

Queensland Government's Submission *Agricultural Competitiveness White Paper*

Executive Summary

The Queensland Government is committed to establishing an innovative, efficient, resilient and profitable agricultural sector for the future. This commitment is underpinned by a goal to double agricultural production by 2040.

The Queensland Government therefore fully supports and welcomes the Federal Government's goal of agricultural prosperity as detailed in its issues paper. The Queensland Government has identified a number of opportunities to work with the Federal Government to realise our common goals in Queensland. These opportunities include:

- Improving access to markets which are currently experiencing rapid rises in demand for food and fibre and other products.
- Collaborative Research, Development and Extension, particularly in northern Australia to assist in facilitating development within the region.
- Consideration of investment in enabling infrastructure such as Bruce Highway upgrades, raising the Burdekin Falls dam, construction of the Nathan dam and expansion of existing channel irrigation schemes, which would support agricultural productivity and development.
- Regulation of agricultural and veterinary chemicals; and improved consistency between jurisdictions, for example in food production safety regulation, and in the definition of water property rights.
- Building the agricultural workforce through the provision of visas to skilled migrants and increasing workforce participation in the sector, including Aboriginal and Torres Strait Islander workers.

The Queensland Government continues to support the sector by facilitating agricultural development. In particular, the Queensland government is:

- Undertaking regulatory reform that has significant and multi-faceted benefits to the agriculture industry. Highlights include modernisation and securitisation of State-land lease arrangements and allowing for sustainable agricultural development under the state's vegetation management laws.
- Supporting new agricultural development by establishing a framework for large-scale agricultural development, undertaking feasibility studies and examining constraining issues, particularly in the north of the state and, accordingly, making new water available for irrigated agricultural development.
- Undertaking significant research, development and extension, under the National Research, Development and Extension Framework and Reef Plan.
- Transforming and modernising the approach towards biosecurity issues with the aim to become the state most prepared for Foot and mouth disease.

The Federal Government should note that approximately 79 per cent of Queensland is in drought. This has a significant impact upon the agricultural sector and is a major focus of the Queensland Government. The Queensland Government's longer term aim continues to focus on building preparedness and resilience through the implementation of drought reforms, including improving business skills and risk management strategies.

Given our common goals, the Queensland and Federal Governments should work together to increase investor certainty for agriculture by reducing the costs of doing business, facilitating agricultural development, particularly in northern Australia, and by letting industry and business respond to market signals to supply the growing worldwide demand for food, fibre and other products. Working collaboratively, the Queensland and Federal

Governments can make a significant difference to ensuring the ongoing prosperity of the agriculture sector.

Queensland's Agriculture Strategy

The Queensland Government recognises agriculture as one of the State's four central economic pillars, with the potential for growth into the future. To guide this growth, the Queensland Government released the Queensland Agriculture Strategy in June 2013.

The Strategy outlines a vision for efficient, innovative, resilient and profitable agriculture fisheries and forestry industries, with a target to double agricultural production by 2040. To achieve this vision, the Queensland Government has identified the following key pathways to growth:

- Securing and increasing resource availability
- Driving productivity growth across the supply chain
- Securing and increasing market access
- Minimising the costs of production.

The Strategy is underpinned by over sixty initiatives which aim to assisting in growing the sector and ensuring it thrives for the longer term.

Existing Queensland Initiatives

Regulatory Reform

The Queensland Government is committed to reducing the regulatory burden on the agricultural sector and working to deliver a client-focussed regulatory framework.

The Queensland Government has passed legislative amendments which streamline the state's vegetation management framework, introducing provisions that allow for sustainable agricultural development and for routine property management activities to be undertaken in accordance with self-assessable codes.

The Queensland Government has also passed legislation which provides investment certainty to the agriculture and resource industries. The *Regional Planning Interests Act 2014* provides the legislative basis for new regional plans which enshrine coexistence policies and recognise areas where agriculture is the priority land use.

The Queensland Government has recently introduced legislative amendments to Parliament which will provide greater security of land tenure for approximately 5736 rural lessees whose properties make up 61 per cent of the state. The aim of these reforms is to encourage property development by reducing business administration costs, modernising provisions for corporations and providing greater land tenure certainty.

Queensland also has passed the new Biosecurity Act 2014 which streamlines multiple acts under a single cohesive legislative framework for biosecurity in Queensland and allows for the transformation of how the State, industry, local governments and the community manage biosecurity threats.

