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Subject: 2019 Federal Election - 'Advancing sustainable agribusiness'

Date: 11th April 2019

Agriculture is a foundation of the Queensland economy and a vital contributor to our society, contributing \$14 billion to the Queensland economy, underpinning 305,000 of jobs in regional, rural and remote communities and in our cities.

Queensland farmers produce safe, high quality food and fibre for Australian and overseas consumers – and demand is growing. AgForce believes Queensland has the potential to double the value of our agricultural production to more than \$30 billion a year over the next decade.

But for Queensland agriculture to achieve its full potential, we need governments to adopt the right policy settings so farmers can get on with the job of feeding our state, our country and consumers in many other nations across the world.

During this federal election period AgForce seeks commitments from political parties towards:

- **Connected Communities**
- **Practical, science-based environmental regulation for Healthy Environments**
- **Empowerment to deal with climate risk**
- **Market opportunities including live export.**

Delivering on these policy priorities will drive growth in agriculture, create more jobs for Queenslanders and boost our rural and regional communities.

As a member of our national peak body, AgForce supports the National Farmers Federation's (NFF) 2019 Federal Election Platform *Agriculture: Growing Australia* and its pillars around driving sustainable growth, unlocking innovation, enabling risk management and securing vibrant communities.

Connected communities

Queensland is a vast state with 80 per cent of the land used for agriculture. Our farmers need infrastructure that allows produce to flow easily from paddock to plate. Equally, farmers must be able to connect socially and access information and communications technologies to run their businesses and to put food on all our tables.

Transport connections

A well-maintained road network complemented with investment in rail capability is vital to Queensland's productivity and competitiveness, with transport representing up to 40 per cent of farmers' production costs.

Infrastructure shortfalls often mean transporters need to use less efficient truck combinations or go the 'long way round', costing many sectors, not just agriculture, time and money. Also, in our land of climatic extremes, we must disaster-proof our strategic freight networks so produce can get to our major markets and inputs like fertiliser can get to our farms quickly.

Options to improve Queensland's transport efficiency include investment into an inland alternative to the Bruce Highway and investment into inland road networks, including renewing bridges that do not provide the load carrying capability needed by our modern transport fleet.

Strategic investment to optimise the freight task will drive transport efficiencies, improve the competitiveness of Queensland agriculture and ultimately lead to safer, better maintained roads.

Solutions:

1. \$250 million annually towards an inland freight corridor as an alternative to the Bruce Highway.
2. Funding to assist the National Heavy Vehicle Regulator to bring its systems in line with modern business practices (i.e. real-time network insights and mapping to assist with freight planning).
3. \$200 million annually in Queensland for the Roads to Recovery and Bridges Renewal Program.

Telecommunications

Queensland is the most decentralised state in Australia, and the need for fairer, reliable and affordable phone and internet services is essential for good social and economic outcomes for people living and working in regional, rural and remote areas. Telecommunication services are vitally important for community safety, to support business development, enhance children's education and maintain social connections.

Queensland has been ranked the third worst in Australia on digital inclusion by the Australian Digital Inclusion Index (ADII) due to the ever-changing telecommunications environment and poor digital literacy.

Without leadership and without change, Queensland risks growing and entrenching the digital divide between our urban and rural population. Just as urban businesses expect a certain level of service, the agribusiness sector also requires a solid foundation of telecommunications to run viable enterprises.

AgForce has welcomed the recommendations of the *2018 Regional Telecommunications Review: Getting it right out there*. We seek full implementation of Committee's recommendations, especially those relating to digital inclusion. To improve the digital literacy in regional, rural and remote Queensland, the Federal Government announced in March 2019 \$60 million for the "Stronger Regional Digital Connectivity Program" that includes a Digital Tech Hub that would provide Australians living in the bush with independent information about the choices of digital technologies and applications.

Solutions:

- \$5 million over three years to improve digital literacy in regional, rural and remote Queensland by:
 - Developing an online technology 'hub' to provide independent information to help support people to build up the skills to solve their telecommunications issues
 - Deploying technical advisers on a short-term basis across rural, regional and remote Australia to provide on-the-ground support to help people get connected and stay connected, using individually tailored technologies.
 - Encouraging innovation in the agriculture sector by providing industry-specific advice about the Internet of Things and other digital applications that will drive productivity gains in the sector.
- Funding to continue to address mobile phone black spots across regional, rural and remote Queensland.

Practical, science-based environmental regulation for Healthy environments

Primary producers want to pass on their land and water resources in better condition than they received it. Landscape management for healthy environments can be better achieved through cooperative and voluntary, rather than regulatory, involvement of landholders and the use of science-based approaches.

Harsh regulatory practices have been utilised by state governments in the past, through restrictive (and often retrospective) regulation of land clearing. This legislation has been superseded over forty times by additions and amendments, leading to confusion and frustration for farmers.

A desktop review conducted in 2016 showed that just at a state level, Queensland agriculture is affected by over 75 Acts and Regulations covering over 17,590 pages, not including local Government by-laws, Codes or Federal legislation. The Productivity Commission in its review of the Regulation of Australian Agriculture recommended fundamental change in native vegetation and biodiversity conservation regulation, including economic and social factors.

