

## Queensland Government's Submission to the *Agricultural Competitiveness Green Paper* and supporting *Water Infrastructure Options Paper*

### Preamble

The Queensland Government (QG) strongly supports Commonwealth Government (CG) efforts to address the issues facing the long term competitiveness and growth of agriculture in Australia, especially in increasing the returns to producers, and the efficiency and profitability of the entire value chain.

The Agricultural Competitiveness Green Paper (the Green Paper) is a solid foundation to build upon. Some policy ideas are supported by the QG, while others are not; additional ideas have been suggested for further consideration. Importantly, it is the CG which possesses the means and resources to address many of the issues related to taxation, trade agreements, market access and national biosecurity, and which may provide funding and approvals to deliver key transport and water infrastructure across Australia.

### The Queensland Plan

Central to the QG's consideration of the Green Paper is our strategic direction outlined in *The Queensland Plan* which sets out Queenslanders' aspirations for the state over the next 30 years. In 2014 a significant community engagement process was undertaken across the state from which nine foundation areas were identified. The "economy and infrastructure" and the "regions" were identified as two of the foundation areas. *The Queensland Plan* identifies specific outcomes sought for each foundation and sets targets to measure progress towards achieving them. In September 2014 the Government responded to *The Queensland Plan* and outlined a significant number of actions from 2014 to 2020 and beyond, emphasising four key drivers in the short to medium-term to help achieve the economic vision:

- Growing a four pillar economy of which agriculture is a major contributor;
- Delivering the best environment in the nation to start or grow a business;
- Prioritising the infrastructure needed for economic growth and productivity; and
- Driving innovation to turn ideas into opportunities.

### Queensland's agriculture strategy

Agriculture is a key pillar of the Queensland economy, and critical to the future prosperity of Queensland. The QG, through *Queensland's agriculture strategy*, released in June 2013, has a target to double

agricultural production by 2040 and supports the growth of an efficient, innovative, resilient and profitable sector based on four key pathways:

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

The QG has a range of initiatives, policies, and legislation which are working towards addressing many of the policy issues and ideas raised in the Green Paper, and are addressed below. To monitor Queensland's progress towards the target to double agricultural production, the State of Queensland agriculture report was released in June 2014 at the inaugural Queensland Agriculture Conference (<https://www.daff.qld.gov.au/business-trade/development/queenslands-agriculture-strategy>).

## Key Policy Considerations

Further to the QG's submission to the Agricultural Competitiveness Issues Paper, below are key policy considerations and a range of initiatives that the QG is delivering in relation to the principles and policy ideas outlined in the Green Paper. The QG's top policy considerations are:

- CG assistance for water and transport infrastructure to support agricultural development, with supportive regulatory frameworks. Areas with potential for large-scale integrated agricultural developments, including brownfield areas, should be an investment priority.
- Accessing international markets by implementing post-Free Trade Agreement actions such as reducing high costs of export certification and effective, coordinated marketing efforts in key destination countries.
- National Research, Development and Extension to adopt a stronger focus on responding and proactively addressing key technical and operational challenges for industry, through a strengthened and more collaborative approach across researchers, disciplines and sectors.
- Developing North Australia is a key focus for the QG, underpinned by agriculture, with current efforts directed towards developing the Gulf Rivers Agricultural Development Zone including the Flinders and Gilbert Catchments among other regions.

## Infrastructure

The QG encourages strategic, targeted investment in enabling infrastructure that supports the growth of new agricultural opportunities to strengthen the state's economy, delivers improved performance to support Queensland's growing freight task and importantly, supports growth in northern Australia. This will

require new and innovative approaches to partnering with the private sector to plan, deliver, finance and operate the infrastructure to underpin economic growth. The QG encourages increased investment by the CG, in upgrades to or in new road, rail, sea and air infrastructure to drive improvements in transportation and reduce costs across the supply chain. Underpinning this is the examination of options to improve the efficiency of the transport system and associated regulatory environment.

