

1 **Contrasting effects of aridity and grazing intensity on multiple ecosystem functions**  
2 **and services in Australian woodlands**

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18 Running header: Contrasting effects of aridity and grazing on functions and services

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22

23 **ABSTRACT**

24

25 Global change is expected to reduce the provision of multiple ecosystem services in drylands,  
26 the largest biome on Earth. Understanding the relative importance of climate change and  
27 overgrazing on ecosystems services is critical for predicting the effects of global change on  
28 ecosystem well-being. We generated a system-level understanding of the effects of climate  
29 (aridity intensity) and land use intensification (herbivore grazing intensity) on four regulating  
30 ecosystem services (C-storage, and N- and P-availability, organic matter decomposition) and  
31 one provisioning service (plant production) in wooded drylands from eastern Australia.

32 Climate change and grazing intensity had different effects on multiple ecosystem services.  
33 Increasing aridity from 0.19 (Dry subhumid) to 0.63 (Arid) had consistent suppressive effects  
34 on C-storage, N-availability, decomposition and plant biomass services, but not on P-  
35 availability. The magnitude of these suppressive effects was greater than any effects due to  
36 grazing. All sites showed evidence of kangaroo grazing, but the heaviest grazing was due to  
37 cattle (dung: range 0 - 4545 kg ha<sup>-1</sup>; mean 142 kg ha<sup>-1</sup>). Any effects of grazing on ecosystem  
38 services were herbivore specific, and ranged from positive to neutral or negative. Sheep, and  
39 to a lesser extent cattle, were associated with greater N-availability. Rabbits, however, had a  
40 greater effect on P-availability than aridity. Our study suggests that increases in livestock  
41 grazing may fail to sustain ecosystem services because of the generally stronger negative  
42 effect of increasing aridity on most ecosystem services in our model dryland. These services  
43 are likely therefore to decline with global increases in aridity.

44

45 **Key words:** ecosystem services, nutrient cycling, climate change, dryland, grazing

46

47 **INTRODUCTION**

48

49 One of the terrestrial systems most at risk of environmental degradation is drylands, which  
50 occupy about 45% of Earth's land mass (Prävālie, 2016) and support about 38% of its people  
51 (Reynolds *et al.*, 2007). Drylands occur disproportionately in developing countries (Prävālie,  
52 2016), are agriculturally marginal, and support many socially disadvantaged groups that rely  
53 heavily on grazing and farming for their livelihoods (Powell *et al.*, 2004). Two of the most  
54 important drivers of ecosystem function in drylands are overgrazing and increased aridity  
55 (Maestre *et al.*, 2016). Understanding the roles of land use intensification (overgrazing) and

56 climate change (increasing aridity) is of paramount importance if we are up to predict how  
57 ecosystem services might change in the face of a drying climate and what this means for  
58 societal well-being.

59

60 Overgrazing by livestock is emerging as one of the greatest threats to global biodiversity  
61 conservation and ecosystem sustainability (Fleischner, 1994; Vázquez & Simberloff, 2003).  
62 Over the past three centuries the total global area of land dedicated to grazing has increased  
63 more than sixfold, from 524 to 3451 million ha, largely as a result of population growth and  
64 colonization (Goldewijk, 2001, 2005). Consequently, almost a quarter of the global terrestrial  
65 land mass is now under grazing by domestic livestock (Asner *et al.*, 2004). About 60% of  
66 land dedicated to grazing is considered drylands, where evapotranspiration exceeds rainfall  
67 (Maestre *et al.*, 2012; Právālie, 2016) and where the effects of human-induced changes such  
68 as overgrazing are likely to have the largest effect on the provision of ecosystem services  
69 (Eldridge & Delgado-Baquerizo, 2016). Carbon storage and N-availability in plant biomass  
70 and forage supply may be greatest in moderately grazed drylands (Oñatibia *et al.*, 2015).  
71 However, overgrazing reduces vegetation cover and biomass (Jones, 2000), leading to a  
72 decline in the spatial heterogeneity of litter cover (Daryanto *et al.*, 2013b). Reduced litter  
73 cover can lead to reduced decomposition and therefore smaller pools of soil C and N.

74

75 The effects of overgrazing on ecosystem functions and services may differ, however, across  
76 different climatic conditions. For example, Rabbi *et al.* (2015) found that land management  
77 did not influence the capacity of Australian drylands to soil carbon storage, a key ecosystem  
78 service, due to the strong limitations in water availability, the main limiting factor in these  
79 ecosystems. Because of this, the effect of overgrazing cannot be evaluated in isolation and  
80 needs to consider the relative effects of multiple environmental factors, which are likely to  
81 influence how ecosystem services respond to changing land use intensity. This has not been  
82 widely reported in current literature.

83

84 The second driver, aridity, has negative effects on a large number of ecosystem functions and  
85 services *via* multiple pathways. Increased aridity reduces the diversity and abundance of soil  
86 microbial communities that carry out multiple soil functions (Maestre *et al.*, 2012, 2015;  
87 Delgado-Baquerizo *et al.*, 2016b), reduces C-storage and N-availability by suppressing plant  
88 production and therefore nutrient inputs into the soil, and may alter the concentration of some  
89 soil enzymes, which control nutrient production processes (Li & Sarah, 2003; Delgado-

90 Baquerizo *et al.*, 2013a, 2013b). However, the suppressive effect of aridity on ecosystem  
91 functions and services is highly dependent on the specific service. Increasing aridity, for  
92 example, has been shown to enhance soil P, largely by increasing the exposure of P-rich  
93 parent material and enhancing the amount of P bound to soil carbonates, which are abundant  
94 under the most arid conditions (Delgado-Baquerizo *et al.*, 2013b). This may also have  
95 feedback effects on plant community composition by promoting plants that can grow in soil  
96 with lower N:P ratios (Güsewell & Bollens, 2003), thereby reducing ecosystem resilience.  
97 Single functions, therefore, should not be seen in isolation because overall ecosystem  
98 functioning will depend on a range of functions or services operating together  
99 (multifunctionality *sensu* Gamfeldt *et al.*, 2008). In drylands, resilience of ecosystems to  
100 ongoing global environmental change such as increased aridity and/or drought is enhanced by  
101 increasing plant taxonomic and functional diversity and woody plant cover (Gaitan *et al.*,  
102 2014; Valencia *et al.*, 2015), or by maintaining a diverse and abundant soil microbial  
103 community (Maestre *et al.*, 2015). The maintenance of high levels of diversity in drylands is  
104 critical in order to maximise the provision of a range of ecosystem services on which a range  
105 of biota, including humans, depend (Naidoo *et al.*, 2008; Bellard *et al.*, 2012).

