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Paul Lindwall
Presiding Commissioner
Regulation of Agriculture Public Inquiry
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Submitted via website

19 May 2016

Dear Commissioner,

WWF-Australia thanks the Commission for the opportunity to tender comments in regard to the Regulation of Agriculture Public Inquiry. We apologise for the lateness of this submission.

- The attached economic report by The Australia Institute, *Economics, Agriculture and Native Vegetation in NSW* (2014) relies on ABARES data to support a finding that the *Native Vegetation Act 2003* has had a very small economic effect on NSW agriculture.
  - NSW produces $10–$16 billion in agricultural output/year, depending largely on rainfall and commodity prices. Native vegetation density was ranked as the least important factor affecting farm output.
  - A minority of landholders surveyed opposed native vegetation management regulations (50 support/30 oppose/20 don't know)
  - Only about 10% of landholders in the northwest of the state expressed any intent to clear native vegetation and claimed their operations were significantly affected by the NSW *Native Vegetation Act*.
- A large body of scientific research shows that regulation of native vegetation clearing actually benefits agriculture, because native vegetation:
  - creates and conserves topsoil;
  - provides abundant clean water;
  - prevents waterlogging and salt contamination of soil;
  - provides shelter for crops, stock and dwellings from wind and weather;
  - conserves a benign rainfall and temperature regime[1]; and
  - provides tourism and recreation opportunities and experiences;
  - provides habitat for crop pollinators, predators of pest insects and animals;
  - provides habitat for other beneficial species (e.g. wild Macadamia nut trees): see, for example, NSW Government website: Why is native vegetation important?

[1] Rezaul, M. et al. 2014. Land cover changes and their biogeophysical effects on climate. International Journal of Climatology 34, 929-953.

- These benefits to agriculture and the wider rural economy have been recognised in twenty years of intergovernmental agreements to conserve and enhance native vegetation (see Attachment A), and the expenditure of over $5 billion of government revenue to conserve or actively restore native vegetation and ameliorate the impacts of excessive clearing.[2]
- They are also explicitly recognized in the policies underlying the Australian Carbon Farming Initiative/Emission Reduction Fund.
- It is worth noting that more than ten years ago, Sinden found that the climate-related gains from vegetation protection in North-Western NSW are likely to exceed the costs (Sinden, JA 2004, '*Do the Public Gains from vegetation protection in North-Western NSW exceed the landholder's loss of land value?*' The Rangeland Journal, Vol. 26 no. 2), despite making a number of assumptions that appeared to inflate the impact on landholders (this issue is outlined in the attached *WWF Briefing - Native Vegetation Regulation: Financial Impact and Policy Issues* 31 October 2005).
- With an average price of $10.23 per tonne of abatement under the third round of the Emission Reduction Fund, it is now comparatively straightforward to place a price on emissions from landclearing. And as a consequence of the repeal of laws controlling landclearing in Queensland and the likely repeal of laws controlling landclearing in NSW, there is a real risk that the emissions avoided under the Emission Reduction Fund will be exceeded by the emissions released as a result of landclearing in the same period.
- The Australian [Government] *State of the Environment 2011* reports on assessments and trends of the key indicators of soil condition (soil carbon, acidification and soil erosion) as follows:

Indicator	Region	Assessment				Trend			
		Very poor	Poor	Good	Very good	Declining	Stable	Improving	Unclear
Carbon dynamics (soil carbon)	39	1	13	19	6	33		5	1
Acidification	38	0	19	16	3	36	1	1	0
Soil erosion	22	0	13	9	0	2	15	5	0

- The Australian *State of the Environment 2011* report identifies landclearing as one of the key threats to soil condition, as well as one of the key threats to Australian biodiversity. The latter will be the primarily focus of this submission, in particularly the conservation of threatened species of fauna and flora.
- Australia has a legal obligation under the *Convention on Biological Diversity* to prevent the extinction of known threatened species by 2020. The significance of the threat to Australian native species posed by landclearing is recognised by all Australian governments:
  - The Commonwealth and NSW Governments list landclearing as a *key threatening process*;
  - The Queensland Government recognises landclearing as a key threat to wildlife;
  - The Queensland Government recently listed the koala as vulnerable [to extinction] with a key cause of its decline being 'habitat reduction' (ie. landclearing).
- For example, the NSW Government *State of the Environment 2012* reported that:
  - 60% of mammals,

[2] Including the "Save the Bush" and "One Billion Trees" programs in the 1990s, The $2.7 billion dollar (nationwide) Bushcare, Rivercare and Landcare programs under the Natural Heritage Trust 1 and 2 and the National Action Plan for Salinity and Water Quality in the late 1990s and 2000s, $2 billion (nationwide) under the Caring for our Country programs in the late 2000s, and various NSW Government programs including farmer exit assistance under the Native Vegetation Assistance Package.

