$15 billion
estimated value of Qld ag production
with first stage processing.

89,500
people employed in primary production.
QFF unites 17 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 to seek positive outcomes on issues of common interest.
- Seeking outcomes for the rural sector that meet positive economic, social, environmental and cultural outcomes.
- Recognising and embracing diversity within the QFF membership in achieving acceptable solutions for our members.
- Delivering positive outcomes that make a difference.
- Fostering a culture with the Federation that promotes responsible farm management.
- Working cooperatively and respectfully with all stakeholders.

QFF Members
Australian Prawn Farmers Association
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
Biological Farmers of Australia
Queensland Aquaculture Industries Federations

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IN reflecting on my first twelve months as President of the Queensland Farmers Federation, I find the year punctuated by several unique events, all of which have seen the organisation active in its role of supporting its members and their constituents.

The ongoing rapid expansion of the resources industry has continued to raise challenges for regional communities placing pressure on infrastructure, property rights for land holders, traditional social structures and natural resources.

Following several years of drought and extreme weather events which led to challenging natural disasters, we experienced one of the wettest summers with many regions yet again facing inundation from flood waters.

In the recent state elections we have seen the Liberal National Party win an overwhelming majority that should provide the opportunity to develop and implement long term strategies to secure the state’s future development and growth.

For QFF, this has meant a busy year and one where our role is more important than ever. It is our responsibility to turn the challenges of these events into opportunities that will allow our agricultural sectors to regenerate and grow and contribute strongly to the Qld economy.

Our core business is to establish and coordinate policy responses across our membership and to help underpin the viability of the sectors they represent. This has included a focus on sustainable agriculture, farm business and economics, water, natural disasters, valuations, and natural resource management.

We have continued the second year of disaster recovery work following the summer of natural disaster in 2010-2011, completing three separate disaster recovery programs.

Managing the policy challenges associated with the resources boom has required QFF to be represented in a diverse number of advisory and planning forums to ensure our members’ views are heard.

Securing favourable outcomes from the water and electricity tariff reviews, regional planning and the Murray Darling Basin Plan processes have also been key drivers for our staff.

We continue to play a crucial role in keeping government informed of industry policy and perspectives and in developing key relationships that will steer us toward the LNP’s goal of doubling food production by 2040.

QFF can only continue these extensive activities with the support of our members, who of course deliver the financial and policy backing that allow us to achieve successful outcomes. I thank the elected representatives of our members and the QFF board and Council for their ongoing commitment, as well as the staff of these organisations for their involvement.

Of course nothing can be achieved without the diligence of the staff at QFF, who approach their work with dedication, to deliver outcomes for our members. I would like to thank them and acknowledge the leadership shown by CEO, Dan Galligan in motivating and guiding the team and supporting me in my role.

Thanks to all for your support and encouragement. I am enthusiastic that we can build on the strength of our collaboration and look forward to assisting QFF deliver for its members in the future.
Through QFF, rural industry resources are pooled to ensure powerful representation and effective policy development.

**Council**
Joanne Grainger - QFF - President
Brian Tessmann - QDO - Vice-President
Joe Russo - CANEGROWERS - Councillor
Stuart Armitage - Cotton Australia - Councillor
John Bishop - Growcom - Councillor
Bill Watson - NGIQ - Councillor
Jodie Redcliffe - QCGA - Councillor
Nick Moore - APFA - Councillor

**Staff**
CEO - Dan Galligan
Water Policy Advisor - Ian Johnson
Project Officer - Peter Perkins
Sustainable Agriculture Policy Officer - Adam Knapp
Communications and Policy Officer - Brad Pfeffer
Vegetation Management Policy Officer - Kel Towerton
Yasi IRO Coordinator (to March 2012) - John Moroney
Regional Planning Project Officer - Mick Capelin
Administration Officer - Susan Jackson

**Auditors**
Conroy’s Accountants

Each Australian farmer produces enough food to feed 600 people, 150 at home and 450 overseas.
THE scale of change in Queensland policy in 2011-2012 has been as broad and sweeping as ever, and continues to present challenges and opportunities for the primary production sectors. These challenges are of course less dramatic than the natural disasters of last year, or the drought years of the past decade. Nonetheless, the sweeping change in the offices of George Street has meant that QFF, and our work, is more important than ever.

I think no-one could have fully predicted the outcome of the State election, but now, several months into the government’s first term, the focus is shifting to policy and the new government’s agenda. This is the first decisive change of government in Queensland for more than 20 years, and marked the end of the sometimes-fractured and sometimes-constructive relationship with the Beattie and Bligh governments.

QFF worked with a number of Primary Industries Ministers and two Premiers over the 14 years of the Beattie and Bligh governments. The policy outcomes were not always what we wished for – but we generally had a good hearing, and this was equally the case with the immediate former Minister Tim Mulherin.

The LNP win is one of the most historic and decisive victories recorded by any government in Australia. It has already been widely reported the challenges that this will present for governance of the State (the Opposition has been reduced to just seven MPs) and the important role that the extra-curricular arm of government policy, including policy organisations such as QFF, will have for keeping the government accountable and driving positive outcomes for the State.

The Opposition, along with two independents and two MPs of The Australia Party, will be spread thin as they scrutinise legislation and participate in the Parliament’s complex committee structure. Therefore, the role of QFF will be very important for the new government, and I am pleased that we have already established a positive and collaborative relationship with key Ministers and their staff.

There is no disputing that such a commanding victory comes with a solid mandate to launch into the various election promises that Campbell Newman and his team made during the election campaign. In addition, there has been a clear theme of frugalness across the government and the pursuit of a leaner – but hopefully more efficient – public service.

During the campaign, QFF was adamant in its call that the new government must lay out a plan to restore the State’s finances, and full credit must go to the LNP for pursuing this agenda so purposefully. Also, it will be of key interest to QFF and our members to see that the LNP progresses its election commitments of doubling food production by 2040. Importantly this will need to be done in a way that builds on the productivity of the individual farming business and therefore the profitability of the farming family.

This is a long time frame usually beyond the scope of government planning and the electoral cycle. Therefore, QFF will be working with the new government to help it achieve its aim, and to ensure that benchmark targets can be set along the way.
Queensland has enormous potential for agricultural growth, both for adding value and production from existing farms, and for expanding into new areas and ventures. A partnership between QFF and the State’s new land audit is just one example of a forward step in this process.

