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Submission to the Productivity Commission Draft Report Regulation of Agriculture July 2016

Thank you for the opportunity to comment on the draft report.

Disappointingly, the draft report has emphasized the concerns of those who oppose regulation, as a matter of principle, and de-emphasised or ignored the values of native vegetation and biodiversity, which are so clearly established by research and documented in numerous previous government reports on those issues.

The general assumption appears to be that if native vegetation benefited farmers it would have been retained by them in greater amounts. This assumption flies in the face of the environmental evidence of the agricultural areas of this country, where landholders continued to incrementally clear their lands despite mounting evidence of land degradation. In Western Australia this has created one of the country's great environmental catastrophes — advancing dryland salinity.

The WA Environmental Protection Authority says: Much of the native vegetation in the agricultural area has been cleared, and the loss of these deep-rooted plants has allowed the water level to rise bringing with it large quantities of salt. The resulting salinisation is the State's most pressing environmental problem. About 2 million hectares of the State's 18 million hectares of prime agricultural land are already salt affected and a further 4 million hectares are at risk. EPA Position Statement 2, 2000

Recent information from Dr Tom Hatton (Then of CSIRO Land and Water, now chairman of the WA EPA) (pers. comm) suggests that to have a chance of restoring hydrological function in some catchments the figure for planting deep-rooted vegetation would need to be in the order of 85% catchment cover, because of the hysteresis effect (when you push a natural system too far then you have to go even further to bring

about a rebound and return it to close to the previous position, if this is possible at all). EPA PS 2, 2000.

There are a range of soil degradation issues impinging on WA Agriculture, all of which are serious threats to the long-term future of agriculture.

Salinity

1.8m ha are currently affected. This could double over the next 25-50 years with up to 6m ha affected in 50-100 years if nothing is done;

Acidity

Has the potential to affect 11m ha if remedial action not taken;

Erosion

Wind and water erosion result in huge loses of soil every year, despite the fact that the causes and preventative measures are well established;

Soil StructureDecline/Compaction

This is a consequence of farming operations, particularly inappropriate tillage systems. It is a significant problem on a wide range of soil types.

Weeds/Pests/Diseases

The incidence and cost of controlling these are increasing, indicating a system in decline.

The facts

- 25 shires have between none and 10% native vegetation cover.
- 22 shires have between 10% and 20% native vegetation cover.
- 68% of the 305 Beard's vegetation complexes found in SW of WA have less than 30% of their original area remaining.

"Conservation of biodiversity, on economic grounds alone, should be the core business of any business wanting to succeed in the 21st century."

Australian Minister for the Environment

- April 2001

There should be no net loss of native vegetation in quality or extent. The total area and quality of native vegetation in natural formations in the landscape is to be at least maintained and preferably improved.

There should be an overall environmental benefit as a result of any development proposal. This can be achieved by ensuring the protection and management of higher quality remnant native vegetation or strategic revegetation in the general area.

Native vegetation has been extensively cleared in agricultural areas and extensively modified in the rangelands. Most ecosystems in these areas have less than 30% of their original area and can be considered to be 'of concern'. Further losses increase the risk of putting these ecosystems into the endangered class.

It is noted that in relation to land clearing Objective 7.1 of the *National Strategy for the Conservation of Australia's Biological Diversity*, signed by all Premiers, Chief Ministers and the Prime Minister, commits State, Commonwealth and Territory Governments by the year 2000 to, amongst other things:

"(I) arresting and reversing the decline of remnant native vegetation; and (m) avoiding or limiting any further broad-scale clearance of native vegetation, consistent with ecologically sustainable management and bio-regional planning, to those instances in which regional biological diversity objectives are not compromised."

It is recognised that biological diversity is best preserved in-situ but that some areas of native vegetation will be cleared for development. If native vegetation is removed or modified it should be replaced by native vegetation established to simulate the native systems that would have occurred, so far as is possible. Such reconstruction must be located strategically to gain the best outcomes for nature conservation.

WA has a history of natural resource mismanagement. Since 1829 Western Australians have been guilty of vast environmental degradation. The degradation of the wheat belt and rangelands are obvious examples. Many of the mistakes of the past were exacerbated because so called 'development' occurred at a rate that was much quicker than the rate at which degradation became apparent. The clearing of native vegetation for broad acre agriculture is an example of this problem.

Native vegetation mismanagement must be considered in the context of Western Australia's unique natural heritage values. There are many ways in which these values can be expressed. Three indicators are:

- 1. South-west of Western Australia is one of the world's 25 biodiversity hotspots (Myers *et al* 2000);
- 2. Much of the region has species numbers in the order of 80 100 species per 10 metre by 10 metre square quadrat. In some areas, such as Mt Lesueur, the number of species is as high as 120; and
- 3. The species turn-over rate in adjacent survey quadrats is frequently above 60%.

Future for WA agriculture – integrating bushland and agricultural production

The value of bush is not yet recognized.

Those who receive the greatest financial gain from the management and conservation of bushland in the landscape are adjacent landholders using land for agricultural purposes. If there are perceived costs associated with maintaining healthy bushland these should be borne by the recipients of the many positive effects of bushland. The Productivity Commission would be well placed to investigate an appropriate mechanism for distributing the cost associated with maintaining healthy Bushland, perhaps through a levy on units of agricultural production.

There is a very strong precedent in the agricultural sector for the use of such levies. There are numerous marketing, research and development levies that the agricultural sector already imposes on its self. It may be claimed by some agricultural interests that it is difficult to directly apply a user-pays model to those who benefit from having bushland in their part of the landscape system. A levy system is most likely to provide an equitable cost distribution mechanism. The creation of a Bushland Conservation Fund (BCF) would help reinforce the importance of healthy bushland in the development of sustainable agricultural systems. The fund should be known as the Bushland Conservation Fund. Its development will be useful in enabling Western Australia's agriculture regain its former 'clean and green' marketing image.

To move towards sustainable agriculture we must start quantifying agricultural production in terms of:

- Tonnes of top soil lost
- Litres of water used
- Kilojoules of energy expended
- Biodiversity loss (eg. Species of plant or animal displaced/destroyed/threatened/lost)

Modification

Habitat modification should not occur without strategically located replacement or rehabilitation of native vegetation in natural formations. It is not acceptable for habitat modification to cause a vegetation complex's conservation status to be diminished. In effect this means that it is not acceptable to modify vegetation so that intact vegetation is reduced below the threshold level of 30% anywhere.

Vegetation removal

Native vegetation removal should not occur without strategically located replacement or rehabilitation of native vegetation in natural formations. It is not acceptable for vegetation removal to put the threat level into the class below. In effect that means that it is not acceptable to remove vegetation so that native vegetation is reduced below the threshold level of 30% anywhere.

It would be irresponsible to consider further deregulation of native vegetation protection until we can quantify what the full rate of loss has been since the Liberal-National State Government came to power in 2008. It's important to note there's been no "State of the Environment Report Western Australia" since 2007.

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