



# QUEENSLAND FARMERS' FEDERATION

Primary Producers House, Level 3, 183 North Quay, Brisbane QLD 4000  
PO Box 12009 George Street, Brisbane QLD 4003  
qfarmers@qff.org.au | 07 3837 4720  
ABN 44 055 764 488

## Submission

6 August 2020

Paul Martyn  
Head of COVID-19 Response and Recovery Taskforce  
Department of the Premier and Cabinet  
Level 16  
1 William Street  
Brisbane  
QLD 4000

Dear Mr Martyn

### Re: Queensland Industry Recovery Alliance: Competitive Business Environment Working Group

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 20 peak state and national agriculture industry organisations, which in turn collectively represent more than 14,000 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)
- Queensland United Egg Producers (QUEP)
- Turf Queensland
- 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
- Eton Irrigation Scheme Ltd
- Pork Queensland Inc
- Tropical Carbon Farming Innovation Hub.

*The united voice of intensive, semi-intensive and irrigated agriculture*





Currently, the Building Code of Australia Part H3 Farm Buildings and the Queensland Development Code Part 3.7 Farm Buildings offer limited concessions to the activities associated with certain farm buildings. However, these concessions do not apply for farm buildings greater than 2000 m<sup>2</sup> in size. QFF notes that under current regulation, fire standards substantially increase for buildings over 2000m<sup>2</sup>, thus impacting the costs and regulatory burden associated with the construction of new commercial livestock buildings such as ‘free-range poultry sheds’.

Additionally, the Queensland Development Code Part 2.5 ‘Use of external cladding’ does not allow for the use of expanded polystyrene products in larger farm buildings. The use of expanded polystyrene (EPS) panelling for exterior walls in poultry sheds is widespread and has been standard practice for 20 years. Whilst we recognise the concerns with EPS and the Queensland Building and Construction Commission 2019 ban on this material in habitable buildings (Class 2-9), this material continues to be used extensively in poultry shed construction as it has preferential durability and thermal properties which provide superior animal welfare conditions.

Despite the low risk determination associated with livestock facilities as they are a non-habitable infrastructure. Particularly for facilities which are typically located in isolated locations, greater distances from fire stations, and with significant buffer distances from other buildings and property boundaries. With these factors considered, QFF proposes an amendment to the relevant Code (Parts 2.5 and 3.7) for farm buildings and external cladding where exclusively used for livestock production, including for buildings over 2,000m<sup>2</sup>.

### 3.1 Duplicate and Excessive Fees

QFF also notes that the fees levied by the Queensland Fire and Emergency Services (QFES) to review infrastructure plans are excessive. Infrastructure plans must include fire planning and other considerations. This work must be conducted by a suitably qualified fire engineer however, these plans are then reviewed a second time by QFES personnel. Essentially, proponents are paying twice for the same service, one set of fees to the private consultant and a second set of fees to QFES.

### **Other Codes**

4. Requested development of a Solar Code to provide adequate consideration and assessment of siting industrial sized solar facilities on Class A agricultural land (see numerous submissions including <https://www.qff.org.au/wp-content/uploads/2017/04/20170120-QFF-submission-to-DILGP-re-Solar-PV-WEB.pdf> with peer-reviewed journal papers such as <http://sites.thomsonreuters.com.au/journals/2019/11/29/environmental-and-planning-law-journal-update-vol-36-pt-6-special-issue/>).

Requests were also made for consideration of a considering such facilities as an Environmentally Relevant Activity (ERA), bringing them into line with similar power-generating infrastructure. This was rejected.

5. QFF has recently commenced work on building an evidence-base to support the development of a Planning Code for Agri-Tourism to facilitate tourism activities on farm.

A key lesson from the COVID-19 pandemic is that businesses have learned the necessity of market diversification for Queensland’s economic recovery and future growth. With increasing interest in the provenance of food, there is a strong desire by consumers to understand and discover how and where food, drink, fibre and foliage is produced. Queensland is well placed to develop closer links between two key economic drivers: agriculture and tourism, particularly in a market constrained to domestic travel only. This work is being fully funded by QFF despite a \$2m grant announced to support these activities.

