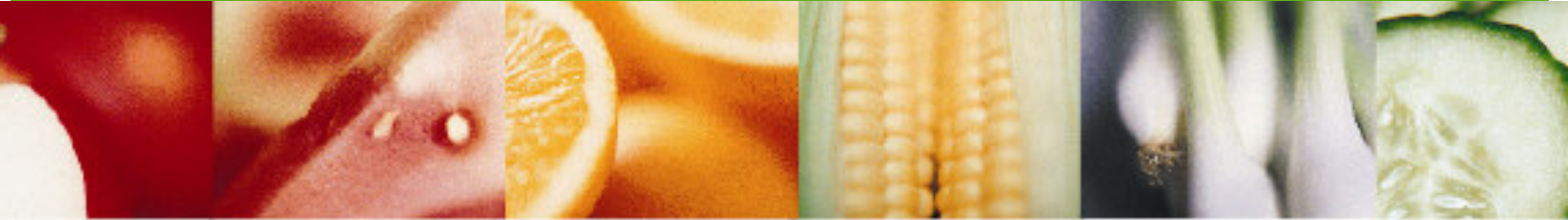




growcom
together we grow



Submission to the
**Senate Select Committee on Agricultural and
Related Industries**
on the
**Inquiry into food production in
Australia**

September 2008

Contents	Page No.
Executive Summary	3
Introduction	4
1. About Growcom	4
2. Global issues impacting food production	5
3. Issues impacting on Australia's food production	8
4. The importance of the Queensland horticulture industry to Australia's food production	8
5. Environmentally sustainable production	14
6. The need for a debate on what "food security" means	15
7. Future outlook and recommendations	17
8. Suggested further reading	20
9. Conclusion	20
10. References	21
 Attachment 1 – Graphs on horticulture commodity production in Queensland compared to Australia from 1997-98 to 2006-07	 22
 Attachment 2 – Growcom's policy statements	 28

Executive summary

Growcom welcomes this opportunity to provide feedback to the Senate Select Committee on Agricultural and Related Industries on the inquiry into food production in Australia. We are the peak representative body for the fruit and vegetable growing industry in Queensland – an industry that has been experiencing steady growth over the last decade and is an important contributor to the economy. Queensland is Australia's premier horticultural producing state, with Australia's food production becoming increasingly reliant on fruit and vegetables produced in this state.

Maintaining sustainable and profitable agricultural industries well into the future is important to Australia and our food production. Growcom has provided many recommendations throughout this submission on how we can work towards this goal. Overall, there is a need for an overarching food and agriculture policy which incorporates a whole-of-government approach to supporting and encouraging growth and prosperity in the industry. This policy needs to address all issues impacting on Australia's food production including issues relating to biosecurity, value chains, business development, natural resource management, climate variability, human capital and regional planning.

There are also many issues at the global level that must be recognised by Australian governments when considering Australia's food production and in the development of an overarching food and agriculture policy. These issues, including world population, food prices, trade barriers, climate change and environmental degradation, can influence food production in Australia, as well as provide economic opportunities for our producers under the right government policy settings linked with targeted investment.

Currently, the global and domestic factors, linked with disjointed government policy settings and programs, as well as the growing imbalance between the world demand and supply of food, raises some fundamental questions about Australia's food security and whether policy settings are adequate to meet future challenges.

Australian governments have the opportunity to position our nation and our producers as a key driver in securing global food supplies. Our nation already exports a large proportion of our agricultural production, and under the right government policy settings, our producers will be able to capitalise of many more global opportunities to supply food. We have the opportunity to make Australia one of the world's influential agri-powers.

Firstly and foremost, there needs to be increased discussion on food security at both state and federal government levels to better define what it is, how it can be achieved in Australia and how Australia can position itself as a leader and driver in the global debate on food security.

Growcom submission on the inquiry into food production in Australia

Growcom welcomes the opportunity to provide feedback to the Committee on the inquiry into food production in Australia. We appreciate the Committee's flexibility in accepting submissions throughout the duration of the inquiry. Growcom understands that the Committee is investigating food production in Australia and how to produce food that is affordable to consumers; viable for production by farmers; and of sustainable impact on the environment. These terms of reference are quite broad and encapsulate a variety of issues that Growcom would like to raise.

Our submission will investigate:

- Global issues impacting food production;
- Issues impacting on Australia's food production;
- Importance of the Queensland horticulture industry to Australia's food production;
- Environmentally sustainable production;
- The need for a debate on what "food security" means;
- Future outlook and recommendations.

Overall, Growcom believes that issues relating to Australia's food production and food security should be addressed under an overarching food and agriculture policy to ensure the long term sustainability of our agricultural industries and secure adequate domestic food supply well into the future. More supportive government policy and targeted investment is required to ensure horticulture industry risks can be managed and both domestic and global opportunities can be seized. It is time for a new revolution in Australia's agricultural industries to secure our food supply into the future and bring more of our producers onto the world stage.

Growcom is willing to provide more information on any point raised in this submission, or provide feedback on any other issue the Committee may wish to address.

1. About Growcom

Growcom is the peak representative body for the fruit and vegetable growing industry in Queensland, providing a range of advocacy, research and industry development services. We are the only organisation in Australia to deliver services across the entire horticulture industry to businesses and organisations of all commodities, sizes and regions, as well as to associated industries in the supply chain. We are constantly in contact with growers and other horticultural business operators. As a result, we are well aware of the outlook, expectations and practical needs of our industry.

The organisation was established in 1923 as a statutory body to represent and provide services to the fruit and vegetable growing industry. As a voluntary organisation since 2003, Growcom now has grower members throughout the state and works alongside other industry organisations, local producer associations and corporate members. To provide services and networks to growers, Growcom has about fifty staff located in Brisbane, Bundaberg, Ayr, Toowoomba and Tully. We are a member of a number of state and national industry organisations and use these networks to promote our members' interests and to work on issues of common interest.

2. Global issues impacting food production

There are many issues at the global level that are impacting on and influencing food production. These issues are important to recognise as they can influence food production in Australia as well as provide economic opportunities for our producers under the right government policy settings linked with targeted investment. It is virtually impossible for Queensland producers to have any influence in the global arena; however there are opportunities for the Australian Government to take a leadership role on particular issues, such as investment in R&D to enhance our horticulture production capacity and the development of efficient technologies that can be exported to other horticulture producing nations. Global issues requiring consideration include:

- **World population** - There is ongoing debate about the capacity of the growing world population to continue to feed itself. The global demand for food will increase approximately threefold over the coming half century (McMichael, 2001). The United Nations (2007) predicts the world population will increase by 2.5 billion by 2050 (increasing to 9.2 billion from 6.7 billion). This increase is equivalent to the size of the world population in 1950 and will be absorbed mostly by the less developed regions. In contrast, the population of the more developed regions is expected to remain largely unchanged at 1.2 billion, and would have declined were it not for migration. The population in developed countries will also age markedly by 2050, with the number of people aged 60 years or over expected to nearly triple. Mortality is increasing in the majority of developing countries highly affected by HIV/AIDS epidemic.
Opportunities for Australia may include investing in R&D and science to develop horticultural crops with higher yields and reduced requirements for water; participating in WTO negotiations to deliver free and fair world trade; contributing to the health and nutrition needs of an aging population; and developing efficient and effective production systems and supply chains to enhance our producers' ability to supply food to the world..
- **World food prices** – World food prices continue to rise. Trends contributing to this rise include (Queensland Farmers Federation - 2008):
 - **Diversion of food crops into biofuels.** Over the past two years, world wheat and corn prices have more than doubled, dragging up prices for soybeans, oilseeds, dairy, poultry and beef. The International Food Policy Research Institute warns that current ethanol policies would push world corn prices up another 26% by 2020, and as high as 72% with more expansionary policies.
 - **Rising affluence, particularly in Asia.** Higher incomes in China and India have led to increases in consumption of meat and dairy products rather than staples like rice. These products rely heavily on grains as a feedstock, increasing overall demand. By 2020, the Australian Farm Institute estimates that Asia will be importing an additional 5.2 million tonnes of dairy products, 1.9 million tonnes of beef and 1.1 million tonnes of chicken. That represents 50% of Australia's current dairy production, 86% of our beef production and 140% of our chicken meat production. Such an expansion would require an increase in feedgrains of 225 million tonnes a year, which combined with bio-fuels, would push world feedgrain demand up to 350-450 million tonnes by 2020. This will be very difficult to meet with current croplands and productivity.

- **Impact of petroleum price increases** – The price of oil has heightened the costs of fertilisers, the majority of which require petroleum or natural gas to manufacture. Because natural gas can substitute for petroleum in some uses, increasing prices for petroleum lead to increasing prices for natural gas, and thus fertilisers.

Opportunities for Australia may include capitalising on higher world food prices by exporting world-class, high quality fruit and vegetables that are produced in our clean and green environment.

- **Climate change** – There is a common belief that a build up of greenhouse gases in the Earth's atmosphere is driving global warming and significant shifts in climatic conditions. Australia is a relatively small contributor to the world's greenhouse gas emissions; Australia contributes about 1.2% of the total greenhouse gas emissions, compared to 22% by the United States, 18% from China and 15% by the European Union. QFF states that global warming could cut world farm output by as much as one sixth by 2020. A report by ABARE this year projected global warming could cut Australian agricultural production by 17% by 2050, with Queensland worst affected with a 27% fall in farm production. The impact of climate change is multi-faceted with significant economic, market, production, social, and environmental implications. Predicted changes occurring to Australia's climate include increases in maximum and minimum temperatures; elevated carbon dioxide levels; reduced overall rainfall though increased intensity of rainfall events; and an increase in the frequency of severe, damaging storms. Impacts are likely to vary across regions and commodities and may include increased crop water needs, reduced water availability, greater crop damage due to frosts and heat stress, increased pest and disease activity and therefore increased pest management and biosecurity challenges, increased damage from extreme weather events and changing production regions or cropping cycles. However, International, national and state level policy settings will also have significant implications for the horticulture industry and, if not carefully designed, could cause greater impacts on industry than the bio-physical and economic consequences of climate change.

Opportunities for Australia include input into state, national and international policy settings aimed at reducing the global impacts of climate change.

- **Trade barriers** - Subsidies, tariffs and other barriers to exports distort agricultural markets and encourage over-production or 'dumping' of produce on the world market. Export subsidies and import barriers continue to deny unsubsidised agricultural producers trading opportunities, even in third world countries (which may import produce grown by subsidised farmers in other countries). Eliminating agricultural export subsidies and other trade barriers would raise world incomes and significantly improve growth and opportunities, with both rich and poor countries benefiting from an increase in trade opportunities.

Opportunities for Australia include having meaningful input into policy development and trade negotiations that can result in improved access to export markets and encourage free and fair world trade.

- **Environmental degradation** – Environmental degradation has occurred widely, with now approximately one-third of the world's fertile soil moderately or severely damaged via erosion, salination, water-logging, chemicalisation, loss of organic material and physical compaction. The increasing reliance on irrigation has

caused salination and water logging in many locations, with groundwater supplies also widely depleted as aquifers are over-pumped. The chemicalisation of soil and waterways will increase as the use of nitrogenous fertilisers increases (McMichael, 2001). Urban encroachment also threatens land used for agricultural production.

Opportunities for Australia include maintaining and promoting environmentally sustainable farming practices that ensure land and water is available for horticultural production well into the future.

- **Other key issues** include:
 - Terrorism and bio-terrorism – Increasing global threats of terrorism and bio-terrorism can impact on the industry in many ways including shutting down of export markets and the loss of important horticultural chemicals;
 - Biosecurity – Increasing biosecurity risks from developed and emerging horticulture exporting countries, including their limited capacity to recognise and manage biosecurity threats;
 - Natural and man-made disasters – The impact of disasters on global food production and food stockpiles;
 - Unrest – Low wages and high food and fuel prices have led to food riots in many countries. Other issues have included political bans placed on exports, droughts, freezing of food prices and financial/economic crisis;
 - Food safety – Different requirements for different countries, and the understanding of the importance of food safety to consumer health.

Australian governments have the opportunity to position Australia as a key driver in securing global food supplies. Our nation already exports a large proportion of our agricultural production, and under the right government policy settings, our producers will be able to capitalise of many more global opportunities to supply food. In order to achieve this objective, an overarching food and agriculture policy is required which incorporates a whole-of-government approach to supporting and encouraging growth and prosperity in the food and agricultural sectors. This overarching policy could encourage a new revolution in Australia's agricultural industries, making Australia one of the world's influential agri-powers.

Key conclusions on global issues impacting food production:

- *There are many issues at the global level that are impacting on and influencing food production including world population, increasing food prices, climate change, trade barriers and environmental degradation;*
- *Although global issues may impact on food production in Australia, they may also provide economic opportunities for our producers under the right government policy settings linked with targeted investment;*
- *Australia has the opportunity to position itself as a key driver in securing global food supplies*
- *new global agricultural revolution is required to ensure the world's growing population has the capacity to feed itself;*
- *An overarching food and agriculture policy in Australia could encourage a new revolution in Australia's agricultural industries, making Australia one of the world's influential agri-powers.*

3. Issues impacting on Australia's food production

In order to take advantage of the global opportunities that are available to Australia, it is first essential to develop an overarching food and agriculture policy which incorporates a whole-of-government approach to supporting the long term sustainability and profitability of our food and agricultural industries. There are many issues which need to be addressed under this overarching policy which include:

- **Production costs and constraints** - The fruit and vegetable industry is made up of small, medium and large enterprises operating within a range of business models and markets. The environment in which these enterprises operate is highly commercial and extremely competitive. Business development and value chain, biosecurity, climate variability, natural resource management and labour issues affect all of these businesses to different degrees. All of these issues and associated costs place enormous pressures on horticulture businesses and continue to have large impacts on growers' bottom line. Generally, there are various input costs that growers encounter in the every day running of their businesses, including land preparation, fertiliser, insect and disease control, irrigation, labour, marketing, freight to market and so on. Input cost structures vary substantially from business to business and are influenced by a variety of factors including commodities grown; climate and access to water; location; and distance to market. Production costs and the price of key inputs continue to rise, often at rates much higher than the general rate of inflation. However, it is well established that horticultural growers are price takers, so have little or no capacity to pass cost increases up the supply chain.
There is a need to benchmark our horticultural production capacity and use of key inputs against other countries in an effort to enhance our industry's capacity. Adoption of world-class technologies and production systems/practices may enhance our producers' capacity to remain viable into the future.
- **Market dominance of the retail chains** – There is a concentration of the domestic fresh food market within the two major retailers, with serious concerns being raised about their increasing market power and opportunities for unconscionable conduct. The clear trend of these retailers is to use their market power to push costs, risks and responsibilities back down the supply chain. Anecdotally, ten years ago growers worked on a rule of thumb of farm gate return being around 50% of the retail price. Today, this margin is generally less than 20%. Growers' profit margins continue to decrease, while the profit margins of the major retailers remain at record highs.
The future operating environment is of real concern to the industry, with the market power of the retail chains significantly adding to these concerns. The horticulture sector needs to be characterised by world class, efficient and effective marketing systems that clearly convey market signals, reward competent businesses and disadvantage poor performers.
- **Labour and skill shortages** - Horticulture producers continue to face labour and skills shortages that threaten their future viability. Access to sufficient labour is essential as labour is the most critical factor in ensuring the smooth running of field preparation, planting, maintenance, harvesting and packing activities. It follows that human resources are growers' most valuable resource. The future viability of the industry is heavily reliant on securing and retaining sufficient human

resources. The trial of a seasonal labour scheme may be a positive forward in achieving this goal, however will not solve the issue.

