



QUEENSLAND
FARMERS' FEDERATION

QFF Annual Report. 2012 - 2013



WWW.QFF.ORG.AU

© 2013 Queensland Farmers' Federation

2012-13 Annual Report

This work is copyright. Apart from any use as permitted under the Copyright Act 1968, no part may be reproduced by any process without the written permission from Queensland Farmers' Federation. Requests and enquiries concerning reproduction and rights should be addressed to QFF, PO Box 12009 Brisbane 4003.

T: (07) 3837 4747

E: qfarmers@qff.org.au

W: www.qff.org.au

ABN: 44 055 764 488

ACN: 055 764 488



QUEENSLAND
FARMERS' FEDERATION

Contents

QFF unites 16 of Queensland's rural industry organisations to deliver collective representation and leadership for primary producers. QFF operates under the following guiding principles:

- Ensuring members are well informed on common issues of strategic importance.
- Demonstrating and fostering leadership and a positive and proactive approach.
- Working collaboratively within the Federation on issues of common interest.
- Seeking outcomes for the rural sector that meet positive economic, social, environmental and cultural objectives.
- Recognising and embracing diversity within the QFF membership in achieving acceptable solutions for our members.
- Delivering on issues that make a difference to farmers' profitability.
- Fostering a culture with the Federation that promotes responsible farm management.
- Working cooperatively and respectfully with all stakeholders.

QFF Members

CANEGROWERS

Cotton Australia

Growcom

Nursery & Garden Industry Queensland

Qld Chicken Growers Association

Qld Dairyfarmers Organisation

Associate Members

Qld Chicken Meat Council

Qld United Egg Producers

Flower Association of Qld Inc

Pork Qld Inc

Fitzroy Food and Fibre Association

Pioneer Valley Water Cooperative Ltd

Central Downs Irrigators Ltd

Burdekin River Irrigators Area Committee

Emerging Primary Industries Group

Australian Organic

Queensland Aquaculture Industries

Federation

Page 4:	President's report
Page 5:	QFF people
Page 6-7:	CEO's report
Page 8-10:	Water resource management
Page 11:	Electricity tariffs
Page 12-14:	Rural planning
Page 15:	Vegetation management
Page 16-17:	Reef Rescue and Reef policy
Page 18:	Workforce and skills policy
Page 19:	Farm business and economics
Page 20-21:	Communications
Page 22-24:	Floods and NDRRA
Page 25:	Industry Recovery Officers

President's Report



Joanne Grainger President

At the beginning of this year we at QFF thought the challenges from previous years were behind us and we looked forward to focusing once again on supporting our members in proactive and strategic ways.

What could not have predicted was that so much of the State's rural industry would be devastated with another flooding disaster, just two years after a very similar event.

The flooding associated with ex-Cyclone Oswald over the Australia Day weekend delivered one-day rain events that many of us had never seen before – and indeed 24-hour and 48-hour rainfall records were broken by a significant margin in a number of regions.

With such a dry, hot summer preceding the event – including sweltering heat early in the new year – many farmers had an optimistic eye on Oswald as it formed in the Gulf and hoped that it would deliver a late break in the season.

Not even the Bureau of Meteorology however predicted that it would go far beyond that to change course, track down the coast, and then seemingly gather in intensity as it moved south. While the tropical low was certainly not a cyclone as it hit the worst-affected areas, I know that many farmers under the rain felt the destruction was comparable.

With my own farm inundated from the resulting flood waters, I shared the devastation and despair as well as the challenge to recover and rebuild. Even now the reconstruction process is far from complete. Therefore I know firsthand the value of QFF and our member organisations in providing support to farmers and direction to government, ensuring appropriate measures were in place to facilitate recovery and reconstruction.

QFF played an important role collecting impact data for government jurisdictions, so that assessments on NDRRA declarations could be made, as well as lobbying for higher levels of assistance in some areas. Importantly, QFF and industry have once again partnered with the State and Commonwealth Government to deploy Industry Recovery Officers to help farmers through the recovery process. The success of this program after cyclones Larry and Yasi has been repeated in 2013.

More generally, QFF has continued to work collaboratively with government Ministers and their respective departments to assist with the development of robust policy and its successful delivery. A particular focus has been the aspirational targets set by the Queensland Agriculture Strategy and the activities required to achieve these, while a specific challenge has been the water pricing and electricity tariff reforms, the outcomes of which are placing further financial pressures on input costs for farm enterprises. This will continue to test the profitability of many businesses.

In May I had the pleasure of attending the Reef Rescue Awards which showcased the activities and success of the Reef Rescue program. Once again I congratulate all involved in the initiative which saw farmers partnering with government, researchers and technical experts to deliver positive outcomes for the Great Barrier Reef. Of particular significance was the fact that many of the award recipients were younger generation farmers - a positive sign for the future of agriculture in Queensland.

There are other positive signs that give a level of comfort for agriculture. At the time of writing, the Australian dollar was starting to retreat from its peaks above parity with the US dollar, and interest rates remained at some of their lowest in decades.

***QFF has been at the
forefront of ensuring
measures were in
place to assist with
flood recovery***

Although commodity prices have dropped from the levels of recent years, there is no denying that the fundamental demand for food and fibre will continue to drive strength in our markets and create opportunities for Queensland farmers who produce clean, safe, reliable products in an efficient and sustainable way.

Irrigation water levels remain positive and farmers are hopeful for a stable spring and summer season to progress their recovery.

Our work will continue in regional planning, workforce development and natural resource management as we strive to achieve long term security and profitability for our producers enabling them to look ahead with confidence.

As I look back on 2012-2013 I am amazed that so much can be done, so well, by so few. Of course this is only achieved by the contribution of dedicated individuals and I would like to thank the QFF Board and Council for their support and acknowledge Joe Russo, retiring director and councillor representing CANEGROWERS for several years.

In addition, long-serving board member, councillor and past president Gary Sansom has announced that he is retiring at the AGM this September, 2013. After 20 years of involvement with the organisation, Gary has been a driving force behind many of the successes of QFF and has helped lead the organisation through a number of challenges, as well as helping the organisation achieve many positive outcomes for farmers. Gary has made a huge contribution to QFF, as well of course to the various leadership roles he has held within his own industry, chicken meat production. I join with all those involved with QFF, past and present, in thanking and congratulating Gary for his work.

Our member organisations, their staff and representatives continue to provide valuable assistance, while the calibre and dedication of our small team, led by CEO Dan Galligan has earned QFF a fine reputation for policy development and delivery. I would like to congratulate everyone on the achievements of a challenging year and thank you for your commitment to our farmers in Queensland.

Staff

Name	Title
Dan Galligan	CEO
Ian Johnson	Water Policy Advisor
Peter Perkins	Project Officer
Adam Knapp	Sustainable Agriculture Policy Officer
Brad Pfeffer	Communications and Policy Officer
Kel Towerton (to December 2012)	Vegetation Management Policy Officer
Mick Capelin	Regional Planning Project Officer
Linda Lee (from April 2013)	Cyclone Oswald IRO Coordinator
Kylie Johnston (from May 2013)	Executive Assistant
Susan Jackson (to March 2013).	Administration Officer

QFF Council

Name	Title
Joanne Grainger	President
Brian Tessmann	Vice-President
Joe Russo	Councillor
Stuart Armitage	Councillor
John Bishop	Councillor
Jodie Redcliffe	Councillor

Auditors
Conroy's Accountants.



Brian Tessmann
Vice-President



Gary Sansom
Director



Joe Russo
Director



John Bishop
Director

CEO's Report



Dan Galligan CEO

THE Queensland Farmers' Federation has concluded another big year in the organisation's history, continuing to achieve positive outcomes for our members and to do so in challenging circumstances. QFF continues to deliver for farmers and our industry members, while running a small and efficient team focussed on core policy issues.

Critical to the work that QFF has done is maintaining our credibility with Government, industry and external stakeholders.

This is a difficult benchmark to measure but it is always important for our organisation to maintain the highest possible standard of representation. To achieve this, we focus on evidence and information based advocacy, to achieve solutions to problems that deliver efficiently on the priorities of our members but in an environment that has subsidiary benefits for the Queensland economy.

Major work for the organisation over the

12 months has included issues such as electricity prices; water prices; local management of SunWater irrigation schemes; Reef Rescue and reef policy; sustainable agriculture; management of farm debt and finance; workforce development and training; disaster response and recovery; communications; coal seam gas; land access; and rural planning.

As in previous years the themes are familiar but certainly the balance of effort and strategies change dramatically each year. Ensuring QFF has the capacity to be flexible along with striking the balance between being responsive and proactive is difficult. Yet again we have sought to achieve this through the dedication of our staff and the very successful collaborations we form across both agricultural and non-agricultural stakeholders.

There are of course numerous other ongoing issues to which we have been involved in, and the full list of meetings, hearings, submissions and committees that we have been involved in is too long to detail.

Our committees for natural resource management, water, and occupational health and safety also met throughout the year.

There have been a few staff changes over the year. Our Administration Officer Susan Jackson resigned in early 2013 to spend more time with her young children, including new son Eli. Vegetation management project officer Kel Towerton also left in December 2012 with the conclusion of QFF's vegetation management project through the Department of Natural Resources and Mines. I thank both Kel and Susan for their achievements and wish them the best for their future endeavours.