The Queensland Department of Transport and Main Roads (DTMR) maintains a program of planning studies/initiatives that targets improved freight outcomes across Queensland, and is consistent with the strategic approach identified in the Green Paper.

Under the current economic and fiscal conditions, the QG is prioritising its approach to transport infrastructure investment to focus on:

- Operating our existing transport infrastructure to ensure an appropriate level of access and safety;
- Maintaining existing transport infrastructure to a 'fit-for-purpose' standard, focusing on repair and rehabilitation, to reduce whole-of-life costs; and
- Building and enhancing transport infrastructure after sufficient funding has been allocated to operate and maintain existing assets.

*InfrastructureQ* will be released in early 2015 as the state infrastructure plan, delivering better infrastructure across Queensland and identifying a genuine pipeline of future projects to ensure sustained growth of the State's economy, particularly in regional Queensland.

The Queensland Department of Agriculture Fisheries and Forestry (DAFF) is leading the Infrastructure & Related Matters Task Group, established under the Agriculture Senior Officials Committee (AgSOC) and managed by the Infrastructure & Related Matters Group, to explore opportunities to influence government investment in appropriate infrastructure and improved efficiencies and access to infrastructure (e.g. mining).

High transport costs of live cattle are a key priority for the Queensland beef industry and are one of the largest costs in the beef supply chain. DAFF has supported CSIRO to develop a transport modelling tool for the northern beef industry (in partnership with Queensland, Northern Territory, Western Australia and Office of Northern Australia). The tool uses real data about cattle movements and the road networks across the states and provides information such as total costs and potential savings to industry of a particular transport issue.

The QG supports utilising information on local infrastructure needs and bottlenecks in infrastructure planning and funding decisions, and implementing transport regulation reforms to improve the efficiency of the transport system and reduce business costs. The QG is contributing to a University of Southern Queensland study examining agriculture value chains and opportunities created by the Brisbane West

Wellcamp airport, Inland Rail, Second Range crossing project and the Charlton Wellcamp intermodal hub proposal.

The QG is keen to increase business competitiveness through regulatory reduction, support the development of a pipeline of private infrastructure provision and ensure that any CG regulatory changes deliver a net benefit to Queensland.

There are currently two relevant Queensland Parliamentary inquiries underway: Coastal shipping and Rail freight use by the agriculture industry:

<http://www.parliament.qld.gov.au/work-of-committees/committees/THLGC/inquiries/current-inquiries/INQ-CSF>

<http://www.parliament.qld.gov.au/work-of-committees/committees/THLGC/inquiries/current-inquiries/INQ-RAIL>

Planning for improvements or upgrades to existing road freight infrastructure should not be limited to meeting existing or imminently emerging demands. Consideration should be given to the characteristics of the most productive vehicles and long term future trends in vehicle technology and capability across all modes. Focusing infrastructure improvements to only address current needs will limit the ability of industry to adopt efficiency driven innovation and impact on the longevity of assets and potential return on investment.

Infrastructure planning should consider the inter-relationships between all transport modes and key supply chains to take advantage of opportunities that ensure wider freight system efficiency, and reduce the potential for inefficient investment and conflict with desired policy outcomes.

The QG supports initiatives which contribute to reliable and affordable communications systems in rural and regional areas, however the National Broadband Network rollout delays have resulted in many rural areas without affordable access to the internet which is vital for doing business in an increasingly global market.

Access to mobile phone reception and good internet is essential for further development west of the Great Dividing Range as access to high capacity digital infrastructure enable farmers to utilise data capture and processing technologies to optimise production and value adding activities on site. Enhancing high speed digital infrastructure for farms can facilitate extension activities and the adoption of best practice farming techniques such as automated systems (e.g. irrigation), and improved customer engagement; however farmers may need to be encouraged to increase rates of adoption. While affordability is important, reliability is vital. The QG is supporting the black spot program roll-out in partnership with the CG, encouraging owners of communication towers to make these available to utilise different modes of digital communication creating greater convergence of technology to deliver multiple outcomes.