Long-term growth of the sector also links in with QFF’s long-term ambition of seeing both State and National food or agricultural policies, which would help frame the numerous other challenges we face as a sector. In the last 12 months the key issues on our plate at QFF have included the Queensland Competition Authority reviews of electricity prices and also of SunWater irrigation schemes, the Murray Darling Basin plan, disaster management, and of course management of the myriad of issues associated with the expanding resources sector.

In addition, we have focused extensive efforts into planning policy, vegetation management, and communications. I am pleased to say that we have achieved results across all the areas and continued to deliver value for our members. QFF continues to thrive because of the contributions made by its staff, the Council, the Board, and our members. Their contributions continue to be highly valued and all make a collective contribution to the organisation and policy outcomes in this State.

We are also pleased to note that the Queensland United Egg Producers has joined QFF for the year ahead. I am sure that this will be a mutually beneficial outcome for QUEP and our members, given the number of core issues that impact the egg industry and are similarly shared by a number of our members.

QFF has managed a range of projects over the last year, both short and long term. The Cyclone Yasi Rural Recovery Initiative, which coordinated the Industry Recovery Officers, ceased in March 2012. QFF is grateful to the services of John Moroney who coordinated the IROs on a part-time basis, and to Peter Perkins who contributed to the project in its early phases. I also thank the IROs who made an enormous contribution to the recovery effort at the coal face in difficult and stressful situations.

QFF also managed and completed a project under the Rural Resilience Fund relating to Cyclone Yasi recovery, distributing a disaster recovery DVD to farmers in Category D impacted regions of Far North Queensland. We also continued our partnerships with Reef Rescue coordination, water policy through the Department of Natural Resources and Mines, vegetation management through the Department of Natural Resources and Mines, and rural planning through the Department of Agriculture Fisheries and Forestry.

QFF undertook a one-year project to employ a Jobs Skills Development Officer through Skills Queensland, which was associated with disaster recovery. QFF can hang its hat on the program achieving a large number of training places for cane haul-out workers through the Australian Agricultural College Corporation.

Throughout the year, our planning officer, Linda Lee resigned and has been replaced by Mick Capelin. Linda did a tremendous job in kick-starting this project, and Mick will build on that work.

Our Administrator Susan Jackson welcomed a new edition to her family with the birth of her son Eli George and we look forward to welcoming Susan back for the year ahead.

We are a small team but continue to deliver outcomes for our members. QFF continues to host an office for Cotton Australia and provide secretariat duties for the Queensland Chicken Growers’ Association and the Queensland Chicken Meat Industry Committee.

I also welcome president Joanne Grainger to her first full year of service to the organisation. Joanne has extensive industry experience and roles on her plate, in addition to farming with her husband John at Mungindi.

The organisation has achieved much in the last 12 months and looks forward to another big year ahead.
IMPLEMENTATION of national water reforms is complex and time consuming. Over the past year, QFF has focussed on the Queensland Competition Authority (QCA) investigations into new prices in SunWater schemes for the next five years, the slow process in finalising the Murray-Darling Basin Plan and continued water resource planning in a number of catchments. QCA has also determined new electricity tariffs which will have significant long term implications for agriculture. QFF has also addressed a range of other issues that have implications for the irrigation sector. QFF welcomes the assistance provided by the QFF Water Policy Committee chaired by Queensland Dairyfarmers Organisation (QDO) vice president Ross McInnes.

**SunWater Schemes Water Prices**

After more than two years of complex investigations on irrigation water prices for farmers accessing water from SunWater, the QCA produced its final report in April 2012. The prices recommended for a five year period by QCA were approved by the State Government for implementation from July 1. This decision raised questions about the viability of many of the State’s major irrigation areas, particularly the eight distribution schemes.

In particular, QFF drew the new State Government’s attention to the impact of the prices in schemes such as in the Lower Mary, Bundaberg and Mackay, where water usage is low at about 40%. Any irrigators planning to increase water use in these regions will face large price increases. This will discourage farmers from making investments to increase production and thereby improve the levels of water use to better underpin the viability of the scheme.

The prices and increases required to achieve cost recovery highlight a deeper concern about the future of irrigation in some areas. For example, cane farmers in the Lower Mary will be paying nearly $111 per megalitre in 2016/17 but face further price increases of $75 per megalitre in subsequent years to recover the costs of supply. Cotton farmers at Theodore and cane farmers in Mackay face a similar burden.

However, QFF supports a number of the QCA’s recommendations on the way SunWater must manage and consult with irrigation customers to implement recommended prices. QFF will be working with SunWater and the State Government to see these recommendations implemented. QFF does not consider that the brief given to QCA by the previous State Government was wide-ranging enough to allow a full investigation into issues critical to achieving sustainable irrigation schemes and hopefully in time viable irrigation schemes.

QCA’s brief was to ensure that SunWater was able to recover costs based upon the existing levels of service and the existing structure of the organisation.

This approach will not ensure that the major irrigation areas, which comprise over eighty percent of SunWater’s irrigation business, will remain viable. The Minister has recognised this and has formed a Working Group of scheme representatives that will investigate alternatives for putting Queensland’s eight channel irrigation schemes under local management.

This is a positive move and will help put Queensland’s multi-billion irrigation industries on a more sustainable footing.

**Murray Darling**

Progress with the preparation of the Murray-Darling Basin Plan has been slow with most attention focusing on the issues in the southern part of the Basin. Work this last 12 months has culminated with the State water Ministers meeting in June 2012 issuing a notice to the Federal Water Minister, Tony Burke, via the Murray Darling Ministerial Council. The notice highlights a range of points of disagreement about the proposed Plan. However, it also outlines a range of solutions to issues that the Federal Minister should strive to address when he finalises the Plan for tabling in Federal Parliament.

The Ministerial Council advised that environmental and socioeconomic outcomes could be better achieved through environmental works and measures, or improving the efficiency of river operations by changes to rules and procedures. Accordingly, the Council also requested the Basin Authority to develop a Basin Adjustment Mechanism which is to operate within the range of 2400 to 3200GL and potentially further. For the Northern Basin, the Council recommended a program of work to be completed by the end of 2015 to establish the basis for the northern shared sustainable diversion limits and the apportionment of this across the northern catchments.

QFF welcomes this decision as it will allow time to plan a water recovery program which adequately assesses what is needed to meet downstream environmental requirements and where best to source this water from in the northern catchments.
In answer to Queensland’s criticisms about the lack of an environmental watering plan, the Basin Authority is to investigate providing guidance in the final plan about the environmental water requirements for key areas of the Basin. QFF is a member of the Queensland Murray-Darling Strategic Consultative Committee established by the Department of Natural Resources and Mines to provide advice on the implementation of the Plan. This Committee has been effective in developing a unified view amongst key stakeholders regarding the priorities to address in the Queensland catchments.