106

107 We know relatively little about the relative strengths of the two main drivers, grazing and  
108 aridity, on ecosystem services in drylands (though see Ibáñez *et al.*, 2014 for a modelling  
109 approach). This lack of knowledge hampers our capacity to manage change in drylands (e.g.  
110 Právělie, 2016) or to determine the interactive effects of continued grazing at current levels  
111 under a regime of reduced rainfall. We developed an *a priori model*, based upon the known  
112 relationships among the various predictor and response variables (Fig. 1a; Table 1), and  
113 included in our model woody plant cover and soil health. Soil health was included because it  
114 is an essential component of human and environmental well-being (Pankhurst *et al.*, 1997). It  
115 is also particularly important in drylands because the soils tend to be shallow and low in  
116 available nutrients and are often sparsely vegetated and susceptible to wind and water  
117 erosion. Both woody cover and soil health have been shown to mediate the effects of both  
118 aridity and grazing on the provision of ecosystem services and functions (e.g. Maestre *et al.*,  
119 2016). We predicted that increasing aridity (Path 3) would have negative effects on  
120 ecosystem functions associated with C-storage, N-availability and plant production (Maestre  
121 *et al.*, 2012, 2016; Delgado-Baquerizo *et al.*, 2016a; Zhang *et al.*, 2016), but that P-  
122 availability would be advantaged by increased aridity due to the re-distribution of P-rich  
123 sediments resulting from increased degradation (Delgado-Baquerizo *et al.*, 2013b;

124 Hypothesis 1). Secondly, we expected to detect substantial herbivore-specific effects on  
125 services and functions (Path 4). Specifically, kangaroos (i.e. native species) were predicted to  
126 have few effects on functions and services because they have different grazing patterns from  
127 livestock and have coevolved with plants and soils (Hypothesis 2). Conversely, we expected  
128 to detect substantial increases in soil P-availability with increased grazing by rabbits or  
129 livestock because rabbits create substantial soil disturbance, which exposes P-rich subsoil  
130 (Hypothesis 3), and high levels of livestock grazing results in the concentration of P-rich  
131 dung (Duncan *et al.*, 2008; Hypothesis 4). Finally, we predicted that increased livestock  
132 grazing would be associated with substantial reductions in plant production (Hypothesis 5).

133

## 134 **METHODS**

135

### 136 *Study area*

137

138 The study was undertaken in south-eastern Australia (Fig. 2). Landforms in the study area are  
139 predominantly plains of coarse colluvium, and low ridges and valleys and slopes to 3%. The  
140 soils are dominated by well-drained gradational red loams and red-brown duplex soils with  
141 neutral to slightly acidic surfaces (pH 5–7; Thompson & Eldridge, 2005). The climate across  
142 the area is Mediterranean and typically semi-arid (Table 2). Mean annual rainfall varies from  
143 385 to 460 mm, and ranges from being evenly distributed throughout the year in the east and  
144 central parts of the study area to 20% more rainfall during the six cooler months in the south  
145 and south-west. Average temperature in the study area ranges from 9°C to 12°C for May to  
146 September and from 18°C to 24°C for October to April, and the mean annual temperature  
147 between 15°C and 18°C.

148

### 149 *Site selection, woody cover, grazing intensity and aridity*

150

151 Between September and November 2013 we surveyed 151 sites that were characterised by  
152 the community dominant *Callitrus glaucophylla* Joy Thomps. & L.A.S. Johnson (Fig. 2). The  
153 study sites were first identified using Arc GIS and pre-inspected to ensure that they were  
154 more than 250 m from any road. In order to sample across a full spectrum of grazing  
155 intensities, we selected some low intensity and long ungrazed sites from conservation  
156 reserves, road verges with intermittent grazing, commercial forests, conservation reserves and  
157 long-term grazing exclosures as well as high intensity grazed sites (Table 2). At each site we

158 positioned a 200 m long transect within which were placed five 25 m<sup>2</sup> (5 m x 5 m) plots  
159 (hereafter ‘large quadrat’) every 50 m (i.e. 0 m, 50 m, 100 m, 150 m and 200 m). A smaller  
160 (0.5 m x 0.5 m) quadrat (hereafter: ‘small quadrat’) was located in the centre of the large  
161 quadrat. Along the line transect, the projected cover of trees (> 3 m tall) and shrubs (0.5-3 m)  
162 was recorded at 100 points every 2 m to provide a measure of woody (tree + shrub) cover.  
163 We also measured the width and depth of all livestock tracks crossing the 200 m transect. We  
164 used the total cross-sectional area, averaged to a 100 m transect (cm<sup>2</sup>/100 m) of stock tracks  
165 as a proxy of historic (long-term) grazing.

166

167 In order to assess recent grazing intensity at the sites, dung/pellets were identified and  
168 counted in both of the small and large plots separately by herbivore type. Kangaroo  
169 (*Macropus* spp.), rabbit (i.e. rabbits and hares; *Oryctolagus cuniculus* L. and *Lepus*  
170 *europaeus* Pallas) and sheep (which included sheep *Ovis aries* L., and goats *Capra hircus* L.)  
171 dung/pellets were counted in the small quadrats, and cattle dung (*Bos taurus* L.), sheep and  
172 kangaroo dung/pellets counted in the large quadrats. For cattle, we counted dung events  
173 rather than individual fragments, i.e. we considered a number of small fragments to have  
174 originated from one dung event, if the fragments were within an area of a few metres. Dung  
175 and pellet samples of each type were collected, oven dried at 40°C for 24 hours, and weighed  
176 to estimate the mass of individual pellets, or in the case of cattle, dung events. Average mass  
177 of dung was then used to calculate the total mass of each type of dung per hectare. We used  
178 algorithms, developed previously for the study area (see Eldridge *et al.*, 2016) to calculate the  
179 total oven-dried mass of dung per hectare per herbivore based on the number of pellets  
180 recorded in the field. This total oven dried mass of dung was used as our measure of recent  
181 grazing intensity for each herbivore (Eldridge *et al.*, 2016). Where dung from the same  
182 herbivore was assessed in both the large and small quadrats, we derived an average mass per  
183 hectare based on the large quadrat for that herbivore type. We used dung as a measure of  
184 recent grazing because dung persists for about 3 years in the field before it is decomposed.  
185 Thus it is a useful proxy of short-term grazing by herbivores. Stock tracks provide a long-  
186 term integrated history of continued use by livestock.

187

188 Aridity was calculated as 1-AI, where AI = precipitation/potential evapotranspiration using  
189 FAO’s global aridity map (<http://ref.data.fao.org/map>). Subtracting AI from 1 changes the  
190 direction of the index such that larger values are more arid.

191

192 *Assessment of soil health and plant production (biomass)*

193

194 We assessed the status and morphology of the soil surface within the small quadrats using  
195 rigorous, field-based protocols (Tongway, 1995). Within the small quadrats we measured 11  
196 soil surface attributes: surface roughness, crust resistance, crust brokenness, crust stability,  
197 surface integrity (cover of uneroded surface), cover of deposited material (e.g. sand), biocrust  
198 cover, plant basal cover, litter cover, litter origin, and the degree of litter incorporation (see  
199 Supplementary Material Table S1). From these data we calculated a soil health index as the  
200 mathematical mean of the 11 attributes following standardization ( $z$ -transformation).