## Working with States and Territories

The QG is committed to reducing the regulatory burden in the agricultural sector. The QG is working hard to ensure a regulatory environment that is both client-focused and conducive to business growth. The QG supports COAG's prioritisation of deregulation. This is in line with the QG's commitment to reduce red tape by 20 per cent by 2018. The QG has already completed, and is currently progressing, a range of reforms aimed at reducing unnecessary regulatory burden on the agriculture sector, which provide cost and time savings and increase productivity. Areas benefiting from reforms include: vegetation and land management; water supply, management and licensing; transport; biosecurity; pest management; and environmental-related regulation.

In 2013, the QG introduced significant reforms to the vegetation management framework. These reforms were a core component of the QG's commitment to double agricultural production by 2040 outlined in *Queensland's agriculture strategy*. The reforms allow landholders to clear remnant vegetation for high value agriculture where it can be demonstrated that the land is suitable for the nominated agricultural activity; the activity is economically viable; and that appropriate measures will be taken to manage the impact of the clearing, which may include the provision of environmental offsets. In addition, the clearing of high value regrowth vegetation on freehold and indigenous land is no longer regulated, enhancing the development potential of land in north Queensland. The implementation of self-assessable codes to manage certain low-risk vegetation clearing activities has reduced the regulatory burden on landholders and land managers by reducing red tape while maintaining key environmental values.

Other reforms to the vegetation management framework that will facilitate development in Queensland include the exemption for developments for community transport infrastructure and other community infrastructure such as communication network facilities and energy generation facilities.

The QG recently introduced reforms to the state land tenure system which increase opportunities for farmers to convert state rural leasehold land to freehold. Landholders may now apply to convert their term or perpetual lease to freehold at any time instead of waiting until after 80 per cent of the term has expired. However, the leaseholder still needs to address native title for conversion as required under the *Native Title Act 1993* (Cth), which may include the payment of any costs and compensation. A pastoral term lease may be converted directly to freehold without the intermediate step of conversion to a perpetual lease, streamlining the conversion process and removing the need to and costs of addressing native title more than once.

The QG is reforming the Water and Land Acts. Initial reforms to the *Land Act 1994* have focused on providing greater security of tenure to lessees of rural leasehold land and reducing red tape and business costs. Implementation of the reforms commenced on 1 July 2014.

The QG is currently drafting new planning legislation with the aim of creating the foundation of the best planning and development system in Australia. The establishment of the State Assessment and Referral Agency (SARA) is underpinned by the single State Planning Policy which requires local government planning schemes appropriately integrate the State's interest in agriculture by protecting important agricultural land and facilitating growth in agricultural production and a strong agriculture industry.

Native Title in Queensland is being streamlined in regard to State Referrals under the *Sustainable Planning Act 2009* for Development Applications, where previously multiple agencies would have assessed Native Title in different circumstances and under different assessment timeframes. The Queensland Department of State Development, Infrastructure and Planning is now the Central Referral agency which is the sole agency to assess Native Title considerations under specific timeframes for state referrals.

There still needs to be further streamlining of Native Title assessments and considerations for development which do not automatically require assessment by the State, where only Local Government is an Assessment Manager. Obligations to assess under Native Title can be a Federal, State or Local Government responsibility depending on the situation. This makes the process very unclear.

The QG supports the protection of the natural resource base underpinning the long term viability of agriculture and has introduced the *Regional Planning Interests Act 2014* which allows for farmers to negotiate with resource companies regarding access to land.

The QG seeks to balance the long-term viability and growth of the agricultural sector with maximising the productive use of key mining resources. Reflecting this, the QG has prepared a series of statutory regional plans which identify (amongst other things) priority agricultural areas which contain significant clusters of intensive agricultural land uses. These land uses are given priority over any other proposed land uses, including mining activities, while supporting coexistence opportunities for the resource sector.