QFF has also given priority to supporting the formation of subcatchment advisory groups to deal with the implementation of the draft Basin Plan in our catchments. The Murray-Darling Basin Authority has made little progress in forming these groups and there is a risk now that the approval of the Plan will trigger more buyback rounds in the absence of good local advice on how best to implement such programs. Progress with water recovery in the Queensland Murray-Darling catchments is lagging considerably behind programs in the southern states.

**Water Resource Planning**

The Water Act 2000 was amended in 2011 to allow the two stages of the State water planning process (water resource plans and resource operations plans) to be conducted concurrently. This is an important reform aimed to remove duplication and the cost involved in a two stage process. The amendments also streamlined the consultation process for the plans. QFF made a submission in support this amendment to the inquiry of the Queensland Parliament.

QFF continues to monitor the conduct of water resource plans and has been involved in the progression of several regional plans over the last 12 months.

QFF has also maintained contact with DNRM on a number of other critical reform issues including progress with the implementation of the National Water Compliance Program and water metering implementation issues.

**SEQ Irrigation Issues**

The Rural Water Advisory Group to the Queensland Water Commission continued to meet this year. The group includes QFF, irrigator representatives from each major area in SEQ including the Mary Valley and officers from key Government agencies and SEQWater. The meetings reviewed progress on a number of ongoing projects such as investigations into the use of recycled water in the Logan area and progress with investigations into revised operating rules for the Warrill irrigation scheme. The QCA commenced investigations into irrigation prices for SEQWater schemes in South East Queensland and the Mary Valley in May 2012. QCA has to develop recommendations to the State Government on water prices to be implemented in July 2013 for a four-year term.

**Water and Drainage Boards Review**

Work has continued over the past twelve months on reforms to help water authorities across the State to transfer to local government or alternative non-government entities as part of the implementation of the 2008 review of statutory authorities. Implementation of the reforms over this period has been slow and this has raised uncertainty about the previous State Government’s commitment to the reforms. Most of the irrigation boards want to go to independent management. However, the drainage boards located in Far North Queensland want to investigate options to amalgamate (possibly on a catchment basis) but remain as statutory boards as they do not have a capacity to establish as independent entities.

**Electricity Tariffs**

The QCA released a draft determination on retail electricity prices for 2012-13 in April 2012. QFF made a submission to the QCA which outlined the substantial negative impacts that proposed changes to electricity tariff structures could have upon farm businesses. In particular, QFF highlighted that the tariff changes would reduce the incentive for irrigators to use water during off peak times, when water use is more efficient as water losses from evaporation and wind are much reduced.

QCA’s final determination allowed an extension of twelve months for some important agricultural tariffs but these transitional tariffs still provided for price increases of 10 to 20%. QCA has allowed a 12 month transition period for the new pricing regime to come into place. QFF will be working with the Department of Energy and Water Supply to recommend a tariff arrangement to suit the irrigation sector to replace the transitional tariffs.
QFF continues to lead the discussion and formulate positive policy when it comes to the rapid expansion of the minerals and resources industries across Queensland. This important area of policy continues to be a core focus for QFF as the resources sector expands into new and more intensively farmed regions of Queensland.

QFF continues to be a strong advocate for farmers’ rights and aims to ensure that the long-term sustainability and prosperity of the agricultural sector is preserved and not eroded in the rush to expand resources projects. Over the last year, the organisation has continued to promote objectives that see rural and regional communities receive appropriate and fair treatment. Large scale resources projects and investments have the potential to deliver an economic stimulus to regional Queensland and deliver significant benefits and QFF aims to see that these projects would be developed sustainably and fairly so that all can benefit, and any detrimental impacts are mitigated. This work has taken the shape of ongoing meetings and stakeholder engagement, as well as numerous submissions and presentations to key policy areas.

The most important milestone of this work was the passing of the Strategic Cropping Land Act late in the 2011 calendar year.

QFF has always felt that while the SCL framework was neither perfect in design nor comprehensive enough in its coverage, it was an important first step to have agricultural resources at least recognised in legislation and therefore required to be considered in planning decisions. Development of the SCL position showed the true benefit of collaboration and QFF worked heavily with our members as well as some of the highly effective local groups formed around the issue. Not least of these was the diligent and intelligent contribution made by Future Food Queensland and Basin Sustainability Alliance.

There is no doubt that refinement of the SCL legislation will be desirable and inevitable. A singular focus on soil criteria and the less than ideal option of the two tiered protection and management areas do not in our view deliver on the true objectives of the reform. The State Government will need look closely at these matters through their regional planning focus.

Therefore, QFF has dedicated significant efforts toward the new State Government to ensure that it appreciates the needs and concerns of industry, as was also the case with the previous Government. There has been significant progress for industry over the last year, and several notable milestones in the early months of the Newman Government. It may be too early to say whether this is truly a new era for improved interaction between the resources and agricultural sectors, but it is a positive beginning with significant potential.

GasFields Commission

In line with its election commitments, the State Government has moved to establish the Queensland GasFields Commission to sort through the complex issues associated with coal seam gas (CSG) development. Former AgForce president John Cotter has been appointed to lead the group, with six commissioners assisting him in the task. Farmers and the community have high expectations of the work that the GasFields Commission will undertake. QFF views these early stages as a critical time to ensure that the Commission has been established so that it can significantly improve the way in which CSG projects are dealt with and the way in which Governments deal with the scale of resulting development pressures.

The Commission should stand impartial from government and government agencies. It must be long lasting in a political and planning sense.
Therefore its structures should not be tied to the political support of a Minister or a political party. The Commission must facilitate transparent access to information for all in the community, which for CSG must focus on issues such as groundwater impacts, land access compensation thresholds, and the development plans across gas fields and regional farming landscapes.

It also needs to inform Government decision-making in approving projects and setting development conditions.

The Commission’s role must also be able to mesh with proposed Government regional planning, which must help CSG projects to foster wider industry and community development.

QFF also expects to see improved communication and resolution of issues in the industry, bringing together stakeholders at all levels, and providing an avenue to discuss the impacts of CSG projects and solutions to such issues by providing the forum and the leadership to have the parties work together.

**Land Access Review Panel**
An independent panel has undertaken the important task of reviewing Queensland’s Land Access Framework, and has released its 12-month report into the laws. The report is another important step to help form policy around ensuring the best outcomes between farmers and the resources sector in Queensland in relation to land access.