The Queensland Government is also in the process of identifying State-owned land that could be used for high-value agricultural purposes. In addition, it is introducing reforms to provide early certainty for proponents to assist in securing finance so that large scale agricultural projects can proceed to the assessment phase with confidence.

Queensland is also undertaking a broad review of the State's water legislation, to identify opportunities for regulatory reduction and to establish legislation that provides for the responsible and productive use of water resources.

Recently the Queensland government won the Planning Institute of Australia national award for improving planning processes and practices for the introduction of the Single Assessment and Referral Agency (SARA). SARA streamlines the State assessment process by providing a one-stop shop for assessment and referrals, benefiting agriculture and other development industries across the state.

The Queensland Government is already working closely with the Australian Government to remove duplication of environmental approvals. It would welcome the further opportunities to work with the Federal Government, through appropriate inter-jurisdictional forums, to address any areas of unnecessary overlap and duplication between state and national agricultural regulation, where reforms will be of benefit to Queensland's agricultural sector.

Facilitating Agricultural Development

The Queensland government builds capacity within the agricultural sector; assisting landholders in identifying and realising opportunities. It provides technical and business skills, information and tools, across industries and across regions.

Queensland's Agricultural Land Audit

The Queensland Agricultural Land Audit (the Audit) identifies land important to current and future agricultural production. It also identifies the constraints to development, highlighting the diversity and importance of Queensland's agricultural industries across the state. It is a key reference tool that will help guide investment in the agriculture sector and inform decision making to ensure the best use of our agricultural land in the future.

Large Scale Agricultural Projects

The Queensland Government is currently developing a framework for the assessment of privately funded, large scale agricultural projects. The aim of this framework is to:

- provide support to proponents of major new agricultural development in Queensland.
- clarify and streamline existing regulation as it applies to large scale agricultural projects.
- further position Queensland at the forefront of agriculture, such that the full growth potential of the sector can be unlocked.
- ensure the sector is able to expand into areas that provide opportunity for growth.

Northern irrigation precinct (Flinders-Gilbert)

A Commonwealth Scientific and Industrial Research Organisation (CSIRO) study, undertaken as part of the North Queensland Irrigated Agriculture Strategy, determined there are significant opportunities for irrigated agriculture in the Flinders-Gilbert catchments, though cautioned that the harsh and variable climate will always make farming a challenge. Reflecting these opportunities the Queensland Government released almost 95,000 megalitres in water entitlements for agricultural development in these catchments, in May 2013.

The Queensland Department of Agriculture, Fisheries and Forestry (DAFF) is developing a northern agricultural plan to optimise irrigation opportunities to maximise the potential of the sector.

Northern Australia Food and Fibre Supply Chains Project

The Northern Australia Food and Fibre Supply Chains Project is jointly funded by several parties including the governments of Queensland, Western Australia and Northern Territory, as well as the Federal government. The project aims to identify irrigated crops best suited to six different regions across Northern Australia, analysing the crops' market and economic potential and identifying supply chain infrastructure needed to support future development. Three of the six regions are in Queensland - the Flinders River and Gilbert River in the Gulf, the Dawson River in Central Queensland and the Surat Basin (which will look at utilising CSG water).

North Queensland Abattoir pre-feasibility study

The Office of Northern Australia and the Queensland Government jointly funded an assessment of the viability of establishing new meat processing facilities in north-west Queensland. The project found that Cloncurry would be the most economically efficient location for a 100,000 head per annum abattoir and that return on investment would likely be positive.

CSIRO studies into transport and logistics

CSIRO, Queensland and other northern Australian jurisdictions have been examining transport and logistics in the north of the country. The project has developed a suite of tools to analyse investments in the supply chain, giving producers and governments the means to evaluate the transport system and identify beneficial infrastructure investments. The project comprised the most comprehensive mapping and analysis of northern transport routes and beef industry infrastructure ever undertaken, capturing data from over 50,000 properties and 1.5 million vehicle movements.

Indigenous pastoral lands

A project under the Northern Australia Beef Working group is developing tools to assist indigenous pastoralists to build profitable and sustainable indigenous pastoral enterprises – recognising the significant potential productivity gains from large tracts of land in northern Australia.

Queensland Beef Industry Action Plan

DAFF is currently developing a Beef Industry Action Plan as a supporting document for the Queensland Agriculture Strategy. The purpose of the Plan is to describe how DAFF will create a flexible business environment, support industry development and build capacity in the industry.