201

202 To estimate plant production, we took oblique photographs of all small quadrats, then  
203 clipped, oven-dried (45° C for 24 h) and weighed all above-ground material rooted within the  
204 small quadrats at the 50 m mark along the transect. Biomass values for all small quadrats  
205 were then estimated and calibrated against the 151 actual biomass values using the  
206 photostandards. Using this double-sampling approach, the predictive power, based on a  
207 second-order polynomial was  $R^2 = 0.69$ .

208

209 *Soil sampling and analyses*

210

211 During the field survey we collected about 500 g of soil, from the surface 5 cm, from the  
212 centre of each small quadrat. A total of 755 soil samples were analysed in this study, from  
213 151 sites. The soil samples were air dried, passed through a 2 mm sieve to remove roots,  
214 organic debris and stones prior to chemical analyses. Total C and N were assessed using high  
215 intensity combustion (LECO CNS-2000; LECO Corporation, St. Joseph, MI, USA), available  
216 (Olsen) P according to Colwell (1963). Labile carbon was assessed by measuring the change  
217 in absorbance when slightly alkaline  $\text{KMnO}_4$  reacts with the most readily oxidizable (active)  
218 forms of soil C to convert Mn (VII) to Mn (II; Weil *et al.*, 2003). Ammonium and nitrate  
219 concentrations were measured using Flow Injection Analysis (Quick-Chem8500-LACHAT)  
220 following the extraction with 0.5M  $\text{K}_2\text{SO}_4$ . For the activity of the enzyme  $\beta$ -glucosidase  
221 (BG), a mixture of 1 g of air-dried soil and 33 ml of sodium acetate buffer (pH <7.5) was  
222 shaken at 200 rpm on an orbital shaker for 30 minutes and 800  $\mu\text{l}$  soil slurry was sampled and  
223 200  $\mu\text{l}$  substrate of 4-Methylumbelliferyl  $\beta$ -D glucopyranoside solution were added to the  
224 slurry. The 1000  $\mu\text{l}$  (1 ml) of solution was incubated at 25 °C for 3 hours and the activity  
225 (nmol activity  $\text{g}^{-1}$  dry soil $^{-1}$  h $^{-1}$ ) was measured at the 365 nm excitation wavelength and 450

226 nm of emission wavelength in a microplate reader. The same procedure was used, but with  
227 different substrate solutions, for an additional three enzymes. Thus 4-Methylumbelliferyl  $\beta$ -  
228 D-cellobioside was used for cellobiosidase (CB), 4-Methylumbelliferyl N  $\beta$ -D-glucosaminide  
229 for N-acetyl- $\beta$ -glucosaminidase (NAG) and 4-Methylumbelliferyl phosphatase for  
230 phosphatase (PHOS) activity (Bell *et al.*, 2013).

231

### 232 *Ecosystem services scoring*

233

234 In this study we used the term “ecosystem function” to define the 11 individual functions that  
235 we measured. The term “ecosystem service” or service refers to an assemblage of functions  
236 grouped according to similar functions that they perform, e.g. N-availability. The eleven  
237 separate functions were grouped into five services as follow: C-storage (total C and labile C),  
238 N-availability (total N, ammonia and nitrate), P-availability (Colwell P only), decomposition  
239 (extracellular enzyme activities of  $\beta$ -glucosidase, cellobiosidase and  $\beta$ -N-  
240 acetylhexosaminidase and phosphatase) and plant biomass (plant biomass only).

241 Decomposition, C-storage, and N- and P-availability are regulating services, and biomass is a  
242 provisioning service (MEA, 2005). Carbon storage and N- and P-availability are proxies of  
243 ecosystem processes such as C sequestration and N and P mineralization. In the case of  
244 available P, note that while total P is considered a soil property (mainly provided by  
245 bedrock), available P is the result of P mineralization and solubilisation of soil organic matter  
246 and minerals in the bedrock, a process conducted by plant roots and microbial communities.  
247 The index of each service was calculated by averaging the standardised (z-transformed) value  
248 of each function for each site into a single metric (multifunctionality *sensu* Maestre *et al.*,  
249 2012; Soliveres *et al.*, 2014; Delgado-Baquerizo *et al.*, 2016a, 2016b; Zhang *et al.*, 2016).  
250 This allowed us to transform all services to a common scale of standard deviation units  
251 (Maestre *et al.*, 2012). Integrating or averaging the standardized multiple functions into a  
252 single metric for overall ecosystem enables compensation of the decrease in one or several  
253 function by the increase of one or several functions (Gamfeldt *et al.*, 2008; Quero *et al.*,  
254 2013), therefore it is highly informative quantitative measure of the overall ecosystem  
255 performance.

256

### 257 *Statistical analyses and modelling*

258



259 Structural Equation Modelling (SEM) was used to build a system-level understanding on the  
260 effects of grazing and aridity on the ecosystem services. An *a priori* model (Fig. 1a; Table 1)  
261 was applied to the five ecosystem service indices. In the model, grazing and aridity were  
262 included as the main factors on the ecosystem services, directly and indirectly *via* soil health  
263 and tree cover. In our models, the effects of recent and historic grazing were combined into a  
264 single composite variable ('grazing'). Increases in this composite variable corresponded to  
265 increasing grazing intensity. The use of composite variables does not alter the underlying  
266 SEM models, but collapses the effects of multiple, conceptually-related variables into a single  
267 combined effect, aiding the interpretation of model results (Grace, 2006). The SEM allowed  
268 us to partition direct and indirect effects of one variable upon another and to estimate the  
269 strengths of these multiple effects.

270

271 We included woody cover, aridity, soil health and grazing in our models because we  
272 considered them to be the most informative predictors of ecosystem services out of a suite of  
273 many potential predictors. We are aware, however, that other variables not considered here,  
274 could have been included, such as trampling by cattle or the number of pits dug by rabbits.  
275 These may have provided additional insights into the mechanisms underlying grazing effects  
276 on ecosystem services. To improve normality, values for soil health, woody cover, aridity and  
277 grazing were standardized ( $z$ -transformed) prior to analyses. Overall goodness of fit  
278 probability tests were performed to determine the absolute fit of the best models. The  
279 goodness of fit test estimates the long-term probability of the observed data given the *a priori*  
280 model structure. Thus high probability values indicate that these models are highly plausible  
281 causal structures underlying the observed correlations. All SEM analysis was conducted  
282 using AMOS Software Version 20. The stability of these models was evaluated as described  
283 in Reisner *et al.* (2013).