The QG has also identified land known as the strategic cropping area which is, or is likely to be highly suitable for cropping purposes due to a combination of the land's soil, climate and landscape features. The implementation mechanisms for protecting both priority agricultural land uses and strategic cropping areas are the *Regional Planning Interests Act 2014* and the Regional Planning Interests Regulation 2014. The legislation, which commenced in 2014, provides processes to assess the likely impact of proposed mining activities on priority agricultural land uses and/or land designated as a strategic cropping area.

The QG already provides a framework in which resource companies are able to access freehold land upon the negotiation of applicable compensation and/or conduct requirements, such as those found within the Land Access Code, with land owners. This ensures the resource companies themselves mitigate any impacts suffered by the land owner, whilst continuing to provide ongoing economic benefits to Queensland.

## Competition and regulation

The QG supports the facilitation and support for a regulatory environment which encourages competition and efficient operation of farm businesses and measures proposed to address inadequacies in competition laws in Australia. In support of this, the QG has already committed to a reduction in red tape and the regulatory burden across Government by 20 per cent over a 6 year period to 2018.

As part of measures to reduce red tape and remove barriers to competition for farmers, the QG recently repealed outdated provisions under the *Land Act 1994* which restricted the number of rural leases that could be owned by individuals and prevented corporate ownership of rural perpetual leases. This move provides farmers with more options to put in place business structures or farming models best suited to their particular circumstances and market conditions, and increases business opportunities.

The QG does not support the adoption of foreign regulations for AgVet chemicals as outlined in the Green Paper, as this proves too high a risk due to differences in flora and fauna, as associated impacts may not be suitable for assessment under Australian conditions. Established criteria need to be accepted by a range of stakeholders, recognising risks and that a precautionary principle can be applied liberally.

Harmonisation of legislation across states to reduce confusion and red tape where possible is suggested; for example, the use of Trifluralin (pre-emergent herbicide) in Lucerne is registered in other states but not in Queensland.

## Finance, business structures and taxation

The QG supports the use of the Tax White Paper process as the vehicle to address taxation policy reform and notes that taxation policy is primarily the responsibility of the CG.

The QG encourages the CG to increase access to business information and rural services to improve business efficiency and profitability through business planning, succession planning, skill development and workforce planning, and innovation. The Rural Financial Counselling Service (RFCS) was recently reviewed by the National Rural Advisory Council (NRAC) on behalf of the CG, the QG is broadly supportive of the findings and recommendations contained in that review. Any consideration of changes to RFCS should be based on the NRAC review in the first instance.

## Foreign investment

The QG supports measures to improve the transparency of foreign investment, and reinforces that the QG is taking all steps to ensure Queensland is “Open for Business”.

All foreigners, as defined in Queensland’s *Foreign Ownership of Land Register Act 1988*, are required to notify the Registrar of Titles of any acquisition or disposal of land or an interest in land. Queensland is the only state that has a register to monitor foreign ownership of land, with the Registrar of Titles producing an annual report on transactions. Consideration should be given to how Queensland’s Foreign Ownership of Land Register could link into or support a national register or database.

## Education, skills and training, and labour

The QG priorities outlined in the *Blueprint for agricultural education in Queensland 2015–2020* (the Blueprint) strongly align with the policy ideas raised in the Green Paper, and reinforce the QG’s commitment to support the longer term development of skilled workers for agriculture and related first-stage processing. <https://www.daff.qld.gov.au/business-trade/development/queenslands-agriculture-strategy/blueprint-for-agricultural-education-in-queensland>.

The Blueprint will guide a coordinated effort between government, industry, service providers and communities towards agreed targets including:

- Increased positive awareness of agriculture
- Improved image of agriculture as an employment pathway/opportunity
- More people attracted to agricultural careers, education and training
- Increased learning about agribusiness in schools
- Increased study of agribusiness in vocational education and training
- Increased study of agribusiness in higher education, and
- Greater innovation in industry

Given the relevance of the research findings used to underpin the Queensland Blueprint, there is a strong opportunity to suggest a national agriculture education blueprint be developed.

