegetation in Queensland. Environment Australia found that the collateral benefit to the public in terms of reducing greenhouse gas emissions, in terms of reversing trends in dry land salinity would be valued at 100 times the cost of the transitional assistance involved in that package.

In terms of other measures that can be applied to help protect biodiversity and our rural landscapes, we've put forward some ideas, particularly the idea of leveraging greater private investment in sustainable rural land use. We've put forward the idea from the business leaders round table and Allen Consulting Group that a new approach needs to be taken to government investment in sustainable land use, drawing on existing policy tools used in sectors like health and education. An approach needs to be taken which links capital markets to commercially-driven investment projects which are accredited as sustainable land uses. Taxation offsets at around \$3.6 billion over a 10-year period of foregone taxation revenue to encourage sustainable land use investment would deliver some \$12.7 billion in increased private capital investment in sustainable land uses in regional Australia. That's a leveraging ratio of some 3.5 to 1, and Allen Consulting Group are adamant that that is a conservative estimate of the leveraging ratio.

We've also put forward the idea that, yes, our regulations are failing, that we need a broader suite of policy instruments. We also need institutional reforms at the national and the federal level to make sure that we can deliver sustainable landscapes in Australia. Our current institutional frameworks are failing. This has been shown through successive state of the environment reports and through the national land and water resources audit, which demonstrates those environmental trends I referred to earlier.

We believe the National Competition Council provides a useful model that can be built on in delivering sustainability in Australia in the broader sense and in particular to do with natural resource management. We've proposed that an independent national council for sustainability be established to draft a new sustainability and natural resource management agreement for the country, including statutory targets for reversing those trends in environmental decline I referred to earlier, legislative review of state and federal legislation where it is relevant to these issues, and national laws to address the decline in our environment. This new sustainability agenda would be prepared by the national council for sustainability for COAG-level sign-off, so that we had heads of government driving the process of reform that's necessary to get our regulatory and other policy instruments in line with clear objectives towards sustainable land use.

The national council for sustainability would then make recommendations to the Commonwealth on general purpose grants to the states based on progress under this new COAG agenda for sustainability over a 20-year period, thus providing a

carrot, if you like, for the states to deliver on sustainability benchmarks and milestones agreed at COAG. A 20-year environment levy would be one way to fund the investment needed in this NCC model. It could also assist in funding that foregone tax revenue that's comprised in the leveraging private investment model.

Another institutional reform that would be desirable, we believe, is strengthening of the role of the Australian National Audit Office in auditing environmental outcomes and outcomes towards sustainability. We believe this can be done through establishing a new sustainability unit within the Australian National Audit Office and adding some new powers and responsibilities to the office under its legislative head of power. The Audit Office could then better assess Commonwealth performance towards the agreed COAG sustainability agenda. That's the broad thrust of our submission and we relish the opportunity to answer your questions.

MR T. FISHER: If I could just add a few comments before we get into that. I think that, as Charlie has really outlined, we need to have a thorough rethink about where we're heading as a nation in environmental management, in natural resource management generally, and what we're trying to achieve, what issues we're trying to address, how we're going to deal with degrading processes, which one way or another are going to cost us a lot and already are.

Just a couple of words on where we are at the moment compared to perhaps where we should be: I think overwhelmingly the major policy tool that's used at the moment is financial incentives, grants primarily, that really fall a long way short of doing what's required both in terms of the amount of money on the table, which can only ever hope to achieve very small changes at the margins, and in terms of the outcomes they seek not being well complemented by other areas of policy.

For example, land clearing where there's, for every - what is it, Charlie - for every hectare planted under Bush Care, there's been at least a hundred cleared in the same time frame.

MR SHERWIN: It varies, yes.

MR T. FISHER: It varies a bit from place to place. Overall our response is reactive and I think that to the extent that we do have regulation in agriculture, it is reactive. It doesn't have a vision of where we're trying to be or what sort of landscapes we're trying to establish and create, and it's really not going to do a hell of a lot under any circumstances.

In terms of regulation, I'd just like to make the point that other sectors are much more comfortable. Other sectors of the Australian economy aside from agriculture are for one reason or another much more comfortable and familiar with the concept of regulation, be it in manufacturing, food processing, building and

construction, retail, commerce, intensive food lot agriculture too, but a combination of laws and regulations, licensing requirements, land use planning controls are all extensively applied in those sectors and it's regarded as a cost of business, and the risks of those laws and land use controls and so on changing are ever present, and there doesn't seem to be nearly as much noise around those facts and those sectors as there is in the very limited amount of regulation that currently applies in agriculture, although we acknowledge that those regulations are somewhat unevenly applied.

In terms of the policy tool-kit, there are lots of other policy instruments that have been used to a very little extent, if at all, such as pricing, market mechanisms, targeted market interventions by government, including the leverage private investment proposal that you have that we've developed; institutional arrangements going right up to the national level but right down, too, to the local level where invariably we have different agencies, different laws, different levels of government working at cross-purposes. Part of those institutions I think we lack things like national standards, national targets, national monitoring arrangements to check on progress, and conditions for funds indeed.

I go back to the Productivity Commission's Inquiry into Ecologically Sustainable Land Management some years ago now where there was talk of a legislative duty of care which hasn't transpired, but I think it's as much an issue, whatever you want to call it, now as it was then, if not more so. We still don't have an accepted definition of the custodial duty of landowners to manage the landscape and all its values. Similarly talk of a unifying statute, voluntary standards codes and environmental management systems which are still very primitive outside of legal compliance, and a range of other things that really haven't progressed since that study was undertaken. I think I'll leave it there, and over to you for questions.

DR BYRON: Okay. Thank you very much. I'm going to ask Warren to lead off with a question, but I guess I should start with a clarification for the point that you made at the beginning, Charlie. I think the commission and me personally are extremely well aware of the scale of the land degradation and biodiversity conservation issues, and we tried to make it clear in our issues paper for this inquiry that, you know, fully cognitive of that, we're asking how well is the current regulation working and could it be made to work more effectively? Could some of the adverse, perverse or unintended impacts that we've been receiving evidence about be avoided?

Are we actually minimising the costs to land-holders and to society at large of the way we do our biodiversity conservation environment protection, and if in fact we can satisfy ourselves that we're doing it in the most effective and most cost-effective way we can, and it's inescapable that there will be some costs, then the question is what's an equitable basis for how we pay those costs? A lot of the evidence we're getting comes down to whether an individual property owner should

pay or whether taxpayers or consumers at large should pay.

But apart from all those issues, I think there's another one which is much more sort of a pragmatic question, that if there's some way of getting agreement on what sustainable agriculture, good natural resource management, long-term well-managed landscapes would look like, how are we going to get there on a practical basis if we can all agree that eventually governments, land-owners, environmental organisations, all levels of government are going to have to come up with a process which works, and that everybody can live with in a purely pragmatic sense. Even if we accept that the government has the power to demand that people do something, exercising that power may not be a good way to build a long-term mutually amicable relationship.

So if we think that ultimately there's going to be some sort of offer of partnership that's good for agriculture and good for the environment, how do we work towards that at sort of a pragmatic level, recognising both the obligations and the rights of the land-holders, as you say? That wasn't meant to be a sermon or a question, just trying to clarify what we're doing here and to reassure you that we're fully cognisant of the land degradation and biodiversity conservation imperatives as we tried to make sure in the issues paper. We're taking it as given that the reason that the Commonwealth and all the state and territory governments have this legislation is because we want to achieve - government legislatures have decided on the outcomes. We're not for a moment questioning that. We're questioning how well are we getting towards those objectives, and could we do it more painlessly and more effectively?

That's why I thought it was both interesting and helpful that in your summary at the start of the submission, you seem to be recognising, too, that the status quo doesn't seem to be working perfectly. Whether the answer is to have more regulation, stronger regulations, stronger enforcement of the legislation and stiffer penalties and then regulation would work it or whether, you know, we need to look at the mix of instruments that you were talking about, one of which will certainly be regulation but it might be 20 or 30 per cent of the package rather than 99 per cent of the package. That's the sort of thing that I think we can very usefully discuss, and how we get the regulation, the voluntary measures, the incentives, the Bush Tenders, all these sorts of things, all working in the same direction rather than at cross-purposes. That was meant to be just a clarification.

MR SHERWIN: If we could briefly respond.

DR BYRON: Sure.

MR SHERWIN: I agree with you. I think regulations are necessary, but not sufficient part of the tool-kit that needs to be applied. If you're going to have regulation, if you have good regulation, I think at the moment we're lacking that, and I think the risk there is that in the absence of good regulation and good other policy

mechanisms, whether market mechanisms or grants-based approaches or what have you, we are suffering irreversible losses of biodiversity and irreversible damage to some of our natural resource assets through things like dry-land salinity which express themselves over long time periods and across wide landscapes and really can't be wound back in a period of years. We really need to get on top of some of these problems rapidly, and legislation regulation is a very, very good way of dealing with large and urgent actions needed to prevent irreversible losses. That's just a brief response.

MR T. FISHER: Could I add to that I think there are questions about to what level is regulation reasonable and beyond which point is it unreasonable in the sense that it's beyond the reasonable expectations of the land-holder or land manager to go there, and hence there might then be a case for governments to share in the costs of those impacts. As I mentioned before, we had that start of a debate about duty of care and what is a reasonable duty of care on land managers, but it hasn't gone anywhere. We're still at a fairly primitive level in debating things like to what extent should land-holders be held responsible for their impacts on the wider environment, both on farm and off farm. Is in any way, shape or form the polluter-pays principle or impacter-pays principle appropriate, versus the beneficiary-pays principle?

