

## Native Vegetation Inquiry / Productivity Commission

The Davis family have owned the property known as "Hillgrove" situated at ..... in far western Victoria and has been in the Davis family for over 100 years. The property has been in the ownership of various members of the family during that time.

The surrounding land to the west and south west is bounded by State Forest, portion of the south and north west is planted to blue gums. A large area of the land in the .....District is State Forest, pine plantations and blue gum plantations with pastured grazing land being less than half of the land mass in the area. The district has an annual rainfall of 700 mm.

Murray and Lorraine were interested in developing their property to improve production, however this process while planned was unable to be done before clearing controls came into force in 1989. Murray and Lorraine had to buy out the property interests of Murray's brothers before being in a financial position to undertake property improvement works.

Murray is currently president of the Red Cap/..... Landcare Group and has been actively involved in landcare activities with the group since it was set up over 12 years ago. We understand that there needs to be a balance between production and environmental sustainability, so over the last ten years all the waterways on my property have been fenced off, native trees have been planted and areas have been fenced off for revegetation. All stock have been excluded from all waterways due to the fencing along the creeks. This consists of approximately 40 hectares plus other areas retained for shelter belts and has resulted in lost productivity to this farm.

As farm production costs increase it is necessary to generate additional income to cover these and future costs. This can be achieved by increased productivity (of which this farm is near maximum capacity) or by the development of currently occupied undeveloped land.

Murray and Lorraine paid \$1864.24 in rates for the whole property last year. This amounts to \$482 for the portion of the property that we would like to develop from currently unproductive land . A recent shire valuation on this property, valued the land with remnant native vegetation at approximately \$100 per hectare which reflects the low value of this undeveloped land, whilst productive grazing land was valued at \$1000 per hectare.

From benchmark studies it has become clear that to support these and other productive costs it is necessary for a grazing property to be running around 8,000 - 10,000 dry sheep equivalents. With the current carrying capacity on the effective 360 hectares of 6500 (DSE's), this shows there needs to be further expansion to be viable in the coming future. So with limited opportunities to expand in our local area, the development of 160 hectares of native vegetation on our existing holding would increase our carrying capacity by another 2800 (DSE's), bringing the total to 9300 (DSE's). This in turn would strengthen our position to becoming a highly efficient / productive farm unit and would enable us to pass on the farm as a viable enterprise to the next generation in the foreseeable future.

Murray and Lorraine wish to remove patches of remnant native vegetation to compensate for the landcare improvements and to improve the productivity of the land. Because of the native vegetation clearing controls future development opportunities have been lost.

Murray J. Davis,  
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