The review was an opportunity to look at the land access framework, which was modified in 2010, and to understand real examples of how the process was implemented. It was an opportunity for the panel to gather real data and on-ground evidence of what has been occurring.

QFF joined many other industry organisations and individual farmers to provide submissions and oral information to the review. In releasing its report earlier this year, the panel highlighted that the State Government has a difficult job in balancing the needs of agriculture and mining.

A significant recommendation of the review panel is for the government to notify landholders who are covered by a tenure, at the time the tenure is granted. This would help mitigate the unpleasant surprise many landholders have received when early project or exploration work is to take place on their properties and this is the first they have heard of it.

There are also recommendations for an independent panel to determine disputes, as well as for a third party to clarify the costs of agreements.

The review panel made a number of other sensible recommendations.

**Queensland Water Commission Report**
In June 2012, the Queensland Water Commission released a comprehensive report on the potential impact of CSG activities on underground water supplies across southern and central Queensland. The report depicted a varying range of impacts, some of which will be very severe, and others less severe. For QFF and our members, a key focus has been on the potential impact on the Condamine Alluvium. The alluvium is an incredibly important water resource for communities and irrigated agriculture on the Darling Downs, including the production of crops such as cotton, grain, and horticultural crops.

The QWC estimated that the average drawdown of this aquifer will be half a metre and the maximum will be 1.2 metres. QFF stated upon release of the report that the fundamentals of CSG must continue to be that it is underpinned by clear, independent and publicly communicated science and that its impacts – particularly upon groundwater – were monitored in very fine detail.

It is crucial that the science of CSG is sound, that the make-good agreements are iron clad protection for farmers, and that resource companies take responsibility for any negative impacts they create. Rural businesses must not be put at risk from this development.

**Strategic Cropping Land**
The passage of the Strategic Cropping Land Bill 2011 through Parliament in October was a major milestone and another step in ensuring Queensland agricultural assets are protected for the long term. With bipartisan support, the bill passed after a comprehensive two-year development phase, which QFF was heavily involved in throughout. This legislation is not the silver bullet to protecting all farming country from all development activities, but it is an important starting point. In addition, there is much more work ahead in better defining Queensland’s diverse range of soils and farming systems, many of which are highly productive. Most resource development projects that are well advanced will continue unchanged, and most CSG projects will be treated similarly.

However, this legislation is an enormous policy step toward providing a safety net for our best farming land, which is something that is being recognised by all political parties and increasingly by urban communities.
THE QFF Regrowth Code partnership with the State Government is in its final year, and the opportunity for landholders to attend a Regrowth Code presentation and workshop will soon end. This report reflects on the achievements of the program and examines the program objectives and the benefits it has provided to landholders in regards to information on tree clearing on-farm.

The agreement between QFF and the Department of Natural Resources and Mines (DNRM) (formerly DERM) outlined that the project would roll out workshops and also deliver a comprehensive media, communications and monitoring plan.

In addition, QFF was required to provide technical advice to individuals, member organisations and industry extension officers on vegetation matters. The original timeframe was set for June 2010 to June 2012 and has now been extended to December 2012, by mutual agreement between QFF and DNRM.

QFF has conducted 24 workshops with 354 participants to date, including two that were specifically targeted to industry staff and extension officers. The workshops have been conducted from Mareeba in the north to Rathdowney to the south and west as far as Chinchilla. Farmers attending the workshops have gained a vastly improved understanding of the Regrowth Code legislation.

QFF has surveyed workshop participants, which has explained the high value of the program. On the question of whether “the training provided by QFF has made a great change to how I manage vegetation clearing issues on-farm,” 52 percent of respondents indicated they agreed or strongly agreed with the statement.

52% of farmers at workshops expect to make a change to their vegetation management

The majority of respondents indicated that the training will represent a positive change to their management of vegetation clearing on their properties. General questioning to the group after the training established that those people who responded ‘disagree’ or ‘strongly disagree’ had either already locked their white (unrestricted) areas in on a Property Map of Assessable Vegetation (PMAV), or did not have any Regrowth Areas on their farms and attended the Regrowth Workshops for an information session only.

This demonstrates the value of these workshops. Additionally, enquiries to DNRM offices in each region increased immediately after each workshop for landholders to establish a PMAV, which reinforces that the workshops helped landholders rethink their vegetation management options on-farm.

Before each workshop, QFF informed the DNRM Vegetation Management Officers (VMO) in the region that the workshop was to be conducted, to establish if they would attend to be able to provide direct advice to landholders at the workshop.

The VMO attendance provided a positive influence and additional knowledge for the landholders through their past experiences and expert knowledge of the detail in the code. It was not always possible for them to attend, but favorable comments were made in the evaluation forms when they were available.

This being the second year of the program, small incremental changes and adjustments to the training program were included as part of the Monitoring and Evaluation (M&E) which was outlined by QFF at the commencement of the program.

Some of the effective strategies that QFF developed included:
• Liaising with industry, Landcare and NRM groups to access farmers who may be affected by the vegetation laws;
• Advertising in local papers and local networks to access farmers who are likely to attend vegetation legislation workshops;
• Conducting the workshops on-farm to demonstrate how vegetation legislation correlates with vegetation on-farm;
• Providing direct office-line phone advice for farmers about vegetation management and being the interface between farmers and DNRM staff;
• Being flexible about where and when the workshops are to be conducted; and
• Having DNRM VMOs to attend workshops to liaise directly with the participants of the workshop.

General feedback from the industry extension staff, workshop hosts and the landholders that attended the workshops have indicated that the information and factsheets received were a good resource for them to have when having to deal with vegetation clearing issues on-farm.

Even those who were skeptical about the value of attending the workshops initially commented afterwards that they were glad they did attend, as they gained a clearer understanding of the Regrowth Code and the vegetation framework in Queensland. Many attendees had preconceived notions and misconceptions about the Regrowth Code that QFF was able to correct. These corrections could be relayed to friends and neighbours of those attending, reflecting an exponential increase in value in getting the right messages about the legislation across the farming community.

The two clear take-home-messages that the QFF imparts on the audience are:
• If you have freehold land that has no vegetation or ‘colours’, otherwise known as the ‘white areas’ indicated on your remnant or regrowth mapping, you should get a PMAV to lock these areas in (thereby giving you certainty and control over the decisions you make on any regrowth there); and
• Conservation and production can work collaboratively together and do not necessarily have to oppose each other on-farm.

If these messages are adopted by all those attending the workshops then this is a positive and substantial reflection of the success of the Regrowth Code project. Therefore, if landholders establish certainty over the vegetation on their land and then manage this effectively so that they can obtain its production values while sustainability managing their vegetation for good environmental outcomes, this is a proud achievement for QFF under the project.