Those debates tend to be shut down we've noticed because every time we try to have a sensible discussion with policy-makers about them, we're always told that it's too hard. Yet I can't see that we're going to get too far in this whole debate unless we have or start to have a shared understanding of what our respective responsibilities are as land managers on the one hand and everyone else on the other, including governments.

Another point we'd like to make, we held a seminar last year called Farms To Landscapes where we had a range of speakers talking about the issues of on-farm environmental management on the one hand and catchment management on the other and the fact that there are very few links between them. You can't sort of get a catchment plan overlay and put it onto your property and say, "Well, okay, I need to keep that native vegetation and grow more native vegetation there, recharge control here, erosion control here," whatever, that sort of stuff just doesn't exist and I think catchment plans are still very much at an early stage of development. They're on a fairly coarse scale - large scale - and no catchment management organisation in the country I suspect is in any position to answer any land-holders' questions about, "How should I be managing this farm to address the range of degrading processes at work there and off site?"

So we need to have a debate - we really do, as a nation - about all of the things that add up to a recipe for sustainable landscapes, but at the moment all we've got is an on-again, off-again debate about how much Commonwealth and state government money should get thrown at these various programs. How strong should the

regulation be or not strong as the case may be. How much money might be there to deal with the really loud, squeaky wheels such as land clearing in Queensland or recovery of water for the Murray River in the Murray Darling Basin. We're not having the big discussion about what is our vision for Australian landscapes, and how do we get there.

PROF MUSGRAVE: Thanks, Neil, and thanks for your submission and for your presentation. I think we'd be able to talk for a very long time about these things. So I will only cover a small amount of the possible territory this afternoon, but the first thing I'd like to invite you to comment on is the fact that in our travels around the countryside, we've been presented with repeated assertions of an erosion of trust between the farming community and the regulators. These statements are made to us to an extent that they are somewhat convincing, and it would seem that to the extent that trust between the farm community and the regulators is necessary in order to achieve the objective of the legislation as efficiently as possible, we have a problem that needs attention and needs to be redressed. I wonder if you've had any thoughts about that.

MR T. FISHER: I'll have a go. One thing I'd like to say firstly is that you're hardly likely to hear from those people who have no problem with the amount of regulation that applies to them because they're not the ones who are likely to take the time to come and present at a hearing like this. You may have heard from some. But I suppose I first say that getting rid of regulation or weakening it isn't the answer to that lack of trust question. It may well be issues like the amount of resources put into supporting regulation, indeed enforcing it; the amount of resources available to catchment management, to extension programs, what have you.

It may well be that the regulators themselves don't have a good handle in some instances of what the issues are, and perhaps that again comes back to a resources question; that there's too much to do and they haven't got time to deal with those little inconsistencies that might arise, or difficult issues that they just can't get to grips with. Charlie, have you got any - - -

MR SHERWIN: Just one thing that sprang to my mind is back to the vision, and I think it's very important if people are to feel a shared sense of confidence and shared mission towards sustainable use of landscapes, we need to have that shared vision, and that shared vision needs to be developed through an inclusive process. Now, that's been done over the years. In Australia we have the ecologically sustainable development process. There was a - I can't remember what its title was, but the Blue Book put together by AFFA a few years back was one of those documents that started to set forth the vision and it never got beyond draft stage, sadly. But our proposal for a national council for sustainability to craft a new agenda for COAG level sign-off would be something that we'd see being developed through a very inclusive process by a very independent council and that might help to build trust if

that vision were then properly developed through an inclusive process and then shared as a mission.

The other thing that springs to my mind is perhaps slightly more negative in tone. The word "certainty" pops up a lot when we're talking about these sorts of things. It's apparent, partly from my own personal observations and partly from reading the Social History of Land Clearing that the Australian Greenhouse Office prepared and which is on their web site, that there is almost a ritual opposition to regulations for controlling land clearing in Australia. I think, given the natural resource trends that we're seeing - greenhouse emissions, salinity, water quality decline, biodiversity loss - that are absolutely incontrovertibly brought about at least partly by land clearing, it's regrettable that there is a necessary opposition to almost any regulation of land clearing.

This has brought about over the years a sort of incremental nipping away at forging of the necessary regulations as part of the policy mix to address these problems. It would add to the sense of certainty and therefore trust - because I think what you're seeing is land-holders going through a process with a given jurisdiction's government. They're seeing some regulation brought in but it's tempered by the various political forces surrounding the debate about that regulation and then five years later we find that the natural resource trends are still going downhill. We find there's still not a broad public confidence in that regulatory regime's ability to deliver to the public good and so there's a renewed debate about the need to regulate land clearing and then a government, perhaps the same one, perhaps a successive one, puts forward further regulatory proposals and there's a loss of trust there, because land-holders have been through a process of debate about regulation and they have to go through another process of debate about regulation.

They see the regulation strengthen incrementally, not adequately but incrementally, and this can happen year after year, decade after decade - doesn't help to build trust. I think what's needed is a bigger vision that is concomitant with the natural resource decline problems we're facing and that puts forward very, very robust protection for environmental values that we share, once and for all. So, for instance, the protection of remnant vegetation in Queensland and New South Wales should be a fundamental outcome. This is an outcome that's already shared by our governments around Australia in their commitment to reverse the decline in the quality and extent of Australia's native vegetation, but it's not reflected in legislation apart from the Natural Heritage Trust of Australia Act which is patently unable to deliver that outcome.

But if that outcome was explicit in native vegetation clearing control regulation and that was accompanied by appropriate transitional assistance, there would be no further need to revisit the regulations and so, albeit there's a perturbation and some injury which needs to be addressed for adjustment along the way, it's a once-off

process and the outcome is then certain in the regulations, and any inequity that might come about, which would need to be demonstrable and demonstrably sheeted home to the regulation, adjusted for in an equitable fashion. So what I'm saying is: do it once and do it properly.

MR T. FISHER: Just a couple of other points in relation to that question, if I could, Warren. I think there are other sort of less tangible issues that play a role here. One is the level of literacy about the landscape that people live and work on and just, for instance, the debate on salinity in Queensland is nearly 20 years behind what it is in Victoria. We found an alarming lack of land-holders in grazing country at least, who understand the links between vegetation and salinity - ground water recharge and discharge - and indeed a very high level of denial that it's even an issue. Also if you look back to when clearing controls were first introduced in Victoria I recall an organisation such as Victorian Farmers Federation arguing that property values would be adversely affected and yet I think across much of the Victorian farming landscape I think you can see pretty clearly that farms with bush on them actually now have a high value relative to farms without bush.

PROF MUSGRAVE: Do you have hard evidence of that, Tim, because we would appreciate it if - - -

MR T. FISHER: No, I don't. But I don't think it would be all that hard to track down and there's probably some indirect evidence around the value of agricultural land, where in fact there has been some very significant associated demographic changes in many areas of arable Australia, particularly those close to capital cities or to good transport networks to and from capital cities, where in some cases agricultural land is selling for other than agricultural purposes. There might still be agriculture taking place but there are lifestyle values attached and you can have - you know, there are many areas where the sale value of land exceeds its value for agricultural production by three or four times, which reflects these changing values and changing nature of the rural economy, and indeed changing attitudes.

I think that again, since the introduction of land clearing controls in Victoria, there will be a lot more sympathy amongst land-holders for the need for native vegetation and its value for not only biodiversity conservation but in providing ecological services such as pest management, pollination services, shelter, all sorts of things.

MR SHERWIN: If I could just add on the matter of property values, the National Land and Water Resources Audit has suggested that land degradation, which is something that a lot of these regulations are attempting to address, has actually reduced the capital value of farms in Australia by some \$14 billion. So it's like the yin to the yang, it just emphasises the importance of looking at whether there may, yes, be impacts on property values because of the regulation but whether the substantive outcomes that that regulation brings about in land protection also deliver

to the positive side of the ledger, to the benefit of land-holders.

PROF MUSGRAVE: Earlier in your response to my question one of you referred to the fact that - yes, I think it was you, Charlie. You referred to the fact that one government brought in legislation to deal with these problems and another one will come in and bring in another set of legislation, so things kept on changing and you can see that this would be a discomfoting experience for the people who are the subject of the ever-changing regulatory scene. That's certainly one of the issues that they have raised with us. But another issue that has been raised with us is the time that is taken over dealing with applications to clear or applications for permits to clear, very short-term instability in policy positions, at least at a regional level. When I say short-term this is within a matter of weeks or months - inconsistency, the need to deal with a multiplicity of agencies, inconsistent attitudes and positions manifested by different agencies, to the point of contradiction and the like.

Now, all of these sound like bad public administration to me, to the extent that they're a significant problem, and I accept your point that not everyone is talking to us. But it does raise in my mind that there may be deficiencies below the national level in the way in which we are managing our natural resources, the way the public sector is managing our natural resources, and I noted that your response in terms of what governments might or are doing was very much focused on the national level, in a nation where the constitutional responsibilities lie so much with the states and where we have, at best, embryonic institutions at the substate level to deal with these issues.

This leads me to ask the question as to whether you have had any thoughts about institutional reform in relation to management of resources, the implementation of regulation, the involvement of regions and communities within regions, within the policy-making, planning, administrative process?

MR SHERWIN: I suspect we've both got something to say on that. Look, admittedly our submission focused on the national level. We're a national level organisation and we tend to focus at that level because that's where we feel we can make our contribution best and, to be honest, it was beyond our capacity to look at the detail of administration of the plethora of regulations that this inquiry covers, at every jurisdiction's level. You raise very valid points though and there are certainly some significant problems in the way these acts are administered and enforced, quite apart from whether they're adequately constituted in the first place.