The Plan outlines how the Queensland Government will support priorities outlined in industry strategies and captures key issues that have been raised through the Queensland Beef Roundtable, an industry forum that meets bi-annually with the Queensland Minister for Agriculture, Fisheries and Forestry.

The Minister for Agriculture, Fisheries and Forestry also hosts round-table meetings, focussed on the development of the grain, dairy and horticulture industries.

Research, Development and Extension

The Queensland Government supports the ongoing work under the National Research, Development and Extension (RD&E) Framework. Queensland plays a major role in establishing national priorities for RD&E in beef, sugar, summer cereals, tropical forests, tropical and subtropical horticulture, tropical and subtropical fisheries, and aquaculture.

Queensland's Agriculture Research, Development and Extension Plan outlines Queensland's future direction in alignment with priorities set by the National Framework.

The Plan sets clear targets for increasing the uptake of improved management practices. The Queensland government is working in partnership with industry and natural resource management groups to develop best management practice programs for the cane and grazing industries to improve the quality of water entering Great Barrier Reef catchments.

Work of the Queensland Government with the Australian Government regarding the Reef Trust initiative may also provide opportunities for further support and development of innovative solutions.

Biosecurity Queensland's transformation of service delivery

DAFF is transforming the way it operates to lead the delivery of Biosecurity Queensland's services. The primary goal of this work is to deliver better services to our customers. Under the Biosecurity Queensland renewal program the following new initiatives have already commenced:

- FMD preparedness – to ensure Queensland is the most Foot and mouth disease prepared state.
- Reduce Red Tape – make it easier for Queensland's agriculture sector to do business by implementing regulatory reform initiatives including new biosecurity, exhibited animals and veterinary surgeons legislation.
- Biosecurity Information Management System– a major program to develop a suite of systems to support the work undertaken by Biosecurity Queensland.
- War on Western Weeds – integration of research, on-ground control, extension and partnerships for managing endemic weeds.

Environment Taskforce

The Queensland Department of the Premier and Cabinet together with the Queensland Department of Environment and Heritage Protection have formed an Environment Task Force which includes Australian government representation to coordinate strategic environmental policy initiatives. These include preparation of the Reef 2050 – Long Term Sustainability Plan that will set out collaborative action to manage impacts on the Reef. This will build on another State/Commonwealth initiative, the Great Barrier Reef Water Quality Protection Plan, which is delivering measurable reductions in sediments, nutrients and pesticides from agriculture in Reef catchments.

An important part of this work are the efforts already undertaken by Queensland's cane and grazing industries to develop and implement voluntary, industry-lead Best Management Practice programs designed to enhance productivity and profitability, as well as achieving improvements in Great Barrier Reef water quality.

Opportunities for further collaboration

Markets and Trade

Queensland is well placed to supply key, emerging markets which are currently experiencing rapid rises in demand for food, fibre and other products. Queensland is already known in some markets for its high quality, safe and sustainable produce, and will be looking to further capitalise on our existing market share. It is the emerging markets where Australian products are not well known that we will need to focus efforts. A stronger branding of Australian produce will greatly assist efforts across jurisdictions to enter certain markets. The Federal government has a critical role to play in international trade and bilateral negotiations, and in reducing risk for exporters. Agriculture should be a key focus of any negotiations.

A recent analysis by the Australian Food and Grocery Council identified that Australia's market share of food imports to Asia has more than halved in the last 20 years in key markets such as China, Indonesia, Malaysia and South Korea due to more aggressive and better organised competitors.

The Queensland government is eager to work with the Federal government on market negotiations to increase share and develop new markets for key commodities and value-added products.

Research, Development and Extension

Queensland is a world leader in tropical and sub-tropical agricultural science, and is well placed to increase productivity and exports within these industries. Queensland supports the ongoing prioritisation of agricultural research through the National RD&E Framework which ensures efficient utilisation of resources.

Queensland also supports the development of a Northern Agriculture CRC. Agriculture will play a strategically important part in transforming northern Australia. A Northern Agriculture CRC is therefore important to underpin collaboration, cooperation and knowledge diffusion in north Queensland and will assist in facilitating development in the region. Federal Government support and leadership in establishing this critical CRC would be welcomed by Queensland, especially taking a lead role in funding northern R&D while the region develops.

Biosecurity

Queensland producers expect effective quarantine systems. Queensland continues to be challenged by new and re-emergent pests and diseases, more so than any other state or territory. Our close proximity to Papua New Guinea and South East Asia combined with the diversity of environment and climatic conditions provide ideal conditions for a vast number of exotic pests and diseases to potentially establish.