284

## 285 **RESULTS**

286

287 Aridity (1-Aridity Index) at our study sites ranged from 0.19 (Dry subhumid) to 0.63 (Arid),  
288 with a mean value of 0.36 (Semi-arid; Table 2). Average soil health index and woody cover  
289 values were 44.1% and 41.9%, respectively. Recent grazing intensity data, as measured by  
290 the mass of herbivore dung, varied markedly, from no grazing at some sites to more than 4.5 t  
291 ha<sup>-1</sup> of dung at one site grazed by cattle. Kangaroos were the only herbivore to be recorded at  
292 all 151 sites. Plant biomass varied markedly (0.19 to 3.16 t ha<sup>-1</sup>) with a mean of 1.14 t ha<sup>-1</sup>,

293 typical of these semi-arid woodlands. Soil enzyme concentrations ranged from 63 nmol g<sup>-1</sup> h<sup>-1</sup>  
294 (cellobiosidase) to 112.9 (phosphatase). Total N (0.15%) and C (2.08%) reflected typically  
295 low values found for eastern Australian rangelands.

296

### 297 *Effects of grazing on multiple ecosystem services*

298

299 Grazing had moderate to strong direct and positive effects on all services (Figs. 1b-f), but  
300 also strong, indirect negative effects on N-availability, C-storage and plant biomass, *via* a  
301 suppression of the positive effects of soil health on these three services (Figs. 1b-c, e).

302 Conversely, the indirect effect of grazing was positive on P-availability *via* reductions in soil  
303 health (Fig. 1d). The standardised total effects from the SEM, i.e. the sum of all direct and  
304 indirect effects, indicated a general positive effect of grazing on N-availability, which was  
305 due mainly to sheep and cattle (Fig. 3a), but an overall neutral effect on C-storage (Fig. 3b).  
306 Grazing had an overall positive effect on P-availability, due mainly to rabbit grazing (Fig.  
307 3c). Conversely, for plant biomass, the overall effect of grazing was negative, though there  
308 was evidence of an increase in plant biomass resulting from increased rabbit grazing (Fig.  
309 3d). The overall positive effects of grazing on decomposition resulted from increases in  
310 historic grazing (track; Fig. 3e). Overall, grazing effects were positive for C-storage, and N-  
311 and P-availability but negative for plant biomass and neutral for decomposition.

312

### 313 *Effects of aridity on multiple ecosystem services*

314

315 Increasing aridity was associated with reduced soil health and lower cover of woody plants,  
316 but its effects on various services were mixed (Fig. 1). There were significant negative and  
317 direct effects of aridity on N-availability and C-storage (Figs. 1b, c) and decomposition (Fig.  
318 1f). Increasing aridity suppressed the positive effect of soil health for N-availability and C-  
319 storage (Figs. 1b-c) and plant biomass (Fig. 1e). However, increasing aridity had indirect  
320 positive effects on P-availability *via* reductions in woody plants and soil health (Fig. 1d). In  
321 general, the sum of all direct and indirect effects or the standardised total effect of aridity was  
322 negative for four of the five services and the only positive effect was observed for P-  
323 availability (Fig. 3).

324

## 325 **DISCUSSION**

326

327 Our results indicate that aridity had a strong suppressive effect on all functions and services,  
328 except P-availability, whereas the effects of grazing ranged from positive, to negative or  
329 neutral. The effect of aridity was strong, despite the relatively short gradient in our study  
330 (0.19 to 0.63). Further, different herbivores had different effects on specific services, with  
331 livestock associated with greater N-availability and decomposition, and rabbits with greater  
332 P-availability and plant biomass. Management of critical services and functions associated  
333 with plant production and C-storage, and N- and P-availability need to consider not only the  
334 effects of grazing by different herbivores, but the effects of changing climates on these  
335 attributes.

336

### 337 *Grazing effects on plant biomass*

338

339 Plant production is the attribute most strongly influenced by livestock grazing (herbivory:  
340 Milchunas & Lauenroth, 1989; Charles *et al.*, 2016; Eldridge *et al.*, 2016), so reductions in  
341 biomass with increasing grazing are expected. The standardised total effects indicated that the  
342 overall effects of kangaroo grazing on plant biomass were largely neutral (Fig. 3d), consistent  
343 with studies of kangaroo effects on soil health (Eldridge *et al.*, 2016). Livestock grazing  
344 resulted in reductions in plant biomass, but increasing rabbit grazing was associated with  
345 increased plant biomass. This might at first seem counterintuitive, but rabbit grazing has been  
346 shown to suppress small forbs and grasses at the expense of large, high biomass  
347 Mediterranean weeds (Myers & Pool, 1963). Examination of sites in our study with a high  
348 intensity of rabbit grazing (i.e. sites with a mass of rabbit dung  $> 100 \text{ kg ha}^{-1}$ ) showed that  
349 they were dominated by annual or biennial weedy plants of high biomass and cover such as  
350 *Echium plantagineum* L., *Stipa scabra* Lindl., *Hordeum leporinum* Link and *Arctotheca*  
351 *calendula* Levyns, typically exotic plants (Table 3). Most importantly, as discussed more  
352 fully below, rabbits had a positive effect on the amount of available P in the soil (Fig. 3). Soil  
353 P is the main limiting soil nutrient in the largely weathered old soils from Australia (Lambers  
354 *et al.*, 2008), thus, by bringing back soil available P to the surface, rabbits may promote the  
355 productivity of these sites.

356

### 357 *Grazing and aridity effects on C-storage*

358

359 Grazing and aridity had direct and contrasting effects on C-storage, with positive effects of  
360 grazing and negative effects of increasing aridity (Fig. 1c). We also found strong, indirect

361 negative effect of grazing and aridity *via* the suppression of the positive effects of soil health  
362 on this service. The standardised total effects for C-storage indicated that there is an overall  
363 neutral effect of grazing, but a substantial negative effect of aridity on C-storage (Fig. 3b),  
364 consistent with other studies (Delgado-Baquerizo *et al.*, 2013b; Rabbi *et al.*, 2015). Studies of  
365 grazing exclosures have shown few differences in total C-storage after 15 years between  
366 ungrazed and grazed sites (Nosetto *et al.*, 2006). Similarly, Rabbi *et al.* (2015) showed that  
367 land use in drylands in eastern Australia had a relatively neutral effect on C-storage,  
368 explained only 1.4% of the total variation in C-storage. This contrasted with aridity, which,  
369 along with soil clay content, explained 64% of the variation in C-content. Ecosystem services  
370 other than C-storage, however, are likely to be more strongly influenced by differences in  
371 land management.