We re-welcomed Linda Lee to QFF in April. Linda had previously worked on QFF's planning project and after a stint elsewhere now manages the Industry Recovery Officer program. We also welcomed new executive assistant Kylie Johnston to QFF in May.

QFF continues to host a Brisbane office for Cotton Australia and also provides secretariat duties for the Queensland Chicken Growers Association, Queensland Chicken Meat Council and the Queensland Chicken Meat Industry Committee. QFF also provides contracted communications support to the Queensland Dairyfarmers' Organisation.

The organisation has also continued to successfully manage a range of projects over the last year.

The rural planning project supported by the Queensland Department of Agriculture, Fisheries and Forestry continued to deliver in an increasingly important area.



QFF was the recipient of the Qld winner and national winner awards in the private sector category at the Resilient Australia Awards.

The highlight of this project saw the launch of the Planning for Healthy Agriculture document in early 2013. QFF looks forward to building on the success of this project with the recent confirmation that the project is continuing for a further two years.

QFF also completed numerous successful activities under the water project that again was supported by the Queensland Department of Natural Resources and Mines. The issues managed under this project as reported in this report have become even more complex and interrelated with energy reform. This project reflects the mutual benefits that can be achieved by working collaboratively on reform with Government, to deliver benefits to the sector and the community. It also demonstrates how in many ways a pathway to reducing overall regulatory and legislative burden on the industry does not necessarily remove complexity, rather the transition period from lower regulatory rigidity towards greater risk sharing between farmers and Government needs to be managed carefully.

The first stage of QFF's activities through the Federal Government's Reef Rescue program came to a conclusion at the end of June, although this work will continue following the confirmation earlier in the year that Reef Rescue would continue for another five years. The success of this program is well understood and it is now seen as a national benchmark for collaborative efforts on large scale natural resource management issues.

QFF is also undertaking project management duties of the Cyclone Oswald Industry Recovery Officers, a joint program funded by State and Commonwealth Governments and run in partnership with our members and also AgForce.

These projects form just a part of our overall advocacy efforts on behalf of our industry members. There remains an extensive list of issues and initiatives that QFF has managed, and delivered that go beyond the structure provided by project implementation. Our limited projects are designed to support existing policy priorities where it can be seen that the benefits go a long way beyond just implementation of policy reform for agriculture.

We are particularly proud of our work on disaster response and public communication over the past 12 months as the QFF efforts on Cyclone Yasi recovery were recognised by being awarded the winner in its category (private sector) at the Resilient Australia Awards for the project, *Taking Stock: preparing rural businesses for natural disaster and climate risk*.

The project which was also recognised at the



Winners at the inaugural Reef Rescue Awards: Barry and Leanne O'Sullivan, Bowen, Senator Jan McLucas, Cairns, David and Adele O'Connor, Springsure, Rodney Lamb, Marian, Geoff Downie, Monto, and Ian Barnes, Mission Beach.

State awards, centred on a DVD and fact sheets that were distributed to farmers in Category D impacted areas of Far North Queensland. The DVD featured FNQ farmers sharing lessons of disaster recovery and preparedness in their own words. Importantly, it built on the work of QFF's Industry Recovery Officer project, which subsequently formed the learning by which we report successive recovery programs have been modelled as reported within this document.

QFF is very proud of the work we and our members have done on disaster recovery. It would not be possible without the support of Government funding. But we wish it were not required at all, so our challenge is to learn from each event and prepare better next time. This award winning project was coordinated by QFF Communication and Policy Officer Brad Pfeffer, with audio-visual support provided by Yungaburra cinematographer Sarah Scragg. However we had valuable contributions and assistance from so many on-ground people and experts, and QFF thanks all those who assisted with this project. It is the resilience of our Queensland farmers that is to be congratulated in this regard.

While the staff at QFF provide the engine room it is the leadership provided by a relatively small number of very professional farmers that keeps us operational. I would like to thank our President Joanne Grainger, who continues to provide valued leadership to QFF, along with the support of the QFF Board and Council.

Finally, I would like to conclude by echoing the comments of Joanne that it is due to the support and enthusiasm of our members that QFF continues to be the success that it is. Without these contributions from our members and staff, QFF simply would not be what it is.

I look forward to the year ahead and continuing this work and, ultimately, continuing to deliver outcomes that make improvements to the productivity and profitability of Queensland's intensive agriculture sectors.

Water Resource Management

Activities in the area of water policy and planning have continued to focus on dealing with the implementation of policy reforms, with particular regard to pricing and planning. The work on these reforms came with support from the Department of Natural Resources and Mines, via the QFF Water project. Water pricing reforms, in particular, are raising issues requiring specific attention including the investigations into the feasibility of implementing local management in the SunWater channel schemes. In addition, QFF has dealt with a growing number of issues that are expected to have significant implications for the implementation of water reforms either State-wide or in specific areas. Examples include the annual electricity tariff reviews, regulatory reform of water legislation, the extraction and use of CSG water and flood management reforms. QFF welcomes the assistance provided by the QFF Water Policy Committee chaired by Queensland Dairyfarmers' Organisation vice president Ross McInnes in dealing with the issues arising from these reforms.

Water planning

The preparation of the draft Wet Tropics water resource plan and the Burnett water resource plan review have been important for the irrigation industries in these areas. The Wet Tropics is the last major catchment area of the State to have a water resource plan prepared. Farmers in the upper catchments were particularly concerned about how the water plan would deal with the conversion of area-based licences to volumetric entitlements and stock and domestic water requirements.

QFF and member bodies worked to ensure these concerns were fully understood during the development of the draft plan. A water management plan for the Upper Condamine Alluvium has also been finalised. This plan is recognised as an interim water resource plan under the Commonwealth Water Act 2007. This will allow groundwater users to participate in any water recovery programs that may be implemented by the Commonwealth Government as part of the Murray Darling Basin Plan.

QFF maintains contact with the Department of Natural Resources and Mines (DNRM) in regard to other planning activity including the targeted review of the water resource plan and resource operations plan for the Upper Barron groundwater and current

resource operations plans such as the Logan upper catchments.

SEQ Water Prices

The Queensland Competition Authority (QCA) final report on water prices to 2017 for rural irrigation schemes operated by SEQWater has raised questions about the future of the Lockyer Valley as a major agricultural production area for the region. The QCA found that irrigation schemes in the Central Lockyer and Lower Lockyer were well below cost recovery with the result that prices could increase in both schemes by \$2/ML per year, in addition to increases for inflation, if the Queensland Government accepts the QCA's recommendations. However, both schemes will still be well below cost recovery in 2017 and facing further price increases well into the future. The long term result is significant uncertainty for irrigators about their future water prices, knowing that they could face even greater increases in the future and therefore real questions about the economic viability of the schemes.

QCA has also recommended that water plans be completed over the next few years to allow water trading in the Lockyer and Warrill Valleys. It is hoped that trading will allow irrigation customers to sell water entitlement which they may not require, which would help them to reduce their annual water bill. Trading should also bring unused water into productive use, lifting annual average usage and so spreading the burden of scheme costs when prices are reset from 2016-17.

QFF has been vocal about water issues in the Lockyer Valley for many years. While the implementation of water plans to define water entitlements and initiate trading is important, other steps must be taken to help the Lockyer schemes to restructure to reduce

costs. In addition, QCA's pricing investigations have identified that two small irrigation schemes operated by SEQWater in the Gympie area will also need to be restructured. QFF is seeking a plan of action from the State Government to address the issues for these schemes and the Lockyer schemes.

The prices recommended by QCA for the Logan, Warrill and Mary Valley bulk supply schemes will achieve cost recovery targets during the next four years. Irrigators along the Brisbane River below Wivenhoe Dam continue to oppose the implementation of water charges.



Malanda district farmer Bryan Anderson is one of many in the region impacted by the development of the Wet Tropics Water Resource Plan.

Murray-Darling Basin Plan

The Murray Darling Basin Plan was finally approved in late 2012. The Plan stipulates that there will be 117 gigalitres of surface water removed from productive use to meet environmental requirements within Queensland Murray-Darling catchments. The target for environmental water recovery in the Lower Balonne is 100GL of which 45GL has already been removed from production. An additional 143GL is proposed for recovery across the Northern Basin for downstream environmental needs. It is proposed that for the next few years there will be further investigations into these downstream needs and how they may be sourced from the different catchments. 65GL of this downstream target has already been recovered in the NSW Northern Basin catchments. The Plan also provides for up to a 50% cut to groundwater entitlements in the Condamine Plain area.

QFF continues to push for the Murray Darling Basin Authority (MDBA) and DNRM to work closely with key stakeholder groups in the Lower Balonne, Border Rivers and the Upper Condamine to address how the plan should be implemented. Over the past twelve months, the focus of engagement by the Authority and for water recovery has been on the Lower Balonne and Border Rivers areas. There has been very little contact with the farmers who are facing significant cuts to groundwater entitlements in the Condamine Plain area.

QFF remains concerned about the slow pace of the implementation of the plan in the Queensland catchments and particularly the Condamine catchment. In particular, we want to see local groups have input to the planning of water recovery



programs, including water buy back and on-farm efficiency measures to manage for the impact that these programs could have on irrigation farming and the dependent communities. It will be necessary to address localised impacts of water recovery programs and how these impacts can be managed or adjustment assistance provided. There will also be a need to monitor to assess the results of improved environmental flows. QFF is a member of a Consultative Committee established by DNRM to advise on the implementation of the Basin Plan.