I think there's a great burden being put on the shoulders of regional communities at a lot of times, to deliver on targets for instance, whereas for instance at national level there may not be adequate targets for the natural resource outcomes. The converse of that is that the power resides with the governments and not so much with the regional communities, which is something of an inequity. I think regional

vegetation committees, too much is asked of them in asking them to try to set benchmarks for vegetation, how much vegetation should be cleared in a given region.

Regional committees often have many members who are land-holders themselves and are under pressure, or feel as if they're under pressure, from their neighbours and their peers in the region and it makes it very difficult for them to set robust benchmarks and standards for vegetation protection. That role is more properly held by the state governments. The reason though that we focus on the national level to a degree is that we feel there's a bit of a - grossly unfair to call it a vacuum but there could be a lot more leadership from the national level in terms of setting that vision and driving adoption and adherence to that vision by state governments and indeed local governments. That's why we focus on the need for institutional reform, to get a better shared vision from a federalist perspective.

MR T. FISHER: I agree. I think there is a strong need for a real constructive discussion at head of government level about what should be the federalist arrangements - the arrangements between Commonwealth and states that best deliver the outcomes at the end of the day. But your point about our lack of attention, I suppose, to the state and regional and indeed local level of institutions is valid. ACF over 10 years ago did a little, fairly rapid analysis of the complexity of laws in natural resources and the environment across Australia. There were many hundreds of pieces of legislation at state and territory and Commonwealth level, and it's a mess and it still is.

Nothing much has changed in that time. We've got a complexity of agencies, environmental natural resource agencies, each with their own little individual empires in their particular, you know, brand of expertise. Agriculture departments are often separate, planning and local government agencies, sometimes separate water departments. Certainly water agencies sometimes have a lot of power, often regulatory and often licensing, as well as being commercial operators, forestry, and unique catchment management - and in terms of catchment management, it's become a bit of a sacred cow I have to say.

I think the evolution of catchment management in Australia is somewhat stalled. Victoria, which is often held up to be the best case, is possibly going backwards at the moment, and it's not really evolving as it should. I think certainly New South Wales, the debate there is demonstrably stalled. There's been two reviews and no outcome from either. It's not really community; catchment management authorities are government appointees. At times they can be quite politicised in terms of who's appointed and who's not. The legislation in Victoria in fact requires at least half to be farmers, on recollection.

Often they're full of, you know, people who are interested in pushing a barrow

for their particular patch or interest group; you know, the upland graziers, the gravity irrigation district rep and the token environmental or Aboriginal rep and this or there. It doesn't really add up to a cohesive planning unit. I think it is time that we started to move it along the lines of a professional approach with much stronger links to local government in particular because land use planning is so important for how things shape up in - how the landscape changes over time.

There are really big political barriers I think to dealing with these issues because firstly they are so complex. It's very hard to conceive of a group of people at a state level being charged with the task of reforming all this mess and getting a cohesive result at the end. There are empires at stake and you shouldn't underestimate - I'm sure you don't need me telling you this - that government departments can be very strongly resistant to change of any sort. There are vested interests and indeed non-vested interests and so forth. It's very hard to deal with this sort of stuff, but it's probably time we did.

I think New Zealand had a fair crack at it when they came up with their Natural Resource Management Act in about 1990, 91, whenever it was, which I think is a very interesting experiment. I'm not close to it at all. I think it works in some ways and it doesn't work all that well in others, but perhaps it's that sort of order of change that we need to be contemplating at that state and regional level.

PROF MUSGRAVE: Yes. I'm very sympathetic to the thought that was contained in the submission about the model based on national competition policy experience, but I note that you stopped at the collaborative federalism level; the COAG type arrangement, the states and the federal government getting together and the states agreeing to deliver on certain targets that the feds set, and the feds in return putting some cash on the table for delivery. It would be of interest perhaps to extend this down into the states and to contemplate ways in which the states in turn could make deals with regional entities and think what these regional entities might be.

I also am sympathetic to your comments, Tim, about catchment management authorities and where we are with them. You referred to the desirability of having professional boards. Could you enlarge on that? What do you mean by a board of professionals?

MR T. FISHER: Firstly, a professional board is accountable. It is charged with a particular task which it must deliver on and is skills based and knowledge based, and to the extent that that includes the whole suite of issues that you'd normally associate with catchment management and probably more, I think you're much more likely to get a result out of a professional skills based board than a collection of people who are appointed on a fairly ad hoc basis. I don't mean to disparage those people engaged in catchment management now, more the nature of the institutions that have been set up and the fact that really you can't look at any catchment management

authority and say that it has delivered, that it has demonstrably or measurably reduced or reversed the rate of degradation and the range of degrading processes at work there.

PROF MUSGRAVE: What you've been saying could result in a man from Mars, or a woman from Mars for that matter, concluding that the ACF is a rather technocratic tops-down entity in its inclinations. I say that somewhat lightly. There are others in the community who would argue that, in order to have effective resource management to achieve the objectives that are contained in legislation, there should be much more of a bottoms-up, where the bottoms-up approach involves a greater degree of empowerment than is traditionally seen when such an approach is attempted, where the community entities that are created are genuinely empowered under legislation and genuinely resourced, to a point that might make some uncomfortable at the prospect, unsure that it's got a hope of working.

MR T. FISHER: The process of planning and developing strategies I think should be bottom-up, but I think should be coordinated and administered by more professional units and better-resourced units than what we have now.

PROF MUSGRAVE: Sorry, Tim, I'll just interject. At some point it seems to me that there has to be some injection of the community through a democratic process.

MR T. FISHER: That's certainly possible. I don't think that democratic process exists now. I think CMAs are always appointed, although they're sort of referred to, falsely I believe, as a community-driven thing. There is, I believe, actually some scope to meld the roles of local government and catchment management somewhere along the way, although I'm not terribly convinced that we're at the point right now where you could have catchment management professionals necessarily elected. I think you don't really want to politicise this stuff too much, because it could go off the rails pretty quickly if you do.

PROF MUSGRAVE: But they would have their role in your professional arm of this activity?

MR T. FISHER: Perhaps. My thinking is fairly primitive along with everyone else's here, but we just haven't had enough space to discuss these options.

MR SHERWIN: Can I perhaps add to that. We're deeply involved in Landcare and have been since its inception, and we very much support Landcare and the Landcare movement and cherish it. So I think that's something that we need to state in the context of your question. But Landcare is a movement for joiners. Although it is a broad church, it tends to be measured in terms of how many people are members of Landcare groups, and not everyone is a joiner. That's particularly so in pastoral regions, for instances, where the distances are so huge. People don't drive to

meetings 300 kilometres away lightly. So 30, 40 per cent of land-holders may be involved in Landcare activities to one degree or another, but the thing to state there is that Landcare in and of itself, that bottom-up approach, isn't sufficient. It's necessary but it's not sufficient. Again, you need to mesh that with the top-down approach, the leadership provision, if you're going to reverse the fairly catastrophic natural resource management trends.

PROF MUSGRAVE: I think the picture that I have in mind envisages something much more empowered, much more resourced, than Landcare committees.

MR SHERWIN: Yes, and I share that with you. I think there's a lot more work needs to be done in developing this regional delivery model that's being attempted at the moment through the national action plan and the Natural Heritage Trust, and more clearly defining the roles of regional committees, strengthening their arms in terms of their role in accreditation and giving them appropriate delegation powers. Again, just that bottom-up approach alone, I just need to re-emphasise, will not stop land clearing, which is one of the key causes of some of these trends.

PROF MUSGRAVE: That's of the objective of legislation which we take for granted.

MR SHERWIN: There needs to be that vision, there need to be goals set and that needs to be delivered through - - -

PROF MUSGRAVE: That's implicit in the sort of nested hierarchy that we've both been talking about.

MR T. FISHER: Yes, delegations must be appropriate.

MR SHERWIN: This national council for sustainability that we're proposing - we're still developing our ideas on that, but we would think that it would be a very broad membership of that council and that also it would have a community advisory committee and a scientific advisory committee interacting with it, so there's a little bit of a connection there with the bottom-up thing. I know that in and of itself a community advisory committee doesn't satisfy the concerns that you've raised.

MR T. FISHER: Just very quickly, if you look at the models of federalism around here, you've got ministerial councils, which tend to sort of gravitate towards the lowest common dominator, I think, and don't do much at all; the Murray-Darling model, where you have - - -

PROF MUSGRAVE: The Murray-Darling Basin Community Council?

MR T. FISHER: Ministerial Council, which is in that instance backed up by an

intergovernmental agreement that actually has some legislative teeth. You have COAG, which sort of dabbles in occasional issues like water, for instance, but we are drawn to that National Competition Council policy model because, whatever you think of it, it's been tremendously successful in driving change, and change that was agreed to some time ago in the original policy document, and it's been relatively faithful to that change. It may not have been as fast as perhaps was anticipated, but the power of having that depoliticised process of assessing the states and whether or not they should get the dough, more by threat than actuality, I think is very strong.

PROF MUSGRAVE: Almost a market-based instrument.

MR T. FISHER: Almost.

MR SHERWIN: Very, very, briefly, the institutional arrangements that were proposed for the Commonwealth level could well be reflected at state level if states are charmed by that model and feel that it can deliver outcomes that would then help them secure payments.

DR BYRON: I guess coming back to clarification of objectives and so on, there's a terrific sentence on page 2 or 3:

It is therefore imperative that the protection and restoration of Australia's landscapes and biodiversity be taken as a fundamental objective of this inquiry.