Gavin Kay (Terrain NRM Group) and Kel Towerton (QFF VPO) at Peeramon on-farm workshop.
QFF’s goal is to secure a sustainable and profitable future for our member industries so that they remain an essential and dynamic sector of the economy. QFF defines sustainable agriculture as the use of farming practices which maintain or enhance economic viability, the natural resource base and other ecosystems which are influenced by agricultural activities.

The QFF agenda in 2011/12 has been proactive (in terms of promoting best practices) and reactive (in responding to government and community concerns). QFF sees the change of government as an opportunity to work with the new government to balance its immediate swift actions with an increased emphasis on long-term policies, and setting out practical initiatives that will help the Government reach its target of doubling food production by 2040.

To deliver its agenda, QFF aims for a collaborative partnership with government and community on policies that will deliver an environmentally resilient outcome that encourages farmers to implement sustainable farming systems while minimising cost imposts.

QFF has a Sustainable Agriculture Taskforce that engages our members in this important policy area. The Taskforce is made up of environmental policy officers from QFF member bodies and is chaired by Growcom’s Acting Chief Advocate David Putland. Key priorities identified by the Taskforce this year include: the LNP agriculture policy platform; Strategic Cropping Land; coal seam gas; Land and Water Management Plans; climate change and carbon emissions policies; Reef Rescue and State Government Reef regulations; the Regrowth Vegetation Code; regional and land use planning; rural water use efficiency; and Farm Management Systems (FMS) implementation.

**Farm Management Systems**

Farm Management Systems (FMS) continues to be a key policy initiative of QFF and its member organisations. FMS are designed to improve the profitability and sustainability of Queensland farm enterprises. Through collaboration, member organisations share similar design and delivery features of programs, facilitate the development of partnerships, and enhance the prospect of achieving efficiencies and savings.

FMS is a voluntary, systematic approach to agricultural business that can be used by primary producers to identify and manage risks which may occur as a result of their enterprise. It is a tool to help drive sound business development and management and the achievement of more sustainable and profitable farming practices. Ultimately, FMS is about producers having more control over their future.

QFF member organisations continue to build on relationships created in rolling out FMS programs to primary producers with continued ongoing work occurring with QFF’s member organisations and Research and Development corporations to take into account ongoing research.

QFF continues to build on the partnership with the Regional Groups Collective (RGC) to improve links between industry-led FMS programs and natural resource management issues at a regional level, through integration with existing programs.

QFF continues to argue the position that better sustainability outcomes will be achieved through innovative, voluntary on-farm measures rather than by rigid, imposed regulation.

Reef Rescue engaged 1200 farmers by 2011
FOR the past four years, QFF on behalf of all rural industries engaged in Reef Rescue has along with the RGC been contracted by the Australian Government to coordinate the activities of the Reef Alliance under Reef Rescue.

Reef Rescue 2008-2013 has been a highly successful partnership between the Australian Government, Reef Alliance organisations and rural land managers. The program is on track to exceed ambitious targets for the adoption of improved agricultural practices to reduce the impacts on water quality on the Great Barrier Reef.

The Reef Alliance has demonstrated the feasibility of scaling-up change management programs to achieve landscape-scale BMP adoption with quantified water quality benefits. In line with continuing strong interest from rural landholders and evidence of the need to further reduce diffuse agricultural pollution, along with identifying impacts of coastal development, the Reef Alliance proposes extending the Reef Rescue investment for a further five years. Reef Rescue Extension proposes an enhanced level of Australian Government investment and focuses on supporting adaptive industries to further improve reef resilience as an enduring legacy of the Reef Rescue program.

QFF also successfully joined with other stakeholders in launching the Reef Impact Statement in October 2011. Farmers from Reef catchment areas along the Queensland coast descended on Canberra to spread the good word on the achievements of the Reef Rescue program. The farmers were joined by NRM groups, farm industry groups and the RGC at the launch. It was an opportunity for farmers to explain first-hand to politicians the successes of Reef Rescue, and how it is delivering positive outcomes on the ground. The Impact Statement is available on the QFF website.

An evaluation workshop is being held in August 2012. QFF is working with RGC undertaking an evaluation of the 2008-2013 Reef Rescue program, this evaluation activity will help the Reef Alliance reflect on the achievements, impact and key learnings achieved through the delivery of Reef Rescue. In addition the evaluation will provide meaningful direction toward the development and delivery of future initiatives of this type. The evaluation will assess: water quality outcomes derived from practice change; socio-economic impacts derived from practice change; engagement strategies; institutional partnerships; information systems; and future strategic issues.

This evaluation will be undertaken in collaboration with partner organisations. The Reef Alliance Evaluation Committee arrangements are designed to ensure that strong governance arrangements are in place to underpin, guide and drive the development of an evaluation report aligned to the delivery of Reef Rescue.

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

The Reef and its management continued to draw a high level of community and media interest over the last year. In March 2012, a delegation from UNESCO visited Queensland to view development occurring along the coast, analyse reef management policies, and speak to various stakeholders and interest groups.

It highlighted a number of challenges confronting the Reef, and threatened to label its status as being “in danger”.

While this did not occur, the attention highlighted the good work already done by rural industry on improving Reef management, and also signalled that there is more work to be done.

Farmers have taken on the challenge, but at the same time many farmers have also asked if there was proportional attention paid to other areas of development along the coast, particularly ports, industrial development, and coastal residential development. UNESCO had similar concerns.

QFF appreciates the need for development and the balance that must exist between industry and the environment – but this is an area where confidence in Reef management must increase.

Farmers are working hard on improving practices on their farms, and have the same expectation from other sectors.

The UNESCO report is a warning for governments to improve the way they work together.

QFF Vice-President Brian Tessmann launching the impact statement with (former) Parliamentary Secretary for Agriculture, Mike Kelly, and chair of the Regional Groups Collective, Mike Berwick.
QFF has undertaken an extensive communications project to assist primary producers impacted by Tropical Cyclone Yasi. This project, funded under a special NDRRA grant, has worked with local agricultural industries in Far North Queensland to develop a comprehensive DVD and fact sheets relating to recovery from Cyclone Yasi and preparedness for future natural disasters.

In the weeks and months after Cyclone Yasi in February 2011, QFF and our members identified the need to disseminate information regarding disaster recovery and preparedness among the rural community.