Legislation changes and regulatory reform

QFF made submissions and presentations to Committees of the Queensland Parliament over the past year in regard to proposed amendments to legislation. Submissions in the latter part of 2013 included legislative changes to allow the formation of one bulk water supply authority in south east Queensland and to disband the Queensland Water Commission. QFF also made a submission on amendments proposed to implement the recommendations of the Flood Commission of Inquiry requiring dam owners to have an Emergency Action Plan, to manage for a failure of an on-farm dam or where there have to be significant releases from dams. The new regulations affect owners of referable dams that have or may have to undertake failure impact assessments because of the risk to life and property if a failure occurs.

This year QFF made a submission on amendments to the Water Act and the Water Supply (Safety and Reliability) Act which was supportive of a range of measures to remove legislative overlap and unnecessary regulation. The legislative changes also provided for the regulation of levees to be built specifically to control the flow of floodwater. These changes were in response to the recommendations of the Floods Commission of Inquiry.

A submission was also made on measures proposed by the QCA to address the burden of State and Local Government regulation. QFF supported recommendations to establish a whole of government review of regulation to achieve a target of a 20% reduction in regulation. Priorities for review proposed by QFF included regulation for occupational health and safety, vegetation management, dam safety and water trading and use.

Local management of SunWater schemes

QFF and its member organisations have been advocating for irrigators to have a say in and more control over the way their local irrigation schemes are run. Following the QCA review of SunWater irrigation prices that ran during 2010 and 2011, QFF and our members have continued to highlight the frustrations that irrigators have had with the costs of SunWater management of their schemes, in particular for the State's eight major channel schemes. SunWater has been increasingly constrained in its ability to implement efficiencies, in the distribution schemes which has led to escalating costs and reduced water usage in some irrigation areas. QFF sees that local management can deliver efficiencies including reduced costs by ensuring that services are better aligned with what irrigation customers need in each scheme.

Following industry lobbying, the Queensland Government has agreed to a process whereby a due diligence assessment of the schemes can proceed. Extensive planning for the conduct of due diligence investigations has been undertaken in late 2012 and now interim boards have been established in each scheme to undertake the investigations into changing to local management. This is specifically for the irrigation schemes at Bundaberg, Burdekin, Emerald, Eton, Lower Mary, Mareeba, St George and Theodore. It is planned that the business proposals from each scheme will be submitted later in 2013, with a government decision on whether local management should proceed expected by mid-2014.

This is an important initiative that supports the State Government's commitment to build agriculture as one of the four pillars of the Queensland economy and the target of doubling food production by 2040. QFF believes that local management should allow the assets of these schemes to be managed efficiently for the long term, while ensuring that valuable assets are maintained to a standard required to deliver the level of service required by the irrigation customers in each area. Importantly, local management should support the development of irrigation customer enterprises and thereby encourage irrigated agriculture development and broader regional and export development.

Water and drainage boards review

Work has continued over the past twelve months on reforms to help the irrigation boards go to independent management. Investigations into the drainage boards located in Far North Queensland are focusing on options to either gain management efficiencies through amalgamation as a statutory board or disband smaller boards in favour of landowner agreements to manage drainage facilities. QFF and member organisations will continue to work with the irrigation boards and the drainage boards to progress the implementation of the reforms.

Coal seam gas development

DNRM has proceeded with investigations into the substitution and or injection of treated Coal Seam Gas (CSG) water for the Central Condamine Aquifer. The research was valuable in assessing the options and costs of a substitution and or injection program. Irrigators that use the aquifer want to see an injection program tested and implemented as it provides the best chance of securing the groundwater resource for the long term. QFF was involved in the workshops and consultations undertaken during the conduct of the investigations. The final report has been released but at this stage there has been no decision in regard to issues raised in the report.

The Department of Environment and Heritage conducted consultations into a policy for the management and use of CSG water in late 2012. QFF and AgForce worked together to provide agreed responses to the draft policy. While there were useful discussions with the coal seam gas companies regarding the management and

use of coal seam gas water during the consultations, the finally approved policy did not include reference to assigning the highest priority to using coal seam gas water to address any draw down of aquifers. QFF continues to work with farmers to address the potential impacts CSG water extraction may have on areas such as the Condamine Alluviums and how these impacts can be mitigated.

Interim boards have been established as one of the first steps moving towards local management of channel irrigation schemes. A government decision is expected by mid 2014.

Electricity tariffs

QFF made a substantial commitment this year to monitor and respond to electricity tariff reforms. QCA conducted a further annual tariff review as well as deciding that irrigation businesses can remain on transitional tariffs for seven years from 2013-14. QCA also intends to increase transitional tariffs each year to keep pace with rising costs and may make additional increases in these tariffs to contain the cost of subsidies. The Queensland Government overturned their proposal to increase transitional irrigation tariffs (Tariffs 62, 63 and 64) by 20% this financial year by capping the increase at 10%.

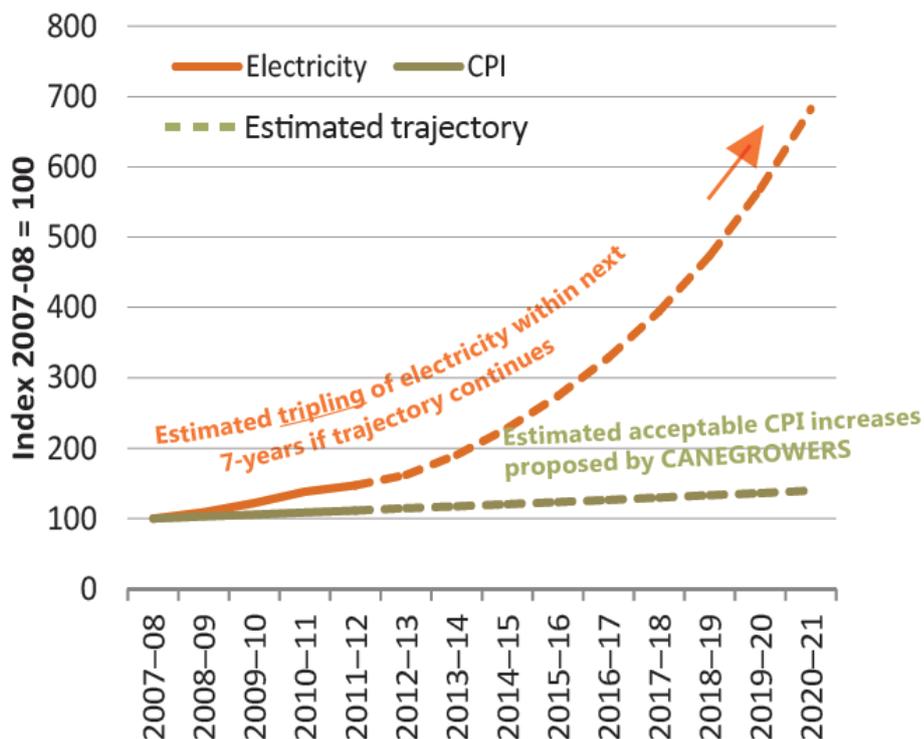
QFF lobbied that farmers could not afford the increases proposed by QCA. Farmers and irrigators have unique energy needs because of the way they use power. For example, irrigators may use large quantities of power to harvest water at certain times of the year. Other irrigators have spent hundreds of thousands of dollars gearing their farm operations to efficiently irrigate at night, when it is the most water efficient. Irrigation is about managing for variability in water supply but electricity charges will penalise this variable pattern of use. Case examples of the significant impact of QCA proposed increases were submitted for the cane, cotton, dairy and fruit and vegetable industries.

QFF remains concerned about continued electricity tariff increases to achieve transition to full cost tariffs within seven years and the impact this will have by impeding irrigation development across the state. Proposed increases will come on top of substantial electricity price increases over the past five years. The proposed seven year transitional period is too short to manage expected tariff changes. Also a lot must be done to put in place efficient electricity tariff reforms based upon competitive market structures. For example, Ergon is the only retailer in rural areas outside the south east. It will take time to encourage competition in these areas through better targeting of the payment of the State Government's subsidy. Also, the proposed tariffs to apply for irrigation businesses provide insufficient incentive for off-peak use of water. There must be a real benefit and differential with night-time tariffs. Proposals for a differential of between 2c and 5c for off-peak tariffs are inadequate.

The Queensland Government commissioned an Independent Review Panel to investigate how the costs of supply electricity could be reduced. The Government has adopted recommendations from this investigation which should lower annual expenditure and therefore revenue requirements over the next few years. However, the rate of return applied by the Australian Energy Regulator to assess network costs is very high. QFF questioned whether this rate reflects current lower government debt costs and the fact that the State Government owns the network operators. A reduction in this rate of return would help reduce electricity tariffs.

Continuing the current pattern of electricity price increases over the next few years will encourage some farmers to reduce the use of electricity by relying more on natural rain events and or by reverting to the use of diesel. Others will have no option but to continue use energy at peak seasonal times. Government planning will need to take into account how significant contractions in electricity consumption can be handled to protect customers against further price increases if network assets are not re-valued or the costs of stranded assets have to be recovered.