My question of clarification is: does the restoration and protection of landscapes and biodiversity apply everywhere, on every square metre of every landscape, or are you coming from a position of having a comprehensive, adequate and representative reserve system and once that is in place then, consistent with duty of care or something like that, farmers can farm on the other bits? The purpose of the question is that there seems to be confusion sometimes about whether the goal is to safely secure and set up good management systems for important areas of high conservation value or whether it's, to put it crudely, to save every tree everywhere every time. I suspect that some of the implementation issues that people have been complaining to us about is because there's been some sort of translation from a principle of, "Let's make sure that we have securely protected all the really important stuff," to "Let's just protect every tree, even if it's a single tree in the paddock and there's 100,000 hectares just like it over the fence."

I think sometimes there is confusion between - we use the words "native vegetation" to cover at one extreme remnant old growth natural forest, a plantation of trees which have little Australian passports, like a blue gum plantation in WA which is not native to WA; and the further extreme is where you've got natural regeneration of what farmers would refer to as woody weeds. Again, they're Australian plants but

not in a density and configuration that is in any way natural, okay?

MR SHERWIN: Yes.

DR BYRON: But we casually toss around the term "native vegetation" covering this incredibly wide spectrum, from things, which I think 99 per cent of the Australian public would agree should be protected and well managed, through to things where people are actually arguing that retaining these woody weeds not only imposes economic and social costs but it actually increases land degradation because you're getting much more soil erosion under those weeds than you would have if it was a well-managed pasture, for example. So the problem is to sort out which native vegetation, or which interpretation of those words, is the one that we really have to manage well and which ones are sort of nice if you get it, but not essential.

MR T. FISHER: I think it is easy to portray this as a sort of a black or white, when in fact there's a huge spectrum of ecological values and ecological processes. We strongly resent the implication that you can sort of have your little museum pieces, a sort of Victorian era approach to conservation in a way: "Lock up this little bit, do what you like with the rest." You can't do that. It's just done - because it leads to all sorts of degrading processes that can rapidly spiral out of control.

DR BYRON: As you know, I've been arguing that for the last 20 years.

MR T. FISHER: Okay. Landscapes are ecological systems, however they're managed, and if we start to lose the diversity and resilience and sustainability really of those ecological systems and processes, then you start to lose the values that those landscapes support. Having said that, biodiversity has a role everywhere. One of the risks we have of having these little reserves outside of which we can do whatever we like is that those reserves are themselves vulnerable to collapse through things like climate change, for instance, where - - -

DR BYRON: Tim, notice I didn't say outside the reserves people could do whatever they liked.

MR T. FISHER: No.

DR BYRON: I said that they could do practices consistent with a duty of care at some level, standard of performance, which comes back to the regulations that Charlie is talking about.

MR T. FISHER: Okay, but I'm just trying to make the point that connectivity between your more valuable bits of biodiversity are very important if they're going to survive long term, because otherwise things like climate change or the occasional fire would wipe out the lot - unless there's the sort of scope for things to move in and out.

In terms of farming systems as ecological systems, we're not just talking about straight-out biodiversity conservation for remnant native vegetation or re-establishing what was there plus all the bugs and grubs and birds and animals that used to live there. There are a lot of instances where non-indigenous species can actually provide some value in providing ecological services, if you like, filling an ecological niche and helping you to avoid some problems that might otherwise arise, and they shouldn't be discounted in this whole debate either.

DR BYRON: But if I can just come back to the sustainability definition that you've got on the first page of the submission. I quite like the definition and wouldn't mind using it myself sometimes. But let's say I'm an environment protection officer of a local government, or a CMA or a department of natural resources official somewhere, and I've got those three core principles of sustainability absolutely indelibly attached in my brain and tattooed on my forehead. Knowing that and taking all that as my founding principles, how do I go about deciding whether or not I would issue a permit for the removal of woody weeds from farmland? Should I allow three or four isolated trees in a paddock, surrounded by tens of thousands of similar trees of the same species, to be removed to make way for a centre pivot irrigator that would greatly enhance the productivity and profitability of a farm while also improving water use efficiency, where the import of the productivity and profitability is that that would enable this landowner to then set aside 20 per cent of his property for regeneration and environmental protection and management stewardship?

How do I answer the question: do I allow people to harvest trees of Australian native genre which they have planted on their own land, recognising that their existence there is providing biodiversity services today, but if I don't allow them the permit I might be discouraging thousands of other people from doing the same sorts of thing, which would provide thousands of times that benefit today? I've no qualms at all about the sustainability principles that you've got. What I'm saying is: how does somebody sort of operationalise them on the ground to answer those three sorts of questions that people all over Australia have been throwing up at us where they see anomalies arising?

MR SHERWIN: If I could have a go at a response but also offer to give you some detailed response on notice, because we've put some considerable thought into definitions of concepts like woody weeds invasion, thickening and those sorts of issues, and some indicative position from ACF on how those should be dealt with at an administrative or decision-making level. Some of that is included in our response to the federal and Queensland governments on the proposed tightening of clearing controls in Queensland that we've attached to our submission, so I urge you to have a look at that.

But in terms of should every tree be protected forever, we're conservationists:

of course we agree with that statement. But no, less flippantly, one has to keep in mind the goals, and at the moment our goals as a nation, as a society, need clarification. That's why we hope to see some targets, statutory targets, set in place through COAG agreement. That would clarify what we're trying to achieve and then the day-to-day decision-making would be better guided.

If you like, you could break Australia into two regions for considering this question. One would be areas that are currently fragmented in terms of their habitat, disturbed in terms of their landscapes, and the other would be relatively intact landscapes or freshwater ecosystems, coastal ecosystems, estuaries. There are two different approaches needed for those two different categories. I think strategic restoration and/or revegetation is the approach that should be taken in fragmented or disturbed landscapes and it should be directed towards the outcomes that we want to achieve. These would be likely to be around ecological function, land protection and getting that productive, healthy landscape functioning into the future - protecting or re-establishing things like stable hydrological systems where we're not getting waterlogging and salinity, securing species that are currently declining in those fragmented landscapes, et cetera.

But in the more intact landscapes, the national land and water resources audit concept of protective management is very, very useful, the idea there being based on the Prime Minister's Science, Engineering and Innovation Council proposal that the costs of restoration of damaged landscapes should be avoided where we have relatively intact landscapes; we should avoid the mistakes of the past.

We shouldn't make the assumption that some degree of clearing or some degree of water development will provide benefits to society in the short, medium or long term. We should protect the functions of those relatively intact landscapes, their hydrological functions, speciation - not just protection of individual species but of the whole cycle of evolution that's been going on there for so many thousands of years - ecological functions, the role of those intact landscapes in climate as well, and keeping in mind also the interface between terrestrial and marine ecosystems where we have relatively intact landscapes, and the value of those landscapes in protection riparian, estuarine and marine ecosystems and the values that they provide to the tourism industry and the fisheries industry.

In terms of the strategic restoration, you've mentioned the CAR reserve system. That is a model that has been developed for fragmented landscapes in southern Australia and it may not be appropriate for relatively intact catchments and regions in other parts of Australia. I think we need to look very critically at that and keep in mind the cultural and social values in northern Australian landscapes and the need to develop economic development models that eschew land clearing and large-scale water development and deliver not only ecological outcomes but cultural outcomes and a really sort of robust engagement between human beings and the environment in

those relatively intact landscapes which does not come at the expense of that intactness or natural integrity. On exemptions, I think we'll take that on notice, but we will be able to provide you with some ideas on woody weeds.

MR T. FISHER: Just quickly, let's take woody weeds. At the moment on that land where woody weeds take place, the only real viable option is cattle or sheep and it's not that viable even then.

PROF MUSGRAVE: Except on some margins where cropping is possible.

MR T. FISHER: Yes, usually lake beds or where you might have bit of irrigation water. But if we, for instance, had a carbon market - we might need to tinker with the global accounting rules, but if we had Kyoto and a carbon market it might well be worth more money to some of those pastoralists to leave it for woody weeds to take over than it would be to keep fighting for the right to clear them or whatever. If we had a leveraging approach to encouraging commercial investment in land uses that were less damaging, we might even be able to find a commercial use for things like woody weeds, if it was a disturbed enough landscape that you encourage that sort of thing, and it might be a fibre-based or oil-based or energy-based economy, or combination of a whole range of things that large parts of the landscape could be turned over to, as opposed to what, in many cases, is flogging a dead horse by just running cattle until the whole property goes into the ground, as it were.

What I'm trying to say here is that as long as our policy instruments are dumb, then we're going to continue to be dumb in applying them. We've got a blunt range, a very limited range, of pretty dumb policy instruments and we're just not being creative in trying to really envisage where we want to go and what's the best way to get there.

DR BYRON: Carl Binning said to us last week in Canberra, wearing his CEO of Greening Australia hat, that there's a frustration amongst a lot of land-holders when people come out from state capitals and he says, "Well, okay, tell me what we would do?" and he summarised the frustration as, "You people want to come out here and tell me how to run my farm. But when I ask you how I should run my farm, you can't actually tell me."

Now, what he's suggesting in that is that governments and government agencies have tried to be very prescriptive, tried to micro-manage through all sorts of regulations, but because of the extraordinary heterogeneity of the Australian landscape, topography and rainfall and soils, ecosystems, et cetera, rules that come out of Canberra or Sydney or Melbourne or Adelaide or Perth don't often fit very well. So you need very flexible mechanisms that nationally say, "Well, normally we do A, B and C but in this paddock that wouldn't work so we'll do X, Y and Z, and the case for flexibility and discrimination rather than, you know, just rules.

MR T. FISHER: There's a counter-argument to that. I agree with what you've said, incidentally. You're dead right or Carl was, or whoever is saying that. But the counter-argument is, if you leave too much discretion to local or regional groupings to determine their own fate, what we fear is that they will do the wrong thing and what we don't have is the right level of trust or the right level of knowledge, or a shared understanding of where we're trying to go, to be able to foster that trust, I suppose.