### **Environment:**

6. Duplication of regulation on anaerobic digestion (AD) facilities which has now seen two facilities close and considerable impediment to the development of new facilities.

In November 2018, changes to Queensland's Environmental Protection Regulation 2008 (EP Reg), introduced a licence requirement for AD under a revised Environmentally Relevant Activity (53 – Organic Material Processing). The EP Reg is administered by the Department of Environment and Science. The revised ERA (and licence requirement) rightly excludes on-farm AD and AD plants associated with wastewater treatment and meat processing; however, farms seeking to utilise AD will need economies of scale which may require 'importation' of other organic wastes – this would immediately trigger the requirement for an ERA.

Food and beverage manufacturers and other sectors with AD plants accepting more than 200t of organic material annually, also now need an Environmental Authority with an associated annual fee of \$4,512.00 (correct from 1 July 2020). This is not including the application fee and associated costs of making the application or meeting any requirements imposed by the conditions of the Environmental Authority. This is also in addition to current regulation and fees imposed onto AD facilities by the Department of Natural Resources, Mines and Energy.

Duplicative and retrospective regulation of the existing energy from waste/renewable energy facilities. For example, Queensland did have (until last year) 14 AD facilities registered with the regulator (Petroleum and Gas Inspectorate, Department of Natural Resources Mines and Energy) who regulate the Petroleum and Gas (Production and Safety) Act 2004 and subordinate regulation. This is despite Queensland's unique position as a substantial agricultural producer and, also given at face value, policy support under the 'Biofutures' agenda at state level and the Food Waste Strategy at federal level, amongst other policy portfolios.

The Queensland Government has failed to recognise the potentially significant contribution of AD in achieving the desired outcomes of so many policy agendas, such as managing greenhouse gas emissions, increasing renewable energy generation, diverting organic waste streams from landfill and moving organic resources towards a more circular economy approach. On a small scale, the agricultural sector and food and beverage producers have recognised the substantial opportunities to reduce emissions by recycling methane-producing wastes such as manures and food processing wastes; and the ability of AD to offset high peak electricity prices or negate obligations under the Safeguard Mechanism. However, these incentives are insufficient on their own to stimulate Queensland's AD sector and are now being eroded by excessive state-based regulation.

QFF has made numerous submissions on the duplication of regulation for AD, for example, <https://www.qff.org.au/wp-content/uploads/2017/04/20190826-Submission-to-DES-re-Energy-from-Waste-Discussion-Paper-WEB.pdf>, <https://www.qff.org.au/wp-content/uploads/2017/04/20190405-Submission-to-DES-re-Draft-Waste-Strategy-WEB.pdf>, <https://www.qff.org.au/wp-content/uploads/2017/04/20180919-Submission-to-ITDEC-re-the-QLD-Waste-Levy-Bill-WEB.pdf>.

7. End of Waste Code for Tyres

In the remake of the Code for Waste Tyres, previous agricultural and equine applications were removed. QFF has requested an amendment to the relevant End of Waste Code 'End of Life Tyres' (ENEW07503018, see [https://environment.des.qld.gov.au/data/assets/pdf\\_file/0027/103887/wr-eowc-approved-tyres.pdf](https://environment.des.qld.gov.au/data/assets/pdf_file/0027/103887/wr-eowc-approved-tyres.pdf)), specifically requesting for Section 7 Conditions of Use, 7.2 Approved Uses to be updated to include the following applications:

- 'in agricultural applications such as to hold down silage stack covers, contain animal feed etc.' and

- ‘for use in equine applications such as exercise paddocks and animal pens’

Currently, dairy farmers for example, who use tyres for silage storage applications (as per industry best practice guidelines) are now storing regulated wastes without a licence and are at risk of prosecution.

#### 8. Right to Farm issue relating to Noise from Irrigation Pumps – Request to amend the *Environmental Protection Regulation 2019*

QFF is receiving an increasing number of requests from farmers for assistance relating to the erosion of their ‘right to farm’. In many local government areas, farmers are experiencing encroachment by commercial and residential land uses and attrition of existing buffer distances. One significant area of concern for farmers pertains to the operation of irrigation pumps and other equipment.