QFF and our members also worked with other rural organisations in the region to identify specific areas that needed an increased awareness among farmers. With more than 3000 primary producers in the region, stretching hundreds of kilometres of land and sea, it was deemed very difficult to distribute this information comprehensively to all farmers, face-to-face.

Therefore, a DVD and fact sheets were determined to be an effective means of communicating our message. In the busy recovery period post-disaster, few farmers had the time to attend workshops. Thus there was even greater importance of a DVD that could be viewed at a time of an individual farmer’s choosing.

Upon completion in April 2012, this information was distributed to approximately 3500 primary producers in Category D Natural Disaster Relief and Recovery Arrangement (NDRRA) areas of Far North Queensland. The information is also available from www.qff.org.au.

The project, entitled Taking Stock: preparing rural business for natural disaster and climate risk, has used audio-visual formats to deliver disaster resilience and preparedness information in a simple form that is easy to digest for primary producers and rural businesses.

Distributing it in this way allows it to be viewed at a time of farmers’ choosing, and for it to be revisited ahead of potential risk seasons.

Importantly, the project has drawn heavily on the expertise of leading farmers in the region in order to share their disaster management techniques and strategies. It has also capitalised on the knowledge of the QFF network of Industry Recovery Officers, who were employed for a period of 12 months after Yasi to assist farmers in the recovery.

In addition, the project spoke to experts in business planning, climate, insurance, mental health, and building standards in relation to cyclonic winds. The project provides valuable lessons for farmers and rural industry in terms of managing disasters and preparing for disasters.

It is also a useful historic record of the events of the 12 months after Cyclone Yasi. The project has helped farmers and fishers learn from each other. It has used real-world and practical examples to encourage primary producers to think about their business, and how they can improve its resilience to natural disaster.

It will assist farmers to develop plans for disaster preparedness, and ideally will have them better equipped to deal with future disaster events. This project and its information is applicable across the various primary production industries of north Queensland. In addition, it uses examples that, while specific to one industry, encourage disaster preparedness in other industries. It has gone beyond the traditional ‘shed-workshop’ format to present information in a new and modern way.

The project was one of 19 that State and Federal governments funded via a one-off Rural Resilience Fund.
COMMUNICATIONS activities continue to be a core focus of the Queensland Farmers’ Federation, and the last 12 months has been another busy year for the organisation.

The year has presented a diverse range of policy challenges which has manifested itself in a range of media issues for QFF. As with many areas of QFF’s work, the State election in March became a focal point for communications activities.

Much of QFF’s communications leading up to the State election were to focus on key priority areas that would confront a new State administration. QFF paid particular care to ensure an apolitical and balanced approach with our political commentary leading up to the election. This included both congratulating and criticising all parties on the various stances they may take on a policy, depending on how it would impact primary production in this State.

With the LNP winning such a large majority in the State Parliament, some of the media focus awaits a clear plan from the LNP and for the new government to bed down its core approach. Over the coming term of the government, with the LNP commanding such a large majority and the Opposition so scantily resourced, QFF will play an important role in keeping the government to account, and will use the media to assist with this where appropriate.

QFF continues to engage in ongoing media activities on issues including the Murray Darling Basin plan, the QCA review of SunWater prices, electricity prices, disaster management, and numerous other key policy areas. QFF has also continued to highlight the negative repercussions of the carbon tax.

2012 is the Year of the Farmer. This has resulted in a noticeable swell of goodwill among urban communities for the farm sector. QFF has endeavoured to capitalise on this good will to continue to positively promote the sector in the media.

QFF has continued to engage in social media and has built its base of Twitter followers to almost 700 followers – a rapid increase from this time last year when we had just 100 followers. Twitter continues to be an effective means of communicating some of our key messages quickly, and with a growing number of farmers and politicians adopting the medium, we expect our use of Twitter and number of followers to increase in the year ahead.

**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. This weekly article 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. It continues to be a well-read section of the paper and is a driver of debate in the policy arena. QFF has also initiated a similar contribution to Boom, a fortnightly magazine in the Courier Mail.

**QFF Website**

QFF upgraded its website in the second half of 2011. As an important public face of the organisation, the website typically attracts greater than 400 visitors per week from as many as 30 countries. This upgrade – the first since 2007 – was vital to assist QFF in administration of the site and to allow the organisation to have greater adaptability to changing needs for content.

The focus has been on a simpler design and useability, and the result has been an increase in weekly visitors since the adoption of the new website.
QFF continued to coordinate the second half of the Cyclone Yasi Rural Recovery Initiative (CYRRI) in 2011-2012, as part of the ongoing recovery effort in Far North Queensland, with the program extended to March 2012 from its original concluding date of December 2011.

The program used a template successfully employed after Cyclone Larry, using local industry people on the ground to work with primary producers across the region to assist them with recovery from such a damaging event.

The IROs were drawn from industry organisations, both QFF members and other industry groups (CANEGROWERS, Growcom, QDO, NGIQ, Australian Prawn Farmers’ Association, AgForce, and Australian Banana Growers Council).

The IROs were engaged to work with local industry and business to assist in prioritising debris clearing, and help landholders and small business determine their recovery needs. The program was a $1.7 million program designed to employ 12 Industry Recovery Officers for nine months, with $1.16 million in funding from the Queensland Government and $555,000 from industry. (Two other IROs in the tourism industry operated separately).

It is industry’s view that employing IROs is a very cost effective way for government to ramp up the service delivery needed to assist industry deal with the aftermath of any catastrophic weather event. Governments offered a broad range of assistance measures after the disaster; and it proved critical for primary producers to have a reference point that could help steer them through the various programs on offer.

This went beyond simply listing the various programs on offer, but also assisting farmers to have the information to assess whether a particular program was suitable to them (such as concessional loans).

From the time of appointment the IROs wasted no time in getting out into the field to provide face to face assistance to their respective client groups, and many in fact were already operational by the time contracts were formally signed. The major advantage of having IROs from the various industry bodies was that these people knew exactly where to find their clients and the priority areas that had to be covered urgently. Finding farmers is a task that can sometimes require in depth knowledge of the industry and geographic area as many farms are small and hidden to the uninitiated.

QFF played an important lead role in coordinating CYRRI. This included the employment of temporary part-time co-ordinator, John Moroney. John coordinated and documented the IRO activities, and was an important reference point between industry organisations, IROs, and the State Government.

QFF also engaged several pro-active initiatives that were of benefit to both the IROs and the greater Far North Queensland agricultural community.