372

### 373 *Grazing and aridity effects on N-availability*

374

375 Overall, grazing had a positive effect on N-availability, i.e. increased nitrate, ammonium and  
376 total N; and this was due mainly to sheep/goat and cattle grazing (Fig. 3a). Increased grazing  
377 intensity was associated with direct positive effects on N-availability, but indirect suppressive  
378 effects, *via* reductions in soil health (Fig. 1b). The addition of nitrate and ammonium from  
379 urine and dung, particularly at livestock resting camps, could partly account for the direct  
380 effects of grazing on N-availability. Although much of the nitrate is lost *via* volatilization  
381 (Powell *et al.*, 1998), addition of dung and urine (i.e. ammonia) provides a source of readily  
382 available nutrients for plants and microbes (Augustine *et al.*, 2003; Schrama *et al.*, 2013). In  
383 support of this, we found that grazing intensity increased the NH<sub>4</sub>:NO<sub>3</sub> ratio (Fig. S1), though  
384 the strength of the relationship was weak ( $R^2 = 0.08$ ). The mechanism underpinning the  
385 indirect suppressive effect of grazing on N-availability may relate to reductions in soil  
386 surface roughness and integrity, biocrust cover, the depth and incorporation of the litter layer  
387 (Eldridge *et al.*, 2016). Biocrusts are essential components of soil health, and cyanolichens  
388 and cyanobacteria in biocrusts are known to fix atmospheric C and N, accounting for the  
389 strong effect of increased soil health on both C-storage and N-availability, particularly in arid  
390 and semiarid systems (Delgado-Baquerizo *et al.*, 2014, 2016a). In our study, increases in this  
391 ratio were linked to increases in the intensity of kangaroo grazing but reductions in cattle  
392 grazing.

393

### 394 *Grazing effects on P-availability*

395

396 Phosphorus cycling was one of the ecosystem services less affected by increasing aridity and  
397 grazing intensity. Unlike C and N, P is an abiotically-derived element, and its availability has  
398 been shown to increase when P-rich parent material is exposed, often *via* soil erosion  
399 (Delgado-Baquerizo *et al.*, 2013b). Interestingly, rabbit grazing had the strongest stimulatory  
400 effect on P-availability (Fig. 3c). Production of phosphatase is extremely costly in terms of N  
401 and C. Thus, microbes and plants only produce phosphatase when it is really needed. If  
402 rabbits are providing a directly available form of P, such as  $\text{PO}_3^-$  to plant and microbes by, for  
403 example, exposing bedrock or dung, then it is likely that phosphatase production will be  
404 inhibited. Indeed, P is a relatively large component of rabbit dung, with five-times more P in  
405 rabbit than sheep or cattle dung (<http://www.crossroadsrabbitry.com/rabbit-manure-info/>).  
406 This explains the decoupling of phosphatase from inorganic P-availability.

407

408 Kangaroo dung is known to contribute relatively high levels of total P to floodplain systems  
409 (Kobayashi *et al.*, 2011), but in our study, kangaroo effects on P-availability were neutral.  
410 This may be due to slow breakdown of pellets in our system compared with floodplains, due  
411 to low levels of soil moisture (Davis & Coulson, 2016). Thus, increased P could have resulted  
412 from the concentration of rabbit dung, such as occurs in rabbit latrines (Dixon & Hambler,  
413 1993), or the localisation of dense patches of dung in litter dams on sloping surfaces  
414 following overland flow (Mitchell & Humphreys, 1987). The most parsimonious explanation,  
415 however, is that P-rich subsoil is exposed during the construction of the extensive communal  
416 burrow systems of rabbits. The relatively low to neutral pH values of these soils would have  
417 made P more available because there is little soil calcium to bind onto the P (Lajtha &  
418 Bloomer, 1988). Overall, therefore, increases in rabbit grazing are likely to lead to increases  
419 in P, with resulting changes in the stoichiometry of P and N in some local areas from  
420 Australia (Delgado-Baquerizo *et al.*, 2013b; Fig. S2).

421

#### 422 *Organic matter decomposition*

423

424 We detected small declines in decomposition, our measure of enzyme activity, with  
425 increasing aridity and grazing. Aridity suppressed, and grazing slightly increased, all enzyme  
426 functions except phosphatase (Fig. 4). Previous studies have shown that overgrazing reduces  
427 phosphatase and beta-glucosidase, but that effects likely depend on the patch type in which  
428 measurements are made (Zhang *et al.*, 2016). In our study the decomposition service, and the

429 four individual enzymatic functions, were associated with livestock tracks, our measure of  
430 historic grazing. Grazing is typically associated with declines in enzyme activity (e.g. Prieto  
431 *et al.*, 2011; Olivera *et al.*, 2014) so it is somewhat counterintuitive that increased grazing in  
432 our study was associated with increased enzyme activity. The standardised total effects  
433 indicated that historic grazing (i.e. livestock tracks), rather than recent grazing (i.e. dung from  
434 livestock), was linked to increases in the decomposition function (Fig. 3e). Our measure of  
435 historic grazing could be a proxy for increasing soil texture given that livestock tracks would  
436 be more pronounced in finer soils. Equally plausible is that increased historic grazing is  
437 linked to larger pools of herbivore urine and dung and therefore greater levels of  
438 decomposition. Also, herbivores break down organic matters such as plant litter through hoof  
439 action, and this may enhance the decomposition process. Overall, however, grazing-linked  
440 increases in decomposition were matched by declines due to increasing aridity, which would  
441 reduce decomposition rates and therefore nutrient cycling functions (Maestre *et al.*, 2015;  
442 Delgado-Baquerizo *et al.*, 2016b).

443

444 *Stronger negative effects of aridity on services than grazing*

445

446 Aridity levels are predicted to increase into the next century and lead to substantial shifts in  
447 plant and microbial processes in drylands (Delgado-Baquerizo *et al.*, 2014; Maestre *et al.*,  
448 2016). This will likely reduce Earth's capacity to support essential ecosystem functions and  
449 services associated with the storage and availability of C and N, and the production of forage  
450 for livestock (Maestre *et al.*, 2016). In our study, increasing aridity was associated with an  
451 increase in P-availability, but reductions in the other four functions, with the greatest  
452 reduction in C-storage (STE = -0.54; Fig. 3b) and N-availability (STE = -0.31; Fig. 3a).  
453 Increasing aridity was also associated with indirect suppression of N-availability, C-storage  
454 and plant biomass *via* reductions in soil health (Figs. 1b-c, e). Declines in N-availability with  
455 aridity were matched by strong increases due to grazing. Predicted reductions in grazing  
456 capacity with increased aridity are therefore likely to lead to global reductions in N-  
457 availability. The shift from free-range grazing to feedlots will likely lead to reductions in C  
458 emissions and may also reduce farm-level N deposition, but the positive effects of reduced N-  
459 availability will likely be more apparent under less arid conditions (Giese *et al.*, 2011). The  
460 effect of aridity was also to suppress the negative effects of woody plants on plant biomass.  
461 This could occur by removing competition for light or soil moisture, allelopathic effects that  
462 exist in some *Eucalyptus* species (Zhang & Fu, 2009), or suppression resulting from below-

463 ground resource competition from *Callitrus glaucophylla* (Harris *et al.*, 2003). Changes in  
464 land management may not lead to increased levels of ecosystem services due to the strong  
465 negative effect of aridity on most services. Thus services are likely to decline over the next  
466 century as aridity increases.