The 2014–15 Annual Vocational Education and Training (VET) Investment Plan sets out the QG’s priorities for \$615 million in VET investment, making available a range of qualifications through the skills market from July 2014. The QG established the Ministerial Industry Commission to work with industry and advise on investment priorities to address critical skills needs of industry and the economy through the Annual Skills Priority Report released in March 2014.

The Gateway to Industry Schools Program is a key initiative in meeting the QG's aim of transitioning young people from school to work while completing school and gaining formal qualifications. In 2014, the network of Agribusiness Gateway Schools has grown from 17 schools to 32 schools participating in the program across the state.

The QG also has an extensive range of initiatives under the Queensland Aboriginal and Torres Strait Islander Economic Participation Framework (the Framework) and Action Plan which aims to increase the economic independence of Aboriginal and Torres Strait Islander people in Queensland through employment and business ownership. <http://www.datsima.qld.gov.au/aboriginal-torres-strait-islander/government/programs-and-initiatives/queensland-aboriginal-and-torres-strait-islander-economic-participation-framework>

The QG maintains that due consideration be given to ensuring there is appropriate support and infrastructure in place for new migrants, including the provision of affordable housing, education, health, transport infrastructure, community support and access to interpreters. This will ensure the sustainability of initiatives and secure improved economic outcomes for both individuals and the State.

## Drought

National drought policy is intended to encourage producers to be better performing and self-reliant in managing drought. Consideration of drought preparedness measures and the future provision of in-drought support should take into account the principles contained in the Intergovernmental Agreement on national drought policy reform already agreed to by the states/territories and the CG. Drought is a normal part of Australia's climate. Drought policy is intended to encourage primary producer self-reliance in response to drought. The Bureau of Meteorology review conducted as part of the national drought reform process and other reviews (such as IPCC) indicate greater weather variability including more extreme events such as drought and cyclones are an increasing probability. The QG position is to implement access to farm business management training to improve preparedness and self-reliance in relation to climate risks generally.

As part of its current drought assistance package the QG has supported the delivery of mental health workshops and the funding of activities to support community resilience.

Multi-peril crop insurance (MCPI) was recently reviewed by NRAC on behalf of the CG. The QG would advocate any consideration in providing support for crop insurance should refer to that review in the first instance. The NRAC review concluded that international experience indicates that crop insurance is only likely to become broadly available with government support. The QG considers insurance products such as MCPI must be market based. The QG does not support the development of another transaction based

subsidy program. There is currently a low level uptake of crop insurance in Australia. The QG suggests that industry should encourage farmers to investigate the costs and benefits of using MCPI in the context of their individual circumstances.

Improving availability of climate information is highly desirable. Accuracy can be improved with increased investment and application of the latest research into decision support systems. Increased accuracy of climate forecasting, including the ability to apply climate forecasts to the regional and local level, has the potential to significantly improve economic and environmental outcomes with relation to input volumes and stock numbers if sufficient confidence exists to support management decisions. That is to say, applying the latest science to decision support systems has the potential to improve on-farm decision making such as when to plant, stock/destock and this will be supportive of farm profitability and ability to manage drought.

Assisting farmers to increase drought resilience can in part, be through improving access to water and have water infrastructure in place that enhances the productivity of their business. The QG has supported this through the Emergency Water Infrastructure Rebate available under the Drought Relief Assistance Scheme. The CG contributes to this scheme.

The QG is upgrading The Long Paddock website which is the main portal for information on seasonal forecasts and decision support systems. The QG is also facilitating the development of a partnership-driven Climate Adaptation Strategy to reduce risks across our economy, environment, infrastructure and communities from current and future climate impacts. Further opportunities to increase the resilience and adaptive capacity of Queensland producers will emerge throughout the Strategy's development.

### **Water and natural resource management (including *Water Infrastructure Options Paper*)**

Investment in water infrastructure, such as the construction of new dams, provides a key opportunity for government and the private sector to catalyse private investment in agriculture and improve farm gate returns. Areas with the potential to operate as large scale, integrated agricultural zones, including brownfield sites that show strong potential to deliver a steep increase in agricultural output with improved water access, should be considered as priority areas for water infrastructure investment. The QG encourages CG cooperation and financial support for the development of new water infrastructure and to expand and better utilise existing water infrastructure. Mechanisms that encourage and facilitate private sector investments especially in the distribution network and integration with government-owned infrastructure of supplementary off stream storages are required.

