



QUEENSLAND FARMERS' FEDERATION

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Submission

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Committee Secretary
Senate Standing Committee on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
CANBERRA ACT 2600

Via email: rrat.sen@aph.gov.au

Dear Secretariat

Re: Inquiry into the identification of leading practices in ensuring evidence-based regulation of farm practices that impact water quality outcomes in the Great Barrier Reef

The Queensland Farmers' Federation (QFF) is the united voice of intensive, semi-intensive and irrigated agriculture in Queensland. It is a federation that represents the interests of peak state and national agriculture industry organisations, which in turn collectively represent more than 13,000 farmers across the state. QFF engages in a broad range of economic, social, environmental and regional issues of strategic importance to the productivity, sustainability and growth of the agricultural sector. QFF's mission is to secure a strong and sustainable future for Queensland farmers by representing the common interests of our member organisations:

- CANEGROWERS
- Cotton Australia
- Growcom
- Nursery & Garden Industry Queensland (NGIQ)
- Queensland Chicken Growers Association (QCGA)
- Queensland Dairyfarmers' Organisation (QDO)
- Australian Cane Farmers Association (ACFA)
- Flowers Australia
- Pork Queensland Inc.
- Queensland United Egg Producers (QUEP)
- Queensland Chicken Meat Council (QCMC)
- Bundaberg Regional Irrigators Group (BRIG)
- Burdekin River Irrigation Area Irrigators Ltd (BRIA)
- Central Downs Irrigators Ltd (CDIL)
- Fairbairn Irrigation Network Ltd
- Mallowa Irrigation Ltd
- Pioneer Valley Water Cooperative Ltd (PV Water)
- Theodore Water Pty Ltd.

The united voice of intensive, semi intensive and irrigated agriculture



QFF welcomes the opportunity to provide comment to the inquiry into the ‘Identification of leading practices in ensuring evidence-based regulation of farm practices that impact water quality outcomes in the Great Barrier Reef’. We provide this submission without prejudice to any additional submission from our members (several of who will make submissions) or individual farmers.

Background

QFF has been involved in Reef-related activities over many years, from policy development to managing/coordinating the Australian Government’s single largest investment in a water quality project – the Reef Alliance Growing a Great Barrier Reef project (the GGBR project). We are also an inaugural member of the ‘Reef 2050 Advisory Committee’¹ (RAC), which has regularly met since August 2015 to learn from others about Reef challenges and provide strategic advice on the implementation of Reef 2050 actions, stakeholder priorities, and highlight any emerging cross sectoral issues that need to be addressed.

Through our involvement with RAC and its ‘sister’ scientific advisory body – the Independent Expert Panel (IEP) – and the fact that we are not a scientific organisation, QFF has no reason to question that land-based run-off continues to impact water quality in the GBR, and that agricultural activities contribute to this. We also do not question that if the highly ambitious water quality targets that governments have set (but not funded) are to be achieved, effort to address water quality outcomes must be increased. However, we have consistently and strongly questioned and challenged the way governments, mostly the Queensland Government, is responding to the water quality challenges.

As such, this submission does not seek to respond to the questions of the inquiry but comments on the lack of justification for increasing regulations and the selective application of the science that underpins policy and current investment.

Simplistic response to a complex problem

The Reef is one of the most spectacular and complex natural systems on earth that is struggling to cope with a changing climate, which is its greatest threat. Similarly, where agriculture’s impact on water quality is concerned, we are also dealing with climate change and complex farming systems. That means the solutions for improving water quality need to be equally sophisticated and properly resourced. Unfortunately, QFF considers this has not been the case and government now views (incorrectly) regulation as a relatively simple and inexpensive option to improve agriculture’s impact on water quality.

For example, due to the nature of agricultural systems (e.g. different pathways nutrients are taken up and lost, different soil types, chemical processes and behaviours through soil profiles, different farming practices etc.), data capture lags and the design of some voluntary programs, much of the water quality improvement information is lagging so the numbers published in scientific reports are a long way behind the on farm reality. We understand and appreciate that policy decisions are frequently made on best available research and advice, which may not be indisputable, but there is often a selective use of results to support a political agenda.

Selective use of data

One of the Queensland Government’s main justifications for increasing the regulation of agricultural practices is its claim that the take-up of industry-led best management practice (BMP) programs and other voluntary programs has been too slow. Looking at practice change in the sugar cane industry, which has been a focal point, 80 per cent of the crop is now cut green leaving a mulch blanket on the paddock, and 80 per cent of growers now use fallow rotations to protect and nourish their soil between crops. One in every four hectares of Queensland’s cane area (25 per cent) has been accredited under

¹ <https://www.environment.gov.au/marine/gbr/reef2050/advisory-bodies>

the industry's Smartcane BMP program in under four years – these results are on track with the contracted milestones for this program.

Another justification was that the recently released 2017-2018 Reef Water Quality Report Card found that water quality is improving on a regional scale, but too slowly². What hasn't been explained is that due to the 12-month lag with data collection, the design of some voluntary programs (i.e. results are largely realised at the end of the programs) and the nature of agricultural systems, much of the water quality improvement information published is a long way behind on farm reality.

For example, the GGBR project is a large, Reef-wide project that supports farmers to voluntarily change practices in cane, grazing, horticulture, bananas, grains and cropping, which is mostly completed. The cane component of this project is estimated to achieved dissolved inorganic nitrogen (DIN) savings of 346 tonnes but only 106 tonnes has been reported in the most recent report card, which means 70 per cent of the DIN reduction is not included. Additionally, the report cards do not factor in the impact of severe and unavoidable weather events such as cyclones and droughts, which can quickly undo progress.