In order to remain viable, the industry must effectively and efficiently manage and develop solutions to ongoing and emerging workforce issues and challenges.

- **Regional planning and competition for land** – The loss of productive agricultural land has become an issue of concern in Queensland. Increasing urban pressure on farming in urban fringe areas is creating land use conflict and marginalising viable farming operations. The pressures on farming enterprises includes meeting the environmental expectations of the urban lifestyle community, who want the lifestyle of acreage properties but are not prepared to accept that normal farming practices need to be carried on around them. These landholders are often unaware of the importance of minimising biosecurity risks, observing quarantine restrictions, preventing the spread of weeds and maintaining essential farm infrastructure such as fencing. At the same time higher land prices, land taxes and Council rates induced by development and lifestyle investors make it increasingly difficult for farms to remain viable or to further develop or expand to maintain or improve productivity.

It is important to maintain a critical mass of farms and farmland to ensure the ongoing viability of the Queensland horticulture industry. A clear commitment from government, local councils and stakeholders to support viable primary industries is required.

- **Water management, planning and associated infrastructure** – Secure access to reliable supplies of good quality water is essential for horticultural businesses. Transparent and consistent water planning and allocation processes within government and river or scheme operating rules by irrigation water providers as well as mature water trading markets are all necessary to underpin water supply risk management by growers. Currently all of these aspects of water management require improvement across Australia. Further, it is essential that water management and planning processes and infrastructure development are linked with drought and climate change policies and projections.

Commitment from federal and state governments to improve water management arrangements and ensure water markets and allocation processes provide timely and accurate information to growers that allow them to properly plan for available water supplies and manage the risk of low supplies. Water regulations also need to provide for flexibility in growers capacity to source, store and use alternative supplies (particularly recycled water, ground water or overland flow water) in the context of climate change driving changes to the volume, timing and intensity of rainfall events.

- **Biosecurity** – Australia's unique biodiversity and relatively disease-free status, along with our reputation as a supplier of fresh, high quality, clean produce must be maintained. Freedom from many of the world's major pests and diseases is a clear advantage in both domestic and global markets. However, Queensland faces greater risks of exotic pests and disease incursions than most other parts of Australia as a result of our geographic profile, population patters, trade and business requirements as well as a number of emerging threats. Any incursions have ripple effects across our economy affecting other services industries and business, potentially threatening our natural ecosystems and biodiversity, and our way of life.

The prevention of pest and disease incursions is of vital importance to the viability of all rural industries.

- **Climate change and emissions trading scheme** - Climate changes could affect horticultural industries in Queensland in both positive and negative ways. Horticulture, however, is believed to be at greater risk from climate changes than most other sectors of the economy. Impacts are likely to vary across regions and commodities and may include increased crop water needs, reduced water availability, greater crop damage due to frosts and heat stress, increased pest and disease activity and therefore increased pest management and biosecurity challenges, increased damage from extreme weather events and changing production regions or cropping cycles. Secondary impacts may include threats to producers' capacity to meet supply contracts or market windows, further difficulties in attracting and retaining labour resources, and reduced security of water entitlements. Impacts of government climate change policies could include further increases to the costs of production as the introduction of an emissions trading scheme drives up the price of key inputs, a decline in the relative competitiveness of Australian produce compared to overseas product, limited capacity to engage in the emerging carbon economy if international standards for carbon accounting constrain growers ability to measure carbon sequestered in soils or vegetation on-farm. Opportunities may also emerge from government policies and programs through funding, assistance and incentives programs.

The industry requires adequate responses to climate change, including the provision of reliable and accurate information and risk management strategies to help growers adapt or mitigate to a changing climate.

- Other **key issues** include:
 - Trade barriers and our international competitiveness;
 - Affordability of domestic products to consumers;
 - Reliable and adequate access to necessary infrastructure;
 - Maintaining younger generations interest and involvement in horticulture production;
 - Access to essential chemicals or adequate replacements that are required for horticulture production;
 - Health and obesity;
 - Food safety systems;
 - Capacity of industry organisations to lobby on behalf of their members;
 - Access to new and emerging technologies that enhance production efficiencies;
 - Impact of natural disasters.

Key conclusions:

- *Australia needs an overarching food and agriculture policy which incorporates a whole-of-government approach to supporting and encouraging growth and prosperity in the food and agricultural sectors. This policy needs to address all issues impacting on Australia's food production;*
- *Growcom will include our policy statements with this submission to provide further feedback to the Committee on industry issues (refer to Attachment 2).*

4. The importance of the Queensland horticulture industry to Australia's food production

The Queensland horticulture industry requires particular consideration in this inquiry on Australia's food production. The growing importance of our state's horticultural producers will be demonstrated throughout this section.

The Queensland Department of Primary Industries and Fisheries forecasts the gross value of primary industry production in Queensland for 2007-08 at \$9.435 billion. The fruit and vegetable industry is forecast at \$1.920 billion, or 20.3% of overall primary production. Horticulture is Queensland's second largest primary industry behind cattle.

There are around 2,800 horticulture farms in Queensland that produce more than 120 types of fruit and vegetables. These enterprises are located in 16 defined horticulture regions - from Stanthorpe in the south to the Atherton Tablelands in the far north, with a total area under production of approximately 100,000 hectares.

Table 1 shows the gross value of production at the farm gate for fruit and vegetable crops in Queensland from 2002-03 to 2007-08, and demonstrates a 38% increase (58% for fruit; 16% for vegetables). The top five horticulture crops in Queensland that account for the highest value of production are (in order) bananas, tomatoes, strawberries, capsicums & chillies and mandarins. Together, these five commodities are forecasted to comprise more than 50% of the overall gross value of horticulture production in Queensland at the farm gate in 2007-08.

Table 1 – Value of Qld horticulture production; 2002-03 compared to 2007-08

Commodity	2002-03 \$m	2007-08 \$m	Increase from 2002-03 to 2007-08 (%)
Bananas	285	500	75.4
Pineapples	33	70	112.1
Mangoes	55	45	-18.2
Mandarins	85	95	11.8
Strawberries	70	130	85.7
Avocados	47	80	70.2
Macadamias	n/a	25	n/a
Apples	n/a	50	n/a
Other fruit and nuts	146	145	-0.7
TOTAL FRUIT	720	1140	58.3
Potatoes	66	45	-31.9
Tomatoes	123	205	66.7
Capsicums and Chillies	65	100	53.8
Other vegetables	420	430	2.4
TOTAL VEGETABLES	674	780	15.7
OVERALL TOTAL	1,394	1,920	37.7

Source: QDPI&F Prospects

Queensland is Australia's premier state for fruit and vegetable production, growing one-third of the nation's produce. There is an increasing reliance on Queensland to produce a wide variety of Australia's horticultural crops, and is already responsible for the majority of Australia's production of bananas, pineapples, mandarins, mangoes, beetroot, capsicums, and the list goes on. Referring to table 2, the trend from 2002-03 to 2006-07 indicates that Queensland is becoming responsible for producing an

increasing proportion of Australia's production in many other commodities including lemons and limes, avocados, strawberries, beans and tomatoes.

To visually demonstrate the increasing reliance on Queensland's horticulture production, Growcom has produced commodity graphs looking at the volume of Queensland production compared to Australian production from 1997-98 to 2006-07. These graphs can be found in Attachment 1.

Table 2 – Volume of Qld production compared to Australia; 2002-03 to 2006-07

Commodity	2002-03			2006-07			Increase in Qld from 2002-03 to 2006-07 (%)
	Qld (t)	Aust (t)	Qld % of Aust	Qld (t)	Aust (t)	Qld % of Aust	
Fruit and nuts							
Lemons & limes	11,847	34,472	34.4	20,731	35,915	57.7	75.0
Mandarins	70,446	98,343	71.6	68,873	104,433	65.9	-2.2
Apples	24,573	326,072	7.5	29,521	270,476	10.9	20.1
Avocados	21,469	40,531	53.0	33,596	47,238	71.1	56.5
Mangoes	29,300	38,970	75.2	41,478	57,947	71.6	41.6
Macadamias	9,008	24,347	37.0	7,884	33,532	23.5	-12.5
Strawberries	7,480	22,834	32.8	17,363	28,559	60.8	132.1
Bananas	231,896	264,772	87.6	188,653	213,193	88.5	-18.6
Paw paws	8,741	8,976	97.4	613	1,066	57.5	-93.0
Pineapples	104,738	104,743	99.9	164,691	164,732	99.9	57.2
Vegetables							
Beans	13,798	34,626	39.9	16,130	28,844	55.9	16.9
Beetroot	n/a	n/a	n/a	35,417	40,765	86.9	n/a
Broccoli	13,469	55,083	24.5	9,137	46,031	19.8	-32.2
Capsicums & Chillies	37,238	40,810	91.2	48,872	58,270	83.9	31.2
Lettuces	42,643	121,508	35.1	84,742	271,251	31.2	98.7
Melons	102,064	175,105	58.3	87,446	204,966	42.7	-14.3
Onions	24,299	228,608	10.6	40,152	246,496	16.3	65.2
Pumpkins	49,592	93,226	53.2	39,847	102,505	38.9	-19.7
Tomatoes	93,960	364,368	25.8	120,656	296,035	40.7	28.4

Source: ABS Agricultural Commodities 2002-03 and 2006-07

Growcom believes that the Queensland horticulture industry will continue to grow, with the trend continuing of Australia's food production becoming increasingly reliant on fruit and vegetables produced in Queensland. Some reasons for this include:

- Increasing production to meet the needs of the local population, as Queensland's population is estimated to increase to 6.5 million by 2026, up from 4.2 million in 2007 (ABS, 2008);
- Increasing climatic impacts and water shortages limiting the capacity to produce certain horticultural products in major southern producing regions, particularly in the Murray-Darling Basin;
- Different climatic conditions offered throughout Queensland allowing for a wider variety of horticulture products to be produced throughout the state;
- Increasing demand for high quality and high valued horticultural crops (over staples such as rice) from Asia and Queensland's associated proximity to take advantage of this market;
- Access to additional seasonal workers, as the attractiveness of Queensland brings more holiday makers, including backpackers and grey nomads, who tend to work in the horticulture industry to obtain more money for travel and play.

The horticulture industry is able to generate higher economic returns per hectare than other agricultural industries. In Queensland, the average rate of return for intensive agriculture crops is \$733/hectare compared to \$38/hectare for agriculture overall. However, in some cases, this can rise quite steeply – returns of many tens of thousands of dollars per hectare are not unusual in very intensive horticultural cropping operations such as mushrooms or hydroponic production.

While the estimated direct contribution made by horticulture through its gross value of production is significant (\$1.920 billion), this is only part of the story. Additional investment will flow on from horticulturists and their workers to other businesses in the region. This will occur through a number of ways including:

- The additional purchases that horticulturists make from suppliers and other service providers located in the region;
- The wages spent by horticulturists and their staff; and
- The profits either invested by the owners or spent by the owners on other goods and services in the region.

The farm gate value of production of horticultural products is only the start of a chain reaction that has a ripple effect as impacts progressively extend to more and more sectors – known as the multiplier effect. The accepted multiplier for horticulture is 3.5 to 4, indicating that the total economic contribution of the industry to the economy is between \$6.72 billion and \$7.68 billion.

These figures demonstrate the Queensland horticulture industry is a major contributor to regional economies and the mainstay of many regional communities. The industry is not only a large employer, but a large user of many local businesses and services including:

- Processing industries (for example fruit processing and canning);
- Primary industry input and service industries (for example provision of fertilisers, chemicals, petroleum products, mechanical repairs and road transport);
- Human services industries (for example hospitals and schools);
- Research and development (for example local plant pathologists);
- Infrastructure development and services (for example water supply, road and street maintenance).

Issues impacting on Queensland's horticulture production will have flow-on effects throughout rural communities. This was demonstrated through the impact of drought on the Lockyer Valley, and the aftermath of Cyclone Larry on north Queensland. Limited or no horticultural crops resulted in rural populations and local economic activity reducing as people temporarily or permanently leave the area to find employment, businesses close down or reduce their services, and the number of seasonal workers or backpackers that visit reduce due to lack of seasonal work opportunities.

Other key facts about the Queensland horticulture industry:

- Employs around 25,000 full time and part time people, in addition to a large number of casual and seasonal workers throughout the year;
- The industry has significant links to the tourism industry, providing income for thousands of backpackers and "grey nomads" each year;
- Primary and secondary source of income for many families in regional Queensland e.g. through seasonal work in packing sheds;
- Horticulture is the most labour intensive of all agricultural industries, with farm labour representing the most significant cost (up to 50% of operation costs).

**Case study: The importance of the horticulture industry to a local community:
Tully, North Queensland**

A major industry in Tully and the surrounding area is the banana industry, which is valued at around \$500 million at farm gate. This industry is the largest employer in the region (according to the 2006 census, of the 3,051 people employed in the area, 426 people or 14% were employed in the fruit and tree nut growing industry, in addition to people employed in supporting industries). The industry also employs a large number of backpackers each and every year for seasonal work, encouraging thousands to visit the area to work, stay and spend money in the local community. Many local businesses are also heavily reliant on the industry, including hostels, transport companies, chemical suppliers and fresh food suppliers. The impact of Cyclone Larry on the banana industry in the Tully region further demonstrated its importance to the local community and to Australia's domestic supply of bananas. Removing the horticulture industry from Tully and many regional areas in Queensland would have devastating impacts on local communities and the state economy, as well as severely impact on Australia's food production and food security.

Key conclusions:

- *The fruit and vegetable industry in Queensland is experiencing steady growth and is an important contributor to the state economy;*
- *There is an increasing reliance on the Queensland horticulture industry in producing Australia's food and vegetables;*
- *The importance of the horticulture industry to communities, the economy and our food security needs to be recognised by governments through implementing policies and programs that ensure its long-term profitability and sustainability.*

5. Environmentally sustainable production

A key focus of this inquiry is how to produce food that is of sustainable impact on the environment. Growcom would like to stress the importance of industry led programs in achieving this goal. There are many voluntary, industry led activities that are assisting the horticulture industry in their environmental protection and natural resource management goals. These are not counter-productive to government policy objectives and should be a positive indication that self-regulated systems can be successful in achieving government and industry goals/objectives. Some current initiatives include:

- **Growcom Farm Management Systems Initiative** – Farm Management Systems (FMS) is a voluntary, flexible and holistic management approach to manage risk, particularly environmental risk. This approach facilitates the uptake of good agricultural practice (often referred to as BMP) and integrates Growcom's other activities for on-ground delivery. Growcom is developing and delivering FMS modules to the Queensland horticulture industry. Modules being developed and implemented include water use efficiency, water quality, nutrient management, emissions trading and so on.
- **Water use efficiency program** – The use of water by horticulture growers is highly efficient and profitable: the industry uses just 10 per cent of Queensland's irrigation water to produce 40 per cent of the value of irrigated agricultural production. Growers have achieved ongoing improvements in water use efficiency through the adoption of technology and better on-farm water

management. This has been supported by the Rural Water Use Efficiency Initiative, a partnership between the Queensland Government and industry groups, which has generated \$250 million in water savings and increases in productivity since it began in 1999. The Growcom team have achieved 100% awareness of the program and water use efficiency measures through field days and general information output, and is currently achieving 65% involvement in activities such as workshops, on farm trials and farm visits. The success of the program is mainly due to providing the growers with a sense of ownership and involvement. All workshops cater for varied learning styles and rely on growers bringing something of their own so that when they return home the days learning directly relates to their farming enterprise. Follow up visits to assist growers with improvement thus impacts the learning and promotes uptake.

