

## Healthy Soils Australia

### **Productivity Commission Inquiry into Waste Generation and Resource Efficiency Key discussion points; 20 Feb 2006**

1. HSA is a national public interest network of leading farmers, firms and specialists,
  - concerned about the degradation of the nations natural soil capital,
  - its consequences on future economic productivity and environmental sustainability,
  - and is committed to the effective practical restoration of this key national asset.
  
2. Soils provide the resource base for over 70% of Australia's economy and security via;
  - food supplies
  - biomaterials
  - export earnings
  - water, biodiversity and eco-system services, and
  - associated parts of Australia's service industry eg finance, transport etc.
  
3. However our past and current management practices have significantly degraded this national asset and its capacity to sustain these outputs and dependent social futures;
  - for example we erode and lose 50t of topsoil for every ton of wheat produced.
  - structural decline and acidification is degrading the productivity of all managed soils,
  - finite soil resources are being lost via salinity, urbanization, contamination.
  
4. This degradation of national soil capital is still being subsidized by Governments via;
  - subsidised fertilizer, depreciation and fuel inputs accelerating soil degradation
  - the externalization of degradation costs to the future, society and environment.
  - lease and land management regulations inducing inevitable degradation.
  
5. While Governments have partly funded reactions to the symptoms of degradation (eg \$2.5b NHT, \$2b NWC, \$1b+ salinity;) they continue to ignore their responsibility and more cost effective proven management changes to avoid such degradation occurring; such as;
  - proper costing and transfer of degradation costs under the `polluter pays' principals
  - full costing of resources eg timber from public lands so as not to crowd out commercial sustainable supplies or adequate re-vegetation/restoration investment.
  - valuation and charging for natural resources on their capital and/or replacement values.
  
6. Governments are also accelerating the mining of our soil health and nutrition through current waste management strategies that extract but don't return essential nutrients to agricultural soils. Unless addressed this will result in;
  - further degradation of soil productivities and food security,
  - increased public costs in disposing such organic nutrient wastes in landfills,
  - major unfunded health, social and greenhouse risks and liabilities from these landfills.

7. Highly effective eco-technologies have been demonstrated eg the City to Soil project, to profitably return urban nutrients as composted organic matter to nearby food production.

However widespread adoption of these imperatives is impeded by subsidized pricing policies which encourage further;

- exploitation of soil nutrients and our national soil capital,
- disposal of waste nutrients in landfills where they create major environmental risks,
- undermining of future food securities, water and eco-system services outputs from our critical national soil resources.

8. To address these impediments it is critical that Governments comply with its Competition policy objectives and pass on the full responsibility and costs of all economic functions rather than subsidise or protect adverse market distorting practices in its land and waste management.

Governments need to ensure full compliance with principals and legislation with regard to;

- polluter pays,
- WTO End of life producer responsibilities for wastes and impacts.
- product liability and obligations.

9. Governments also need to remove impediments to available eco-innovations in these areas such as;

- non performance based regulations limiting the use of composted organics on agricultural soils,
- non performance based prescriptions for the treatment and recycling of liquid effluents,
- the crowding out of private sector eco-system services providers by the under pricing of natural products eg water, timber from public capital stocks.

10. The Productivity Commission,. through this inquiry, can facilitate both the improved management of natural resources and waste streams by ensuring that;

- full waste costs, responsibilities and liabilities are transferred to users and producers and not subsidized or externalized by Government policies and practices, and
- innovative eco-technologies are able to compete commercially on open performance based criteria rather than on restricted prescriptions associated with dated ineffective approaches.

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