The current annual pricing process provides no certainty for farmers to plan for the impact of electricity price increases. Without better advice regarding the implementation of tariff reform, irrigators have no option but to assume a continuation of the current pattern of excessive increases.



CANEGROWERS estimates on electricity prices in the future.

Rural & regional planning

The Rural Planning Project was initiated in 2011 to improve the capacity of rural industries to engage in local government and regional policy and planning initiatives. Funding was provided by the Queensland Government through the Department of Agriculture, Fisheries and Forestry to support QFF and AgForce. The first phase of the project was completed in November 2012. The objectives of the project were to:

1. Promote the agricultural sector in planning processes to enhance the security, sustainability and profitability of producers.
2. Analyse current State, regional and local planning policies, environmental impact statements and other relevant government policy to understand and advise on the implications for Queensland's intensive and extensive agricultural industries.
3. Develop a coordinated response to assist State and local government and other key stakeholders in future policy decisions. Recommendations should promote the agricultural sector within a planning context for the long term, promote sustainable management of agricultural lands, minimise land use conflicts and effectively manage the urban rural interface; and
4. Provide support for agricultural industry specific projects in relation to land use policy and planning issues.

The project delivered six separate outputs which are available on the QFF website www.qff.org.au.

1. Stakeholder engagement plan

A stakeholder engagement plan was prepared following extensive discussions with a wide range of stakeholders and analysis of their roles, interests and needs.

2. Information for local government

QFF teamed up with the Local Government Association of Queensland (LGAQ) to produce a series of applications which were distributed to all new Councillors for use on iPads as a training exercise.

3. Guide to regulations for graziers, and Guide to regulations for primary producers

An analysis of current State, regional and local planning policies, environmental impact statements and other relevant government policies was undertaken to understand and advise on the implications of these for Queensland's intensive and extensive agricultural industries.

To document the range of regulations and policies impacting on the wider primary production sector, the project worked with the Department of Agriculture, Fisheries and Forestry to prepare a guide on the range of planning and environmental management regulations affecting the sector.

4. Agricultural planning case studies

A number of case studies involving agricultural developments and planning processes were used to illustrate some of the difficulties agriculture experiences in these processes.

5. Guiding principles for planning for agriculture

The project sought to develop a statement of interests to identify the interests of the agricultural sector (QFF and AgForce) to inform land use policy and State and Local government planning processes. This has been done firstly by developing a definition of 'agriculture' that reflects the broad range of activities and connections of agriculture in the economy and society.

This definition links to the definitions of agricultural activities in the Sustainable Planning Act 2009. Secondly a list of nine issues were identified that needed to be addressed through planning processes; and thirdly, a set of statements of principle and implementation steps were developed for each planning issue. The definition and principles were considered and adopted by the QFF Council in August 2012.

** Continued next page.*



6. Toolkit for planning for healthy agriculture

A major achievement of the Planning Project has been the production of a land use and economic planning blueprint to ensure that the needs of agriculture are properly addressed in planning processes and that agriculture can play its role in meeting the needs of a food-hungry world.

The toolkit for 'Planning for Healthy Agriculture' is an Australian first in setting out the requirements for agriculture in the face of fierce competition for land



from urban and mining development. As one of the four pillars of the Queensland economy, agriculture must be part of the land use planning framework and this document spells out what must be done if this sector is to thrive and expand into the future. The toolkit will provide valuable assistance to planners at both the State and local government level

by providing techniques and methods to ensure that both existing agricultural areas and areas needed for future expansion are recognized and supported by statutory planning schemes.

The toolkit sets out nine principles that should be applied to land use planning to address the needs of agriculture. These include the major need of the sector for access to the natural resources such as land and water for production, but also include the need for infrastructure (transport, energy and communication), the need for sustainable natural resource management and the social infrastructure needed to support rural communities. The vexed issue of land use conflict with incompatible uses such as residential and mining is also addressed as is the need for policies to recognize the diversified enterprises that increasingly represent the face of modern agriculture as farmers seek to include value-adding, processing, retail and tourism activities to their enterprises. An important part of the toolkit is the use of examples and case studies to illustrate how the principles have already been implemented in key areas of the state.

This broad view of the needs of agriculture places agriculture on the same plane as other economic

drivers such as property development, mining and tourism. Agriculture should not just be treated as an established industry whose needs have been met by past investments, but as a changing, innovative industry with the same planning and infrastructure needs as other industries.

The toolkit is available on the QFF website www.qff.org.au then follow the links from policy-projects, our work, planning.

New QFF Planning Project

Phase two of the QFF Planning Project began in July 2013 and will run for a further two years with funding from the Queensland Department of Agriculture, Fisheries and Forestry. This phase of the project will continue with the same objectives as phase one but will have a new set of proposed deliverables. These are to prepare:

1. Practical guidance to assist industry and local government to apply the planning principles in the Toolkit for Planning for Healthy Agriculture prepared by QFF to local government planning schemes and regional plans;
2. Guidelines to assist industry and local government to apply the agricultural mapping products from the Agricultural Land Audit in land use planning processes;
3. Guidance material to assist industry and local governments to implement the planning policies identified in the single State Planning Policy, including the SPP guideline: Supporting and protecting agriculture that is under development by the State Government;
4. Practical guidance to help implement positive protection standards for agricultural enterprises and resource activities, including tools to help farmers understand and implement any land use requirements under the new statutory regional plans; and
5. Assistance to industry to develop practical strategies that integrate the agricultural land use planning policies in the single State Planning Policy with the objectives of the draft Agriculture Strategy, to help achieve the Queensland Government target of doubling the value of agricultural production by 2040.

* *Continued next page.*

Current Planning Issues

QFF has been monitoring significant reforms to the planning framework being administered by the State Government. These reforms include the drafting of a new single State Planning Policy and the preparation of new regional plans for the Darling Downs and Central Highlands.

State Planning Policy

As part of the State Government's planning reforms, the previous set of separate State Planning Policies are to be revised and replaced with a single State Planning policy that reflects the State's interests in planning.

State Planning Policies (SPP) are significant planning instruments under the Sustainable Planning Act 2009 that provide guidance and standards on how local planning schemes prepared by local governments and regional plans prepared by the State government must address issues that are considered to be 'State interests'. For some state interests there are standard assessment codes for the assessment by local government of development proposals that affect one or more state interests.

Under the existing SPPs, the interests of agriculture have been addressed in policies aimed at protecting the land resources required by agriculture from the encroachment of urban, industrial or rural residential development that would take land out of production. These were SPP 1/92: Development and the conservation of agricultural land that expired in December 2012 after 20 years of operation; and SPP2/12: Protection of Queensland's strategic cropping land. The interests of intensive animal industries are also addressed in SPP 5/10: Air, noise and hazardous materials which includes policies on separation areas between these uses and sensitive land uses.

The State Government released a discussion paper in November 2012 on the proposed state interests and in April 2013 released a draft State Planning Policy for public consultation. The draft SPP proposes 18 state interests arranged under five themes and has reformatted the existing SPPs using a consistent format, terminology and structure. QFF has supported the consolidation of the SPPs into a single consistent document but has expressed concern that the policies on agriculture are incomplete

as the necessary guidelines and mapping to define areas to be protected as a state interest were not released with the draft SPP.

The final SPP is expected to be released in November 2013, when all existing SPPs will be replaced. QFF is working with the relevant State agencies to ensure that the guidelines and mapping provide adequate protection of the natural resources on which existing and future agricultural production depends.

Regional Plans

Draft regional plans for the Darling Downs and Central Queensland were released for public comment on 28 June 2013. These draft plans provide another part of the framework for protecting agricultural land from the expanding resources sector, although as for the single SPP, significant parts of the framework are still to be developed before they will have an effect.

QFF supports the principles of the regional plans and their development, and will be involved with member bodies in the consultation process so that the plans can be finalised to deliver on these principles to the fullest extent possible.

The draft plans place a high priority on agricultural land uses and associated resources and they are intended to provide protection of the sector and ensuring sustainable coexistence with compatible resource activities.

The draft plans identify Priority Agricultural Areas and aim to protect Priority Agricultural Land Uses within these areas, however there remains a question around exactly how this prioritisation would be implemented. For example it appears that the Priority

Agricultural Areas omit some important agricultural areas identified in the State Government's agricultural land audit.

Implementation of the draft plans will require the drafting of legislative amendments to the Strategic Cropping Land Act 2011 and potentially through broader land access negotiations and the issuing of environmental authorities for specific resource activities. QFF believes there is a risk that implementation of these new policies will rely on legal processes between resource companies and landholders that will potentially be very costly to landholders.

QFF supports the principles of the draft regional plans and their development for the Darling Downs and Central Qld, and will be involved with members in the consultation phase.

Vegetation management

QFF has continued to work with the State Government on important policy changes surrounding tree clearing and vegetation management throughout the previous 12 months.

Up to December 2012, QFF continued its work under its Vegetation Management project, which was aimed at assisting landholders in the State's intensive agriculture industries to understand the Regrowth Code and other important issues surrounding vegetation management laws. The project ceased in 2012, although QFF's work in this important policy area has continued.

In May 2013, the State Government passed changes through Parliament via the Vegetation Management Framework Amendment Bill (2013). These changes were announced in March and were scrutinised by a Parliamentary committee.