AgForce does not want to see further duplication of environmental regulation at the federal level and seeks further streamlining of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

AgForce members express concern about a lack of awareness and understanding of the EPBC Act and the compliance requirements. Investment is required in improved extension, education and capacity building to improve landholder understanding of the EPBC Act.

AgForce, with the National Farmers' Federation, is helping lead a national push to value Natural Capital through measuring the health of ecosystems that farmers depend on as well as the services these ecosystems provide – for agriculture, for humankind and for global benefits. This approach will facilitate the broadening of income streams for farmers through a market-based approach to incentivising the preservation of healthy ecosystems. This approach is being trialled by the Land Restoration Fund of the Queensland Government.

This is a completely different way for achieving sustainable vegetation management.

Solutions:

1. Simplify the complex interrelationship between Federal, State and Local Government legislation to avoid slow, inaccurate or incomplete advice to landholders on managing vegetation, facilitate investor confidence and enable suitable development to proceed.
2. Support a new model of ecosystem conservation, in conjunction with the Queensland Government, with a market-based approach to ecosystem service payments to landholders alongside practical, effective and streamlined regulations.
3. \$3 million over three years for extension to enable Queensland landholders to meet compliance obligations with the EPBC Act, State legislation and Local planning scheme requirements.

Empowerment to deal with climate risk

With over half of Queensland currently drought declared and with our sector operating in a highly variable and volatile business environment, we must have robust policy to prepare for, manage and recover from drought. With dry periods becoming more intense and frequent, farmers and their communities are exposed to not only financial risks to productivity and profitability but also social and environmental hardship.

AgForce's Agricultural Business Cycle sees producers develop climate risk management plans, self-identify the phase of the cycle they are in, and implement their plans through selecting from a range of privately and publicly funded measures that address the financial, social and environmental challenges of drought.

Using their experience from each cycle, producers continually improve their capacity to mitigate impacts including social impacts, resource management and animal welfare.

A key challenge in shaping climate policy is the need to reconcile the competing objectives of food and fibre security for a growing global population while also reducing the emissions from the sector. Agriculture must be recognised for its past efforts to adapt processes in favour of emission reduction and environmental conservation, along with being susceptible to supply chain constraints beyond the sector's control. Carbon sequestration services should be fully compensated and not be the source of low-cost abatement to other sectors through regulation.

Solutions:

1. Financial support to enable drought and flood affected producers in Queensland manage and recover
2. Effective national drought policy including the adoption of the Agricultural Business Cycle framework
3. Extend Farm Management Deposits (FMD) to include trusts and companies
4. Support and investment from the Future Drought Fund and the establishment of a Future Disaster Fund to be directed towards R&D and tools that support decision making associated with climate resilience and competitiveness of enterprises.
5. Recognition in government policy settings on climate change of agricultural industry's work to date to innovate and adapt operational processes in favour of emission reduction, supporting the long-term viability of the broadacre agricultural sector. Farmers should be fully compensated for carbon sequestration services.

Market opportunities including Live export

A vibrant and viable live export trade is important to the Queensland cattle and sheep industry. Equally important to industry is animal welfare and producer's social licence. AgForce has developed an Animal Welfare Policy to support all our initiatives in this area.

Queensland's live export trade is primarily short haul voyages between Townsville and Southeast Asia. There are some movements of cattle from Queensland across the Barkly Tablelands and through the Port of Darwin to Southeast Asia. The industry is proud of the very low mortality rates of the more than 8 million cattle Australia-wide shipped to Southeast Asia¹.

As a general principle, AgForce confirms its support for federal government measures directly aimed at increasing transparency and building public confidence in relation to live export operations. A robust regulator and appropriate outcome-focused regulations provides certainty for the community and industry.

The live export trade represents 6 percent of Queensland's total cattle sales and offers significant value to the Queensland industry. It is the sole market for some producers and an important alternative market, setting a market price for light cattle and utilising Australia's competitive advantage in breeding cattle. The industry supports many northern jobs in remote areas, including indigenous employment particularly in the Cape. The trade supports a range of ancillary small businesses, agents, trucking, yarding, vets, feed suppliers, etc. in northern Australia.

Mercado Value Analysis of the Australian Cattle Live Trade Report – Key Highlights Report from November 2018 indicates producers are the primary benefactor of live export trade, retaining between 56 percent revenue in Queensland. This is not the case for processing in Queensland, trucking cattle south to slaughter can consume 30 percent of profit² and long travel times plus poor road conditions can have unique animal welfare impacts. Furthermore, the additional cost of feeding lighter cattle in dry periods has both an economic and an environmental impact.

¹ ALEC submission in response to Draft ASEL Recommendations 2018 pg 20

² CSIRO Transport Network Strategic Investment Tool TRANSIT Application to Northern Australia Beef Road program, April 2016

Recent reviews (McCarthy, Moss, ASEL, HSRA) all highlight different gaps in data, the regulatory system and the industry's ability to utilise other welfare indicators besides mortality. AgForce is keen to support outcome focused, science-based approach to regulatory reform that provide both transparency and efficient outcomes to ensure industry can be held in high regard.

Solutions:

1. AgForce is looking for ongoing government commitment to the live export trade.
2. AgForce recommends outcome focused regulation is implemented to increase transparency and animal welfare without over burdening the industry with red tape.

For further information on the policies contained in this document please contact AgForce on 07 32363100 or via email (agforce@agforceqld.org.au).