Significant underinvestment in water quality outcomes

When considering progress made through voluntary approaches to date, it is very important acknowledge and accept that there is significant underinvestment to realise the ambitious water quality targets set by governments – something that governments have never done. Considering all levels of government, for the five years 2017-18 to 2021-22, the Queensland and Australian Governments have collectively allocated \$614 million towards improving water quality. It is understood that most of this funding is directed at the agricultural community, although the exact amount has never been quantified.

At a state level, the Queensland Government advises that since 2009, it has invested over \$70 million in industry-led BMP programs, science and on-ground programs to assist landholders in improving their agricultural management practices. But this is a very small quantum when considered against the context of achieving the water quality targets governments have set, and as explained above, the Smartcane BMP program is on track with its contracted obligations.

This might seem like a considerable government investment, but to put these figures into context, QFF recommends the Committee consider the following:

- In May 2016, it was reported that preliminary modelling by Alluvium to meet the 2025 water quality targets for the GBR would cost between \$16 and \$17 billion. When the Alluvium Costings Report³ was released in August 2016, this cost had been reduced by 50% to \$8.2 billion⁴ to meet the maximum targets across four out of five catchments only and make good progress towards the maximum targets in the Wet Tropics by 2025.
- On the initial Alluvium estimate (May 2016), the Queensland Government investment in industry-led BMP programs, science and on-ground programs is **only 0.42%** of the cost of achieving these targets, while the investment from both governments between 2017-2022 to improving water quality is **only 3.72%** of the cost of achieving these targets (assuming all this money is going to agriculture). On the revised Alluvium estimate (August 2016), the Queensland Government investment is still **only 0.85%**, while the investment from both governments is still only **7.49%**.

² <https://www.reefplan.qld.gov.au/tracking-progress/reef-report-card/2017-2018>

³ https://www.qld.gov.au/data/assets/pdf_file/0023/95306/costings-report.pdf

⁴ It was reported that the initial cost estimates did not take into account the reductions in pollution already achieved between 2009 and 2013. They also included full steps of measures that then exceeded the targets. A full review process identified these, and now this modelling gives a more accurate estimate of what it would cost to deliver the targets using the knowledge and technology available today.

It should also be noted and acknowledged that historically, for every dollar government invest in voluntary water quality programs, farmers on average have invested about \$1.60.

No guarantee that regulations will achieve any better water quality outcomes

QFF supports smart regulation. When regulation is well designed and implemented it has a positive impact on the sector. Regulations must be underpinned by strong, testable and repeatable scientific knowledge, and adequate consultation with key stakeholders. Governments that fail to do this create mistrust and doubt in the landholders these types of policies directly affect, and they will not accept the regulations as having legitimacy.

Reef protection regulations aren't new. Through the *Great Barrier Reef Protection Amendment Act 2009* they have been in place for commercial sugarcane cultivation and grazing in the Wet Tropics, Burdekin and Mackay Whitsunday regions since 15 October 2009. QFF is not aware of any proper analysis on how effective these regulations have been to date, how much they have cost to implement and enforce, the water quality benefits they have delivered, or how they have impacted agriculture and regional communities. Without this analysis and understanding of the existing regulations, QFF is sceptical about whether the new regulations are proposed to start on 1 December 2019 will realise the expected benefits for the Reef.

Regulation is not the solution

The 2017 Scientific Consensus Statement for the Great Barrier Reef⁵, which underpins the Reef 2050 Water Quality Improvement Plan, emphasises finding collaborative solutions for farmers, industry and scientists. Despite the issues outlined above, plus the mistrust farmers have in modelled water quality results due to moving baselines, the Queensland Government has chosen a blunt regulatory strategy. QFF considers this approach is eroding the spirit of cooperation the Consensus Statement focused on when defining the best path to accelerated adoption of best practice and the resulting impact on improved water quality.

We remain firmly of the view that applying a blanket approach to regulating agricultural activities across all six Reef regions at the expense of true practice change will not realise the best environmental, social and economic outcomes for the Reef, farmers or Reef catchment communities.

Industry-led BMP and other voluntary programs incentivise and empower farmers and deliver real practice change. They are a structured and successful pathway for realising improved farm management practices and have supported farmers to gain a better understanding of their business and adopt improvements. Properly resourced, they remain the right vehicle for agriculture to continue doing its bit for the Reef.

Opportunity costs

The potential for Queensland agriculture to expand through high value export markets, and subsequently sustainably increase state revenue and jobs, has never been greater. At the same time, the ask of the sector to shoulder more environmental and stewardship responsibilities has also never been greater. To realise both requires government policies that recognise and enable the potential, while encouraging and rewarding the responsibilities.

As such, government Reef policies aimed at delivering a stable, workable framework for farmers, Reef catchment communities and the environment that can endure and meet triple bottom line requirements are critical. Applying a blanket approach to regulating agricultural activities across all six Reef regions in the belief that this will rapidly reduce run-off from farms is misguided and it does not enable agriculture's potential or encourage and reward its responsibilities.

⁵ <https://www.reefplan.qld.gov.au/science-and-research/the-scientific-consensus-statement>



Public good policies

Increasingly, regulatory measures that seek to achieve public good outcomes are being designed so that farmers and regional communities unfairly wear a greater cost burden than others to achieving them. For governments to continue trying to achieve public good outcomes through a significant private landholder cost is not only inequitable, it is resulting in damaging and perverse outcomes. This approach and its consequences have been repeatedly highlighted by ABARES, the Productivity Commission and state and federal parliamentary inquiries, but governments have yet to change their approach when designing public good regulatory measures. It is past time that this stopped.

Yours sincerely

Travis Tobin
Chief Executive Officer