Equity and efficiency is advanced where government, individuals and industry bear their proportionate share of the cost of biosecurity responses and the management of biosecurity risks. A number of issues and challenges remain to extend and improve efficiency of existing national cost sharing.

Queensland supports action to:

- Identify and refine best practice cost recovery frameworks which differentiate and define the proportionate responsibilities of risk creators, beneficiaries and government.
- Document a pragmatic decision making process under which government accepts full responsibility for funding a biosecurity response.
- Determine mechanisms and process to recover costs from the risk creators and beneficiaries in proportion to the risk, or cost imposed on others.
- Conduct an economic/efficiency/equity assessment of payment mechanisms that may be used for potential risk creators and beneficiaries to recover costs.
- Determine what changes need to be made to formal cost sharing deeds in relation to current emergency response program contributions.

Enabling Infrastructure and Agricultural Development Facilitation

Water and transport infrastructure, whether it is new development or improvements in the efficiency of existing networks, is one of the most critical factors for agricultural growth into the future. Integrated green-field irrigation developments have the potential to provide a significant boost to regional employment. Where there is significant interest from private

investors to invest in large-scale agricultural development, there is a role for the Federal Government to commission or provide supporting or enabling infrastructure.

There are significant reserves of unallocated water, within Queensland's water resource plans, that could support large-scale water infrastructure developments that may be of interest in the Federal Government's consideration of "iconic" infrastructure projects.

The Mitchell River catchment in North Queensland is a large, relatively undeveloped resource with a significant amount of quality soils and seasonal availability of water. The CSIRO-led study of the Flinders-Gilbert could be expanded to the Mitchell, noting that the opportunities for agricultural expansion are significant, as are the infrastructure investments necessary to realise that potential.

In most cases, the high costs associated with water supply and distribution infrastructure for agricultural purposes are well above the industries capacity to pay. However, there is scope for infrastructure to service multiple industries and users. All things being equal, multi-purpose infrastructure investments are more viable than single specific sector, i.e. agriculture or mining.

Potential infrastructure projects that have been identified which would facilitate sectoral growth include:

- Bruce Highway Upgrades – particularly an alternate Fitzroy River crossing which bypasses Rockhampton to improve resilience to flooding and enhance efficiencies
- Raising Burdekin Falls Dam to provide increased water security and support intensification of irrigated agricultural in the region
- Construction of Nathan Dam to support the intensification of irrigated agriculture in the region (although the need may be delayed by potential supply of CSG water from the Surat Basin to the Dawson Valley).
- Expansion of existing channel irrigation schemes and distribution works taking water from existing scheme areas to new areas where feasible to maximise the benefits of past investments across broader irrigation areas (eg Water for Bowen Project)
- Infrastructure (water, supply chains) to support agricultural development in the Flinders-Gilbert Agricultural Precinct or others areas such as the Mitchell catchment
- Type 2 road train corridor between Clermont and Roma to facilitate more efficient road transport.

Queensland Agriculture Transport Blueprint

The Queensland Government has identified the need to develop a Queensland Agriculture Transport Blueprint which will help guide development of a freight transport sector that supports Queensland's agricultural growth into the future. Once finalised, this Blueprint will guide decision-making around prioritising investment for transport infrastructure in Queensland.

Digital Infrastructure

Improving collaborations between producers and across sectors will lead to increased levels of innovation. Available data indicates that compared to businesses that do not collaborate, collaborative Australian businesses are 55 per cent more likely to report increased productivity. This is a significant benefit – however, it is well known that collaboration levels in Australia are low by international standards.

High quality telecommunications and broadband infrastructure will be one of the keys to supporting the growth of regional industries such as agriculture. This infrastructure will enable businesses to compete in global markets because a business with first class broadband can trade online and this radically increases its market reach, irrespective of its physical location.

Drought Policy and Climate Resilience

Queensland supports efforts to build the resilience and capacity of producers to deal with, and rebound from, highly variable and challenging climatic conditions. This is the only way sustainable productivity growth in the sector will be achieved.

Over 79% of the state is currently drought declared, the largest area of Queensland ever to be drought declared. The current circumstances are highlighting significant structural and financial issues in certain industries (e.g. extensive grazing).