The changes have been applauded by landholders as restoring the balance that had clearly swung away from them over the last 15 years – and they also worked to amend what have been almost universally despised laws among rural Queensland. And this was because the Vegetation Management Act took away farmers' rights to sensibly manage their land and failed to acknowledge the hard work that the vast majority of farmers do to implement sustainable practices.

It may not be widely understood by some in Brisbane, but for many farmers, farming is a generational activity, not simply a job, so farmers of course have a very strong interest in seeing the environment and their farm working harmoniously. Ultimately, it is what happens on the ground on farms that matters, which is in many ways what the

State Government has understood and acted upon by enacting laws that give landholders a greater say over their own future.

Just one example from one of our member industries includes a horticultural producer with a centre pivot irrigator that currently cannot complete a full circle because of only one or two trees blocking its path. He expects he would be able to clear these trees under the changes, making for a much more efficient farming system, but with minimal to zero environmental consequences.

Other changes could see trees cleared in some areas for the development of high value agriculture, but QFF would not expect that this would in any way mean an opening of the door to broadscale clearing. It would be for verified development opportunities and would still need to be viewed through the lens of all the other economic costs of new development. The changes to the Act are a fundamental step forward that recognise the importance of agriculture to our State's economy, and the increasingly important role that it will play in the future when the mining boom eventually fades.

QFF has been working with our members and the State Government to negotiate the codes and assessment standards that will be required to meet with these new provisions becoming fully operation in late 2013.

Looking ahead, it is clear that changes will need to be communicated to and understood by farmers. QFF looks forward to working with the State government to see that farmers fully understand the changes and can work toward creating sustainable development opportunities.



Reef Rescue & Reef Policy

The Reef Rescue program takes a coordinated approach to restoring the health of Australia's environment and is a five year, \$200 million investment by the Australian Government under its Caring for our Country initiative.

For the past 5 years QFF, on behalf of all rural industries engaged in Reef Rescue through a contract with the Australian Government to coordinate the activities of the Reef Alliance under Reef Rescue. The Reef Alliance is a network of industry and regional Natural Resource Management (NRM) groups who voluntarily come together to discuss the efficient delivery of Reef Rescue programs.

Key Achievements of the Reef Rescue program include:

- 2100 farmers have improved their fertilizer and pesticide applications and soil management techniques.
- More than 800,000 hectares of farmland are under improved management.
- More than 1100 graziers have received grants to improve water quality.
- Graziers are on their way to improving ground cover and reducing sediment entering rivers over 1.5 million hectares of the total 7 million hectares that they own, manage or lease.

The Reef Rescue program one concluded in June 2013 and the government's commitment to another \$98 million of grants and partnerships until June 2018 should enable more landholders to undertake on-ground water quality improvement projects over more areas.

The success of the program is widely acknowledged and celebrated for the collaborative and proactive partnerships it has created with farmers, scientists and natural resource management professionals working collaboratively on this complex state wide program.

In addition, all stakeholders acknowledge that striving for improved outcomes for the Reef is a moving target and that there is more work to be done. Rural industries understand the important role that farmers play in both growing food and fibre and at the same time protecting the water quality of the Great Barrier Reef.

The outcomes of Reef Rescue to date would not be possible without committed land managers and the financial support of the Australian Government.

Reef Awards

The inaugural Reef Rescue Awards concept was developed by QFF and the Regional Groups Collective to showcase the very best of the work that Queensland farmers have undertaken under the successful Reef Rescue program. The Awards were

held in conjunction with the Reef Science Water Quality Forum in Cairns and awarded winners in the categories of dairy; grazing; grain; horticulture; and sugarcane.

The top achieving farmers were unveiled at a ceremony in May and recognised for their outstanding achievements through involvement in the Reef Rescue program, by completing on farm projects that have delivered substantial environmental outcomes and also improved farm productivity.

Under such a successful program as Reef Rescue, which had driven widespread practice change and innovation, the winners are standout champions of the program, and are prime examples of why it has been such a huge success since it began in 2008.

The winners were awarded by commodity:

- **Dairy: Geoff Downie, Monto.**
- **Sugarcane: Rodney Lamb, Marian.**
- **Grains: David and Adele O'Connor, Springsure.**
- **Grazing: Barry and Leanne O'Sullivan, Bowen.**
- **Horticulture: Ian Barnes, Mission Beach.**

The awards gave recognition to farmers and graziers who had worked hard on changing management practices for the better. Monto dairy farmer Geoff Downie was one of the winners, and he has completed a number of great projects at the family's property, including a very impressive creek crossing that keeps his cows healthy and out of the mud and water, and also improves water quality in the creek.

Across the winning categories, these are all leading farmers and have made significant contributions of their own funds to improved practices. QFF and RGC hope to continue the Reef Rescue awards events in program 2.



Mission Beach banana grower Ian Barnes won the horticulture category at the Reef Rescue Awards.

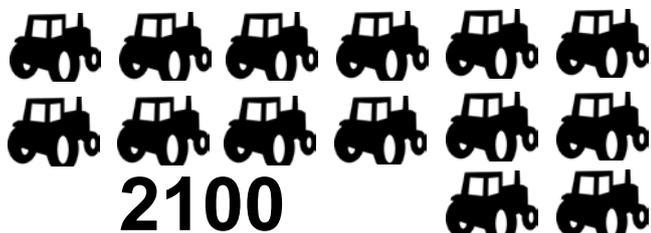
Reef Rescue – looking ahead to program 2

In April 2013 the Federal Government announced a \$200M commitment to Reef Rescue and proposals under the program. The funding commitment represents a significant success for the campaign to convince the Government of the merits of the program.

QFF has worked with Members and partners in the NRM regional bodies to coordinate proposals under the program. Beyond the coordination of regional body and industry applications QFF has also directly sought to receive funding and in collaboration with the RGC continue our role within the Reef Alliance. The Reef Alliance is a partnership of six regional natural resource management (NRM) bodies and five industry organisations, which have come together to promote the delivery of programs to improve end of catchment water quality and accelerate the uptake of sustainable farming practices under Reef Rescue.

The principle activities proposed include:

- Ensuring that there is a constructive and continuous dialogue happening between new and existing partners;
- Providing a point of contact for partners and external stakeholders around issues of concern;
- Convening meetings of the Reef Alliance (leadership group) and the Reef Operatives (implementation group);
- Participating in working groups and committees on the development of other elements including R&D and monitoring and evaluation) and the broader implementation of the new Reef Water Quality Protection Plan 2013;
- Disseminate key findings and progress through a suite of communication activities and products including articulation of mutual benefits;
- Meeting and reporting regularly to Federal and State officials about progress with the partnership, including identification and resolution of issues of concern;
- Providing a forum for materials to be shared to



The number of farmers who have improved their fertiliser and pesticide applications and soil management techniques.



allow for consistency of roll out between industry and regions, and providing feedback to partners; and

- Communication activities to promote the outcomes of the Reef Rescue program to industry and the community more broadly including the Reef Rescue Awards.

The successful continuation of Reef Rescue will allow agricultural communities in Reef catchments to build on the successes over the last five years.

Reef Plan and Reef Report Card

The latest State Government report card on the health of the Great Barrier Reef has been released, compiling data current up to 2011. The report card shows the severe impact of the 2010/2011 flooding upon the Reef and generally raises a number of alarm bells for improvements needed to protect the Reef. However, the Reef Rescue program has been widely praised as being one of the most successful initiatives that is making improvements toward Reef health. The report card is another important tool for assessing Reef health and determining future actions on Reef policy.

Meanwhile, the Reef Water Quality Protection Plan (Reef Plan) was also released earlier this year alongside the release of the Report Card. Reef Plan is a bilateral agreement between State and Federal government, which binds them to funding and collaborative actions to deliver agreed targets for water quality improvement on the Reef. This is the third iteration of such a plan and while industry is not a signatory, we are critical players as farmers and regions are directly affected by the investments made under Reef Plan. Further, through Reef Rescue, farmers and industry deliver a huge component of the results required by Reef Plan. The Plan is targeting water quality and catchment outcomes by 2018 of:

- At least a 50 per cent reduction in anthropogenic end-of-catchment dissolved inorganic nitrogen loads in priority areas.
- At least a 20 per cent reduction in anthropogenic end-of-catchment loads of sediment and particulate nutrients in priority areas.
- At least a 60 per cent reduction in end-of-catchment pesticide loads in priority areas.
- 90 per cent of sugarcane, horticulture, cropping and grazing lands are managed using best management practice systems (soil, nutrient and pesticides) in priority areas.
- Minimum 70 per cent late dry season groundcover on grazing lands.
- The extent of riparian vegetation is increased.
- There is no net loss of the extent, and an improvement in the ecological processes and environmental values, of natural wetlands.

QFF has continued its role on Reef Plan related committees such as the management practices adoption group and reef partnerships committee.

Workforce and skills policy

Rural Skills, Training and Workforce Development

QFF and many of our members have been actively involved in a wide range of staff attraction and employment issues since 2008, but QFF was only able to provide “a watching brief” in 2012-2013 due to its own funding and staff restraints.

Nonetheless, QFF and our members were active participants in the Queensland Skills and Training Taskforce processes, which resulted in a comprehensive set of recommendations to reform Queensland’s VET sector and associated TAFE infrastructures.