Key conclusions:

- *Governments need to invest further in voluntary, industry led programs as an effective means of assisting the horticulture industry in achieving environmental protection and natural resource management goals and objectives.*

6. The need for a debate on what “food security” means

Food security has become the latest hot topic of discussion. The Queensland Opposition has even established a Shadow Minister for Food Security and Agriculture to increase focus on this area. However, there is much speculation about what it actually means. There is a need for more debate around food security to better define what it is and how it can be achieved.

The United Nation’s Food and Agriculture Organisation state that *food security exists when all people, at all times, have access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.* To build on from this, the United States Department of Agriculture state that *food security for a household means access by all members at all times to enough food for an active, healthy life. Food security includes at a minimum:*

- *The ready availability of nutritionally adequate and safe foods.*
- *Assured ability to acquire acceptable foods in socially acceptable ways (that is, without resorting to emergency food supplies, scavenging, stealing, or other coping strategies).*

From our preliminary thoughts, Growcom believes that food security involves many key components, with Australia’s food security requiring some different considerations to global food security. Government and industry considerations need to include how Australia can provide a favourable environment for horticulture production that allows for:

- adequate production of fruit and vegetables domestically to feed the national population well into the future;
- horticultural enterprises to remain profitable and sustainable;
- domestic horticultural products to be affordable, readily available, nutritionally adequate and safe for consumers;
- production to be environmentally sustainable; and
- global export markets and opportunities to be taken advantage of.

Critical aspects that will contribute to creating and maintaining a favourable environment for domestic horticulture production will include:

- Government policy and programs that reduce regulatory burdens and barriers to sustainable domestic horticulture production, distribution and market access;
- Building industry and government capacity to ensure appropriate responses to horticulture industry risks and opportunities;
- Government policies and programs that are conducive to economic conditions that allow viable horticultural enterprises to perform to the best of their ability;
- Maintaining Australia's relatively pest and disease free status;
- Improved access to export markets and free and fair world trade;
- Ongoing consumer demand and preference for domestic products;
- Creating efficient and effective domestic supply chains;
- Growers ability to operate within a reasonable business environment with opportunity for fair competition;
- Access to sufficient and reliable labour resources;
- Maintaining government and industry investment in R&D to ensure continued development and improvements within the horticulture industry;
- Adequate responses to climate change, including the provision of reliable and accurate information and risk management strategies to help growers adapt or mitigate to a changing climate;
- Ensuring land use policies and regional planning activities support viable primary industries.

An important factor requiring consideration is that Australia's food security and global food security are two separate concepts that may involve differing policies or objectives. These may have positive or negative impacts on Australia's food production depending on the actions or inactions taken by other countries.

To help demonstrate this point, Growcom will reflect on the Rome Declaration on World Food Security (1996). Key objectives identified, with the goal to reduce the number of undernourished people to half the 1996 level no later than 2015, included:

- Ensure an enabling political, social and economic environment designed to create the best conditions for the eradication of poverty and for durable peace;
- Implement policies aimed at eradicating poverty and inequity, and improving physical and economic access by all, at all times, to sufficient, nutritionally adequate and safe food and its effective utilisation;
- Pursue participatory and sustainable food and rural development policies and practices, which are essential to adequate and reliable food supplies at the household, national, regional and global levels, and combat pests, droughts and desertification, considering the multifunctional character of agriculture;
- Strive to ensure that agricultural trade and overall trade policies are conducive to fostering food security through a fair and market-orientated world trade system;
- Endeavour to prevent and be prepared for natural disasters and man-made emergencies and to meet transitory and emergency food requirements in ways that encourage recovery, rehabilitation, development and a capacity to satisfy future needs;
- Promote optimal allocation and use of public and private investments to foster human resources, sustainable food systems, and rural development.

There is a common perception that Australia (which currently comprises less than 1 percent of the world population and ranked about 14th in the world in terms of gross domestic product) would not be able to have a large impact on any of these objectives. However the impact of activities undertaken by powerful nations, such as the United States, the European Union, Japan and Germany, on issues including trade could have potentially large implications for Australia's food production.

Growcom believes that Australian governments have the opportunity to position Australia as a key driver in securing global food supplies by encouraging a new revolution in Australia's agricultural industries to bring more of our producers onto the world stage. An overarching food and agriculture policy is required which incorporates a whole-of-government approach to supporting and encouraging growth and prosperity in the food and agricultural sectors. This overarching policy would provide the right government policy settings, and with targeted investment, could make Australia one of the world's influential agri-power. Overall, food security needs to be explored further.

Key conclusions:

- *There is a need for increased discussion on food security at both state and federal government levels to better define what it is and how it can be achieved;*
- *Australia's food security and global food security are two separate concepts that may involve differing policies or objectives which will lead to positive or negative impacts on Australia's food production depending on the actions or inactions taken by other countries, particularly powerful nations;*
- *Australia has the opportunity to position itself as a leader and driver in the global debate on food security;*
- *An overarching food and agriculture policy linked with targeted investment will be a positive step towards ensuring Australian producers can adequately meet the domestic demand for food as well as take advantage of global economic opportunities.*

7. Future outlook and recommendations

The growing imbalance between the world demand and supply of food raises some fundamental questions about food security and whether policy settings are adequate to meet future challenges.

Growcom believes that Australian Governments need to get on the front foot to ensure the long term profitability and sustainability of our agricultural industries and to take advantage of global economic opportunities. In order to do this, Australia needs an overarching agriculture and food policy. There are many issues that have been raised throughout this submission that must be addressed to ensure Australian agricultural industries are well-positioned to capitalise on our opportunities. It is becoming more and more apparent that looking at issues on a one-on-one basis outside other factors is impractical. Industry needs an overarching agriculture and food policy which incorporates a whole-of-government approach to supporting and encouraging growth and prosperity in the food and agricultural sectors. This is becoming increasingly important alongside key issues including food security, global population and food needs, international competitiveness and increasing obesity.

Growcom also believes that it is essential for a national debate to be had on what we mean by food security, how Australia can achieve it and how we can position ourselves as a leader and driver in the global debate on food security. We recommend that a discussion paper be developed by the Australian Government and released for public consultation. This paper needs to consider both Australia's and global food security.

We would like to provide further recommendations to the Committee on how to assist growers to produce food that is affordable to consumers; viable for production by farmers; and of sustainable impact on the environment. These recommendations include:

- **Investing in R&D** - The Australian Government needs to start work now to maximise the opportunities and minimise the threats. This means investing heavily in R&D to help agriculture adapt to climate change, investing more into water use efficiency so that industries can do more with less water, and working on 'cutting edge' biotechnology to develop new cropping varieties and options better suited to a changing environment.
Growcom seeks commitment from government to maintain its investment in R&D through matching of industry funding.
- **Affordability to consumers** – An investigation needs to be undertaken on where costs lie throughout the value chain, from farm gate to the end user.
Growcom seeks a benchmarking study of Australian supply chains against other countries to help identify potential improvement areas to increase efficiencies and ensure our producers are world competitive.
- **Community health approaches** – Investing and promoting of programs such as 2 and 5 are required to work towards greater consumption of fresh fruit and vegetables. This has significant community health benefits by working towards reduced community and consumer health bills.
Growcom seeks continued investment in encouraging increased consumption of fruit and vegetables.
- **E-platform for trading fruit and vegetables** – The horticulture industry is currently not large user of e-trading. A key step forward could be encouraging industry to adopt this trading platform to enhance business development and industry growth. An awareness, promotion, training and development project in relation to ICT and 'e-business' initiatives for farmers needs to be undertaken in the near future by industry representatives, including Growcom, in conjunction with government.
Growcom seeks an investigation into how growers could reduce the number of stakeholders in the horticultural supply chain in order to reduce the costs associated with getting products to end-users.
- **Enhancing production capacity** – there is a need to investigate the efficiency of current horticulture productions systems and benchmark against others throughout the world. This needs to include further investigation into increased yields, GMOs, mechanisation, water use efficiency and so on.
Growcom seeks an investigation into how producers can enhance their productivity.

-
- **Farm Management Systems (FMS)** - There is clear evidence that farm management tools help growers eliminate their business risks and improve their efficiencies. Growcom has developed a FMS which benefits growers by allowing them to be proactive in identifying business risks and implementing strategies to reduce those risks.
Growcom seeks commitment from government to help industry develop additional FMS modules aimed at identifying all business risks and strategies to mitigate or adapt to those risks.
 - **Horticulture Industry Workforce Plan** – Growcom, with funding through the Department of Agriculture, Fisheries and Forestry, has developed a Horticulture Industry Workforce Plan which identifies strategies and recommendations under five key headings: skilled permanent workforce; work-ready, available and reliable harvest workers; growers as fair employers; infrastructure to support workers in the industry; and positive industry and government relations.
Growcom seeks support from Government to implement the recommendations of the workforce plan.
 - **Climate change response strategy** – Growcom has identified the priority needs for the Queensland horticulture industry in relation to a climate change response strategy. The key strategies relevant to the national drought policy include:
 - Build a detailed understanding of how climate changes will affect horticultural industries and horticultural production regions;
 - Deliver an industry information campaign to increase awareness and knowledge of climate change amongst fruit and vegetable growers;
 - Develop and deliver information on management practices and responses that are effective for climate change adaptation;
 - Encourage horticultural commodity and regional scale action and research investment in climate change issues;
 - Develop communication plans to guide information sharing and flow within and between industry, government, consumers and the general public regarding climate change and horticulture issues.*Growcom seeks commitment from government to further investigate and deliver on the strategies outlined in Growcom's climate change response strategy.*
 - **National review of natural disaster risk management which incorporates the challenges of climate change.** This should include the development of medium and long term response strategies in the face of any disaster, as well as providing incentives that lead to risk management approaches to natural disasters, with a shift to private investment rather than a hand-out approach during and immediately following a disaster.
Growcom seeks a national review into natural disaster risk management and the development of a disaster management plan.
 - **Enforcement of the Horticulture Code of Conduct** - as part of the effort to creating efficient and effective domestic supply chains, as well as enhance growers ability to operate within a reasonable business environment with opportunity for fair competition.
Growcom seeks commitment from government to enforce the mandatory code.
-

- **Ongoing consumer demand and preference for domestic products** - This needs to include ongoing promotion of Australian Grown labels and enforcement of country of origin labelling.
Growcom seeks ongoing commitment to promoting Australian grown products.

Key conclusions:

- *The Australian Government needs to work alongside industry to investigate the development of an overarching agriculture and food policy, which would be linked with targeted investment;*
- *There needs to be increased discussion on food security at both state and federal government levels to better define what it is, how it can be achieved in Australia and how Australia can position itself as a leader and driver in the global debate on food security;*
- *Growcom has detailed many recommendations on how we can work towards ensuring the long term sustainability and profitability of the horticulture industry.*

8. Suggested further reading

Growcom recommends that the Committee reviews the following:

- Horticulture Australia Limited (HAL) Future Focus documentation;
- Queensland horticulture industry climate change response strategy;
- Australian Competition and Consumer Commission report on grocery prices;
- Growcom submissions to the national review of drought policy;
- HAL submissions to ACCC inquiry;
- Growcom report titled Horticultural Value Chain Analysis and Policy Development;
- Growcom report titled Horticultural Labour Situation;
- Growcom report titled Economic Contribution of horticultural industries to Queensland and Australian economies.

9. Conclusion

The future outlook demonstrates a growing imbalance between the world demand and supply of food. This raises some fundamental questions about food security and whether Australian Government policy settings are adequate to meet future challenges.

It is essential that our governments incorporate issues impacting on Australia's food production and global food security into an overarching food and agriculture policy that incorporates a whole-of-government approach to supporting and encouraging growth and prosperity in the food and agriculture sectors. This policy must be linked with targeted investment to ensure industry and government can take advantage of the opportunities and minimise the threats.

Australian governments have the opportunity to position Australia as a key driver in securing global food supplies by encouraging a new revolution in Australia's agricultural industries to bring more of our producers onto the world stage. We have the opportunity to make Australia one of the world's influential agri-powers.

10. References

Australian Bureau of Statistics. *Agricultural commodities, Australia*. Available from www.abs.gov.au. Last accessed 9 September 2008.

Australian Bureau of Statistics (2008). *Population projections, Australia, 2006 to 2101*. Available from www.abs.gov.au. Last accessed 9 September 2008.

Department of Climate Change (2007). *National greenhouse gas inventory 2006*. Available from www.climatechange.gov.au/inventory/2006/index.html. Last accessed 15 September 2008.

Food and Agriculture Organisation of the United Nations (2008). *Special programme for food security*. Available from www.fao.org/spfs/en/. Last accessed 9 September 2008.

Food and Agriculture Organisation of the United Nations (1996). *Rome declaration on world food security*. Available from www.fao.org. Last accessed 9 September 2008.

Queensland Department of Primary Industries and Fisheries (2008) *Prospects for Queensland primary industries*. Available from www.dpi.qld.gov.au. Last accessed 9 September 2008.

Queensland Farmers Federation (2008). *Agflation pushing up world food price*. Courier Mail

McMichael, A.J. (2001). *Impact of climatic and other environmental changes on food production and population health in the coming decades*. Proceedings of the nutrition society. 60, pp 195-201.

Pickford, A. (2008). *The rise of agri-powers*. Defense and Foreign Affairs Strategic Policy, July 2008.

Pimentel, D., Huang, X., Cordova, A., & Pimentel, M. (1996). *Impact of population growth on food supplies and environment*. Population and Development Review, New York.