DR BYRON: That comes back to what we were talking about before, of nested hierarchies and relationships and so on. But a lot of land-holders have shown us, in our travels around, conditional freehold that said, "You will get permanent freehold on this land only after you can prove that you've cleared most of the vegetation off it."

MR T. FISHER: Yes.

DR BYRON: Or grazing leases in Queensland and New South Wales, where as a condition of the grazing lease you have to clear so many hundred hectares each year and ringbark another couple of thousand hectares per year. People in WA were talking about things that the government actually required them to do, which are now illegal, and so the sense is: why should we trust governments to be able to perfectly manage this property when governments over the last, you know, 20, 30, 50 years ago, when they were still giving tax deductions for tree clearings, governments are actually what helped get us into this mess.

The farmers who are now being accused of being ecological vandals were doing what they were instructed and directed and subsidised to do, and yet now this is taken as proof that all farmers are ecological vandals and have to be controlled by strict laws. Can you see where the frustration is coming from?

MR T. FISHER: Yes, although we're not saying that all farmers are ecological vandals.

DR BYRON: I didn't attribute that to you at all, Tim. I know you better than that.

MR T. FISHER: There's probably a range of issues you raised there. I don't think it's unique to farming, you know. In years gone by, factories that were high polluters were told, "Put yourself next to a river," and then years later they were told, "Well, don't let any of that stuff go into the river. You're not allowed any more or we'll fine you." That sort of stuff happened and, you know, things changed. There wasn't a huge clamour of factory owners saying, "We want compensation." That's an observation more than anything else.

PROF MUSGRAVE: Sorry, that's really a sort of casual observation.

MR T. FISHER: Oh, it is.

PROF MUSGRAVE: And I don't say that in any insulting way, but it is casual. But it touches on the whole question of compensation and the law, and you're quite right to say that whether compensation is paid or not, it is a discretionary matter for government when it's not an acquisition of property. That's quite correct. But I think that we have to go beyond casual observation if we're going to progress on this particular problem we're confronted with.

MR T. FISHER: I agree.

PROF MUSGRAVE: And try to distil out some principles, some law-like generalisations in relation to the equity considerations and the payment of compensation, because just as the law doesn't require the payment of compensation it leaves open the scope for paying compensation and we need to have a debate, as you would say, about the circumstances under which perhaps compensation is payable in the situations that we're dealing with.

MR T. FISHER: Couldn't agree more.

DR BYRON: One of the justice issues that bothers me is that the costs of protecting remnant native vegetation now throughout Australia don't fall randomly across the entire population. They seem to fall disproportionately on those land-holders who have most of the native vegetation. So the people who cleared every tree off every paddock 20, 30, 50 years ago and were subsidised or tax-deducted, you know, to do that, if they want to put in an irrigator they just do it, whereas the people who have "done the right thing", who have still got lots of remnant native vegetation on their property, seem to be the ones who are now being caught in the net that was made for the others who are actually not caught in it.

There's an element of injustice that seems to appear, in that those who have retained the most native vegetation are the ones who are most affected by controls and that is reflected even in the property value statistics that you were talking about before and in the submission, that in parts of Victoria, say, where properties are, in agricultural terms, fully developed, native vegetation controls probably had no negative effect at all on their market value and those market values have continued to ratchet up in proportion to Melbourne's.

It's the people who, if you like, are on the edge, either in East Gippsland or West Wimmera, who still have lots of native vegetation, are the ones who are affected much more than those who got rid of it all 50 years ago. So the incidence of who has actually been caught by this isn't uniform. That's one of the things that

seems to be coming up over and over again.

MR SHERWIN: I think in terms of Victoria what strikes me is that clearing controls were brought in over a decade ago and my contention would be that those controls are now part of the landscape, in a regulatory sense. In a sense of the social mores of stewardship it's not a shock, if you like. They've been there for quite some time.

MR T. FISHER: And there has probably been a fair amount of property transfer in that time as well.

MR SHERWIN: I would think that land-holders currently, who own land with a lot of native vegetation on it, have either retained that native vegetation prior to the bringing in of those regulations because they felt it was in their interests or certainly would be, or should be, long aware of the fact that vegetation clearing is regulated in Victoria. I mean, it strikes me that Victoria is an area where those regulations have been in place for a long time. Transitional assistance, which is what we feel is a very cost-effective mechanism for protecting vegetation, is by and large - not in every case but by and large in Victoria - probably not appropriate.

DR BYRON: See, what we have seen is, people have shown us documents that what was permitted and approved in writing two or three years ago is suddenly forbidden, not because any laws have changed but simply a re-interpretation of the same laws and regulations, which is what these land-holders have been interpreting as, you know, the goalposts keep moving.

MR T. FISHER: Again, and I know this is perhaps another sort of - you know, a bit twee, but look at land use planning in suburban Melbourne or Sydney, where you get a change in council or a new set of planning controls and then a whatever, which can have profound implications for the value of your property and what you can do with it, and yet it happens. The impacts of that are uneven when it does happen. So what I'm trying to say is that to a certain extent the impacts of regulation, the unevenness of impacts of regulation, are unavoidable and okay, there might be individual cases where you might want to have another look perhaps, but I really think that Charlie's right in saying that having been in place for so long, I think it's dangerous and sets a bad precedent if you start to reopen those issues and say, "Okay, you've got a legitimate case for compensation," or whatever you want to say.

Having said that, and again supporting what Charlie says about transitional arrangements where you are making changes here and now, you will have seen I think our joint statement with the National Farmers Federation on water, where we've come to agreement around the fact that yes, we do need to address the equity and adjustment needs of irrigation communities where change has to take place.

DR BYRON: I think we could probably go on all day and most of tomorrow just on this subject, but I'm conscious of the time and that we've got other people lined up.

MR SHERWIN: Could I just - - -

DR BYRON: I was going to say I'll give you five or 10 minutes to wrap up and anything else that you want to say, and maybe we can continue this discussion at another time and place, because there's a great deal of information in your submission.

MR SHERWIN: Can I just make a few brief comments on what we were just talking about, about changes and the perceived fickle nature of administration of regulations. Governments are not perfect. I don't think there has ever been a perfect government. I think everyone agrees that the sort of democracy we have now is the best of a bad bunch of systems of governments. Humans are not perfect either and our understanding of land management imperatives and conservation imperatives changes over time, as science develops and community understandings and expectations differ. That's natural and normal, but it's not an argument to eschew regulation. It may be an argument to get more consistent administration of regulations which reflect current mores and scientific understandings.

But in terms of flexibility in management of woody weeds and thickening and those sorts of issues, we are definitely open to flexibility in those areas, in the context of robust protection of areas that are seen and defined to have high values like remnant native vegetation and high conservation value regrowth vegetation, and regrowth vegetation where it may be important in controlling land degradation problems. Beyond that, where you're talking about regrowth vegetation or where you're talking about woody weeds, et cetera, certainly there's room for sensible flexibility directed partly at environmental outcomes.

A few things that I wanted to add to our submission: I did attach a media release from Australian Agricultural Company which touched on their recent commitment to sustainable land management and I just wanted to tender copies of the actual commitment statement that AA Co put forward, which contains a commitment to cease the broad-scale clearing of remnant native vegetation and the development of a commercially viable approach to identifying and conserving high conservation value regrowth. This demonstrates, along with the recent commitment by Stanbroke Pastoral Company that there are major enterprises and corporate interests that see it to be in their own interest to follow a path such as what we are urging.

I also wanted to put forward a slightly updated and revised copy of our proposal for a legislative approach to native vegetation clearing control through the Environment Protection and Biodiversity Conservation Act for the commission's consideration,

and to mention in terms of some of the other mechanisms that can be used, I wanted to draw your attention to building a stronger social coalition which perhaps Carl might have given to you the other day. But it's something that we feel has got a lot of scope.

DR BYRON: I just realised that we could have talked for the whole day just on EPBC and we haven't even mentioned that this afternoon. So can I give you a warning that we might want to get back to you and discuss some of these things that are in the submission further.

MR T. FISHER: Yes.

DR BYRON: That we haven't been able to fit in today. But thank you very much.

MR T. FISHER: Thank you.

MR SHERWIN: Thank you.

DR BYRON: Have we got time for five minutes to grab a cup of coffee and then we'll resume.

DR BYRON: Thank you very much, ladies and gentlemen. Let's resume. We've got Mr Fern Pty Ltd. Les and Rosie, if you could introduce yourself for the transcript and then give us a brief summary of the submission that we've got and then we can talk about it for a while.

MS VULCZ: Okay. Les and I are directors of Mr Fern Pty Ltd. We're a specialist fern nursery with a focus on ferns and tree ferns of the Otway Ranges. We've been involved in the tree fern nursery for over 25 years and have experience in propagation, growing, marketing and exporting of ferns. Some background of our history: we were potato farmers in the late 70s, early 80s. We sold wild-harvested tree ferns just to supplement our income from potatoes. In the mid-80s we learned how to propagate ferns, so we established a nursery and we widened our range to include both the propagated and the wild-harvested products.

By the early 90s we made the decision for our nursery to go green and we would only sell propagated stock, but we found that demand didn't abate for the wild-harvested tree ferns. Other people just took our place. The public basically preferred the larger tree ferns. So a few years later we resumed trading in wild-harvested tree ferns, but this time with the goal of creating a self-sustaining tree fern farm on our 80-acre property, and the Otway Agroforestry Network assisted us in drawing up plans for our property. We commenced planting in 1997.