467

## 468 **CONCLUDING RESULTS**

469

470 The effects of grazing on ecosystem services are herbivore specific and vary from positive to  
471 neutral or negative. Critical functions associated with decomposition and nutrients cycling  
472 declined with increasing aridity, and these effects were of a greater magnitude than any  
473 effects due to grazing. Our study suggests that changes in land management may fail to  
474 compensate for the negative effects of aridity on all functions other than P-availability. Thus  
475 strategies to manage ongoing climate change are likely to be a priority of governments as we  
476 move towards a drier world.

477

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485

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787 Table 1. Hypothesized mechanisms underlying the grazing *a priori* meta-model shown in  
 788 Figure 1a.  
 789

| Path | Hypothesized mechanism  |
|------|---|
| 1    | (-) Increasing aridity reduces woody cover in semiarid landscapes (Westerband <i>et al.</i> , 2015).  |
| 2    | (+/-) Ecosystem multifunctionality peaks at 41-60% of relative woody covers (RWC), but aridity alters the effect of RWC on multifunctionality. The RCW and multifunctionality relationship was linear positive in dry-subhumid sites, but it shifted into hump-shaped and ended a negative relationship in most arid conditions (Soliveres <i>et al.</i> , 2014).   |
| 3    | (-) Aridity has negative effects on ecosystem multi-functions or services (Maestre <i>et al.</i> , 2012; Delgado-Baquerizo <i>et al.</i> , 2016a), because it reduces soil microbial diversity and abundance that promote ecosystem multifunctions (Maestre <i>et al.</i> , 2015; Delgado-Baquerizo <i>et al.</i> , 2016b) and it reduces organic C, total N and enzyme activities such as phosphatase activity (Li & Sarah, 200; Delgado-Baquerizo <i>et al.</i> , 2013a, 2013b); (+) but aridity increases total P (Delgado-Baquerizo <i>et al.</i> , 2013b).   |
| 4    | (-) Grazing has significant negative impact on overall ecosystem multifunction and multiservices (Zhang <i>et al.</i> , 2016) by dampening positive effect of shrubs (Eldridge <i>et al.</i> , 2013, 2015). It reduces plant biomass and litter cover (Eldridge <i>et al.</i> , 2016), therefore soil organic C (Daryanto <i>et al.</i> , 2013a) and increases bare soil (Daryanto <i>et al.</i> , 2012). (+/-) Under high intensity of grazing microbial biomass-C, phosphatase and dehydrogenase activities increases due to herbivore urine and dung at inter canopy, but reduces $\beta$ -glucosidase activity, organic C and total N at under plant canopy soil (Prieto <i>et al.</i> , 2011; Olivera <i>et al.</i> , 2014). |
| 5    | (-) Soil organisms that is one of the soil health indicators are very sensitive to climate (Doran & Zeiss, 2000); Negative correlation between aridity and plant cover may enable soil erosion (Delgado-Baquerizo <i>et al.</i> , 2013b)  |
| 6    | (-) High stocking rate increases soil compaction and bulk density (Pulido <i>et al.</i> , 2016), therefore reduces infiltration and macroporosity (Castellano & Valone, 2007; du Toit <i>et al.</i> , 2009), as well as nutrients and stability indices (Eldridge <i>et al.</i> , 2013).  |
| 7    | (+) Healthy soils with higher plant, litter and crust cover will increase organic inputs into soil, that support diverse microbial community and enrich the soil nutrient pool will promote overall ecosystem functions.  |

790

791 Table 2. Mean, standard deviation, minimum and maximum values of relevant attributes and  
 792 response variables used in the structural equation models. # woody (shrub + tree) cover can  
 793 exceed 100% where shrubs occur beneath trees. Aridity = 1 – FAO Aridity Index

794

| <b>Attribute</b>  | <b>Mean</b> | <b>SD</b> | <b>Min</b> | <b>Max</b>         |
|---|-------------|-----------|------------|--------------------|
| Aridity   | 0.36        | 0.08      | 0.19       | 0.63               |
| Soil health index (%)   | 44.1        | 8.3       | 17.4       | 80.2               |
| <b>Grazing intensity</b>  |             |           |            |                    |
| Livestock tracks area (cm <sup>2</sup> 100 m <sup>-1</sup> )                          | 122.7       | 319.0     | 0.0        | 3060.0             |
| Mass of cattle dung (kg ha <sup>-1</sup> )  | 142.0       | 481.1     | 0.0        | 4539.5             |
| Mass of sheep/goat dung (kg ha <sup>-1</sup> )  | 12.1        | 40.2      | 0.0        | 302.7              |
| Mass of kangaroo dung (kg ha <sup>-1</sup> )  | 52.8        | 41.6      | 0.5        | 270.2              |
| Mass of rabbit dung (kg ha <sup>-1</sup> )  | 12.2        | 29.1      | 0.0        | 232.8              |
| <b>Plants</b>   |             |           |            |                    |
| Woody cover (%)   | 41.9        | 22.6      | 4.0        | 116.0 <sup>#</sup> |
| Plant biomass (t ha <sup>-1</sup> )   | 1.14        | 0.63      | 0.19       | 3.16               |
| <b>Soil enzymes</b>   |             |           |            |                    |
| β-glucosidase (nmol g <sup>-1</sup> soil <sup>-1</sup> h <sup>-1</sup> )              | 74.0        | 34.9      | 9.7        | 192.8              |
| cellobiosidase (nmol g <sup>-1</sup> soil <sup>-1</sup> h <sup>-1</sup> )             | 63.4        | 32.7      | 8.8        | 176.3              |
| N-acetyl-β-glucosaminidase (nmol g <sup>-1</sup> soil <sup>-1</sup> h <sup>-1</sup> ) | 66.6        | 33.3      | 8.9        | 179.8              |
| phosphatase (nmol g <sup>-1</sup> soil <sup>-1</sup> h <sup>-1</sup> )                | 112.9       | 44.5      | 26.3       | 248.8              |
| <b>Soil chemistry</b>   |             |           |            |                    |
| Labile carbon (mg kg <sup>-1</sup> )  | 436.2       | 105.7     | 221.0      | 658.7              |
| NH <sub>4</sub> (mg L <sup>-1</sup> )   | 1.74        | 1.09      | 0.51       | 7.09               |
| NO <sub>3</sub> (mg L <sup>-1</sup> )   | 0.95        | 1.46      | 0.05       | 9.59               |
| Colwell P (mg kg <sup>-1</sup> soil)  | 14.37       | 8.47      | 4.55       | 55.20              |
| Total C (%)   | 2.08        | 0.73      | 0.79       | 4.54               |
| Total N (%)   | 0.15        | 0.04      | 0.08       | 0.30               |