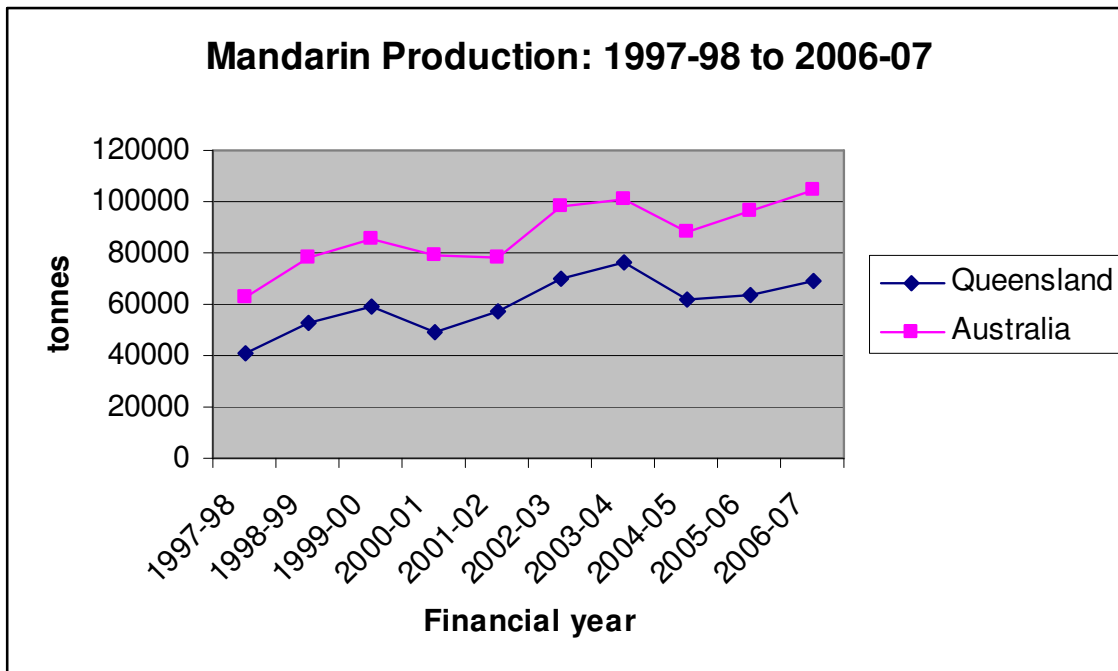
United Nations (2007). *World population prospects: The 2006 Revision*. Department of Economic and Social Affairs: New York.

United States Department of Agriculture (2008). *Food security in the United States: Measuring household food security*. Available from www.ers.usda.gov/Briefing/FoodSecurity/measurement.htm. Last accessed 9 September 2008.

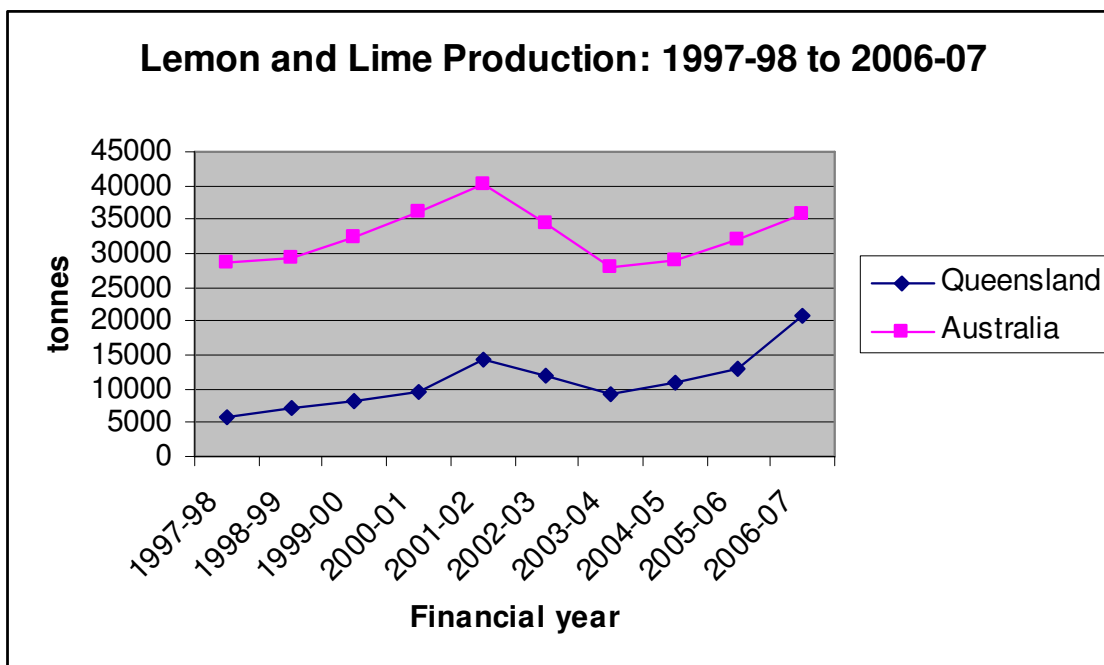
World Trade Organisation (2007). *International trade statistics 2007*. Available from www.wto.org/english/res_e/statis_e/its2007_e/its07_toc_e.htm. Last accessed 15 September 2008.

Attachment 1

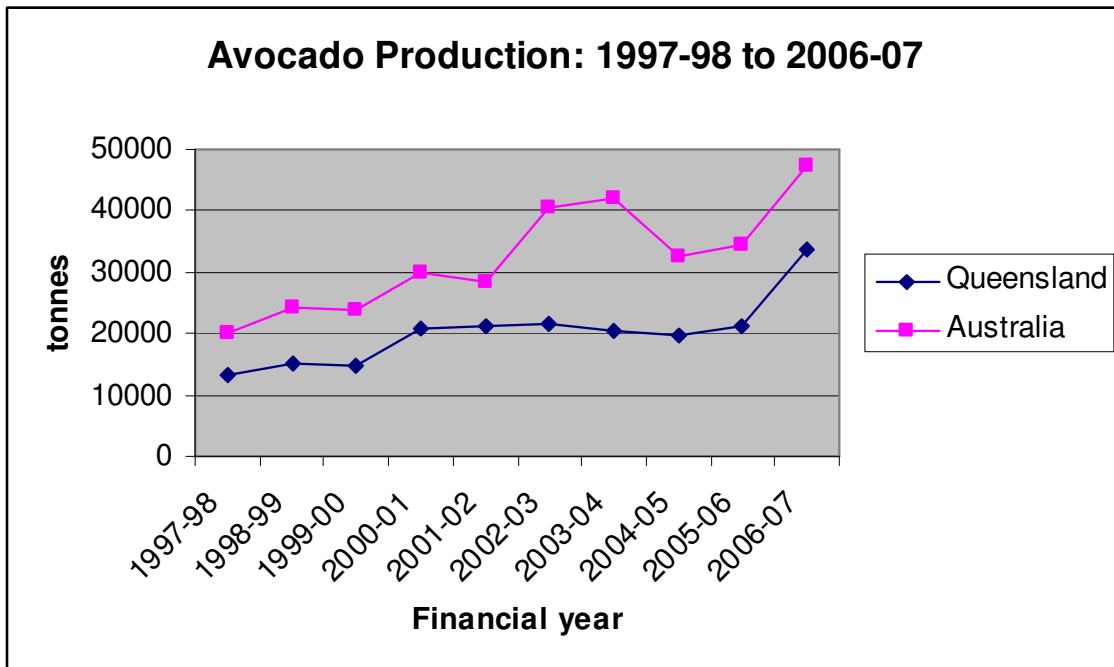
Graphs on horticulture commodity production in Queensland compared to Australia from 1997-98 to 2006-07



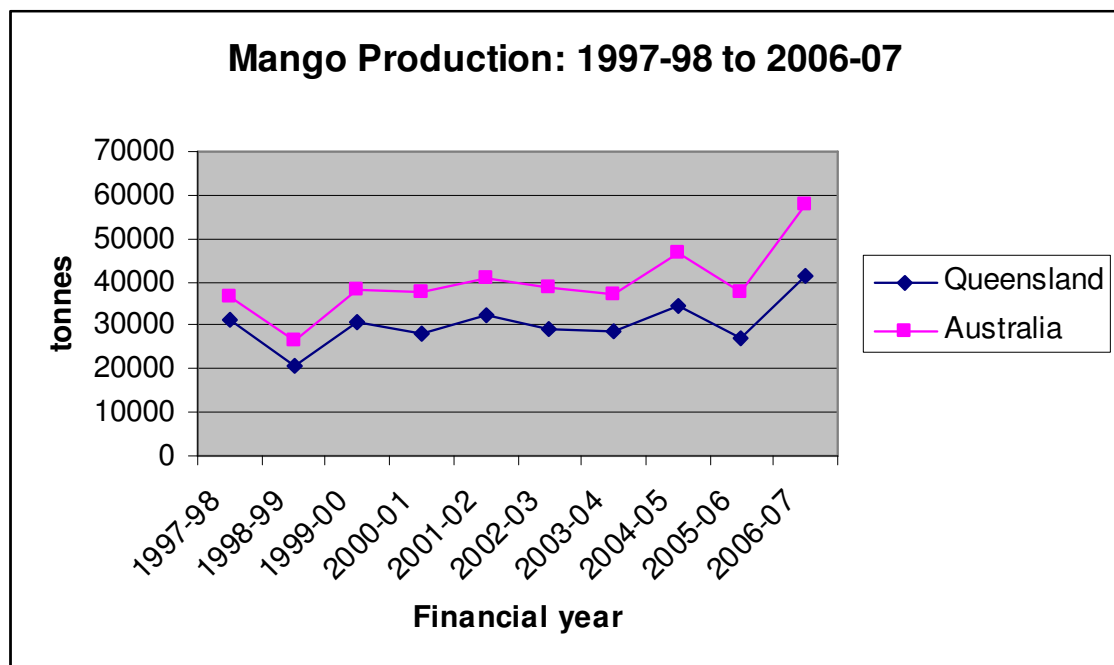
Source: ABS Agricultural Commodities from 1997-98 to 2006-07



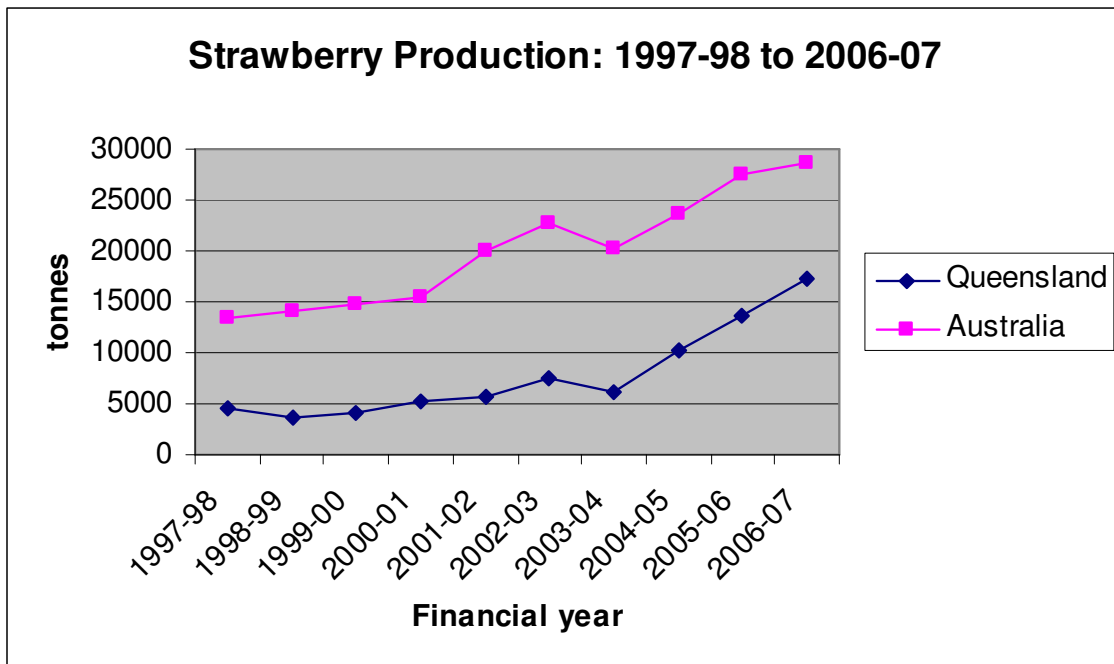
Source: ABS Agricultural Commodities from 1997-98 to 2006-07



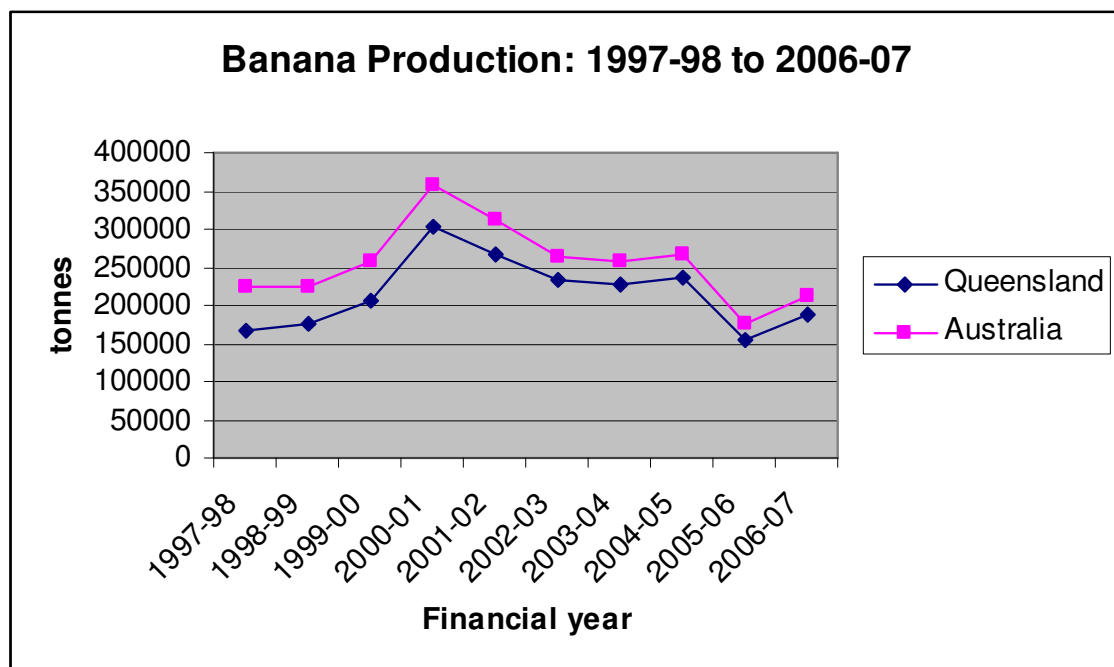
Source: ABS Agricultural Commodities from 1997-98 to 2006-07