Premier Newman, Minister Langbroek and Assistant Minister Rice formally committed the state government to these changes when they launched the five-year *Great Skills. New Opportunities* plan in June 2013. While these changes bring Queensland more fully in to line with national training reforms, it also means we will see more changes in how Agriculture, Horticulture and Conservation (AHC) training packages are funded and delivered into the future.

The key to these changes is the 180 degree shift from course completions to industry employability as the measure of success. But for this to work, industries will need to take a much more active interest in what the education and training sectors are doing. The buzz words for this are “deep industry engagement” and all involved recognise that it is not a costless exercise and will need resourcing if professional engagement is to be secured.

To facilitate industry input into this ongoing process of training reform and restructure, QFF has been working with governments and the training industry to ensure we are appropriately structured to achieve that outcome. This has involved sometimes difficult negotiations but we did manage to get a strong joint statement of intent between QFF, AgForce and QRITC to position rural industries to better perform Industry Skills Body (ISB) functions for rural industries. The follow-up actions have been more drawn-out than desired but reflect the challenges of change. Further critical actions will be taken early in 2013-2014 to achieve effective industry engagement with the training sector.

We have also assisted Minister McVeigh and his department cover specific issues relating to the operations of the Australian Agriculture College Corporation (AACC) and more broadly the

Agriculture, Fisheries and Forestry Skills Industry Advisory Group (known as ‘the IAG’). This first task involved reviewing the specially commissioned Ernst & Young report on AACC’s operations and facilitating some of the community re-engagement to get AACC delivering rural skills needed by industries who will employ their “jobs ready” graduates.

With management and governance now back in the hands of “locals” we are hopeful AACC will deliver more appropriate training for the market place, something QFF and our members have been advocating since the strategic review in 2010, and by seeking fee-for-service courses that our industries need on an annual basis.

Since this is consistent with the broader reforms noted above then this should be the outcome as the VET market moves to be fully contestable by 2015.

QFF will also continue to support Minister McVeigh’s interests in developing rural workforces to facilitate the doubling of production by 2040. This will require ongoing engagement with industry and the funding of appropriate activities that support rural workforce development from the earliest opportunities in schools through to tertiary and technical training. It also requires considerable inter agency efforts to put dollars where they are effective and industry does need to engage with those agencies to ensure this happens.

Indigenous Employment Initiatives

QFF and some of our members have worked closely with the Newman government and the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs to develop an “operational action plan” to help rural industries attract suitably trained and job ready indigenous Australians into rural jobs and to achieve increased economic participation for these people in the four pillar Queensland economy.

This culminated in the signing of a Memorandum of Understanding (MOU) in March 2013 formalising partnerships between the Queensland Government and the agriculture industries to create participation and employment opportunities in Queensland’s rural industries and associated agribusinesses for Aboriginal and Torres Strait Islander peoples.

The key to these changes is the 180 degree shift from course completions to industry employability as the measure of success

The MOU commits the Queensland Government to work in partnership with QFF and its members to identify and create sustainable economic development and employment opportunities that will contribute to building strong and sustainable Aboriginal and Torres Strait Island families and communities in Queensland. This will be achieved through joint efforts to overcome structural impediments within the agricultural sector and build the capacity of Aboriginal and Torres Strait Islander Queenslanders through:

- education and training (including work readiness);
- employment in the agricultural sector; and
- enterprise and business development via workforce development initiatives.

While it is still early days we have so far been involved in two regional forums at St George and Cotton Australia is hopeful of some constructive outcomes. Similarly CANEGROWERS are hopeful of some early positive actions in the Herbert River region.

Farm Business & Economics

National Drought Policy Reform

The long drawn out process to reform drought programs has moved a little closer with the Australian government budgeting \$99.4 million for key changes to commence 1 July 2014. While this is significant in that it provides a degree of certainty for farmers, it also requires changes at the state level which so far have not been forthcoming. Also, the national program changes will require intergovernmental agreements which will likely incorporate the mutual obligation elements of these changes and so far these have not been drafted or discussed with industry.

Effective next year, assuming the Farm Household Support Act is appropriately amended, there will be five new components for the first three years of national drought programs as follows;

- A new Farm Household Allowance (FHA) to replace the former Exceptional Circumstances Relief Payment (Newstart equivalent),
- Strong promotion of Farm Management Deposits (FMDs) and taxation measures that assist farm business management,
- A national program for farm business training,
- Coordinated social support services for rural regions,
- Government supplied tools and technologies to support farmer decision making.

Queensland Farm Finance Strategy (QFFS)

As observed last year, one important consequence of any natural disaster is the heightened financial pressure it creates if it coincides with further tightening of the credit and loans management practices. This has been particularly relevant to farmers hit by two natural disasters in three years and/or industry market pressures such as those in cattle, dairy and some horticulture businesses. As part of our service to industry QFF maintains an open dialogue with banks and the Australian Bankers Association to ensure open and constructive conversations about market realities and the need for lenders and borrowers alike to be prudent in managing business obligations.

While an update of the Queensland Farm Debt

survey will not occur until later this year there has been ample evidence that rural debt levels are rising and asset values are declining creating increased pressures to consolidate loans and business structures. While this may not be a consistent trend across all rural industries it certainly has been the case for Queensland's cattle industry and this was clearly the motivation behind then Treasurer Wayne Swan's Rural Finance Roundtable in Brisbane in October 2012. QFF director and farmer John Bishop was one of 25 invitees and he noted that much of the alleged frustration with inflexible bankers arose from misunderstandings about how the Queensland Farm Finance Strategy (QFFS) works if debt restructuring is necessary. The Roundtable was followed up with a QUT Workshop which undertook to provide Treasury with options for further investigation.

This has ultimately resulted in the recently announced special Farm Finance Package which provides \$60 million over two years for each state to use for selected debt restructuring at reduced interest rates. As part of this exercise QFF has provided advice to government officials seeking to put in place a standardised process for rural debt restructuring and mediations. QFF will continue to monitor these developments to ensure factual and transparent information is used to assess the financial markets dealings with Queensland farmers and the agribusiness sector and to identify any unintended distortions that may arise from these interventions.

QFF has been a principle player and promoter of the Queensland Farm Finance Strategy since 1996 and it remains a sound model for achieving best practice in debt management, especially if restructuring is required for whatever the reason. It is timely to remember that the QFFS protocols are based on well documented business plans and open two-way communications between the parties, with the important backup of independent third party advice where appropriate.

Communications

The previous 12 months have marked another important and busy year for QFF's communication activities.

As always, QFF has continued to focus its media attention on the core issues impacting Queensland's intensive agricultural sectors. These primarily include: electricity prices; water prices; drought policy and associated issues; natural disaster impacts, recovery and assistance measures; water prices; environmental stewardship; and workforce development issues.

In addition, QFF has played an important role in responding to a number of important State Government policy issues and announcements that have occurred over the last 12 months. These have included the government's work on its Agriculture Strategy, land audit, single state planning policy, reforms of the VET sector and ag colleges, changes to the Vegetation Management Act and water issues such as the release of water allocations in Queensland's Gulf Country.

QFF has taken a considered and generally supportive approach to the Newman Government's policy issues, which although at times have needed more detail, have been of a positive intent for the agricultural sectors of the State. QFF continues to support the State Government's aim of doubling agricultural production by 2040 and sees that the release of the Agriculture Strategy lays the very first steps toward achieving this goal. QFF continues to hold the government to account on important policy issues, and uses the media to assist with this, where appropriate.

QFF continues to use new media channels to communicate with its members and stakeholders, as well as helping agricultural industries connecting with new audiences. The QFF Twitter

account continues to grow by about 2.7 followers per day and is now at over 1500 followers. This important communications device allows QFF to quickly respond to important issues and engage with stakeholders, and QFF encourages all of our members and staff to be involved with Twitter as it continues to grow in its patronage. QFF was able to use Twitter to communicate important information during the Australia Day flooding weekend, and importantly was able to gather information from Twitter on the impact of the disaster directly and faster than it was able to be gathered via other channels.

QFF has also developed a number of online videos over the year. This has included sub-contracted work to the Queensland Dairyfarmers' Organisation (QDO) for a series of videos on farmers who have participated in the Reef Rescue program.

QFF was also contracted by SEQ Catchments to produce three short videos on some of the basic considerations and explanations of the Carbon Farming Initiative. These videos helped provide a basic explanation of what is for many farmers an uncertain policy area.

Weekly Bulletin

The QFF Weekly Bulletin is delivered each Monday to thousands of key stakeholders across the State and country. It is sent to our members, journalists, farmers, government staff, politicians and political staff, rural organisations, and other key decision-makers. The bulletin is a key platform for delivering messages on policy areas that impact us and our members. It is read by a wide audience and is an opportunity for us to note our achievements and to advocate for change. It is also an opportunity for us to promote the activities of our members.



Weekly opinion article

QFF continues to contribute a weekly column to the Queensland Country Life and in the last year has also initiated a fortnightly column in the Rural Weekly. These articles by president Joanne Grainger allows us to communicate to a wide audience the important issues that are impacting our members and the Queensland agricultural sector. They provide an important source of QFF policy information and an avenue to communicate important rural issues.