- One third of birds and amphibians,
- 20% of reptiles, and
- 15% of plants in NSW, are threatened with extinction in NSW.

- Landclearing and fragmentation are identified in the Report as the most severe threats.
- To take an example of an iconic Australian animal, NSW koalas fell from ~31,400 in 1990 to ~21,000 in 2010. Landclearing/habitat loss/fragmentation was identified as the principal threat to koalas.
- The Queensland Government *State of the Environment 2011* reaches similar conclusions.
- Landclearing and fragmentation are the most severe threats. Landclearing and habitat loss and consequent habitat fragmentation are identified as the principal threat to koalas. Koala populations in Queensland and NSW plummeted 42% in the 20 years 1990-2010, prompting the federal government to list them as vulnerable to extinction.
- Between 1998-2005 about 104 million native animals died as a result of approved clearing in NSW including:
  - 11 million bandicoots, gliders, kangaroos, koalas, wallabies, wombats and other mammals;
  - 13 million forest and woodland birds including species of honeyeaters and babblers threatened with extinction;
  - 80 million geckos, skinks and other reptiles (source: Cogger, Dickman & Ford, 2007, *Impacts of Landclearing: The Impacts of the Approved Clearing of Native Vegetation on Australian Wildlife in New South Wales*
- According to a WWF analysis, since the NSW *Native Vegetation Act* commenced operation in 2005:
  - Approved clearing fell from 80,000 ha/year to ~900 ha/year;
  - Approved clearing is offset by protection of ~8,000 ha/year;
  - Remnant clearing fell from ~19,000 ha/year to ~15,000 ha/year.
  - ~50,000 fewer koalas and
  - ~250,000 fewer mammals died as a result of reduced landclearing in the Act's first five years.
- Conversely, following removal of key regulatory provisions in Queensland, landclearing resurged dramatically, resulting in the needless deaths of millions of native animals.
- Please find attached the following documents:
  - Latest NSW report
  - Latest Queensland report
  - The Australia Institute Report
  - WWF Briefing - Native Vegetation Regulation: Financial Impact and Policy Issues 31 October 2005.

Please do not hesitate to contact me if you have any queries.

Yours faithfully,

Paul Toni
Conservation Director – Sustainable Futures

Attachment A

Existing Australian Government commitments to end deforestation/landclearing

- Under Australia's *Native Vegetation Framework* (2012), the Commonwealth and state governments agreed to the following five goals:
    - Goal 1 Increase the national extent and connectivity of native vegetation
    - Goal 2 Maintain and improve the condition and function of native vegetation
    - Goal 3 Maximise the native vegetation benefits of ecosystem service markets
    - Goal 4 Build capacity to understand, value and manage native vegetation
    - Goal 5 Advance the engagement and inclusion of Indigenous peoples in management of native vegetation.
- The *Native Vegetation Framework* built on the 2001 *National Framework for the Management and Monitoring of Australia's Native Vegetation*. '*The native vegetation outcomes [sought] in this Framework [were]:*
    - *A reversal in the long-term decline in the extent and quality of Australia's native vegetation cover by:*
        - *conserving native vegetation, and substantially reducing landclearing;*
        - *conserving Australia's biodiversity; and*
        - *restoring, by means of substantially increased revegetation, the environmental values and productive capacity of Australia's degraded land and water;*
    - *Conservation and, where appropriate, restoration of native vegetation to maintain and enhance biodiversity, protect water quality and conserve soil resources, including on private land managed for agriculture, forestry and urban development;*
    - *Retention and enhancement of biodiversity and native vegetation at both regional and national levels; and*
    - *An improvement in the condition of existing native vegetation.*'
- *The National Framework for the Management and Monitoring of Australia's Native Vegetation* (2001) built upon the commitments that the Commonwealth, State and Territory Governments made, through the Natural Heritage Trust, to the national goal of '*reversing the decline in the quality and extent of Australia's native vegetation cover by June 2001*'.
- Under the *Natural Heritage Trust Partnership Agreements* of 1999, States and Territories committed to '*prevent any clearing of endangered ecological communities, any clearing which changes the conservation status of a vegetation community, and any clearing which is inconsistent with the sustainable management of biodiversity at a regional scale*'.
- This built on a similar commitment in the *National Strategy for the Conservation of Australia's Biological Diversity,* signed by all Governments in 1996, which stated that by 2000 Australia would have arrested and reversed the decline of remnant native vegetation.