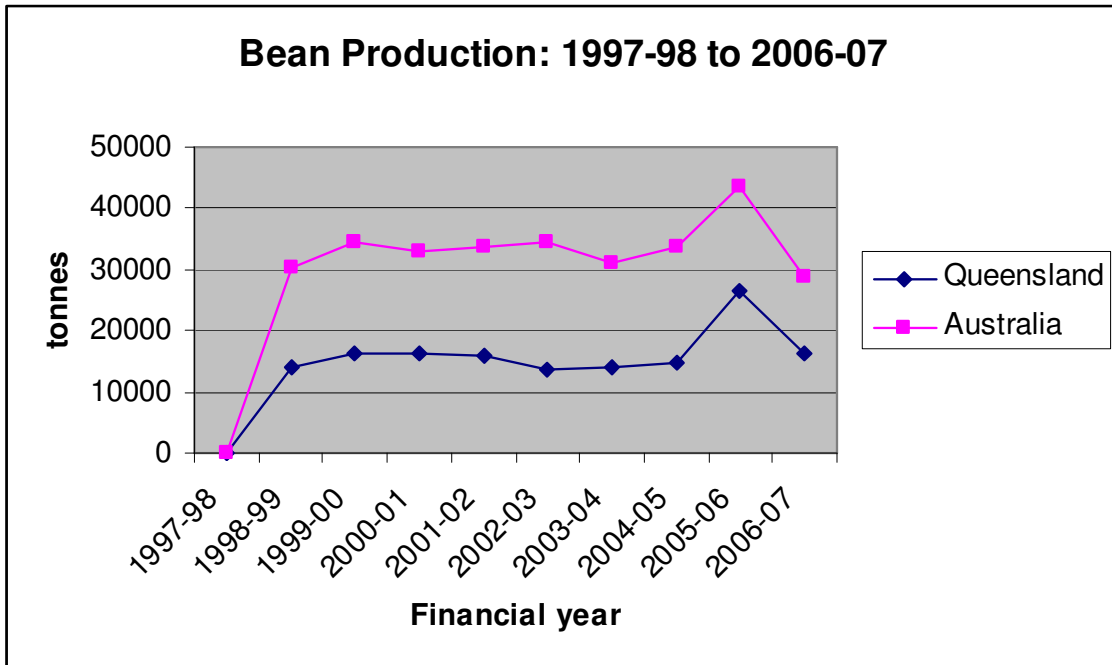
Source: ABS Agricultural Commodities from 1997-98 to 2006-07



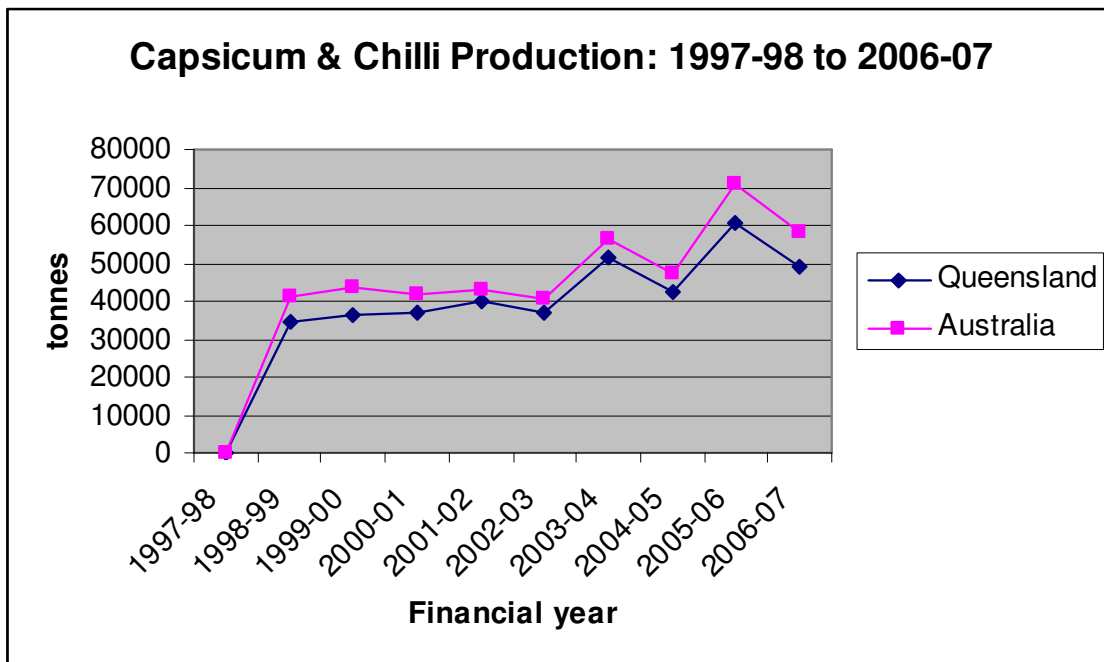
Source: ABS Agricultural Commodities from 1997-98 to 2006-07



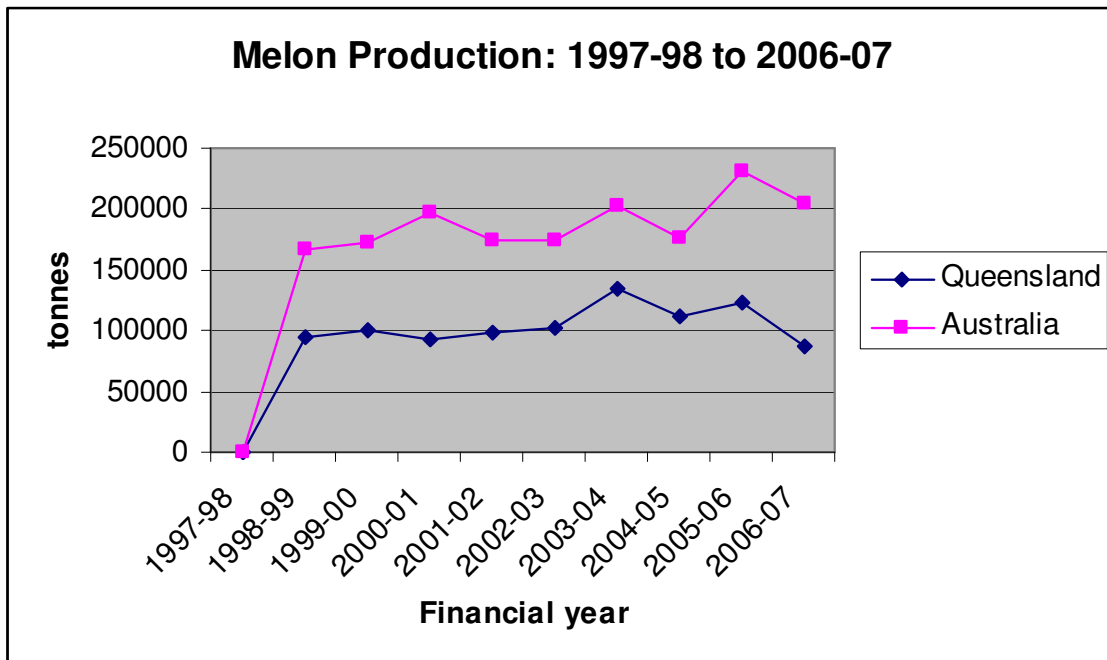
Source: ABS Agricultural Commodities from 1997-98 to 2006-07



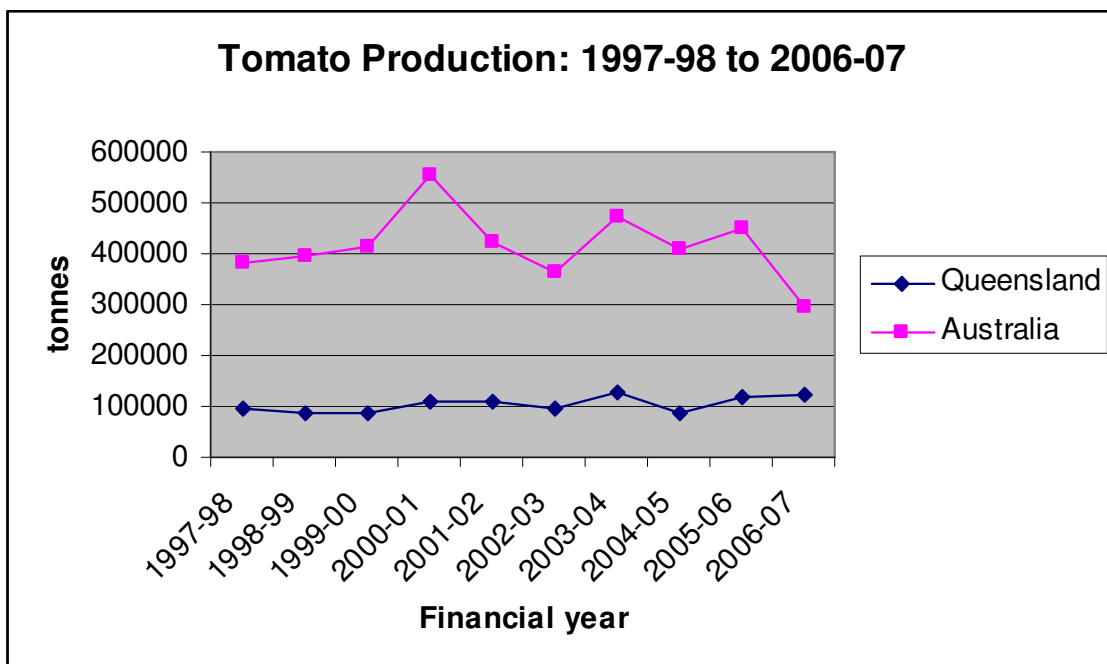
Source: ABS Agricultural Commodities from 1997-98 to 2006-07
 Note: no data for 1997-98



Source: ABS Agricultural Commodities from 1997-98 to 2006-07
 Note: no data for 1997-98



Source: ABS Agricultural Commodities from 1997-98 to 2006-07
 Note: no data for 1997-98



Source: ABS Agricultural Commodities from 1997-98 to 2006-07

Attachment 2

Growcom's policy statements

- Biosecurity
- Business management and development
- Climate change
- Consumers
- Economics
- Education and training
- Food safety
- Human resources and industrial relations
- Natural resource management
- Research and development
- Regional planning
- Trade
- Water resource and water quality management
- Workplace health and safety

BIOSECURITY

Growcom policy statement

The issues

The prevention of pest and disease incursions is of vital importance to the viability of all rural industries. Australia's unique biodiversity and relatively disease-free status, along with our reputation as a supplier of fresh, high quality, clean produce must be maintained. Freedom from many of the world's major pests and diseases is a clear advantage in both domestic and global markets.

The majority of horticultural trade occurs interstate resulting in the biosecurity systems between states being significantly important. However, international trade is also important. Australia requires rigorous science and monitoring to substantiate market access requirements for both domestic and export markets. From an incoming trade perspective, the horticulture industry requires an import risk assessment system which maintains high import quarantine standards to protect Australia's horticultural production base as well as the environment and biodiversity.

Our position

Effective sanitary and phytosanitary controls contribute towards preventing the importation and spread of exotic pests and diseases that lead to crop losses as well as a loss of market access.

Governments, industry and the community all have a role to play in biosecurity issues. Resources must be effectively used to assess import applications, prevent and combat pest and disease incursions as well as fund and coordinate eradication procedures. In addition, resources need to be applied to the protection of our borders from the natural spread of pests through continued support of programs such as Topwatch and the Northern Australia Quarantine Strategy.

In combination, these activities must leave the international community without doubt that Australia's quarantine and risk assessment regimes are developed and operated independently, and are based solely on sound scientific and risk assessment principles and analyses.

Our commitment

Growcom is committed to working with its partners, government and other stakeholders to ensure that biosecurity standards are maintained at the highest level, that quarantine risk assessments are based on sound science and transparent decision making processes and that there is a high level of co-ordination, preparedness and planning to manage any pest or disease incursion. Growcom is committed to membership of Plant Health Australia and the benefits it brings to preparedness and response capacity on biosecurity issues.

Our expectations

Growcom is seeking progress in the area of world trade reform, contingent upon Australia being able to maintain a very conservative level of quarantine protection.

Australia's quarantine protocols are designed to defend the integrity of our environment and production areas rather than as a barrier to fair trade.

In order to ensure high levels of sanitary and phytosanitary control, a transparent risk assessment process based upon sound science and vigilant quarantine systems is required.

Growcom expects government and industry to have a high level of preparedness and capacity to apply to biosecurity measures at the pre border, border and post border levels.

Our agenda items

Issues to be considered within the broader quarantine policy heading include:

- Pest and disease management and response preparation eg Industry Biosecurity Plan development, diagnostics standards, contingency plans and risk mitigation strategies developed.
- Risk Assessment for international, interstate and intrastate trade.
- On-farm biosecurity planning.
- Adequacy of the quarantine and biosecurity network.
- Participation in Plant Health Australia.
- Compensation and eradication for pests and disease incursions that meet the requirements of the Emergency Plant Pest Response Deed.
- Border protection.
- Incursion responses and preparedness.
- Development of a National Fruit Fly Strategy.
- Implementation of a well resourced and effective biosecurity agency in Queensland.
- Interstate certification agreements.
- Control of chemicals of security concern.
- Biosecurity planning or risk management on farm or commodity based.
- Domestic and international market access.
- Growcom's role in biosecurity incursions.
- Risk management.

BUSINESS MANAGEMENT AND DEVELOPMENT

Growcom policy statement

The issues

Queensland is Australia's premier state for fruit and vegetable production, growing one-third of the nation's produce. Overall, there are around 2,800 farms producing more than 120 types of fruit and vegetables. Our state enjoys the advantage of being able to supply export and domestic markets all year, and is the dominant supplier during the winter months. The majority of Queensland's exports go to Asia, with our main export markets being Hong Kong, New Zealand, Indonesia, Singapore, Japan, Malaysia, Papua New Guinea and the Middle East.

The fruit and vegetable growing industry is commercial and highly competitive, made up of small, medium and large enterprises operating with a range of business models and markets. The industry is driven by market forces, rather than being regulated by quotas or licenses. Growers expect that they will be able to operate in a reasonable business environment, with opportunity for fair competition.

Growcom undertook a study on the value chain in 2004 which provided insight into the factors impacting on horticulture business management and development. These factors include:

- Retailers having enormous power down the chain as they strive to secure the consumer dollar, which is driving the structure and nature of produce.
- A greater focus on the use of information technologies (IT) across the chain to provide improved information and communication dissemination.
- A greater focus on the domestic market, which is generally oversupplied, has many producers, is strongly competitive and in terms of communication and price transparency relatively dysfunctional.
- There was limited evidence of the use of formal contracts specifying the nature of the business relationship between producers and wholesalers.
- There are limited risk management strategies being undertaken by producers, however some more sophisticated growers are undertaking such strategies such as growing products across a variety of regions to minimise the impacts of adverse weather events.

Overall, the changing nature of the horticulture industry continues to have an impact on business management and development, as well as industry productivity and growth. This is further being influenced by factors such as the size of farming operations, biosecurity issues, availability of labour, management of human resources, the value chain, international competitiveness, natural resource management and climate variability. These issues are placing enormous change pressures on the Australian production system.

Our position

Growcom believes that horticultural enterprises should be able to operate in an environment:

- With transparent relationships in the value chain.

- Where relationships between suppliers and customers are not distorted by market power.
- With opportunity for market growth by meeting consumer demands.
- With a reasonable cost of doing business.
- With reasonable sharing of risks and rewards.

Our commitment

Growcom is committed to improving the business environment in which growers operate, through the value chain and the regulatory environment, and by providing pathways to practical outcomes for members, including continuous improvement in agriculture, marketing and business.

Our expectations

Growcom expects that horticultural producers will be able to operate in a reasonable business environment, with opportunity for fair competition. We expect that other stakeholders involved with the industry will consider the industry's costs of production when making decisions affecting our members.