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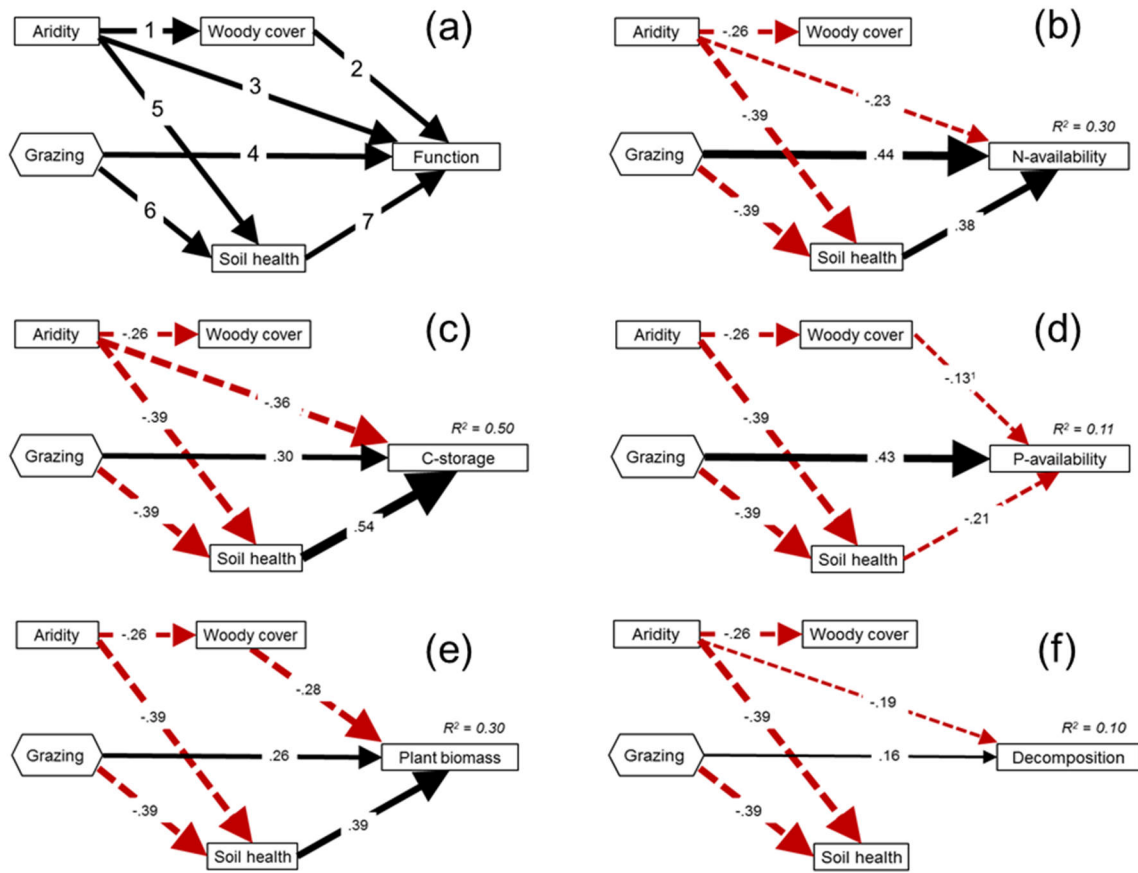
798 Table 3. Mean cover (%) of plant taxa occurring at sites with a high intensity of rabbit  
 799 grazing (dung > 100 kg ha<sup>-1</sup>)

800

| Species                            | Group | Origin | Life cycle | Response to grazing | Cover (%) |
|------------------------------------|-------|--------|------------|---------------------|-----------|
| <i>Echium plantagineum</i> L.      | Forb  | Exotic | Annual     | Increase            | 16.7      |
| <i>Stipa scabra</i> Lindl.         | Grass | Native | Biennial   | Benign              | 13.9      |
| <i>Hordeum leporinum</i> Link      | Grass | Exotic | Annual     | Increase            | 12.4      |
| <i>Arctotheca calendula</i> Levyns | Forb  | Exotic | Annual     | Increase            | 9.9       |
| <i>Vulpia</i> spp.                 | Grass | Exotic | Annual     | Increase            | 4.8       |
| <i>Erodium crinitum</i> Carolin    | Forb  | Native | Annual     | Increase            | 4.8       |
| <i>Sisymbrium irio</i> L.          | Forb  | Exotic | Annual     | Increase            | 4.0       |
| <i>Trifolium arvense</i> L.        | Forb  | Exotic | Annual     | Increase            | 4.0       |

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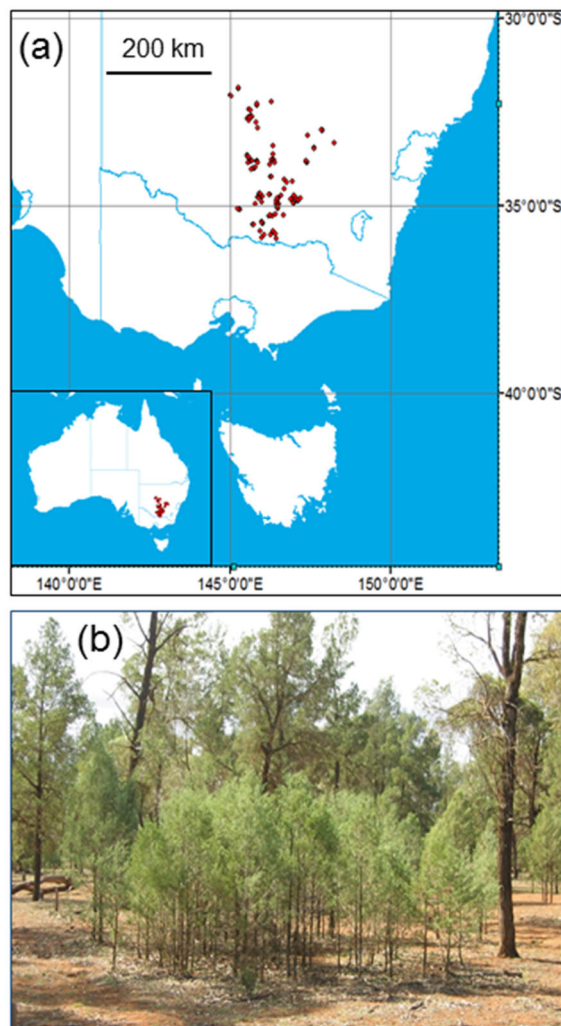
805

806 Figure 1. Structural equation models for (a) the *a priori* model and (b)–(f) five ecosystem  
 807 services. Grazing is a composite variable comprising recent grazing by all herbivores, and  
 808 historic grazing by livestock. Standardized path coefficients, embedded within the arrows, are  
 809 analogous to partial correlation coefficients, and indicate the effect size of the relationship.  
 810 Continuous and dashed arrows indicate positive and negative relationships, respectively. The  
 811 width of arrows is proportional to the strength of path coefficients. The proportion of  
 812 variance explained ( $R^2$ ) appears is shown in each figure. Only significant pathways are shown  
 813 in the models. Model fit:  $\chi^2 = 8.48$ ,  $df = 9$ ,  $P = 0.49$ . <sup>1</sup>  $P = 0.09$ , <sup>2</sup>  $P = 0.10$ .