The Queensland government supports continuous improvement of long term drought/climate forecasting techniques as a means of providing better information on risks and enabling more informed decision making, and is still committed to implementing drought reform. However, current drought conditions have complicated the transition to the new programs due to the need to meet current conditions under the previous Drought Relief Assistance Scheme.

Given there are over 20,000 primary producers in Queensland, an across-the-board training program could be an expensive exercise. The willingness of farmers to participate in training will depend not only on perceived value, but also on the burden it places on competing priorities for the farm family and business.

Farmers will consider training worthwhile if it stands apart from that offered previously and provides value in the form of new information that helps business decision making, for example if such training includes information on improved climate forecasting and information on decision support tools.

Considerable advancements have been made in understanding climatic patterns and their implications for regional Queensland. Training and the development of decision support tools are a means of making these developments in climate science accessible to primary producers, and how to integrate forecasts into decisions on livestock management and crop planting and in-crop expenditure.

Regulatory Reform

As highlighted in the 2013 ABARES report *Review of Selected Regulatory Burdens on Agriculture and Forestry Businesses*, and the National Farmers' Federation's issues paper *Red Tape in Australian Agriculture*, although some tangible reforms have been achieved there is still considerable scope to reduce the regulatory burden on agricultural businesses. In particular, the cumulative impact of various regulations, which individually might be minor, impinges on the competitiveness of the agricultural sector. Queensland is undertaking a number of reform initiatives and welcomes collaboration with the Federal Government and other jurisdictions to continue to improve regulatory arrangements. Examples of areas for ongoing reform at the national level include the regulation of agricultural and veterinary chemicals; and improved consistency between jurisdictions, for example in food production safety regulation, and in the definition of water property rights.

DAFF is leading a Beef Supply Chain Project, with other Australian jurisdictions, to review and identify where best practice regulatory outcomes are being achieved for the beef industry, and where regulatory reform and reduced compliance costs can be achieved. There is significant scope to work with the Federal Government on addressing issues across the supply chain. The project is an initiative of the former Primary Industry Standing Committee – Productivity and Regulatory Reform Committee (PPRC).

When investigating redundant existing regulations, or the cumulative impact of regulation, there is also a need to look at alternative methods of ensuring an outcome, such as certification and accreditation systems. Industry-driven programs should be examined and aligned to provide clarity for all levels of the supply chain from producer to consumer. Such

systems need to address biosecurity, welfare, health, environmental and other community concerns that are currently embedded in legislation.

With respect to the Reef Protection legislation, whilst Federal Government legislation does not affect agricultural producers, Queensland legislation remains in place. The Queensland Government intends to review its legislation under the 2013 Plan, when industry best management practice programs have taken effect. There is an expectation by industry that Queensland legislation will remove all legal requirements relating to agricultural operations. This is a sensitive issue that has implications for the next stage of Best Management Practices (BMP) implementation and further points to the role of extension services, and coordination of BMP and incentive programs.

Agricultural workforce, skills and careers

Skills

Skills development initiatives and suitable modules for up-skilling farm operators could better target specialised needs areas such as financial risk management and strategic business planning, which, could be linked to assistance packages providing an incentive to undertake this training. Similar delivery mechanisms might also be targeted at farm workers to increase worker productivity.

Skills Occupation List

The Federal Department of Immigration and Citizenship - Skills Occupation List is a set of skilled occupations that are in need in Australia. Positions covering skilled and semi-skilled workers (Level 2 and 3) who do not have formal university degrees but rather Vocational Education Training or equivalent qualifications – including skilled farm operators and supervisors - are not adequately included. This has flow on repercussions for Queensland's ability to participate effectively in the utilisation of skilled migrants and better utilise incoming workers to the agricultural sector.

Aboriginal and Torres Strait Islander Workforce

There is an untapped supply of Aboriginal and Torres Strait Islander workers in many remote and regional areas where job opportunities exist. The Queensland Department of Aboriginal and Torres Strait Islander and Multicultural Affairs would like to work closely with the Federal government with regard to both human capital and land resources. There are strong ties between the White Paper and the Queensland Government's agenda improving the economic participation of Aboriginal and Torres Strait Islander people.

Conclusion

This submission provides a range of examples that highlight what Queensland is currently doing to assist the agriculture sector to respond to market signals, improve its competitiveness and take advantage of emerging opportunities to grow into the future.

Queensland is looking forward to working collaboratively with the Federal Governments to resolve challenges, improve efficiencies across the supply chain and realising the potential of the agricultural sector to supply the growing worldwide demand for food, fibre and other products.