Our agenda items

Issues to be considered within the broader farm business management policy heading include:

- Market development.
- Market access.
- Industry trends.
- Cost of production.
- The international competitiveness of the Queensland horticulture industry.
- Horticulture Code of Conduct and voluntary industry codes.
- Encouraging entrepreneurship and innovation
- Product development.
- Value chain alliances.
- Encouraging export opportunities.
- Ownership of produce and contract management.
- Best practice/benchmarking.
- Risk management.
- Financial management.
- Biosecurity.
- Labour and skill shortages.
- E-Commerce.
- Industry exit strategies.
- Succession planning.
- Managed Investment Schemes
- Food safety and food quality.

CLIMATE CHANGE

Growcom policy statement

The issues

Climate change continues to grow as a global issue of highest importance and it is an area of rapid policy development at international, national and state scales.

Most in the scientific community now believe that a build up of greenhouse gases in the Earth's atmosphere is driving global warming and significant shifts in climatic conditions.

Climate change is a multi-faceted issue with significant economic, market, production, social, and environmental implications.

Changes occurring in Australia's climate include increases in maximum and minimum temperatures; elevated carbon dioxide levels; reduced overall rainfall though increased intensity of rainfall events; and an increase in the frequency of severe, damaging storms.

Climate changes could affect horticultural industries in Queensland in both positive and negative ways. Horticulture, however, is believed to be at greater risk from climate changes than most other sectors of the economy. Impacts are likely to vary across regions and commodities and may include increased crop water needs, reduced water availability, greater crop damage due to frosts and heat stress, increased pest and disease activity and therefore increased pest management and biosecurity challenges, increased damage from extreme weather events and changing production regions or cropping cycles. Secondary impacts may include threats to producers' capacity to meet supply contracts or market windows, further difficulties in attracting and retaining labour resources, and reduced security of water entitlements.

International, national and state level policy settings will also have significant implications for the horticulture industry and, if not carefully designed, could cause greater impacts on industry than the bio-physical and economic consequences of climate change.

Impacts of government climate change policies could include further increases to the costs of production as the introduction of an emissions trading scheme drives up the price of key inputs, a decline in the relative competitiveness of Australian produce compared to overseas product, limited capacity to engage in the emerging carbon economy if international standards for carbon accounting constrain growers ability to measure carbon sequestered in soils or vegetation on-farm. Opportunities may also emerge from government policies and programs through funding, assistance and incentives programs.

Growers have already been affected by recent significant price increases to core components of their cost structure, in particular wages, fuel and fertilisers and climate changes and policies related to climate change are expected to put further pressure on the costs of production in horticulture. Horticultural businesses have extremely limited capacity to pass on increased production costs through the value chain due to the concentration of market power in the food retailing sector.

To respond to the challenge of climate change, the horticulture industry will need to act on a number of fronts, including contribution to emission reduction, contribution to

carbon sequestration, adaptation to climate changes, and influencing and responding to new policy settings.

Currently, a significant barrier to the development of industry and government responses to climate change is a lack of information, research, modeling and analysis specifically focused on the implications of climate change for agriculture in general and horticulture in particular. Even less information is available at regional scales. Analysis of economic, industry, and environmental issues stemming from climate change specific to the horticulture industry is urgently needed.

While the impact of climate change on horticultural industries could be severe, there is a reasonable level of confidence amongst industry members of their capacity to adapt, providing they have access to accurate information, have a capacity to recoup increased costs of production and that regulatory frameworks provide for a reasonable degree of management flexibility. There are also a number of successful, established industry support programs that can be refined to assist growers to tackle the challenges of climate change.

Our position

The horticulture industry will respond proactively to the challenge of climate change and take responsibility to act, within the limits imposed by the cost-price squeeze experienced by most businesses.

Growcom believes that industry self management should be encouraged by governments and that industry organisations should be given responsibility and resources to work directly with their members on tackling climate change issues, as industry groups are best placed to design programs that work with the business, market and regulatory needs of producers.

Climate change poses challenges but may also offer opportunities for horticultural businesses. The horticulture industry aims to be positioned to act on both the challenges and opportunities.

Significant effort and investment is urgently required to improve the knowledge base for climate change and intensive agriculture to underpin the development of industry and government policies and response strategies. Critical information gaps that need to be addressed include:

- Climate science, modelling and projections for key horticultural production regions along with risk and vulnerability assessments.
- Economic, value chain, agronomic, and environmental analyses of the impacts of climate changes in horticultural production regions
- Economic impact assessments of various government policy options, including the proposed arrangements for carbon emission trading.
- Measurement of horticulture's contribution to greenhouse gas emissions, options for emissions reductions, and how reductions can be measured and accounted for.
- Likely impacts of climate change on water supplies and the security of water entitlements and allocations and the options available to improve water harvesting regulations and operating rules for water storages to secure supplies.

The horticulture industry will need assistance from government to adapt to climate changes, contribute to emissions reductions and to mitigate any unavoidable impacts of government policies.

Our commitment

Growcom will provide leadership to assist the horticulture industry play its role and contribute to solutions regarding energy efficiencies, emissions reductions, carbon sequestration, investigation of alternative energy supplies, proactive adaptation to climate changes and investment in strategic research and development.

Growcom will develop and coordinate implementation of a horticulture industry climate change response strategy. It will also develop and support industry members to use a climate risk management module within its Farm Management Systems program.

Growcom will aim to maintain a detailed review of relevant research and communicate information to growers in a format that supports business decision making. We will seek to facilitate industry discussion and debate on climate change and offer opportunities for growers to be fully informed of issues. Industry will review new information as it becomes available to identify and respond to emerging issues. Industry will be proactive in identifying critical information gaps and seeking to have these addressed.

The horticulture industry will seek to engage in a positive, proactive way with government policy development, offering potential solutions and seeking policies with minimal or mitigated impacts on industry.

The industry will seek solutions that deliver on a number of policy or management imperatives, for example seeking to identify farm management practices that offer carbon emission reduction as well as water quality improvement and increased water use efficiency.

Our expectations

All industries, including horticulture, should respond proactively to the challenge of climate change and take responsibility to act on matters within their capacity.

In developing its policies and responses to climate change, Growcom expects government at all levels to:

- Properly consult with the horticulture industry, in its own right, on all relevant climate change policy developments.
- Work with the horticulture industry to ensure policies and programs are properly targeted and avoid or mitigate industry impacts.
- Properly consider the significant variations across pastoral, broad-acre cropping, intensive livestock and intensive cropping industries regarding carbon emissions, carbon offset and trading opportunities, and potential climate change impacts, mitigation and adaptation strategies. These must be understood and accounted for in formulating effective and targeted government climate change policies and strategies regarding the agricultural sector.
- Take a holistic, triple-bottom-line sustainability approach in developing responses to climate change. This will require significant effort to achieve policy alignment

across a broad range of issues, including natural resource management, water reforms, drought and exceptional circumstances assistance, biosecurity and quarantine, and industry, regional, market and export development.

- Assist industry through funding and appropriately designed programs that facilitate adaptation and mitigation actions.

Our agenda items

Issues to be considered within the broader climate change policy heading include:

- Establishment of a national cap and trade scheme for greenhouse gas emissions
Seeking development of more detailed and specific information about how climate changes will affect the horticulture industry and horticultural production regions, including secondary analyses eg of value chain issues; economic issues.
Communicating climate change issues and potential impacts with growers to facilitate effective business management decision-making.
- Seeking development of customised management tools that can be used by growers to better predict and manage seasonal climate variability, assess the risks and opportunities posed by climate change, and plan how to adapt to projected climate changes.
- Ensuring growers have access to information on management practices and responses that help minimise the carbon impact of farming operations or help adapt to climatic changes.
- Climate change and its direct and indirect impacts on food security
- Informing growers about the emerging “carbon economy” and building the capacity of growers to assess the opportunities or impacts.
- Influencing national, state and regional policies aimed at addressing climate change and carbon emission management.
- Influencing water planning and management arrangements to ensure they effectively incorporate climate change considerations and protect the security of water entitlements.
- Encouraging detailed analyses (especially of agronomic issues) at commodity and regional scales and industry investment in solutions.
- Addressing changes to pest management issues arising from climate change
- Information sharing within and between industry, government, consumers and the general public is vital to underpin sound management decisions.

CONSUMERS

Growcom policy statement

The issues

The future of fruit and vegetable growing enterprises and their partners in the value chain depends on the timely provision of products and services to consumers.

Consumers demand fruit and vegetables that meet their expectations in terms of freshness, appearance, taste, price and convenience. Consumers need to know that the food they eat is safe from contamination by chemicals or pathogens. As consumers are not homogenous, growers have the opportunity to adapt to more diverse market segments and requirements to ensure that demands are met and opportunities identified.

Increasingly, consumers are interested in other food-related issues such as organic production, being able to purchase speciality fruits and vegetables, the potential environmental impact of farming and fair trade practices.

Our position

It is in the horticulture industry's best interests to be able to:

- Assess and respond to consumer preferences and lifestyle changes.
- Quickly respond to consumer concerns and influence consumers' perceptions of fruit and vegetables and the horticulture industry.
- Emphasise differentiated products and services.
- Utilise high levels of knowledge and skills within the industry.
- Remove impediments to accessing key markets.
- Continually research consumer needs and market segments.
- Operate in more transparent value chains.
- Ensure that their produce is clean and safe to consume.

Our commitment

Growcom will support initiatives that identify and create new opportunities based around fruit and vegetables. These may include:

- Improving the production and marketing of food that is tasty, safe, performs well, is high yielding and consistent in quality.
- Supplying fresh produce in portion sizes that best suits consumers.
- Finding ways to value add produce before it gets to the retail shelf.
- Fast responding and transparent value chains.
- Meeting new and emerging consumer trends.

Our expectations

Growcom expects that:

- There will transparent value chains to enable producers to obtain and adhere to clear market signals.

- Government and value chain participants work together to meet consumer needs and anticipate future trends in food issues.
- Innovative producers will adapt to meet changing consumer preferences and lifestyles.
- The horticulture industry will be able to service a range of selected market segments around the world.
- Controversial issues relating to food should be evidence based and presented in a balanced light, giving consumers the opportunity to make informed choices about produce.

Our agenda items

Issues to be considered within the broader consumer policy heading include:

- Increasing consumption of fruits and vegetables.
- Future trends in consumer demand and expectations.
- Ensuring a two-way flow of communication between consumers and growers.
- Perceptions of the industry as a clean and safe green producer.
- Communication and the provision of advice between industry stakeholders and consumers on food and nutrition issues.
- Food safety and quality.
- Monitoring and response of food safety issues in the media.
- Product innovation and range extension to meet trends in meal preparation, packaging and value adding.
- Increasing consumers' awareness of the nutritional value, uses and food safety issues regarding fresh produce.
- Country of Origin and Australian Grown labeling.

ECONOMICS

Growcom policy statement

The issues

Throughout Queensland's history, primary industries have been a significant contributor to the state's economy. Horticulture is a large, growing sector worth around \$1.7 billion at the farm gate and is the second largest primary industry. Horticulture is also a major driver of regional development and employment.

The horticulture sector plays a vital role in regional economies of Queensland, enhancing the economic diversification of small communities. This was demonstrated during the devastation to the far north Queensland horticulture industry as a result of Cyclone Larry.

Queensland's horticulture industry is:

- A major contributor to regional economies, and the mainstay of many regional communities.
- The largest high quality supplier of fresh fruit and vegetables to Australian consumers.
- A diverse industry utilising a range of production methods in different locations and climates.
- A resource base for significant value adding throughout the food, transport, wholesale and retail industries.
- The most labour intensive of all agricultural industries, with labour representing as much as 50% of the overall operating costs.
- A high value and efficient user of water resources in terms of agricultural production.
- A source of income for many families and businesses in regional Queensland.
- An industry with significant links to the tourism industry, providing income for thousands of backpackers and "grey nomads" each year.
- The site for a number of emerging agricultural industries including olives, Asian vegetables, exotic tropical fruits, culinary herbs, bush foods, functional foods and nutraceuticals.

Horticultural enterprises operate subject to numerous factors including rising input costs, market variability in supply and demand, climatic conditions, biosecurity issues, labour shortages, government policy and international economic conditions, making economic, social and environmental issues a major influence on farm profitability.

Despite the increasing pressure on individual businesses, the horticulture sector has continued to grow over the past 10 years (between 1995 and 2005, the gross value of fruit and vegetables produced in Queensland increased by 124%, or more specifically 132% for fruit and nuts, and 116% for vegetables).

Our position

Growcom's policy is to support an economic climate favourable to enhance the viability of farming enterprises, and to support and lobby for programs and policies that will benefit horticulture and rural communities.

Our commitment

Growcom will support the continued improvements in performance and growth of the horticulture industry by:

- Promoting the position of horticulture as the 'new economy' in agriculture – the major growth sector in primary industries.
- Lobbying government to ensure that legislation impacting horticulture is not burdensome and does not produce unintended consequences.
- Ensuring that decision makers, key stakeholders and the public understand the importance of the horticulture sector in Queensland's economy.
- Creating an understanding about the operation of the marketplace and supply chain as it relates to horticultural produce and on the policies that need to be implemented if it is to operate effectively, producing commercial, social and environmental benefits.
- Promoting the environmental, economic and social sustainability of the horticulture industry and lobbying government on policies and programs that enhance the industry's ability to further achieve these goals.

Our expectations

Horticulture businesses have an expectation that Government policies and programs are conducive to economic conditions that allow industry to perform to the best of its ability.

Our agenda items

Issues to be considered under the economics policy area include:

- Labour and skill shortages.
- Biosecurity issues.
- Market dominance of retail chains.
- Transparent and fair trading environment.
- Managed Investment Schemes.
- Climate change.
- Terrorism and national security issues impacting on the horticulture industry.
- Horticulture Industry Future Directions plan.
- Cost of production and input cost issues.
- Enhancing triple bottom line sustainability through economic success.
- Encouraging R&D investment and extension activities.
- Developing capability within the industry and incentives for structural adjustment.
- Finance availability, taxation and interest rates.
- Exchange rates.
- Industry packages and programs – Agriculture Advancing Australia, Farm Management Deposits, FarmBis, adjustment, natural disaster relief assistance, exit strategies.
- The potential impact of policies implemented to meet National Competition Policy objectives.
- Diesel fuel rebates.
- Stamp duty.

EDUCATION AND TRAINING

Growcom policy statement

The issues

The horticulture industry is experiencing a period of significant change with the business environment becoming more challenging. The industry is recognising that training in both horticulture and business is becoming ever-more important as markets become more global and competitive, as new business opportunities and ways of improving efficiency become available, and as labour and skill shortages continue to constrain industry productivity and growth.

Farm owners, managers and employees need access to training and services to improve supply chain management, business management and leadership skills that meet their requirements and enable them with the skills to allow their business to remain viable in their future operating environment.

Our position

Growcom supports systems and processes that enable all those involved in the industry to be good business managers and be competitive in the employment market. This means providing people with marketable skills, and developing education and training systems which keep pace with the skill needs of business and with changes in both farm practices and technology.

Growcom has conducted extensive research into the skills requirements of the horticulture industry and has commenced the implementation of The Knowledge Plant, which is based on the brokerage of the best suited training options to satisfy those identified training needs.

Our commitment

Growcom is committed to taking a proactive stance in promoting relevant learning and development throughout the industry.