The project has been totally self-funded through export earnings, so we're now in the transition period from relying totally on wild-harvested plants to the farming of ferns. The different stages of this transition period is explained in the state government's ENRC report 2000. We've found farming native plants to be a very challenging project and we don't really think it should be that difficult in Victoria in the 21st century. Ideas didn't just come out of the air. We've actually followed the federal government's vision, which was of exploring alternative farming methods utilising native plants. There was a Senate hearing in 1997 on the commercial utilisation of native wildlife. There was also an AFFA paper in 2000 on Managing Natural Resources in Rural Australia. Both these papers specifically included the commercialisation of native species for production as a way forward for primary producers.

I was reading through the transcripts of the 1997 federal Senate inquiry and a gentleman there, a Mr Kennedy, was a director of the Humane Society International, he was a director of Friends of the Earth; he was a director of Funds for Animals in Australia; he was a policy adviser to the WWF and on the Board of Traffic at the time of the hearing 1997. He explained that it in his view it was ethically and morally indefensible to trade in native species. It sounded as though it offended his value system. The ACF states on the Web that it does not support the commercial consumption use of wildlife and it lists philosophical grounds first as an objective.

We have a totally different value system. We believe Australians should have the choice and encouragement to farm native species in Australia and we believe the NGOs should be more tolerant of different value systems. They shouldn't be imposing their belief system on other people. So it's time for them to engage with rural Victorians instead of demonising them in the media.

There are several key points in our submission I'd like to highlight. Security of tenure is the first one. There is a perverse regulation in Victoria under the tree fern management plan that allows native vegetation to be used only if it is deemed to be of low conservation value. If the land-holder improves the status of the vegetation, then they risk having their utilisation rights removed. We have conservation covenants that secure conservation areas on private property, but we don't have anything to secure the rights of the land-holder to use it once he has improved the area. I believe we need an equivalent tool that can secure utilisation areas forever. The VFF may be the appropriate body to design such a tool. The way we see it, we purchased the land, we grew or purchased the tree ferns, and we deserve security of tenure so that we know that we can use those tree ferns.

In our district we do not have many of the environmental problems that we're told about in other parts of Australia such as drought or salinity. According to the CCMA - that's the Corangamite Catchment Management Authority - the Otway Ranges bioregion has 81.4 per cent native vegetation. Private land with a conservation covenant now has to also comply with statutory regulations and be managed just as though it's a national park. The majority of the land in our area is owned and managed by the government, either by National Parks or the DSE. There is not very much land left that is privately managed in our bioregion for primary production. So I would like to know how much more land is required for conservation purposes only before the level of native vegetation biodiversity is considered out of the danger zone in our district. There has to be a level.

The Wilderness Society's WildCountry project claims it will require an unbroken chain of conservation reserves from South Australia to Queensland managed in line with deep ecology principles to restore the balance in Australia. We believe human activity should be integrated with nature, and this whole focus on preservation is ignoring the potential of farming or managing native species and it's stifling innovation.

Another issue I'd like to discuss: the terms used in natural resource management do need to be defined more clearly and be less emotive. There's no place like on government Web pages for terms such as "exploitation" and "take" when referring to the utilisation of native species. Even definitions are blurry. What is the current definition of "remnant vegetation" or "clearing"? I've heard "clearing" defined as removing a limb off a tree. I've heard "clearing" defined as an area which is going to be revegetated. My understanding of "clearing" from a few years ago was

that clearing was when you permanently removed vegetation from an area. That needs to be defined.

Another area I would like the inquiry to look at: we have lost faith in the listing process. We would like to see a review of the DSE protected species list, both the procedures and the rationale behind it. We would like to see more assistance given to rural landowners to participate in the planning process. Some primary producers in our district, we believe, are already aiming towards sustainability but they don't, however, accept preservation as the best management model for their farms. They may be environmentalists but they are not preservationists, so it's the model that they're rejecting - that's all.

DR BYRON: That's excellent, thank you, very clear. I guess the first observation is that many other people have found farming native plants - or, even worse, animals - to be extremely challenging. Were you here when the guy from Gippsland Plantations this morning was talking about the uncertainty that comes with whether or not you'll be able to harvest a plantation of native species? Is that the same sort of thing that has caught you up?

MR VULCZ: We need to go to the department with cap in hand every year to get a 12-month permit so we can continue with our project, which is a long-term project, so we do not have security with what we do.

DR BYRON: The point that the utilisation rights can be revoked, or might be revoked at some point in the future - I think in Tasmania they've got sort of a right to harvest legislation. Just as they've set up private forest conservation reserves, they've also set up private forest production areas, and if you have your property classified as that it sort of guarantees you a right to harvest sustainable native forests in perpetuity on that land as a production area. That seems to be one example of the sorts of things that you're looking for here in Victoria.

MR VULCZ: We have written a letter to Thwaites recently asking for clarification on the over-storey species we have planted, which was myrtle beech, which is heavily protected. You see, by allowing these trees to grow that we have planted ourselves, we may sort of lose the use of that land, which has thousands of ferns under it - tens of thousands or a significant amount of ferns under it - so at this stage we need an assurance that we will be able to utilise and manage those ferns or we will have to remove those trees before the native veg regulations lock in on them.

DR BYRON: Because they're under 10 years old at the moment?

MR VULCZ: That's right, and we can't get a boo out of Thwaites.

DR BYRON: It might be a difficult question for that department to answer, but it

seems to me that - - -

MR VULCZ: He's the minister. Don't they know everything?

DR BYRON: You've made a habit of proving the conventional wisdom wrong with all sorts of things, haven't you?

MR VULCZ: You've known us?

DR BYRON: With the myrtle beech and with the tree fern propagation. So you probably - - -

MS VULCZ: Can I say something?

DR BYRON: Yes please.

MS VULCZ: I believe that the problem stems from this definition. They're trying to divide it into two different systems, where you have your native vegetation which is preserved on one side, and then you have your farming, which is totally separate, on the other side, which preferably would be exotics. It's because we're trying to integrate the two systems that we don't fit into the current regulatory environment. They don't even know which department to put us in. We are considered to be forestry, in some other areas we're considered to be a nursery; we're also farming. So they just don't know which category to put us in.

MR VULCZ: That's like one size does not fit all when it comes to land management.

DR BYRON: The Commonwealth legislation and the legislation of Victoria and I think most other states actually talks about the commercial utilisation of native species as almost one of the essential characteristics of this new, more sustainable agriculture the world is supposed to be moving towards, and yet people like you who are actually trying to do it seem to be running into problems because, as you say, it doesn't fit. It's not clearly agriculture, it's not clearly preservation.

MS VULCZ: That's right. When you change a system on the ground you also have to change the systems that govern it, and they have to accept that we are changing on the ground and often it's the people on the ground out in rural Victoria, rural Australia, that are making the changes with government pushing or pulling.

PROF MUSGRAVE: What do you think we should make of this in our inquiry, given our terms of reference? Do we use you as an illustration of regulation being an ass?

MS VULCZ: No, I would like you to do something very practical, which is come up with an equivalent tool to the conservation covenant. A conservation covenant says, "This area must be preserved forever." I would like a tool that says, "This piece of land is to be utilised anyway you like forever," within a sustainable framework of course. That's what I would like you to do.

DR BYRON: Can I just come back to the same bit of the planning regulations that I quoted from earlier today:

A permit is required to remove, destroy or lop native vegetation.

I've never understood why "lop" is even in there but we won't get into that now.

This does not apply if the native vegetation has been planted for timber production, agroforestry, simultaneous and substantial production of forest and other agri products, shelter belt, wood lots, street trees, gardens, horticultural purposes or the like.

I would have thought that somewhere in there you're covered, whether it's agroforestry and the like or horticultural nurseries or something. On the face of it, it looks like the regulations are saying, "Your business is fine. Carry on business as usual. The department or local government implementing the regulations has no reason to come and bother you."

MS VULCZ: That's where the problem is. Once an area becomes either a medium or a high conservation area, the government can step in and say, "This is too special. We need to preserve it," so there's no incentive for us to make it better. Fortunately, we're making it better anyway, and now we're looking for a way to stop it from becoming a preservation area just because we've made it good.

PROF MUSGRAVE: Just forgive me for being a bit slow on this. As I explained to you, the difficulties I have with travel meant that I didn't get your submissions with me in my luggage before I left to get the plane down here yesterday. You know why that's happened, but I must say I'm still catching up a bit. The area within which you're located is deemed a high conservation area. Is that correct?

MS VULCZ: The area we live in is a very popular area politically and environmentally and scenically. We're only five minutes from the Great Ocean Road, which is quite a famous tourist road.

MR MEYER: Yes, I know it but, I'm sorry, it's not a high conservation area?

MS VULCZ: No, our actual area under the planning scheme is a rural zone. One would think that we shouldn't have a concern. We even have a land use permit to

cultivate tree ferns. However, under the current regulations when an area is deemed to be of high vegetation quality, you are no longer allowed to utilise it.

DR BYRON: So in spite of the fact that this is planted vegetation on land that was formerly potato paddock, if it gets to the stage where somebody could come along and say, "Gee, that looks really nice. You've got eucalypts, you've got myrtle beech, you've got blackwood and you've got tree ferns. We're going to have this now and protect it as - - -"

PROF MUSGRAVE: But the point is that you planted it.

MS VULCZ: Yes.

DR BYRON: As a business.

MR VULCZ: I have pictures here too, to show you.

PROF MUSGRAVE: Yes, a very interesting example.

MS VULCZ: A lot of it is our own choice. We consider - when we see something that is endangered we think, "Well, the best way to stop things being endangered is to grow it."

PROF MUSGRAVE: There needs to be more of them.