Enhancing water trading markets to improve the efficiency of water utilisation is also supported. As part of the *Water Reform and Other Legislation Amendment Bill 2014* passed by the Queensland Parliament on 26

November 2014, the QG is committed to cutting red tape, and providing the private sector with a clear, consistent and transparent pathway for the assessment and approval of major water infrastructure projects, such as new dams, and a streamlined administrative process for undertaking conversions of existing water entitlements to tradeable water allocations.

The aim of the reform is to provide greater access to a strong water market for Queensland water users and promote economic development. Environmental flows and the security of existing water users' rights will continue to be protected by the defined objectives and outcomes of the relevant water plan.

Finding a balance between protecting our natural assets, including agricultural soils and economic development initiatives, is supported. In particular, facilitating the further development of agricultural industries is supported, while simultaneously sustainably managing the Great Barrier Reef. A whole-of-catchment approach should be taken for the management of water resources, and opportunities to grant sustainable water allocations where water is currently unallocated and available should be investigated.

Recent amendments to the *Land Act 1994* which removed the requirement for a mandatory land management agreement when a rural lease is renewed, reflect the QG's confidence in lessees being best placed to manage their leased land in a manner that ensures the lessee's duty of care for the land is being met. However, land management agreements may still be required where lessees are not fulfilling their duty of care; or the land is suffering from, or is at risk of, land degradation. This would apply to both term and perpetual leases for rural leasehold land without regard to their size.

### **Research, Development and Extension**

The QG supports the National RD&E Framework, and is keen to continue ongoing discussion at forums such as AgSOC to shape its future.

There is a need to adopt a stronger demand driven focus on RD&E activities and investments, with a focus on industry outlining the key technical or operational challenges they are currently facing, or are likely to face in the foreseeable future. Such an approach provides visibility to RD&E participants of the solutions that industry is demanding, delivering benefits such as stronger alignment of and greater industry support for RD&E activities, and the consistent ongoing investment required to reach desired outcomes.

The QG questions the value-add in establishing another entity to 'coordinate' RD&E. The National Primary Industries RD&E Framework is in place to assist coordination to occur, and enables industry to actively engage via Research and Development Corporations (RDCs). Rather, the more pressing issue for industry, and the economy, is the ongoing decline in investment in RD&E across Australia.

The focus should be on strengthening the existing system to encourage collaboration across research providers and industry, and also across disciplines, sectors and technologies. Strengthening the RD&E system through targeted investment in advanced technologies is merit worthy, and the QG is keen to see how the recently-announced 'Industry Growth Centres Initiative' will articulate with the RDC model to help revitalise the innovation system. While efforts to improve RD&E outcomes from the RDC model are supported, the QG remains supportive of the RDC model and is keen to see the recommendations that will arise from the current Senate Inquiry into R&D Levies.

The concept of decentralisation to regional areas needs further consideration. In Queensland, RD&E is undertaken where it is most relevant and appropriate. For example, the majority of DAFF researchers are already located in regional areas (within the zone of production), so that field trials/research can be conducted efficiently and effectively and under the same conditions in which industry operates. This is also to ensure that researchers work closely and iteratively with growers and producers. A small number of researchers are located in centralised high-tech laboratory facilities, but it is not cost effective or beneficial to replicate these types of expensive facilities across regions – particularly where transport and distribution is a significant and long-term issue.

Rather than focus on decentralisation, the QG would encourage a move to an agricultural innovations system approach which links all players in the system including private consultants, universities, suppliers, natural resource management bodies, RDC's etc. For example, currently only 10 per cent of sugar harvest in some regions is converted into byproducts or electricity through cogeneration. A systems approach would promote and enable the development of such value added activity and ensure that efforts to develop export markets are matched with production and supply chain development activity.