Growcom will work with government and other stakeholders to support training and development initiatives that benefit the industry. Growcom is also committed to delivering a training and education program for the horticulture industry that will in turn deliver quality skills acquisition for growers in Queensland.

Our expectations

Growcom expects and supports mechanisms that give employers and employees access to relevant and effective training opportunities that are consistent with their business needs. Training and development opportunities need to be flexible and targeted to meet the specific need of industry participants. Growcom expects that industry participants will take up the offer of training if it is relevant, timely, cost-effective and aligned to industry needs.

Our agenda items

- Labour availability and skill shortages.
- Education and training services and packages aligned to industry needs.
- Recognition of Prior Learning (RPL) programs.
- Traineeships in horticulture.
- FarmBis funding for training programs.
- Leadership development.
- Agricultural colleges.
- Quality assurance and food safety accreditation.
- Attracting youth to careers in horticulture.
- Providing a career path for employees.
- Influencing government allocation to VET through DETA industry engagement processes.
- Rural Skills Formation Strategy.
- The Knowledge Plant.
- Skills passport.
- Development of a Workforce Plan for the horticulture industry.
- Risk management.
- Farm management systems.

FOOD SAFETY

Growcom policy statement

The issues

Consumers, suppliers, processors and regulators are placing greater expectations on the horticulture industry to prove the safety and consistency of fruit and vegetables produced and sold. This is the major driver for the implementation of food safety and quality assurance systems.

Food safety systems are usually based on a Hazard Analysis Critical Control Points (HACCP) or risk management approach designed to identify and manage risk. This in turn protects the interests and reputation of growers, wholesalers and retailers, whilst meeting the demands and, most importantly, assuring the health of consumers.

The industry needs to provide consumers with the assurance that its produce is both safe and of consistent quality. This is important for a number of reasons including:

- Legislation - Whilst not directly impacted by the Food Standards Act, the requirements of the act are that food supplied is 'safe and fit for purpose'. All Australian food businesses (except primary producers) must comply with the requirements of the act and thus must ensure the integrity of their supplies.
- This legislative requirement drives 'customer requirements' – retailers insist their suppliers (wholesalers, packers, and growers) have 3rd party certified food safety systems in place to comply with all the requirements of the Food Standards Act. They also do this because they know what the damage to their own brand will be in the event of a food safety incident, no matter who is at fault.
- Business protection and professional liability - a food safety and quality assurance system that follows GAP / GMP and includes adequate records to support that implementation acts to minimize potential liability on producers. Industry has to be able to demonstrate due diligence, which is to do what is fair and reasonable to avoid food borne illness and injury and have the evidence to back it up.
- Competition - In an increasingly competitive market place, fresh produce competes for 'customer dollars' with a wide range of food alternatives. The ability for the industry to present a strong and united position on food safety and quality provides market advantage for all.

Our position

Locally grown, fresh fruit and vegetables are considered relatively low risk, with national food safety and environmental standards in the horticulture industry amongst the highest in the world. Existing systems include Freshcare which are based on a HACCP Plan, an internationally recognised preventative approach to manage food safety hazards.

Growcom supports streamlined, industry driven food safety accreditation programs such as Freshcare that assist in producing high quality, safe food at profitable prices and

- Avoid duplication.
- Are streamlined/integrated with options of combining all of their management considerations (eg production specifications and protocols, WH&S and

environment) into one management system - preferably that can be audited as one system.

- Do not present an administrative burden to growers.
- Have transparent accreditation and compliance processes.
- Are cost-effective.
- Are nationally/internationally recognised.

Growcom supports the inclusion of these accreditation and safety systems within growers' risk management processes. These assurance programs should be recognised as a cost effective alternative to costly regulatory requirements.

Our commitment

Growcom is committed to food safety policies and programs that are credible, practical, national, industry owned, cost effective and suitable for all produce. We are committed to working with stakeholders to ensure that consumers are provided with the safest food possible and that they have the information required to see that growers are fulfilling this need and promoting better business practices through the implementation of food safety and quality systems to assist growers in guaranteeing the safety of their produce.

Our expectations

We expect that governments will work with industry to develop food safety policies that meet both consumer and industry needs. Systems need to ensure that when properly adhered to, food safety programs prevent problems arising with produce, while remaining as streamlined as possible to reduce compliance costs.

We expect that imported produce will need to adhere to the same food safety standards as Australian grown produce. There will also be shared food safety responsibility throughout the value chain from growers to consumers.

We also expect that industry groups, government and the value chain will work together to quickly act to defuse and reduce any negative effects of food safety claims, legitimate or otherwise and to provide consumers with accurate technical information on food safety issues.

Our agenda items

Issues to be considered under the food safety agenda include:

- Grower input into safety standards.
- Minimising the cost of compliance of food safety accreditation schemes.
- Labelling and traceability of produce through the value chain.
- Education and responsibility for food safety accepted and maintained through the chain.
- Maximum Residual Limits.
- Better government engagement with industry in relation to food safety issues.
- Food safety agenda of government, such as FSANZ and Safe Food Queensland.
- Quality assurance – education and training throughout the chain on post-harvest handling, storage and transport.
- Streamlining the value chain to get produce to consumers as quickly as possible.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

Growcom policy statement

The issues

Queensland's fruit and vegetable industry employs around 25,000 permanent and part time people. The industry also employs a large number of casual and seasonal workers all year round. The horticulture industry is a major source of employment in regional Queensland and an economic driver for rural and regional economies.

Farm labour is the most significant cost and perhaps the most critical factor in ensuring the smooth running of field preparation, planting, maintenance, harvesting and packing activities on-farm. It follows that human resources are growers' most valuable resource. However, labour availability and skill shortages remain prominent in the horticulture industry and continue to constrain our farmers. These shortages arise from a number of factors including competition from other industries, seasonal aspects and the nature of employment.

Our position

Effective human resource management is essential to maintaining a productive and sustainable horticulture industry. To remain viable the industry must effectively and efficiently manage and develop solutions to ongoing and emerging workforce issues and challenges.

Growcom believes that to maintain an efficient and highly productive workplace and meet market demands, farm owners and managers need flexibility in workplace arrangements, along with the ability to attract and retain appropriately skilled staff.

Our commitment

Growcom's commitment is to:

- Support members in their efforts to improve their business, staff management and leadership skills.
- Achieve greater flexibility, efficiency and productivity in the operation of horticultural enterprises.
- To lobby for wages and conditions that attract and retain skilled employees while improving productivity and returns to growers.
- Encourage employers and employees to develop skills and competencies essential for the job.
- Encourage employers and employees to be innovative and flexible in their approach to work.
- Encourage employers and employees to achieve permanent best practice standards in all aspects of organisations' operations.
- Investigate solutions to minimise the impact of ongoing and emerging workforce issues and challenges.

Our expectations

Growcom expects that the horticulture industry will be able to target and access labour markets that suit our business needs. Growcom also expects that employers will have appropriate human resource management skills which pursue best practice standards in all aspects of their operation, including skills development and recognition, innovation and flexibility, and workplace health and safety.

Growcom expects that the needs of the industry are best accommodated by the formulation of an industrial relations framework which recognises the particular needs of the horticulture industry and contains sufficient flexibility to meet the specific and distinctive requirements of each enterprise and its employees.

Our agenda items

Issues to be considered under the human resources and industrial relations area include:

- Workforce plan for the horticulture industry.
- Guest worker initiative.
- Immigration issues including employment of backpackers and use of the 457 visa.
- Giving growers the best advice and tools to be good businesspeople and employers.
- Attracting and retaining skilled and reliable staff under flexible workplace arrangements.
- Wage arrangements that are based on the workplace, taking local conditions into account during negotiations over wages and other employment-related conditions.
- A simplified and more flexible industrial relations system to increase the efficiency of farm businesses and reduce compliance costs.
- Improvements in productivity.
- Minimal/streamlined documentation for employment declarations and checking work entitlements.

NATURAL RESOURCE MANAGEMENT

Growcom policy statement

The issues

Access to the natural resources of soil, water and air are critical for a viable fruit and vegetable industry. Natural resource management is an important issue for growers with much of Queensland's fruit and vegetable industry located close to sensitive environments such as the Great Barrier Reef, Ramsar wetlands and the Murray-Darling basin.

The community, industry and government recognise the importance of maintaining a healthy environment. Across Australia there is a high level of concern about major environmental issues such as salinity, water quality and the loss of natural ecosystems. Issues such as resource security in water and vegetation are the subjects of hot debate.

Fruit and vegetable growers in Queensland aim to be responsible custodians of natural resources, however, highly complex regulatory, policy and planning systems make natural resource management a major challenge for growers.

Our position

Growcom supports the sustainable development of the horticulture industry in Queensland. This requires horticultural enterprises to be profitable, socially viable and environmentally responsible. Growcom and its members aim to work in partnership with government, research organisations, regional natural resource and catchment management bodies, the community and other stakeholders to address natural resource management issues.

Growcom believes an overarching framework is needed to encourage and coordinate sustainable natural resource management at local, regional, state and national levels.

We also believe that Government's continued commitment to natural resource management is essential for maintaining the role of protecting and enhancing Australia's unique biodiversity, the future productive capacity of agricultural industries and viability of rural and regional communities. Growcom is fully supportive of enhancing direct industry engagement in natural resource management programmes through industry organisations to improve outcomes.

Through a cooperative and holistic approach, we aim to deliver workable and balanced outcomes for the industry that also benefit the broader community.

Our commitment

Growcom is committed to maintaining and establishing partnerships with Government and other stakeholders to support the sustainable development of the horticulture industry. The industry has a long history in natural resource management and has made a commitment to the *Farmcare Code of Practice for Sustainable Fruit and Vegetable Production in Queensland*, which outlines good environmental management practices such as:

-
- Efficient and careful use of natural resources, particularly water, soils and vegetation.
 - Minimising environmental impacts caused by horticultural land use, particularly run-off of sediments, fertilisers and pesticides into waterways.
 - Minimising waste and pollution from horticultural land use.
 - Careful use of pesticides.
 - Minimising impacts on biodiversity. Growcom maintains an environment program designed to assist its members to continually improve their environmental performance and achieve ecological sustainability. We believe a 'triple bottom line' approach would be an appropriate measure of the industry's performance.

Growcom is also committed to developing and subsequently implementing our Farm Management System (FMS) program within horticulture enterprises throughout the state. The FMS is in modular format with each module focusing on the potential risk areas and opportunities for improvement. Each module will generate an action plan with target dates for the grower to work towards in order to minimise their risks.

Our expectations

Growcom seeks recognition and commitment from government and the community that the industry requires support to achieve its goals in natural resource management. In particular, the industry requires:

- The opportunity to apply voluntary, workable, industry-led initiatives wherever possible to address natural resource management issues.
- Planning and management of natural resources to be based on sound science.
- If necessary, negotiated transition phases of an appropriate, planned, and agreed timeframe that allow industry members time to adapt or restructure to legislative or policy changes, implement changes to practices or develop solutions to issues.
- Financial and other support for industry based programs such as stewardship and ecosystem services, when the public benefits of natural resource management outweigh private benefits, and when the community's expectations of natural resource management or biodiversity conservation restrict growers' farm management beyond current recommended practices.
- A range of financial and market-based incentives be explored and used as much as possible to encourage the adoption of improved natural resource management practices.
- Institutional, economic and other barriers to the adoption of sustainable management practices be identified and addressed.

Our agenda items

Issues to be considered within this policy area include:

- A long term plan for natural resource management and on-farm delivery programs.
- Water quality.
- Farm management systems.
- Developing an overarching framework for regional and catchment planning and management.

- Natural resource access, allocation and trading (eg water, ecosystem services).
- Vegetation management and tree clearing.
- Greenhouse and climate change.
- Biodiversity and wildlife management.
- Pest and weed management and chemical use.
- Competing land use eg urban development in rural areas and peri-urban agriculture.
- Local government and regional planning activities and initiatives.
- Market based instruments for natural resources management issues.
- Commitment to work with regional natural resource management arrangements to align farm scale activities to surrounding sub-catchments.
- One Plan.
- Funding stream for NRM initiatives that work in tandem with regional arrangements.

RESEARCH AND DEVELOPMENT

Growcom policy statement

The issues

Growcom has strategic goals for a number of key policy areas covering natural resources management, industry development, biosecurity, food safety, economics, human resources, and workplace health and safety to name just a few. All of these areas require investment in targeted, relevant research to maximise the opportunities for the horticulture industry.

Queensland horticulture is a dynamic industry offering opportunities for growth and making essential contributions to the Australian economy. It is recognised that through research and development, steps are being taken to ensure that the sector continues to contribute to the nation's prosperity and regional communities, whilst maintaining its commitment to sustainable agriculture.

Research and development activities have returned significant outcomes to the industry in terms of commercialised products and methods. Examples include the introduction of more vigorous root stocks and high yielding varieties, extensive breeding of disease resistant varieties, more efficient irrigation practices, integrated biological and chemical pest control, automated planting and harvesting, consumer research and improved human resource management and workplace health and safety practices. In addition, new packaging methods and post-harvest technology have improved the quality of the product reaching the consumer.

The sector's growth during a time of increasingly difficult economic, environmental and social conditions is evidence of the effectiveness of primary industries research and development programs. However, there has been a decreasing level of research and development investment by government agencies compared to an increase in demand from industry for research and development on a broad range of issues.

Our position

We believe that research and development focussed on achieving commercial outcomes is essential to our industry if it is to meet future technical, environmental and market challenges.

Commercially focussed, innovative research and development in new and advanced technology as well as productivity, marketing, economic, environmental and social aspects of the industry are critical to industry development. A high level of industry capability and performance are essential to move to the initiation, management and delivery of research and development programs.

Our commitment

Growcom is committed to ensuring that properly targeted and conducted research and development for the sector continues in order to securing its future economic performance and sustainability.

Our expectations

Growcom expects that stakeholders recognise the industry's contribution to the economy, along with the potential for greater productivity and sustainability. We expect that Government and industry investment in R&D, research facilities, knowledge development and skills are maintained as they are vital to the continued development of both the Queensland and Australian horticulture industries, along with the provision of services to a broader R&D marketplace.

Our agenda items

Issues to be considered within the broader research and development policy heading include:

- Developing effective partnerships throughout the value chain to identify priority issues and effective, relevant response strategies.
- Commercialising the results of R&D for optimal outcomes.
- Ensuring access to research and development funding and information.
- Developing and promoting adoption of technology, information and management practices needed by industry to be internationally competitive.
- Creating new market opportunities and meeting market requirements.
- Developing strategies to minimise losses and trade risks due to pests and diseases.
- Decreasing barriers to market access and export markets.
- Developing production and post harvest practices to meet community expectations for food safety and protection of the environment.
- Promoting research into the link between management practices and NRM outcomes and benchmarking current levels of recommended practice uptake.
- Continued commitment of the Queensland Government to research and extension activities through DPI&F and other agencies.
- Maintaining Federal Government commitment to public funding of R&D and dollar for dollar matching.
- R&D projects supported by effective communications, extension and adoption mechanisms.
- Recognition of funding sources such as industry contributions.
- Maintaining government commitment and investment in R&D projects and initiatives.
- Matching funding through R&D corporations.