MS VULCZ: And have more of it, so we source *Cyathea cunninghamii*, the Slender Tree Fern was listed as being very vulnerable, so we grew so many it became a chain-store line. This, to us, is one of the solutions. I was listening to the man about the parrot. Now, if there's only 1000 parrots the way I think is that we should be breeding the parrots and ensuring that there's plenty of parrots, and we planted the myrtle beech because there was a problem with myrtle wilt, which was killing off the trees in The Otways.

MR VULCZ: Which is a naturally occurring disease, by the way.

MS VULCZ: The department decided to recommend that it be listed to prevent human activity within 50 metres, to stop the risk of the whelk spreading. The year before, we had planted 10 acres of this myrtle beech tree and we also planted it in our front yard. So we were really alarmed when we were told that you couldn't have human activity within 50 metres of this particular tree. We wondered whether we should all be just removing the tree. I've had discussions since with the person who helped list it and he has said that it is actually a very valuable resource for the state and he would like us to continue to have it growing on our property. He doesn't wish us to remove it and replant it with pine trees to eliminate the sovereign risk - - -

MR VULCZ: But that wasn't an official line.

PROF MUSGRAVE: But he feels that he has to be unofficial, that - - -

MR VULCZ: That was an unofficial discussion. Officially we can't get a boo out of Thwaites.

DR BYRON: You explain in the submission about there being no incentive for land-holders to increase the conservation status of the land. I was wondering if I can get a comment from you. My understanding from the Municipal Council of Victoria is that out of all the local government areas there is one surf coast which is not too far from here, where they actually have a scheme where they assess all native veg on private land and make a payment to the landowner with a cheque every year, based on the biodiversity conservation status of that native veg, the area of it and so on, so that if through your management efforts you enhance the biodiversity conservation status or the quality of your patch of native vegetation, next year you'll get a bigger cheque, and they have deliberately said they're opposed to giving rate rebates for setting aside native veg because they think there's no correlation at all between the rates that are based on property values and conservation.

So they are trying to - well, they have a scheme where they actually make a direct cash payment to the landowner that is proportional to the area and whether it's rare, endangered or whatever, and its quality, biodiversity quality. Now, is that one possible way of getting around the problem that you've highlighted in the submission, that there's no incentive for landowners to increase the conservation status of the land, if you got paid more by having better quality vegetation?

MS VULCZ: It would depend on their motives. If the motive is payment for preservation in which you're not allowed to ever touch it, that would defeat the purpose of having a commercial farm. If the payment was as a reward on an annual basis with no strings, well, yes, we would welcome a payment. We're not really looking for money though. All we are looking for, we have a dream: we wish to create something that's unique in the world. We want to see if we can try new farming, sustainable farming systems and so we're just looking for the security. We have a 20-year plan. We would like a 20-year plan from the government that says, "Yes, you can do this for the next 20 years," within sustainability limits of course.

PROF MUSGRAVE: How large is the area involved?

MS VULCZ: 80 acres. There is 500 acres further down the road, but we're going to do the 80 acres first and when we have that right - this is what they call the precautionary principle, and we will get that right first.

PROF MUSGRAVE: I've been asking this question all day about whether people have been able to ascertain that there are clearly defined outcomes that are sought by the regulators in relation to any particular regulatory matter. Have you got any idea of how big an area of the ecosystem that you're creating we would have to have, before the species involved are removed from being protected? I mean, if you're going into 500 acres you'd have a lot of blackwoods and ferns, so much so that maybe the protection status is in danger of being removed.

MR VULCZ: But that is not going to happen, right, because the same as, like, what Rosie said before: when you're talking to sort of environmentalists, like when is enough enough?

PROF MUSGRAVE: Indeed.

MR VULCZ: Because they're just a political movement, quite often funded from overseas. They're just rolling on and it has little to do with the environment. It's more about politics.

PROF MUSGRAVE: The council is not particularly relevant because you've got more than 10 acres and so the DSE can override the council in relation to these regulatory matters. I gather from what you're saying you're not able to enter into a sort of reasoned discourse with the relevant DSE officers about your situation, except for unofficially.

MS VULCZ: We are trying very hard. I've even gone back to university and I've just got my graduate diploma in sustainable development so that I can speak on a scientific level with them, and hopefully one day they will trust that we have some idea of what we're doing.

MR VULCZ: But then we found out that they were nowhere near as educated as we were.

PROF MUSGRAVE: But there is concession, albeit unofficially, that there is an issue here.

MS VULCZ: Yes. But it's also an issue for them. I mean, it's causing them stress as well because they don't know how to handle - - -

PROF MUSGRAVE: And the legislation is not sufficiently flexible to allow you and all the officers involved to see a way out of this dilemma?

MS VULCZ: At the moment we're having negotiations with the DSE to come up with something, that we're going to have to create something for us to proceed forward.

PROF MUSGRAVE: That there might be scope for that. The legislation may give some scope for such an outcome.

MS VULCZ: Yes. We were looking at maybe somehow differentiating what we were doing from the rest of the industry to show that - which would simplify the system and would create a new category called the Farming of Native Species.

PROF MUSGRAVE: Or like overcoming the shortage of certain species. One would think this would be an admirable objective.

MR VULCZ: You see, like with the establishment of the tree fern plantation, like, all the livestock were removed, like cattle and so forth. So we get growth of grasses and so we end up with a huge population of native swamp rats. They just tunnel under these grasses, like extensively, like, they're very busy creatures and there's millions of them. So we have to watch the situation, that we don't end up with a cat problem on top or a fox problem.

PROF MUSGRAVE: Yes, right, predators.

MR VULCZ: So we thought that we would explore the opportunities of breeding tiger quoll which would take - like, the native ecological niche to control the problem and apparently we're not getting - the state government is not allowing us to do it.

PROF MUSGRAVE: Why, because it's an endangered species?

MS VULCZ: Yes.

MR VULCZ: That's right.

DR BYRON: But if you breed a lot they wouldn't be endangered any more.

MR VULCZ: Well, that's right.

MS VULCZ: We have a system that's out of balance.

PROF MUSGRAVE: You're not connected with Monty Python in any way, are you?

MR VULCZ: No, just distant relations.

MS VULCZ: We have a very good sense of humour and we've learnt to laugh about a lot of things, yes.

PROF MUSGRAVE: You'd have to be - yes.

MS VULCZ: But we have - you asked about this vision. We have a vision, we can see how we can actually - - -

PROF MUSGRAVE: Yes, indeed.

MS VULCZ: We can achieve - the triple bottom line, we can achieve everything that the federal government has said that they want to achieve.

PROF MUSGRAVE: Yes.

MS VULCZ: And if it means we have to take a lot of people with us, it is difficult. The federal government does have a very clear vision, from reading their documents. The state government is not quite so clear. That's where we have most of our problems. The local government we can talk to at a much more familiar level. So it's probably the state government that needs to clarify their vision in our case.

PROF MUSGRAVE: Yes.

DR BYRON: But that's largely because at the moment you're very much the odd one out, that, you know, you're unique. They don't know which category to put you in and you're just non-conforming to all their conventional ideas of what is a farmer or what is natural vegetation.

MS VULCZ: That's right. We're looking at the outcome, not on the path of how to get there, because there's so many different paths, yes.

PROF MUSGRAVE: But I think also one of the complaints that is frequently raised with us is a lack of flexibility in the regulations and in their administration. It would seem to me that this is such an extreme example as to - well, perhaps we shouldn't use some words that are inappropriate.

DR BYRON: Again I would have thought that at a very sort of general level of principle all the state government agencies involved and, you know, catchment management authorities and everybody else, would be - as I said earlier this morning, they would be delighted to have somebody like that in their region who wasn't growing something that was dangerous or toxic or illegal, who is actually looking for something that would be sustainable and produce all sorts of environmental spin-offs, that was compatible with the tourism values of the region and everything else. Why aren't they seeing you as sent from Heaven, as the answer to all their problems? They seem to be seeing you as the exact opposite, if I may say so.

MS VULCZ: One of my observations is that I believe that many Victorians are

Euro-centric. They still have the same values we had 200 years ago, that we farm products from England and we use English farming systems, and when these first settlers arrived here they looked at the native plants. They didn't know what to do with them, didn't know what their values were, and so they ignored them and these days we've got the same situation, where we're still farming English farming systems in a different continent and we're trying to make it hard for anyone who farms natives, doesn't matter whether it's kangaroo - kangaroos are not allowed to be farmed in Victoria.

MR VULCZ: I think they might.

MS VULCZ: Victoria is the most extreme of the Euro-centric states.

DR BYRON: Coming back to your request for basically 20-year permission to follow your 20-year plan, some people have argued in our hearings in other states that this provision already exists and it's called freehold title.

MR VULCZ: Private land rights?

DR BYRON: Private land, that sort of thing, that even in terms of planning approvals if an area is zoned for agriculture or rural agriculture, that means growing plants and animals, and whether you're growing wheat or corn that's up to you. Whether you're growing beef or sheep or kangaroos or ostriches, that's up to you, or alpacas. Whether you're growing tree ferns or blackwoods or radiata pine, it's up to you. But within this property on your freehold land, as long as you're doing agriculture and as long as you're not actually causing damage or nuisance to your neighbours, not the immediate next-door neighbours but the big picture neighbours, then, you know, go for it. Now, that's one interpretation. What we're seeing from state government agencies is a very different interpretation with a lot more restrictions and regulations.

MR VULCZ: You see, we are repeatedly upsetting people's values, like the values of Wilderness Society or those sort of people who are very much represented in state government and in local governments and they oppose the utilisation of natives in any form. That's what I believe.