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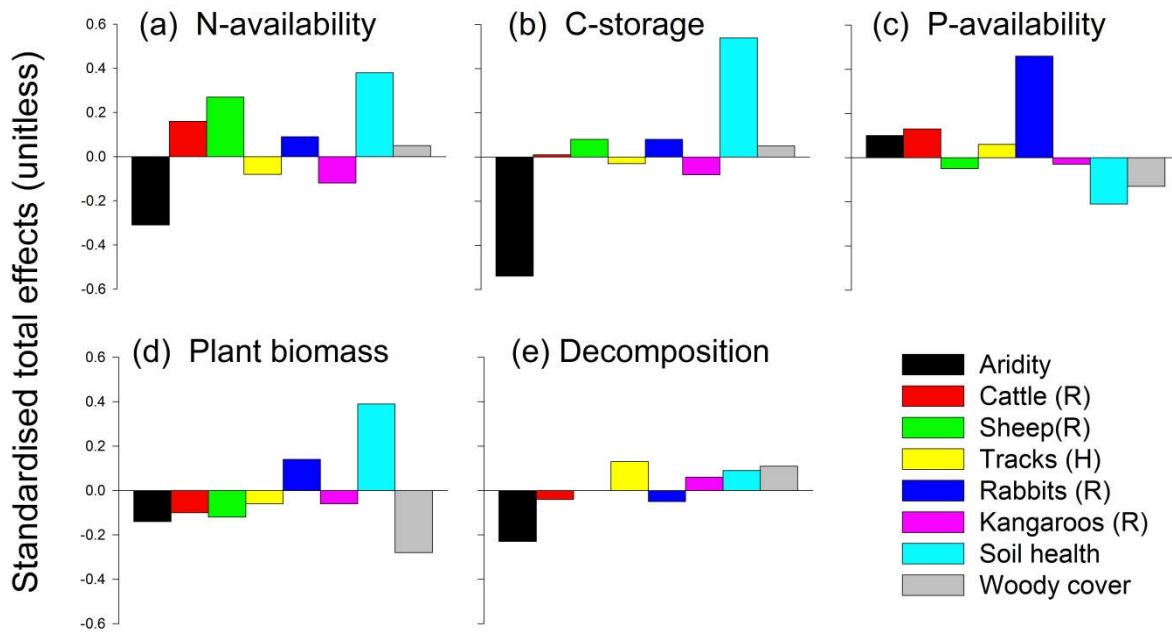
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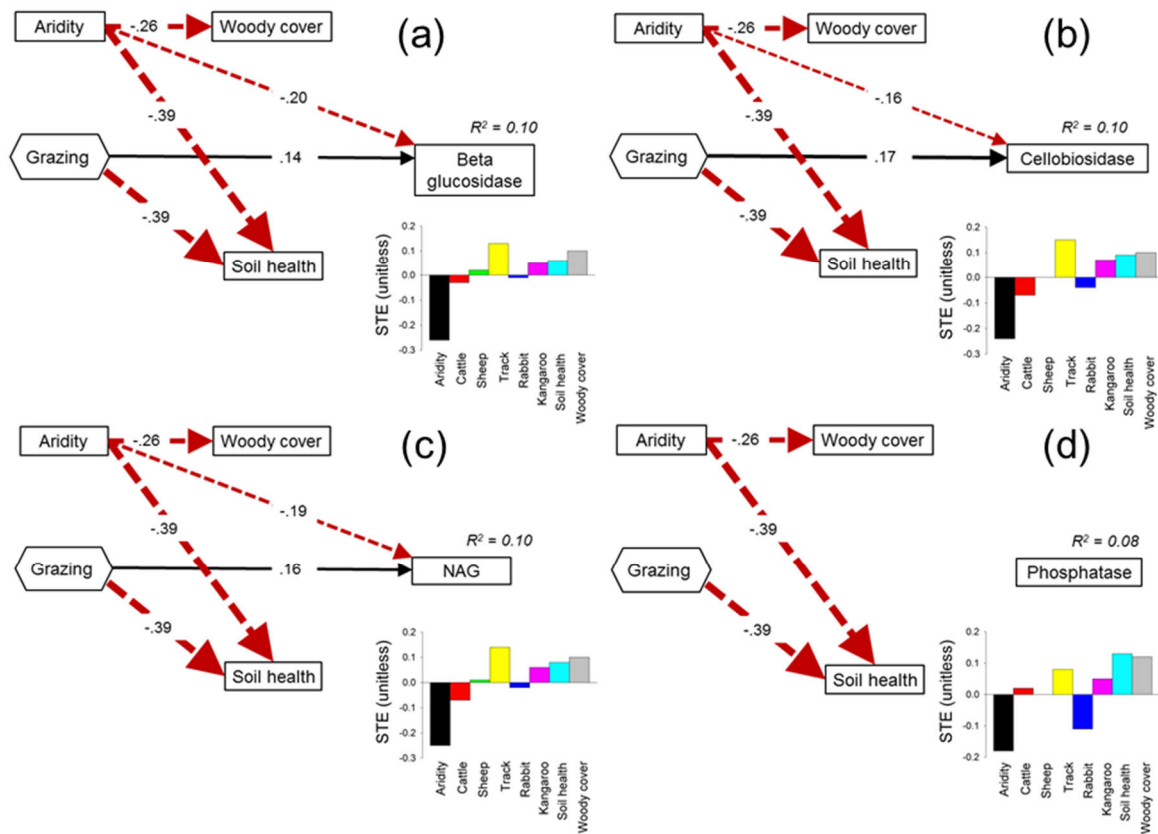
818 Figure 2. (a) Location of the 151 sites in eastern Australia and (b) a view of a typical *Callitris*  
819 *glaucophylla* woodland showing mature trees (background) and young saplings (foreground).



821

822 Figure 3. Standardised Total Effects (STE) of aridity, the five measures of grazing, soil health  
 823 and woody cover on the five ecosystem services indices. The STE is the sum of direct and  
 824 indirect effects on a particular response variable. R = recent grazing, represented by Cattle,  
 825 Sheep, Kangaroos and Rabbits. H = historic grazing, represented by Tracks.

826



827

828

829 Figure 4. Structural equation model for extracellular enzyme activities: a)  $\beta$ -glucosidase, b)

830 cellobiosidase, c) NAG (N-acetyl- $\beta$ -glucosaminidase), and d) phosphatase including the

831 standardised total effects of aridity, measures of grazing, soil health and woody cover.