In response to these concerns, QFF engaged GHD Pty Ltd (GHD), to investigate the current regulations and policy settings pertaining to noise and noise nuisance as could be applied to the undertaking of agricultural activities such as the operation of irrigation pumps in regional areas. The outcome of this evaluation process was to assist QFF to present a case to the Department of Environment and Science (and local Councils) to draft necessary amendments to relevant legislation and to propose appropriate noise limits for agribusinesses located on exclusively rural zoned properties. The GHD report was also provided to the Department as part of the supporting evidence base.

QFF understands that many of the criteria expressed in the *Environmental Protection (Noise) Policy 2019* and *Section 440T* of the *Environmental Protection Act 1994* were primarily created to provide guidance on pumps located in urban areas (particularly swimming pool pumps and spa blowers).

QFF notes the defences available under the *EPA Act*, especially section 493A which remain available even if a council makes its own Local Law. However, these defences are not always clear and the ongoing requirements for legal advice and representation in these matters is imposing a substantial and unsustainable financial cost onto the agricultural sector.

The current situation will escalate due to ongoing land-use change, access timing/restrictions relating to irrigated water and as electricity tariffs provide further financial burden on our sector. We requested a meeting with the relevant departmental personnel to discuss the opportunity to amend the relevant sections of the legislation (both primary and subordinate); in order to facilitate a sensible approach to the noise emissions from essential agricultural activities in regional areas and to consider a land-use framework such as that used in South Australia. No response has been received.

#### **Rates**

- #### 9. Local Government Rate increases continue to undermine the profitability of agricultural businesses.

QFF appreciates that the financial sustainability of local governments across Queensland continues to be a challenge with increasing community demand for services, population growth and rising costs associated with maintenance and renewal of ageing infrastructure. In February 2020, the Queensland Audit Office reported to parliament that over half of Queensland councils spend more than they earn. This has been a long-term and continued trend.

QFF is becoming increasingly concerned by the unchecked increases in rates applied by local governments to agricultural land. The disparity between Queensland’s farmland values and the associated local government rates is becoming more significant. The Valuer General’s 2020 Property Market Movement Report noted increased sales activity in Queensland’s rural markets. As a result, farming valuations this year saw an uplift of around 30 to 80 per cent, despite extensive drought

conditions prevailing across the state. However, rate increases in many local governments areas have eclipsed these valuations for farming businesses. QFF notes that land valuation increases do not correlate to a need for more funds to administer a region.

While some local governments, such as Ingham and Mackay, have managed these changes in land valuations well, as an example, the 2020-21 budget handed down by the Bundaberg Regional Council (BRC), has resulted in a net increase in general rates for all but 16 of the 1,796 agricultural properties. Moreover, some properties have received increases of over 200 per cent on their previous bills. Agricultural properties thereby now contribute over 12 per cent of the BRC's General Rates this year, an increase from 8 per cent last year, clearly showing a cross-subsidisation by the agricultural sector of other rate payer classes.

Local government rates for some areas remain unchecked and excessive and, are not transparent. This means that businesses can not plan for the increase in their 'cost of doing business'.

QFF has made previous submissions (for example, see <https://www.qff.org.au/wp-content/uploads/2017/04/20170525-QFF-submission-to-IPNRC-re-local-govt-financial-sustainability-WEB.pdf>) regarding non-compliance (of the rates and charges being levied onto agricultural landholders) with the purpose and principles of the *Local Government Act 2009* or the Queensland Government's Guideline.

QFF also notes our concern over the effects of a recent decision by the Land Appeal Court in *Western Downs Regional Council v Geldard*. The outcome of the Geldard case supports an excessively broad discretion of local government to determine applicable rating categories for landholders. In this most recent case, the Land Appeal Court found that "It is use of the land, not solely the principal activity of the owner of the land, that determines categorisation" and that the rating categories selected by a local government do "not require the land to be used exclusively, wholly or predominantly for gas extraction and associated activities.

This recent court decision will inherently change the way private landholders are rated. The court ruled it is lawful for a local government to apply a rating category to a private landholder based on the third-party infrastructure on their land regardless of their connection and/or ability to influence it. In the case of resource activity in Queensland, the resource under the ground belongs to the Crown. A resource company has a legal right to access the land to explore and develop the resource on behalf of the Crown and the private landholder is unable to refuse access to that resource company or activity.