DR BYRON: It's very hard to get evidence. I mean, you just cited before I think the ACF web site, but I'm sure that I've heard many of those organisations at other times talk about how they would like to see more Australian farmers growing native plants and animals rather than exotic plants and cloven-hoofed animals that cause soil compaction and soil erosion and so on. It's just that when somebody tries to do it they jump on you.

MR VULCZ: And if you grow enough natives, then you will probably grow by it

and move to cities, so that area can be claimed as national park in the future perhaps.

MS VULCZ: The ACF's policy specifically, it says on the Web, that they do not support the commercial consumptive use of wildlife. That is quite a blatant statement. I have not been able to find an environment group on the Web that does support the consumptive use of Australian wildlife.

DR BYRON: They're not talking only about animals. That's both flora and fauna?

MS VULCZ: I presume so.

DR BYRON: You're probably right.

PROF MUSGRAVE: We do have extensive cultivation of native species, don't we?

MR VULCZ: That's right.

PROF MUSGRAVE: Waratahs and the like.

MS VULCZ: I believe tree ferns are a particular problem because they are a little bit like the koala of the plant world, and that's probably why we have more problems than others. It's emotive.

DR BYRON: Charismatic.

MR VULCZ: Actually, you have asked what would I like to see. I would like to see public servants responsible for their actions: either when they stop you from doing things or they force you to do things, they have to be responsible. Furthermore, I have indicated before that some of these people within departments in some cases have political agendas other than the government's, so when they push for sort of locking up areas of land, whole districts sometimes, I think that should be attached to some form of payment so that they use their power a little bit more carefully. At the moment over 80 per cent of the Otways is already locked up. This is public land. Roughly 20 per cent is available for utilisation and now they sort of want that as well, and at the same time all the regulations change. Everything goes to national park, and public land use policy always gets transferred onto private land as well. So you will also be looking at the loss of private property rights.

PROF MUSGRAVE: I suspect that there would be general agreement across most stakeholders that something like that would be desirable and one could aspire to it. This came up before the break when we were talking to the ACF people, I believe, and that is that if you had clearly defined and justified objectives which have a sound foundation in science, which have been negotiated and agreed between the interested

parties and signed off with appropriate sanctions, enforcement provisions, monitoring, auditing and the like, that could be translated down to the local level such that representatives of the regulators at that level are part of the system and therefore accountable in terms of achievement outputs. Then we would have a situation such as you described and then one would aspire to your type of situation being capable of rationalisation within the context of those desired outcomes.

The problem is that what's being said to us suggests that there's a clear lack of anything approaching this, and that is why we see a high degree of discretionary behaviour - let's put it that way - on the part of individual regulators on the ground. That's not to criticise them. I think they lack guidance, they lack proper systems for reporting, accounting for their behaviour and so on.

MR VULCZ: That's right. As soon as you join a green movement you are an expert in everything.

MS VULCZ: I actually have a very positive outlook for the future. I feel this has been very challenging, but at the same time we've gone from the shock, horror stage of not being able to do what we wanted, even though we believed we were heading in the right direction, and we've looked at all the different problems that have arisen and now we're moving forward. We're actually coming up now with the solutions and we're looking at things like accreditation systems, sustainability indicators that we can meet to show that we are responsible land-holders, and then how we achieve those goals should be left primarily up to the land-holder.

DR BYRON: If I can come back in, following up a point that Warren just made, I think again it was the Gippsland foresters this morning who were talking about the accountability and responsibility point that you just mentioned, Les. Their argument, if I've got it right, was that if government agencies had to pay money to acquire property that they thought was of high conservation value, they would be much more careful, much more selective, in prioritising which properties actually warranted that. At the moment there doesn't seem to be much discipline because they're not required to pay up-front for getting areas locked up, as you call it. If they had to negotiate a commercial contract, pay you for what you're going to lock up, they might be a bit more circumspect in their demands.

MR VULCZ: They would have to justify their actions a little more.

DR BYRON: They would have to be very sure that it really was of high conservation value to have that particular couple of hectares over here rather than a couple of thousand hectares somewhere else that they could have got for the same price, or whatever.

MR VULCZ: At that stage you would probably discuss the issue of when is

enough enough. You would reach the enough stage somewhat earlier, I would imagine.

DR BYRON: Yes, they might say, "If we've already got 82 per cent of the Otways, let's go to another region where we've only got 20 per cent of native vegetation and put our money there", acquiring under-represented ecosystems or endangered species or systems.

MS VULCZ: Yes, actually a few years ago the catchment management authorities did an assessment of our area and the result was they spent most of the money inland where there are more serious environmental problems, so it was good.

DR BYRON: So they actually prioritised it, where they could get back to the buck.

MS VULCZ: Yes, and realised that we were in a pristine area.

MR VULCZ: That was with some encouragement from the sidelines.

DR BYRON: One of the things that have come up with every hearing we've had so far is the way landowners typically talk about themselves as land managers, stewards, wanting to be a sustainable production, wanting to have a good, viable, well-managed property that they can leave to their kids and these sorts of things; and on the other side we get people who start from the premise that all private land-holders are ecological vandals who just can't wait to bulldoze the last tree in the state. I'm parodying a little bit, but you've got this enormous polarisation between the good guy and the bad guy, and that seems to be to be inhibiting sensible discussion and talk of cooperation. Warren was talking this morning about the need to have some sort of element of trust between landowners and governments and working in the same direction rather than screaming abuse at each other and working at cross-purposes.

Can I ask the same question that Warren asked this morning: what would it take to move towards that situation of trust or mutual respect so that landowners and governments are actually working in the same direction?

MS VULCZ: I believe we need to educate urban people better, and this is why I'd like to see much more funding going to rural communities so they can get their message out. At the moment there's a lot of misinformation about farmers destroying the environment and there's very little positive news, and I believe that we need to show that farmers can responsibly manage areas and are quite educated in matters of the environment and biodiversity.

DR BYRON: I'm sure I heard somebody from an urban population say at some stage in the hearings that they had to educate rural people about the value of

biodiversity conservation.

MS VULCZ: Yes, well, I've just spent a day in Melbourne and I've decided that our district is much more pristine than their district.

DR BYRON: Either way, there seems to be a need for a lot better communication and mutual understanding.

MR VULCZ: Quite often rural people feel that their position is misrepresented in urban areas, for political purposes if you like.

DR BYRON: Yes.

MS VULCZ: I'd also like to see much more scientific data put up on the Web. Before the Internet we probably were very dependent on government officials for information, but these days we can assess information off the Web. We not only look at the ideas that are coming from Victoria or from the federal government; we go to America, Canada, New Zealand. We look at what all the other countries are doing and then we make an evaluation of which one we think will be the best choice for our particular circumstances and that's the one we want to apply. At the moment there's not enough information from the catchment management authorities. They've got some excellent studies that they've done. We would like to see every paper that the government is writing so that we can have a look at what the information is. That is how we become clever as a nation.

DR BYRON: Yes, and also the maps. One of the things that have come up in all the hearings is people talking about how decisions are based on the maps or the evidence or the scientific data or whatever, and in many cases it seems that that fundamental information was incomplete or defective. We had one example where hilltops were mapped as wetlands. Obviously any land use or policy decision that's based on wrong maps or misleading information is going to be seriously flawed. Actually, I think I've been told that the Victorian government does have the capability to put all their maps, everything from a Victoria scale down to a very, very micro scale on the Web where people could look at it. If you could substantiate the thing that the government maps are incorrect or incomplete in some way, then you could get it corrected so that at least then decisions would be made on the right factual basis.

MS VULCZ: We have very good maps in Victoria but we do not have all of the scientific information that the decisions are being based on available, and we need that for two reasons: one, that we can understand then why it is that we are being asked to do what we're doing; and the other one is that, if we don't agree with it, that way we can look at other alternatives.

DR BYRON: I guess that Victoria is different from all the other states because you had the Land Conservation Council for those years, and one thing they did do was go through and get all the maps right.

MS VULCZ: Yes, we are good in some ways.

DR BYRON: Okay, that about does me. Warren, do you have anything else?

PROF MUSGRAVE: As I start to understand all sorts of things come to mind. You're an alternative to Bush Tender in a way, aren't you?

MS VULCZ: Bush Tender, once again you're looking at the conservation covenant and, because the government now says that all private land that has a conservation covenant must comply with National Parks regulations, it is not an option. I don't believe that National Parks are the best managers in our state.

DR BYRON: We hear other remarks to that effect, yes.

MS VULCZ: Yes. So anything to do with a conservation covenant is no longer on the list.

DR BYRON: You may be a superior alternative to Bush Tender.

MS VULCZ: I believe that we probably are.

DR BYRON: Is there anything else that either of you would like to say in wrapping up?

MS VULCZ: No, thank you.

DR BYRON: Again, thank you very much for coming and for putting down all your experiences, both good and bad, and for your presentation this afternoon. Thank you.

MR VULCZ: Thank you for having us.

MS VULCZ: Yes, thank you very much.

DR BYRON: As I promised this morning, anybody present who would like to come forward and make a statement on the record is perfectly welcome to do so. We've got one who's saving his ammunition for tomorrow, and you can come back tomorrow too if you'd rather. You'll have another opportunity at the close of play tomorrow afternoon if you want to say anything on the record. It's sort of a PC tradition that we always give anybody in the audience a chance to come up and say

their piece if they want to. But in the absence of that I'd say thank you very much for your participation, ladies and gentlemen. We can adjourn till tomorrow morning, where the hearings will be held in the commission's hearing rooms on the 28th floor of 35 Collins Street. Thank you very much.

AT 4.48 PM THE INQUIRY WAS ADJOURNED UNTIL
FRIDAY, 15 AUGUST 2003

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