REGIONAL PLANNING

Growcom policy statement

The issues

Regional planning involves the placement of land use activities, infrastructure and zoning for the sustainable growth of a region. This planning incorporates the protection of land use activities such as farmland, cities, industrial space, transportation hubs and infrastructure, military bases, and wilderness areas. Bad planning decisions can have negative individual business and industry impacts.

The loss of productive agricultural land has become an issue of concern in Queensland, and throughout Australia. Increasing urban pressure on farming in urban fringe areas is creating land use conflict and marginalising viable farming operations. Industry is adamant that it is important to maintain a critical mass of farms and farmland.

The pressures on farming enterprises includes meeting the environmental expectations of the urban lifestyle community, who want the lifestyle of acreage properties but are not prepared to accept that normal farming practices need to be carried on around them. These landholders are often unaware of the importance of minimising biosecurity risks, observing quarantine restrictions, preventing the spread of weeds and maintaining essential farm infrastructure such as fencing. At the same time higher land prices, land taxes and Council rates induced by development and lifestyle investors make it increasingly difficult for farms to remain viable or to further develop or expand to maintain or improve productivity.

Our position

Farming is a legitimate economic and social activity in peri-urban areas that needs to be accorded specific attention in planning for the future. Regional planning activities need to take into consideration the main components of a successful local horticulture industry – reliable access to markets, water, land and labour supply.

Growcom seeks a clear commitment from government, local councils and key stakeholders to support viable primary industries, recognising that without long term security and unambiguous arrangements, primary industries do not have a profitable and sustainable future in Queensland, particularly in peri-urban areas.

Regional planning can benefit from the use of past knowledge and experiences by adapting strategies and lessons learnt from planning processes in other regions.

The undertaking of regional planning activities must not limit farmers' opportunities to either exit the industry or relocate to areas that are more suited to primary production activities. Farmers must only need to relocate as a last resort or at the farmer's discretion and must occur in a viable fashion.

Our commitment

Growcom commits to ensuring government, local councils and key stakeholders recognise and acknowledge the importance of addressing the needs of the local

horticulture industry in regional planning activities. We also commit to participating in planning processes in a positive and constructive fashion.

Our expectations

Growcom expects that the government and community recognise the importance of agriculture, both economically and socially, within both urban and rural areas. This includes a commitment to developing and maintaining a strong agriculture future.

Growcom expects a coordinated, focused and strategic approach to regional planning which articulates:

- Lead agency responsibility for agricultural futures.
- Requirements for an environment in which producers can operate viably.
- Transition strategies in rapidly urbanising regions.

We expect that government will utilise a range of planning tools including land use surveys, economic assessments, benchmark studies, lot size analysis, agriculture land classification, environmental studies and landscape assessment.

We also expect that there will be streamlining of current projects and processes to ensure that all projects are working towards clearly identified common goals. Communities also need to understand that their expectations cost money and that community benefits require community payments.

Our agenda Items

- SEQ Regional Plan and Rural Futures.
- FNQ 2025 and Rural Futures Plan
- Wide Bay 2020.
- Regional planning tools and mechanisms.
- Interstate and international examples of successful regional planning initiatives.
- Review of state planning policy relating to the conservation of good quality agricultural land incorporating triple bottom line outcomes.
- Peri-urban agriculture.

TRADE

Growcom policy statement

The issues

In 2005-06 Queensland exported \$238 million in fresh produce, a total of 17.2% of Australia's total fruit and vegetable exports. Australia is very fortunate to have the largest market in the world in our backyard – Asia, with the majority of Queensland's exports going here. Our main export markets are Hong Kong, New Zealand, Indonesia, Singapore, Japan, Malaysia, Papua New Guinea and the Middle East. Exports are also increasing in emerging markets such as China.

As is the case with many other Australian industries, for the industry to grow, our export markets need to significantly expand, as growth in domestic consumption is not sufficient to support continued industry development.

Efficient and effective markets are in the best interests of growers, consumers and Australia as a whole. This provides greater opportunities to identify and grow profitable export markets, clear market signals for producers, and choice for consumers.

Export subsidies, tariffs and other barriers to exports distort agricultural markets and encourage over-production and 'dumping' of produce on the world market. Export subsidies and import barriers continue to deny unsubsidised agricultural producers trading opportunities, even in third world countries (which may import produce grown by subsidised farmers in other countries). Eliminating agricultural export subsidies and other trade barriers would raise world incomes and significantly improve growth and opportunities, with both rich and poor countries benefiting from an increase in trade opportunities.

Our position

Growcom seeks improved access to export markets and free and fair world trade. The organisation strongly supports the work of the Cairns Group in their push for wide-ranging multilateral trade liberalisation. The Cairns Group is a coalition of 18 agricultural exporting countries, including Australia, who account for over 25 per cent of the world's agricultural exports.

The Group pushes for fair trade in agricultural exports, a cause that unites the Group across language, cultural and geographic boundaries.

Growcom supports the development of fair and market-oriented agricultural trading systems as sought by Sanitary and Phytosanitary (SPS) agreements and the WTO Agreement on Agriculture. Trade in agricultural goods should be on the same basis as trade in other commercial goods. All trade distorting subsidies and barriers should be eliminated and market access must be substantially improved so that agricultural trade can proceed on the basis of market forces.

Growcom also holds the view that it is against the national interest for fruit and vegetable commodities to be used as a bargaining chip in seeking market access for other Australian products. Trading one commodity off for another only serves to threaten the

affected industry's future, undermining the prosperity of Australians who depend on that industry.

Our commitment

Growcom supports vigorous government approaches with industry support for opening new markets and further developing existing ones. Growcom is seeking progress in the area of world trade reform, contingent upon maintaining a stringent level of quarantine protection. Australia's quarantine protocols are designed to defend the integrity of our environment and production areas rather than as a barrier to fair trade.

In order to ensure high levels of sanitary and phytosanitary control, a transparent risk assessment process based upon sound science and vigilant quarantine systems is essential.

Our expectations

Growcom seeks for its' members:

- Improved access for Australia's horticultural produce to markets worldwide, through the elimination of border measures such as tariffs and quotas, and availability of key market intelligence
- Elimination of trade-distorting export subsidies and domestic farm income and credit support programs.
- Strong WTO rules, founded on credible science, that prevents sanitary and phytosanitary standards being used as trade barriers in overseas markets.
- Effective domestic adjustment measures for those industries that must adapt to import competition.

Our agenda items

Issues to be considered within the broader trade policy heading include:

- Development of multilateral and bilateral trade agreements.
- Regional agreements eg APEC, Closer Economic Relations (NZ).
- Developing export strategies and markets.
- Control of subsidised imports and elimination of dumping activities.
- Domestic and international market access.
- Biosecurity and quarantine control measures.
- Equivalence agreements and Australian produce standards.
- Safeguards against high risk imports.
- Interstate certification assurance (ICAs).
- Encourage producers to be innovative and value add.
- Efficient and effective international supply chains.
- Government and industry support for international market development.

WATER RESOURCE AND WATER QUALITY MANAGEMENT

Growcom policy statement

The issues

There is growing awareness across Australia of the need for more efficient and effective management of water resources and for the protection of water quality. As a result, significant reforms to the way water resources are allocated and managed are underway and there are major plans and investments to improve water quality in rivers and the Great Barrier Reef. There is also growing competition across all sectors for access to limited water resources.

For horticultural industries, secure access to reliable supplies of good quality water is essential. Around 95% of horticulture production in Queensland is irrigated and fruit and vegetables contain 95% water. The use of water by horticulture growers is highly efficient and profitable: the industry uses just 10 per cent of Queensland's irrigation water to produce 40 per cent of the value of irrigated agricultural production. Growers have achieved ongoing improvements in water use efficiency through the adoption of technology and better on-farm water management. This has been supported by the Rural Water Use Efficiency Initiative, a partnership between the Queensland Government and industry groups, which has generated \$250 million in water savings and increases in productivity since it began in 1999.

While the water reform process has delivered some benefits to the horticulture industry, there are ongoing challenges in delivering efficient and effective water resource planning processes, securing all forms of water entitlements and providing compensation if entitlements are reduced, optimising irrigation scheme management, facilitating water trading, and designing water pricing and charges frameworks that are fair and transparent. Workable arrangements for growers to demonstrate sustainable management of land and water resources on farm have not yet been achieved.

Water quality management arrangements also pose major challenges for the horticulture industry. Efforts by governments to address water quality problems, particularly in the Great Barrier Reef, are multi-layered, highly disjointed and often poorly designed and implemented. Horticultural producers have made significant progress implementing practices that minimise the potential for sediments, pesticides and fertilisers to enter waterways, however a poor policy and planning framework and a lack of adequate resourcing and coordination is a major impediment to defining and accelerating the uptake of water quality management solutions.

Overall, rural industries are facing increasing competitive demands for Queensland's finite water supply. Options for recycled water for use in agricultural production are being pursued and there is a need to recognise that Queensland has a significant amount of undeveloped water resources, which could, with careful planning, be developed.

Our position

The fruit and vegetable industry recognises the importance of balancing the economic uses of water resources while maintaining the health of river and ground water systems. Growcom supports processes which:

- Deliver robust water resource planning and allocation arrangements.
- Provide clarity and certainty to water entitlements.
- Recognise the specific needs of the horticulture industry and its reliance on secure access to water.
- Establish water markets and facilitate trade in water resources.
- Maximise the efficiency and sustainability of water access and use.
- Drive improvements in irrigation scheme management.
- Define water pricing and charges regimes that are transparent, affordable and nationally consistent.
- Encourage innovation and provide incentives in water availability, use and water quality management.
- Support growers to implement water use efficiencies and practices that improve water quality.

Ongoing efforts are required to clarify water access, use rights and obligations, and to implement a framework for compensation when established water rights are diminished.

Growcom supports the use of farm management systems as an effective self-regulatory method of managing on-farm risks including water use and for demonstrating sustainable natural resource management on farm.

Our commitment

Growcom aims to ensure water resource management in the horticultural sector achieves strong triple bottom line outcomes. Growcom supports the use of water resources in a responsible manner and in a way that maximises the efficiency of water use.

Growcom will continue to support fruit and vegetable growers to be proactively involved in the development of water policy and in planning for water resource management and allocation. Growcom will continue to work with government agencies, research organisations and industry to support sustainable water use and to manage water quality issues. We are also committed to the continual development and implementation of our Farm Management Systems program.

Our expectations

Growcom expects water reform and water quality improvement processes to:

- Acknowledge the specific needs of the horticulture industry.
- Deliver entitlements, allocation and trading frameworks for water resources that enable the optimum distribution of water to enable sustainable horticulture production.
- Ensure water resource planning processes are based on sound science and equitable stakeholder engagement.

- Continue to invest in developing scientific knowledge and monitoring processes at appropriate scales to underpin water resource and water quality management.
- Ensure costs of supplying water and managing its access and use are efficient and transparent.
- Develop effective and efficient policy and planning frameworks, and implementation activities.

Our agenda items

Issues to be considered within this policy area include:

- The National Water Initiative and National Plan for Water Security.
- Water quality management, particularly the Great Barrier Reef and SEQ waterways.
- Water use efficiency, including the Rural Water Use Efficiency Initiative and related programs.
- The development, monitoring and review of water resource plans and operation plans.
- Water property rights, resource security and compensation arrangements.
- Water infrastructure development and transparent costing.
- Planning for unallocated water resources.
- Emergency water use mechanisms in time of drought.
- Water trading.
- Local management of irrigation areas.
- Water accounting, metering and penalty systems for unauthorised water use.
- Water quality monitoring and reporting systems.
- Land and Water Management Plans and coordination with property management tools.
- Northern Australia Land and Water taskforce

WORKPLACE HEALTH & SAFETY

Growcom policy statement

The issues

Workplace health and safety affects every horticulture business in Queensland. Rural work often involves a variety of tasks, in extremely busy periods and often in physical isolation from other workers. In addition, varying climatic conditions, the exposure of family members and visitors to risk (as the family home is on the farm), the use of seasonal labour forces and other factors expose people to potentially dangerous situations.

There are many specific hazards and injury risks that need to be identified and carefully managed by business owners and employers. In the horticulture industry, these risks can arise from hazards that include plant and equipment, hazardous chemicals, electricity, manual tasks, rough terrain, harsh environmental conditions, dangerous animals, insects and zoonotic diseases as well as other people.

As a result of the nature of horticultural work, business owners and employers implement systems and practices to reduce the health and safety risks to individuals and to avoid any negative impacts on their businesses. These practices are particularly important when taking into consideration the large number of people (including seasonal workers) that undertake work on horticulture enterprises and who may not necessarily be aware of all the potential risks involved.

Workplace health and safety legislation requires employers and managers to implement a risk management approach to health and safety hazards in the workplace. These risks need to be addressed using appropriate risk management procedures. There are significant opportunities in the horticulture industry to develop and promote workplace health and safety systems that protect workers, growers and others that enter farms. However, the horticulture industry does require flexible and practical workplace health safety systems that are suitable to this industry's working environment, rather than those transplanted from other sectors.

Our position

Growcom believes it is important to promote programs and information services that protect farmers and employees in Queensland workplaces from the risk of injury and illness. These need to be practical, flexible and applicable to the farm work environment.

Our commitment

Growcom supports the adoption of practical workplace health and safety measures, with preference to the 'designing out' of major on-farm hazards to improve workplace health and safety, rather than inflexible or unclear regulations. Growcom will continue to provide updates to members on any changes to workplace health and safety regulations and accepted practices as well as encourage participation in relevant training sessions on offer throughout the state.

Our expectations

Growcom expects that workplace health and safety initiatives and practices are workable, efficient and well considered. They should protect all people working on farms – owners, managers, workers (including contractors and service providers), family members, and visitors, while recognising the competitive business environment in which horticultural enterprises operate.

There are several ways in which risks can be controlled in the workplace. They include:

- Designing out hazards and designing in control measures.
- Substituting the material or processes associated with equipment or plant with a less hazardous one.
- Redesigning plant or work processes to reduce or eliminate risk.
- Separating or isolating the hazard from people.
- Adjusting the time or conditions of risk exposure.
- Using appropriately designed and properly fitted personal protective equipment where other control measures are not practicable.
- Taking into consideration information and education provided by Government and industry stakeholders.

Growcom expects that the horticulture industry will adopt an attitude to improving its standards and systems for workplace health and safety in order to establish a safe working environment.

Our agenda items

Issues to be considered under the workplace health and safety policy area include:

- Owners, managers and workers being aware of and being proactive on workplace health and safety.
- Supporting programs directed at providing owners and managers with the skills they require to implement sound work place health and safety practices.
- Injury prevention, including preventing injuries amongst family members and visitors.
- Minimising the impact of injury/illness on people's health along with farm productivity/business.
- Developing, encouraging and maintaining a culture of safety and training.
- Including farm safety as part of business risk management.
- Grower involvement in policy development.
- Practical safety programs for farm owners, managers and workers.
- Financial incentives and phase-in periods to maximise uptake of changes demanded by legislation.
- WorkCover premiums reflective of performance.
- Funding for workplace health and safety research, monitoring and risk reduction strategies and processes.