## Biosecurity

The QG supports improvements to Australia's biosecurity preparedness through implementing new systems to more effectively manage pest and disease threats such as through "shared responsibility", and significantly enhanced biosecurity legislation to support this is a key initiative under *Queensland's agriculture strategy*.

Much can be learned from the progress on shared responsibility in other emergency response areas including the COAG National Strategy for Disaster Resilience and the bushfire CRC final report on Sharing Responsibility in Australian Disaster Management. Diverse and conflicting perspectives can improve decision-making and framing of shared responsibility problems.

Government, individuals and industry should bear their proportionate share of the cost of biosecurity responses and the management of biosecurity risks based on the following premise: all parties including

industry, government and the community share the benefits from effective management of biosecurity risks, and the costs of risk management are minimised by obliging those who have greatest capacity to prevent and control the risk to bear proportionate responsibility for its mitigation.

In many situations, industry and individuals have the choice to proactively mitigate loss through binding government and industry agreements which cover the management and funding of responses, including owner compensation. This approach has been adopted by a number of industry sectors which have signed on to pest and disease management, cost sharing and governance commitments that are integral components of the national Emergency Animal Disease Response Agreement (EADRA) and the national Emergency Plant Pest Response Deed (EPPRD). Management of environmental pests and disease risk is also shared between governments through the National Environmental Biosecurity Response Agreement (NEBRA).

However these agreements do not cover all potential biosecurity scenarios and are not necessarily activated unless an outbreak is of a nationally significant magnitude. If a decision is made that a pest or disease is not technically eradicable, in most cases, the EADRA, EPPRD and NEBRA cease to apply and States and territories are responsible for ongoing management of the relevant biosecurity threats.

The responsibility and funding of responses to biosecurity threats of regional significance can be complex when they fall outside of national agreements. A state, territory and potentially a sub-optimal number of beneficiaries may be funding a response, while other jurisdictions or entities benefit, yet do not contribute. Constitutional uncertainty on the validity of a biosecurity levy precludes resolution of the issue at a jurisdictional level. This impedes efficiency, equity, cost minimisation and maximising benefits for the community and business as a whole. Facilitation of a funding mechanism by the CG to overcome market failure is required.

### **Accessing international markets**

The QG supports all proposed mechanisms to enhance access to international markets, noting that bilateral trade agreements will be required for these to be effectively implemented.

Recent announcements for beef exports to China are encouraging. The QG encourages additional CG focus on expanding market options for produce, a review of export systems to reduce compliance costs and effective marketing of products in key markets.

Australia has the opportunity to shorten export supply chains by more directly connecting farmers with overseas markets. To support this, Australia needs to differentiate its food products from bulk food commodities and create stronger relationships with customers, including by maintaining credible and measurable environmental and ethical production standards which provides a marketing edge for

Australian produce as a clearly defined quality, clean, green brand. While this approach has the potential to enhance farm gate returns, it requires greater cooperation between food producers and processors to deliver the volumes required by export markets, and a consistent approach to market development across multiple levels of government.

There is also a need to more fully understand and respond to the dynamics of international food markets by better matching our food products to export market demands. Detailed research into the changing food preferences in key overseas markets, and how our food production capabilities could be better aligned with these, would provide invaluable guidance to the Australian food industry. Similar studies have identified and prioritised high value opportunities for New Zealand.

The QG supports a review of requirements for import and export. The high costs associated with beef export certification through the CG is a high priority issue that industry continually raise with the QG and DAFF would welcome any opportunity to consider cost reductions in this framework. The beef industry has also identified a high number of technical trade barriers that are currently limiting market opportunities and the QG is considering ways that it can assist industry to resolve these issues. Resolving technical market access barriers will be critical to export growth. Industry has recommended that government needs to put more focus on representing the strength of the regulatory frameworks that underpin our export products as they are among the best in the world. The QG is considering how it can promote the very high standards already in place in the Queensland regulatory framework that support industry's clean and green market credentials.