QFF held a planning and information day in July 2011 at the South Johnstone Research Station, which complimented an earlier induction process. This early training allowed the IROs to hear from the Queensland Reconstruction Authority, QRAA, Department of Communities, and QFF. The IROs also received basic media interview training from QFF Communications and Policy Officer, Brad Pfeffer. This was to allow them to seek opportunities to promote the existence of the program among farming communities and ensure the maximum efficacy of the program. Further training and information on mental health issues was attended by many of the IROs in Cairns later in 2011.

The IROs also provided valued input into the QFF Rural Resilience project DVD, which is also detailed in this annual report. In addition, a final gathering of IROs in February 2012 allowed the collective to focus on the achievements and challenges of the program during its 12 months of operation. This session was well attended by representatives of QRA, Department of Communities, and Centrelink, and provided crucial information about the program for the future. QFF has prepared an extensive report on the program available via www.qff.org.au, and strongly believes that CYRRI has presented a very positive template that should be adopted quickly in the event of future natural disasters of this scale.
THE QFF Rural Planning Project was initiated in 2011 to improve the capacity of rural industries to engage in relevant policy and planning initiatives. Funding has been provided by the Queensland Government through the Department of Agriculture, Fisheries and Forestry to support the Queensland Farmers’ Federation and AgForce.

There is general agreement that agriculture needs to be better recognised in policy and planning processes to allow for the longer term operation and development of agri-industries. However there is not concise articulation of the ‘core’ problem and hence definable steps for change.

There is also confusion about the most appropriate scale for action by industry and its stakeholders to influence policy making and planning. The objectives of the project are 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.

Six groups of issues relating to the implementation of policy and planning processes for agri-industries have been identified. They include:

- Access to land and water.
- Availability of adequate infrastructure.
- The financial situation of the agri-industry.
- The capacity of the agri-industry to engage in policy and planning processes.
- The institutional arrangements around and within agri-industries.
- Coordination or integration between relevant policy and planning processes.

What becomes evident from the identification of these issues is that their complexity is exacerbated by variability of issues across commodities, space and time; and interdependencies within and between the issues. For example, land with suitable physical characteristics and appropriate land use zonings may be available but affordable fit for purpose water supply may not be available or land values may be too high to allow a reasonable return on investment due to proximity to urban development.

In 2011-2012, the project has made some significant achievements.

Definition of Agriculture
A draft definition of ‘agriculture’ has been prepared based on a discussion paper prepared on the current range of definitions used by industry and government. The proposed definition includes a broad range of on-farm activities associated with agriculture including animal and crop production, irrigation and drainage, and the storage, processing and sale of agricultural products.

To support the definition a draft of ‘core principles of agricultural planning’ has also been prepared that set out the intent of planning activities that support agriculture and how these might be achieved. These principles are currently being considered by the QFF Policy Council and the Project Advisory Committee prior to their adoption. They will form the basis for a toolkit for policy makers and planners as one of the products of the project.

Policy and Plan Impacts on Agriculture
QFF is working with DAFF and AgForce to document the range of policies, laws and regulations that affect agricultural development and operations with a focus on the beef industry. Case studies – Work is proceeding on collecting background information on a number of case studies to provide concrete examples of the challenges faced by industry in maintaining and developing commercial agricultural enterprises. This will assist in clarifying decision making processes and provide tangible evidence on the implications for agriculture more broadly. Case studies have been selected for aquaculture (project development), horticulture (land use conflict), dairying (diversification), grain (transport) and irrigated cotton (floodplain management).

Information for Local Government
A package of information on the importance of planning for agriculture and the role of local government in ensuring a resilient agricultural sector was prepared and used by the Local Government Association of Queensland in their training of new councilors following the April 2012 elections.
Disaster Recovery Activities in 2011-12

Circumstances dictated that QFF took a much more targeted approach to helping farmers, small businesses and local communities gain access to appropriate government assistance programs in 2011-12. Following the extraordinary weather extremes of 2010-11, QFF secured some funding to carry on the Cyclone Yasi Industry Recovery Initiative for part of 2011-12, but was unable to secure additional funding to continue the wider support programs in flooded regions.

However, QFF had been at the forefront of advising what additional recovery programs could assist, and did manage to successfully apply for a one-off Jobs and Skills Development Officer (JSDO) under the special Queensland Natural Disasters Jobs and Skills Package (QNDJSP). This package aimed to provide second year support for Queenslanders still trying to recover from the natural disasters of 2010-11.

Skills Queensland was tasked with the overarching management of the QNDJSP which included a two-day induction program in August 2011 in Brisbane where most of the thirty six JSDOs began a steep learning curve about how government training, employment and workforce development programs work and how they might be tailored to meet the special requirements for natural disaster recovery activities. QFF had one of the eleven industry based JSDO positions and teamed up with the two other rural industry appointees (Growcom and AgForce) to create an effective Steering Group to try to ensure farmers and agribusinesses got the services they most needed.

The QNDJSP specifically focused on four activities to try to channel some of the allotted $83 million into business recovery activities, as follows;

- Priority skills development in affected communities and industries;
- Paid work placements in re-building public assets (Green Army, etc.);
- Active support for trainees and apprentices to stay learning and earning; and
- Rebuilding community workforce capabilities in towns needing extra help.

While these are sensible priorities for using training resources to boost natural disaster recovery activities, they do not necessarily align with the priorities of rural businesses trying to rebuild after the setback of great damage and the challenge of getting cash income flowing again. This was recognised by Skills Queensland management and JSDOs were set a priority task to create effective local networks so that industry became engaged with the opportunities the QNDJSP offered. The three rural industry JSDOs (and some regional and other industry JSDOs) initially focused on scoping industry requirements for recovery and identifying any gaps in programs that might require additional resources to ensure recovery proceeded as expeditiously as possible. But while industry focus was on boosting recovery efforts, the focus of governments was more on using training dollars, and events eventually proved this to be often a mismatch given what farmers and agribusinesses needed to boost their recovery efforts.

Government stated objectives with the Jobs and Skills Package were to use “employment and training programs” to fund projects that filled identified recovery gaps. QFF and our members saw this as a one-off opportunity (using recovery opportunities) to be creative in getting government Workforce Programs (job creation, workforce training, skills creation, employment development, etc) to work better for us.

So, while we set about this task with enthusiasm and urgency it turned out the managers of government programs were less creative when it came to approving projects. In fact just two programs could be tapped, namely about $13 million Skills Queensland had available for “priority skills development” and about $12 million DEEWR set aside for a “flexible funding pool” to help eligible job seekers get worthwhile work experiences through disaster recovery works.