QFF is also concerned that the Geldard decision may also influence future rate determinations based on ancillary activities on farm, which a farmer undertakes to support their primary production activity or diversify income such as renewable energy facilities or agri-tourism ventures. This is a particular concern as some 'rateable classes' for solar PV's commence at a zero threshold in some local government areas.

QFF believes that the Geldard decision is inconsistent with the Queensland Government's Guideline which states that "Parcels of similarly valued land which are used for the same or similar purposes, and receive similar services should be levied similar general rates."

QFF has asked the Queensland Government to undertake urgent legislative action to correct the unintended consequence of the Geldard decision and other council activities including, but not limited to, making the Queensland Government's Guideline a statutory instrument; and commit to a review and administrative amendment to the various primary and subordinate legislation to ensure that land cannot be rated twice.

The financial sustainability of all local governments is essential to the health and wellbeing of our communities, and particularly our regional areas. However, agricultural businesses cannot fund this endeavour, particularly in the currently challenging conditions, not least the wide-spread drought. Queensland must consider whether structural changes to local government funding made in other jurisdictions have been effective.

### **10. Support for Insurance**

Insurance is useful a risk transfer mechanism. In the agricultural sector, there are nominated/named peril insurance products for specific crops (e.g. hail insurance for cotton), limited multi-peril crop insurance (MPCI) options, and index insurances and mutual schemes. Currently, MPCI is only available for a small number of crops, typically winter cereals. Index insurances and mutual schemes are in their infancy in the Australian market, and nascent in Queensland.

Maturity of the Australian agricultural insurance industry has progressed slowly, with very limited government support. When compared to the international market, we have a very small and undeveloped agricultural insurance market. There are challenges for establishing a viable and sustainable agricultural insurance market in Australia, but the potential benefits are large and offer greater stability for regional economies following extreme weather events.

One of the other barriers to greater take-up of agricultural insurance is cost. The Victorian and New South Wales governments removed stamp duty on agricultural insurance products in 2017, to make it more affordable for farmers.

Removing inefficient stamp duty on agricultural insurance would increase product affordability and increase take-up. Modern agricultural businesses operate across state borders, so where practical it makes perfect sense to harmonise state regulations and taxes. Many insurance providers are global companies, so consistency across jurisdictions would also remove red tape compliance for them, which should result in more efficient and effective product development. QFF estimates abolishing stamp duty on agricultural insurance would cost government about \$4 million per year in revenue forgone – a very modest investment for the outcomes that would be derived.

#### ***Funding to support capitalisation of insurance discretionary mutual fund***

Adverse and extreme weather in Queensland is frequent and widespread ranging from droughts, extreme heat and excess rainfall to catastrophic floods and cyclones. For many crops, weather accounts for >60% of yield variations affecting germination, growth and ripening, yield and quality as well as plant susceptibility to pests and disease. If the weather is unkind, the crops and those whose livelihoods depend on them, suffer. The availability of multiperil or peril specific crop insurance is limited in Australia and is rarely purchased by growers, so most farmers remain uninsured against the financial impact of adverse weather. Parametric solutions provide an alternative, more cost-effective mechanism for managing the financial impact of weather uncertainty.

With funding through the Drought and Climate Adaptation Program, QFF with partners, USQ and Willis Towers Watson, have developed a financial model to enable parametric crop insurance to be applied to industry. This model involves establishment of a Discretionary Mutual Fund and we seek Queensland Government support of the capitalisation of the Fund to enable the DCAP project to deliver a product to producers. For projects details and supporting research reports go to <https://www.qff.org.au/projects/insurance/>.

QFF also notes that there are opportunities to improve the business environment by enabling better access to existing datasets already created and distributed by the Queensland Government. QFF is currently working on the development of an agricultural production planning tool (QAPPT) to enable better farmer and investor decisions based on this data, as well as data from private sources.

QFF can provide copies of all correspondence and reports upon request. Please do not hesitate to contact me if you require any further information.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'georgina', is positioned below the text 'Yours sincerely'.

Dr Georgina Davis  
Chief Executive Officer