QFF website

The new QFF website continues to be a successful communication tool for QFF, and is often attracting

30 percent more traffic than the previous incarnation of the site. QFF continues to ensure that it is current and a useful source of information. It proved itself to be a useful communication tool after the flooding and for promoting the Industry Recovery Officer program.

Radio

QFF continues to place a high importance on engaging with radio journalists, ensuring efficient use of QFF resources and a wide reach for the QFF message, to both regional and urban stakeholders. This includes numerous radio interviews with ABC rural (Country Hour), regional ABC networks, and ABC 612 Brisbane.

PIARN masterclass

THE Primary Industries Adaptation Research Network (PIARN) held its second masterclass across 2012-2013, with QFF Communications and Policy Officer, Brad Pfeffer, participating. The course commenced in November 2012 with a three-day information session at South Australia's Barossa Valley, viewing the unique climate challenges facing that region. It was followed by three days of policy-focussed work in Canberra during February 2013, and a subsequent three days looking at northern agricultural systems in Townsville in May, 2013.

The masterclass brought together 16 agribusiness professionals from a variety of backgrounds across the primary industries. Participants included farmers, researchers, policymakers and research managers from around Australia and New Zealand.

The 2012/13 program builds on the highly successful inaugural Master Class (2011/12) - a PIARN program aimed at building the skills, knowledge and networks of people who will be leading or applying adaptation research in the critical

years ahead.

Structured as a series of three-day modules held in different locations across rural and regional Australia, the Master Class allows participants to find out how research, policies and new knowledge could help the primary industries manage climate change risks and opportunities.

The program has been designed to build knowledge and capacity in climate change adaptation research and action. It also aims to help close the communication gap between researchers, policy makers, funding organisations, industry professionals and producers, fostering productive networks and building capacity and knowledge in each of these sectors.

QFF Communications Officer Brad Pfeffer said the Masterclass was an opportunity to learn about the country's wide and varied agricultural systems, as well as reinforcing the challenges faced in Queensland.

"The networking opportunities across the group were extremely valuable, as were the contacts made with researchers and policy makers in Adelaide, Canberra, and Townsville. The biggest challenges typically posed to Queensland farmers is climate variability and climate shocks, and this course helped all participants understand how climate change fits into that context.

"It was also valuable to provide an industry voice during the Masterclass to ensure that the discussion continued to understand the real needs and challenges of farmers."



QFF communications and Policy Officer Brad Pfeffer chats with Professor Snow Barlow on the PIARN Masterclass at a broadacre grain farm in the Barossa Valley.

Cyclone Oswald floods

Tropical Cyclone (TC) Oswald developed in the Gulf of Carpentaria and crossed the western coast of Cape York Peninsular north of Kowanyama on January 22 as a Category 1 system. Weakening to a low pressure system, ex-TC Oswald moved south, producing extremely heavy rainfall and damaging winds in the area between Rockhampton and northern NSW. Widespread impact was experienced including severe storms, flooding, and tornados, with the most severe impacts centred on the Bundaberg and North Burnett regions. By 30 January, the system had travelled more than 3000 km and its remnants passed south of Sydney, into the Tasman Sea.

Tragically, six people died from flood-related incidents. Thousands of homes were destroyed; roads and rail networks were closed; significant disruption to power, gas, water, sewerage and communication systems was experienced; patients from Bundaberg Hospital were evacuated; schools were closed and several swiftwater rescues had to be undertaken.

The Bureau of Meteorology measured a number of new rainfall records. While the economic extent of ex-TC Oswald's impact has not been fully assessed, the original estimate of \$2.5 billion is being revised to upward of

\$3 billion.

Impacts on the Queensland agricultural industry included loss of existing crops and livestock, loss of on-farm infrastructure, and the costs associated with returning to full production including replanting, restocking and re-fencing. Most of the crop losses were sugar cane, citrus crops planted near Gayndah, and cotton and other summer crops grown in central Queensland and on the Darling Downs. Southeast Queensland sustained heavy damage to horticulture, dairy and pasture farms. There were also stock losses in the pig, dairy and beef industries in these areas.



The floods were estimated to have caused \$300 million crop and stock losses alone.

The financial cost to the agricultural industry was originally estimated as being in excess of \$50 million and potentially exceeding \$100 million. Based on industry data and government analysis the Queensland Department of Agriculture, Fisheries and Forestry reported the cost of crop loss and damage from waterlogging, yield reductions and quality downgrading, and livestock loss in the order of \$300 million (AgTrends update April 2013). This did not include cost estimates of damage to infrastructure (such as pumps, pump stations, storage dams, banks, levies, tail drains and head ditches) which are likely to be equally as high.

Flood recovery measures

Natural Disaster Relief and Recovery Arrangements (NDRRA) were progressively activated in 54 local government areas (LGAs), commencing in February 2013. Under these arrangements, eligible Queensland farmers and small businesses qualify for a range of measures:

- Category B – Natural Disaster Assistance. Concessional loans of up to \$250,000 are available for primary producers and small business for recovery efforts. Freight subsidies are also available for primary producers.
- Category C – Special Disaster Assistance. Clean-Up and Recovery Grants are available for primary producers and small businesses. Grants of up to \$25,000 are available to assist eligible primary

producers as follows (following page):

- o An initial grant of up to \$5,000 to assist with immediate recovery.

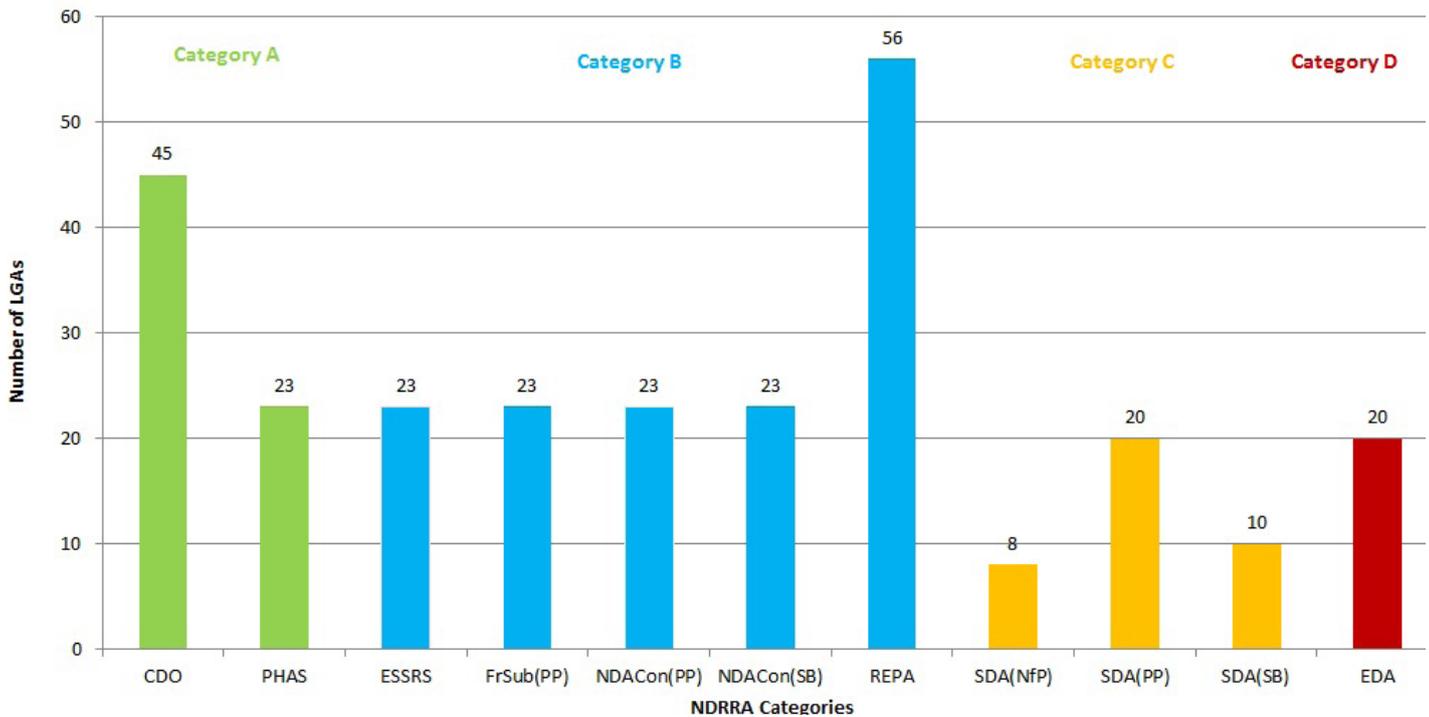
- o A subsequent grant of up to \$20,000 to recover costs that have been paid in order to repair direct flood damage.

- Category D – Exceptional Disaster Assistance Scheme. Primary producers and businesses who have suffered extreme flood damage in selected Local Government Areas may be eligible for a loan / grant package of up to \$650,000 (with a grant component of up to \$50,000). This is intended for applicants that suffered extreme damage such that the existing concessional loan and recovery grants under NDRRA category B and C are insufficient to support recovery.

The graph below shows the number of Local Government Authorities (LGAs) included in each of the NDRRA categories. The figure below shows those LGAs in which NDRRA Category C and D Relief Measures were activated.