Realistically there were already a fair amount of government activities in the “recovery/training space”. For instance, Operation Clean-up Queensland in the Yasi region and many Green Army projects were helping achieve the dual goals of getting clean up works completed and providing work and training for the unemployed. Also rural industries were directly involved in a second year of “special rural recovery training” (targeted free VET courses) that QRITC was brokering on behalf of Skills Queensland, and there were a number of internal industry training initiatives that had extra funding to boost enrolments and completions. QFF and our members were also engaged in ongoing government initiatives including a number of regional “skills formation strategies”, the Industry Advisory Group (IAG) for Rural Skills Demand, and the Gateway Schools for Agribusiness. This meant there was considerable industry experience available to help build worthwhile projects that would attract funding in the name of disaster recovery activities.

From early networking and regional scoping the QFF JSDO developed an industry list of training requirements that was then refined into the highest...
priorities for the JSDOs to seek funding from the various government programs and get the projects up and running. The consensus rural industry priorities for 2011-12 were as follows.

1. Target up to 500 workers to take on cane harvesting and haulage training jobs for 2012.
2. Target up to 300 farm families to complete some elements of full business planning and management training (with a focus on risk management and business recovery).
3. Formulate a selection of appropriate FMS/BMP modules/competencies (“industry owned” but not proprietary) to get accreditation for SQ funding.
4. Identify across-industry skills in regional short supply and target training to provide extra off-farm income for participants, e.g. transport drivers and maintenance workers.
5. Select up to five Regional Councils to package school-based apprenticeships and traineeships that provide across industry jobs for their young or unemployed citizens.
6. Work with JSA (or other employment/training group) to select specific training incentives (or employment incentives for new entrants) to upskill existing employees.
7. Identifying any “new skills” needed to manage extreme climate and business risks and work with our members and their training providers to ensure quality delivery of these.
8. Champion better training delivery channels for rural and regional businesses that provide flexible and creative solutions beyond traditional classroom or workshop sessions (industry/trainer collaboration).
9. Assist Growcom and others seek funding for the forklift operator tickets for specialised equipment, multi-skilled ticketed operators (awareness of regulatory obligations/legal risks), pesticide and weed control, and OH&S.

QFF wants to record that this list evolved from direct employer contacts across industries and regions and proved remarkably similar to the AgForce end of 2011 survey which produced a Skills Required table as part of its “Skills and Labour Needs Review Analysis” report. Likewise the QRITC matrix of rural recovery training was similar as was the DEEDI Rural Skills Demand draft report at that time. QFF believes this is instructive information that Skills Queensland should continue to use to guide where rural training dollars should go. The training industry needs to be fully familiar with this industry based information on training requirements, whether it is ongoing or in response to natural disasters.

While QFF continued to work with members and training providers throughout the year to promote projects embracing the above, we can report that we were only successful in gaining funding of approximately $423,000 to train up to 210 new cane haulage operators. This training was provided by AACC and while there were many “management hurdles” in getting recruits matched to trainers in the small time window available before harvest, the experience does provide a sound basis for future training engagement with regional industry interests. For the record, 183 recruits were trained and 173 of these passed the licencing requirement. This provided a major boost for cane industry recovery efforts and adds a pool of trained labour for the future. QFF will promote this as a useful “template” for future development of training programs that meet the year-to-year business needs of farmers and agribusinesses in Queensland.

QFF notes this is a small achievement in assisting natural disaster recovery in this state and the bigger picture does show that even eighteen months after “the events” there is still a lot of unfinished business when it comes to getting farms and small businesses fully operational again.

One useful measure of the scope and scale of the 2010-11 natural disasters is the progressive tally of people receiving NDRRA grants and the average size of those grants. (Continued next page.)
AS we foreshadowed last year, the recovery work was always going to be greater in 2011-12 than in the year of the actual disasters and that has proven correct.

It is also a telling reminder that sometimes all the best intended of government programs don’t necessarily meet the needs of industry and this is clearly the case with very low use of concessional loans to fund recovery works. We also used this data to advise governments of the strong advice we got from employers that they needed more targeting business planning training to help them scope what might work to get their businesses fully recovered more quickly, but unfortunately we were unable to persuade Skills Queensland of this need.

As we move forward to 2012-13 it is unfortunate that QFF will no longer be in a position to provide direct industry input into Queensland and national rural training and skills bodies. QFF has provided ongoing advice to the coal seam gas industry joint rural training project and this will remain an active project for us for the remainder of that two year pilot program.

QFF has facilitated some rural input into the Queensland Skills and Training Taskforce set up by the new state government to “reform and revamp” Queensland’s VET sector and we look forward to improved performances of the 2,900 training organisations servicing workforce needs across the state.

National Drought Policy Reform
Unfortunately momentum towards concluding the National Drought Policy (NDP) reform process remains stalled even though the extended two year “WA pilot study” has been completed and the government has received an independent evaluation report and recommendations (the Keogh Report). The national government has chosen to use the new COAG system of councils for this reform, naming the Standing Council on Primary Industries (ScoPI) as the means to develop the new national drought package, with a timeline for new programs to commence July 2014. Meanwhile Minister Ludwig has also asked the National Rural Advisory Council (NRAC) to review the effectiveness of the Farm Management Deposits (FMDs) scheme and any past or new crop insurance products as part of an assessment of primary producer capacities to manage financial fluctuations emanating from climate and market risks.

Queensland Farm Finance Strategy (QFFS)
One important associated consequence of natural disasters has been the further tightening of the credit and loan management issues for many family farms and small businesses. Many have observed that the lingering effects of the Global Financial Crisis (GFC) are still with us and this is most evident with much stricter capital requirements being more closely monitored than was the case pre-2010.

As part of our service to industry, QFF again hosted a Bankers Forum in March 2012 to ensure open and constructive conversations about market realities and the need for lenders and borrowers alike to be prudent in managing business obligations. QFF and the ABA have undertaken to review the voluntary QFFS and to determine ways to make its operation more known and used by all parties.

The latest Queensland Farm Debt survey showed debt grew by 16 percent in the two years to 31 December 2011 to average about $1,073,000, and while this is a large figure the disaggregation across industries and regions shows the quality of the debt has improved and clearly financiers are providing funds to finance growth.

Provided seasonal conditions remain helpful, this level of funding will no doubt further boost agricultural output in Queensland in 2012-13 and beyond. A particularly encouraging aspect of the debt survey is the strong evidence in the intensive agriculture industries that debt levels are generally well below prudent debt/revenue and debt/equity ratios. With lending conditions tight and a subdued rural property market, it is important that farmers, advisors and bankers continue to use the sound financial management practices contained in the QFFS to ensure sustainable growth is achieved.