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Native Vegetation Strategy
Department of Water Environmental Regulation
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Submitted via email – nvs@dwer.wa.gov.au

Native Vegetation in Western Australia – Issues Paper

1. This letter sets out feedback from Co-operative Bulk Handling Limited (**CBH**) to the Department of Water and Environmental Regulation (**Department**) in relation to its issues paper entitled "*Native Vegetation in Western Australia*" (**Issues Paper**) which was released for public comment in November 2019.
2. As explained in more detail below, while acknowledging the importance of WA's environment and regional diversity, the development of a State native vegetation policy and the implementation of bioregional planning, may lead to added complexity, time, and cost to industry when seeking approval for development in certain areas (like the Wheatbelt). It is therefore critical to ensure that the policy strikes the right balance between environmental, economic, social and cultural outcomes, and that the innovative use of offsets, including bio-banking, is also explored and expanded across the State.

CBH – Background

3. CBH is Australia's largest co-operative and a leader in the Australian grains industry.
4. Established in 1933, CBH operates a large and complex supply chain in regional WA, including the Wheatbelt region, that receives and transports the vast majority of the State's annual grain harvest from approximately 150 upcountry receival points via rail and road to one of four ports – Esperance, Albany, Kwinana and Geraldton – for export to interstate and international markets.
5. The WA grain industry is the largest agricultural sector in WA and the fourth largest export industry overall, with CBH's 3,900 grain grower members producing an average of 14.7 million tonnes of grain annually and contributing almost \$4 billion to the State economy each year.
6. Unlike the Eastern States, nearly all of the grain produced by WA growers (approximately 90%) is exported to international markets, primarily to South East and North Asia. Australian grain exporters are price-takers in these international markets.

7. WA grain has historically had an advantage in these markets due to its geographical proximity, in particular to South East Asia, and because of the quality and consistency of its grain.
8. However, despite these advantages, the international competitiveness of WA growers is currently under significant threat, primarily because of the relatively recent rise in supply from lower-cost alternative grain origins like the Black Sea region (primarily including Russia and the Ukraine).
9. In CBH's view, it is therefore critical that domestic settings in WA are appropriate in order to keep downward pressure on grain production costs – including via regulatory compliance costs and efficiencies – to ensure that WA growers remain competitive in international markets.

Response to Issues Paper

A State Native Vegetation Policy

10. Referring to Box 6 in the Issues Paper, CBH is supportive of a consistent, transparent and strategic approach to the management of native vegetation.
11. While acknowledging the importance of WA's unique ecology and extraordinary biodiversity, CBH is concerned that a new native vegetation policy may lead to added complexity, time, and cost to industry.
12. Given CBH's extensive operations in regional WA, particularly the Wheatbelt region, CBH believes it is critical to ensure that the policy strikes the right balance between environmental, economic, social and cultural outcomes.
13. As a statement of principle, the clearing provisions of the *Environmental Protection Act 1986* (WA) (**EP Act**) should be flexible enough to deal with applications on clearing of native vegetation based on objective assessments of the bio-diversity of the specific area the subject of the proposed permit, rather than having a different approach for general regions - like the Wheatbelt or Perth/Bunbury metropolitan area.

Better information

14. With a continuing increase in the State's average annual grain production, CBH's primary exposure to the EP Act is through applying for clearing permits for new or expanded up-country receival sites.
15. Applications for clearing permits have also become increasingly important as CBH pursues its Network Strategy, which focusses CBH's maintenance and capital investment on the core 100 sites that receive over 90% of the annual crop.
16. In that context therefore, native vegetation data is mainly used to inform applications by CBH to clear or impact vegetation to expand receival sites, but also for scoping offset opportunities. All of the stated elements of better information provision – cost saving, timeliness of assessments, evidence-base for decision – are relevant to those activities.
17. CBH would also be supportive of efforts to provide better information about the circumstances under which environmental offsets can be applied. For example, it would be useful to have more clarity on what constitutes an acceptable offset in certain circumstances – for example, a financial contribution, an alternative site development, or both.

18. To that point, if a bioregional approach is pursued by way of a State native vegetation policy, in CBH's view it is essential that the ability to use bio-banking (where a large tract of off-set land or biodiversity credits can be used to draw-down by proponents for clearing at a number of smaller sites, similar to the Pilbara Environmental Offsets Fund currently used in the Pilbara bioregion and referred to at page 25 of the Issues Paper) is expanded for use by industry in other bio-regions. An offsets fund or bank in the Wheatbelt for example would not only provide industry with an effective tool to use for development, but would also deliver better environmental outcomes for the region and State.

Better regulation

19. CBH welcomes efforts to pursue the better regulatory processes set out in the Issues Paper.
20. The regulatory elements proposed in the Issues Paper of most importance to CBH are: streamlined regulation for cost saving, clearer requirements for business certainty, improved assessment timeframes and transparent, evidence-based decisions.
21. Further, while supportive of the stated aim in the Issues Paper to explore how offsets could drive net improvements to native vegetation extent or condition (at page 19), CBH notes that at this stage this is only proposed to be used for where vegetation must be impacted to enable essential development. CBH seeks clarity as to what would be considered "essential" development, and, depending on its breadth, suggests that this could be expanded to explore innovative offsets for all types of development activity.
22. CBH also notes that the Issues Paper identifies that better regulation could see a focus on unlawful clearing activities, including identification, investigation and prosecution (Box 13 at page 22). Again, CBH is supportive of this approach, but is conscious that the Department will need to be equipped with the resources to perform this important function and any other additional activities identified in the Issues Paper (such as developing a State native vegetation policy, and exploring bioregional approaches), as well as their existing functions.

A bioregional approach

23. As set out above, while acknowledging the importance of WA's environment and regional diversity, CBH is concerned that a native vegetation policy may lead to additional complexity, time and costs required.
24. CBH therefore believes it is critical to ensure that the policy strikes the right balance between environmental, economic, social and cultural outcomes.

Other initiatives

25. The Issues Paper proposes a number of different initiatives to improve native vegetation outcomes. In CBH's view, the most important of those identified are pricing, incentives and markets (eg biodiversity banking, offsets, carbon farming etc).
26. For context, CBH has used environmental offsets in the past when applying for clearing permits for receival site expansions.
27. As set out above, CBH is supportive of efforts to make explicit the circumstances under which offsets can be applied, and for some direction on whether bio-diversity banking is seen as a viable option, and the circumstances in which it could be used.
28. In CBH's view, if a bioregional approach is ultimately pursued, it is critical that the ability for strategic use of offsets like the Pilbara Environmental Offsets Fund, should be

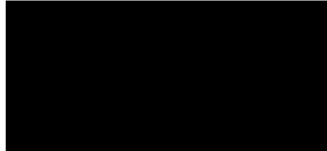
investigated and made available across all bioregions, including the Wheatbelt, to provide important optionality for proponents to manage development.

Conclusion

29. We are grateful for the opportunity to provide feedback to the Issues Paper and ask that you contact our Government & Industry Relations Manager, Mr David Paton, should there be anything further you require.

Yours sincerely

FOR: CO-OPERATIVE BULK HANDLING



BRIANNA PEAKE

General Manager – Grower and External Relations