The majority of Category B – Special Disaster Assistance (Clean-Up and Recovery Grants) for Primary Producers was activated in January 2013 with the exception of Central Highlands and

Goondiwindi Regional Councils in February 2013, and Hinchinbrook Shire Council in March 2013. Category D – Exceptional Disaster Assistance Scheme was activated for all 20 LGAs in February 2013 and extended to the entire Rockhampton Regional Council in July 2013. Amendment to the detail of the activations was an ongoing process until mid-July requiring 29 versions of the published map.



Number of LGAs activated for each NDRRA Category for Tropical Cyclone Oswald as per Version 28 (3 May 2013)

Guide to categories:

- Category A** CDO Counter Disaster Operations
- Category A** PHAS Personal Hardship Assistance Scheme
- Category B** ESSRS Essential Services Safety & Reconnection Scheme
- Category B** FrSub(PP) Freight Subsidies for Primary Producers
- Category B** NDACon(PP) Natural Disaster Assistance (Concessional Loans) for Primary Producers
- Category B** NDACon(SB) Natural Disaster Assistance (Concessional Loans) for Small Business
- Category B** REPA Restoration of Essential Public Assets
- Category C** SDA(NfP) Special Disaster Assistance (Clean-Up and Recovery Grants) for Non-Profit Organisations
- Category C** SDA(PP) Special Disaster Assistance (Clean-Up and Recovery Grants) for Primary Producers
- Category C** SDA(SB) Special Disaster Assistance (Clean-Up and Recovery Grants) for Small Businesses
- Category D** EDA Exceptional Disaster Assistance Scheme

* Continued from previous page

The lack of transparency in the process of activation is a continuing frustration for QFF. QFF could better support this process and the subsequent eligibility of farmers for assistance if it were able to provide appropriate information. There are mixed views amongst QFF's members about the suitability of using LGAs as the boundary for activations. For flood events, river catchment boundaries would better reflect the geographic area inundated. However since this flooding was accompanied by very strong winds, the effect on crops was experienced outside of catchment boundaries.

QFF has continued to use formal committees to draw government's attention to the effect of these policy issues on the farm. Other issues QFF is raising

through this forum include:

- The need for improved risk management for agricultural industries to increase the effectiveness of disaster response in the critical period immediately following an event.
- Continued review of the NDRAA program to ensure equity in application and appropriateness of scheme guidelines. Of particular concern is the tightening of the definition of repairing or restoring agricultural land. Category C grants now exclude the purchase of seed, fertilizer and herbicide to facilitate replanting and regeneration.
- Improved information systems to assist with identification of primary producers and small businesses affected by a natural disaster as well as cataloguing of contacts and recovery status.

Local Government Areas activated for NDRRA Category C* and D Relief Measures for ex-Tropical Cyclone Oswald and associated flooding (21-29 January 2013).

Banana Shire Council ¹
Bundaberg Regional Council
Central Highlands Regional Council ²
Fraser Coast Council
Gladstone Regional Council ³
Gold Coast City Council ⁴
Goondiwindi Regional Council
Gympie Regional Council
Ipswich City Council ⁵
Lockyer Valley Regional Council
Logan City Council
North Burnett Regional Council
Rockhampton Regional Council
Scenic Rim Regional Council
Somerset Regional Council
South Burnett Regional Council
Southern Downs Regional Council ^{6,7,8}
Sunshine Coast Regional Council
Toowoomba Regional Council
Western Downs Regional Council ⁹

1 SDA and EDA activation is limited to the portion of the Banana Shire Council that is:

- West of the Callide and Auburn Ranges; and
- East of the Banana and Cooper ranges and then east of the Baralaba-Rannes Road.

2 SDA and EDA activation is limited to the portion of the Central Highlands Regional Council that is:

- South of the Fitzroy River and the northern boundary of the Wooralinda Aboriginal Shire Council area; and
- East of the Duaringa-Baralaba Road including all of the Roxborough Property.

3 SDA activation is limited to the Boyne and Baffle Creek catchments of Gladstone Regional Council.

4 SDA and EDA activation is limited to the portion of the Gold Coast City Council that is:

- Division 5 as identified by the Electoral Commission Queensland; and
- East of the Pacific Motorway, north of Stapylton-Jacobs Well Road and west of Alberton Road.

5 SDA and EDA activation is limited to the portion of the Ipswich City Council defined as Division 10, as identified by the Electoral Commission Queensland.

6 SDA activation for small businesses is limited to the portion of the Southern Downs Regional Council that is:

- East of Keoghs Rd, Old Stanthorpe Rd and the New England Highway to where it joins the Cunningham Highway; and
- North of the Cunningham Highway and east of the Warwick Pratton Rd.

7 SDA activation for primary producers is limited to the portion of the Southern Downs Regional Council that is:

- East and north of a line formed by the New England Highway from Cottonvale to Warwick; and
- The Cunningham Highway from Warwick to the boundary with Goondiwindi Regional Council.

8 EDA activation is limited to the portion of the Southern Downs Regional Council that is:

- East and north of a line formed by the New England Highway from Cottonvale to Warwick; and
- The Cunningham Highway from Warwick to the boundary with Goondiwindi Regional Council.

9 SDA (activation is limited to the portion of the Western Downs Regional Council that is:

- The township of Chinchilla.

Industry Recovery Officers

QFF has a depth of experience in assisting agriculture recovery from natural disasters. Drawing on this experience QFF negotiated the Cyclone Oswald Industry Recovery Initiative (COIRI) to deploy Industry Recovery Officers to effect quick and sustained recovery of business and primary producers affected by flooding. \$1.5 million funding has been provided through NDRRA, administered by the Queensland Department of Agriculture, Fisheries and Forestry, and a similar amount of in-kind resources have been made available by supporting members and organisations.

By mid-April 2013, sixteen IROs were deployed to cover the primary industries in the areas worst affected. For some industries, the recovery effort commenced well before contractual arrangements were finalised and for other industries work will continue after the project's completion in December 2013.

IROs have been tasked with:

- Assisting farmers and small businesses to access the full range of government and other assistance.
- Providing timely and accurate support to expedite assistance applications.
- Referring farmers to additional support where needed.
- Using appropriate communications media to keep farmers and agribusiness informed of relief and recovery activities.



The team of IROs at a training session in Brisbane.

Collaboration with other flood recovery programs including through the provision of information on regional priorities.

- Assisting farmers with development of recovery plans incorporating risk management strategies.

IROs continue to work across all industries ably supported by their host membership organisations – AgForce, CANEGROWERS, Cotton Australia, Growcom, Nursery and Garden Industry Queensland and the Queensland Dairyfarmers' Organisation. COIRI-funded IROs are working alongside the IRO for fisheries and tourism based at the Bundaberg Businesses Enterprise Centre. Where appropriate, IROs are referring clients to rural financial counselling services provided by the Australian and Queensland Governments.

IROs are also working with Regional Natural Resource Management (NRM) Bodies to assist the prioritisation of \$20 million funding delivered under the On-Farm Productivity and Riparian Recovery Program. This program focusses on clean-up and recovery in the areas worst hit such as Bundaberg, North Burnett, Fassifern and the Lockyer Valley areas. Funding may also be applied to significantly affected areas in the Dawson–Callide, lower Boyne and Fitzroy Rivers and the Darling Downs as the availability of funding allows. Whilst QFF supports this funding program and acknowledges that Regional NRM Bodies are well placed to manage the prioritisation process, although the length of time taken to deliver the funding is disappointing.

Mental health issues associated with financial stress, the cumulative effect of one or more preceding natural disasters and future uncertainty is a clear cause for concern amongst primary producers. NDRRA has provided dedicated funding for mental health 'first aid' to assist IROs identify and provide appropriate initial help and support for someone experiencing a mental health problem.

IROs have been successful in assisting farmers and small businesses in accessing appropriate assistance measures.

IRO program delivers direct benefit on farm

WHEN the Blanch family near Clifton received a 50 mm break in the season at Christmas 2012, they thought that the prospects for the summer were looking up. After an abnormally dry and hot spring and early summer, they used the late rain to plant corn and mungbeans for silage. "We were then about to put fertiliser and herbicide on, and it started raining and didn't stop," Roger Blanch said, who farms with his wife Nadine (pictured right) and his parents, Rob and Helen.

The January rainfall event, triggered by ex-Cyclone Oswald, caused massive flooding in the nearby Condamine River and its tributary, Kings Creek.

"Coming out of such a dry period, there was not a lot of stubble, which made things worse. We lost about

30 hectares of mungbeans and another 40ha of corn."

The flood caused significant damage to fencelines, some of which had only been repaired for a few months from the previous flood and also damage to contour banks and lost gravel around the dairy from erosion.

A second large rainfall event a month later exacerbated the damage and triggered cow health issues such as foot-rot and mastitis, while the business has also felt

the impact of lost contract harvesting.

Thus the Blanch family have accessed assistance measures provided through the State and Commonwealth Governments under the Natural Disaster Relief and Recovery Arrangements (NDRRA). They have specifically applied for the \$25,000 grant payment available through QRAA and have used QDO's Industry Recovery Officer, Geoff McGlashan to help steer them through the process.

While the business has taken a significant hit with the flood, Mr Blanch said the grant was welcome support that was particularly good for helping them rebuild herd health, especially by rebuilding the damage around the dairy.



