



COTTON AUSTRALIA LIMITED

A.C.N. 054 122 879

4 August 2006

Committee Secretary

Senate Rural and Regional Affairs and Transport Committee

Department of the Senate

PO Box 6100

Parliament House

Canberra ACT 2600

Dear Secretary,

Please find attached a Submission from Cotton Australia addressing the issues surrounding the Committee's Inquiry into Water Policy.

Cotton Australia would be pleased if the Committee would take the opportunity to consider this submission and the Recommendations contained. Cotton Australia would also seek opportunity to appear before the Committee in order to more fully develop the Recommendations and provide visual support for the Submission.

If such a meeting is possible, please call myself on 02 9669 5222 or my assistant Nina Block on the same number to arrange for such a meeting.

Yours sincerely,

Ralph Leutton

Program Manager – Policy & Advocacy

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Cotton Australia

***Senate Rural and Regional Affairs and Transport
Committee***

Inquiry into Water Policy Initiatives

Introduction:

Cotton Australia supports Australia's cotton farmers and represents and advances the interests of the industry to governments, non-government organizations, and the public. It focuses its efforts in the areas of environmental management, industry standards, occupational health and safety, communications and public affairs and the development of educational and promotional programs.

Over 70% of Australia's cotton farmers contribute voluntarily to Cotton Australia's funding by way of a bale levy. There are 28 members of Cotton Australia Ltd. including 16 grower associations and 12 cotton processor organizations.

*"The Vision of **Cotton Australia** for the Australian cotton industry is that it continue:*

- *To grow as a mature, profitable and sustainable industry, and be recognized as the benchmark for cotton production throughout the world;*
- *To be a strong and united industry that values contribution, maximizes research, and manages its environmental footprint by operating at best practice levels in all that it does;*
- *To be a commercially driven industry that seeks appropriate rewards and benefits for its investors, workers, service providers and regional communities; and*
- *To be accepted and recognised by the community as a valued contributor, environmentally, economically, socially and culturally."*¹

In the Australian cotton industry, 90% of cotton is irrigated. The industry uses 7% of the water diverted for irrigation in Australia and is Australia's fourth largest rural export industry, earning between 1 and 2 billion dollars annually over the last 10 years. Australian irrigated cotton growers produce more lint per millilitre of water used by the crop than most other countries in the world.²

Cotton Australia has been closely involved in the on-going water debate and has in conjunction with organisations such as the National Farmers' Federation, the New South

¹ Cotton Australia – Policy Position Statement – March 2006. (see Attachment 2)

² Grismer, M.E. 2002. Regional cotton lint yield, Etc and water value in Arizona and California. *Agricultural Water Management*. Vol 54, pp 227-242

Wales Irrigators' Council, the Queensland Farmers' Federation and the Queensland Irrigators' Council worked with government agencies and both commonwealth and state level to ensure that the water reform agenda is one that is realistic and deliverable.

Cotton growers for some time now have expressed significant concern with some of the detail of the reforms and of more concern, the manner in which the reforms are being implemented. Cotton Australia was heavily involved in the debates surrounding the Senior Officials Group Water Paper that had been prepared in response to the call from the 1994 Council of Australian Governments meeting and was subsequently one of the parties closely involved in the negotiation processes with government agencies that eventually lead to the National Water Initiative of June 2004.

As such, Cotton Australia and the cotton growing industry has been and is fully supportive of the intent and level of goodwill demonstrated in this historic Agreement.

Cotton Australia has developed, through grower involvement and extensive Policy Position Statement, which states:

“That Cotton Australia

- *Supports the principles set out in the National Water Initiative as establishment by the meeting of the Council of Australian Governments, June 2004.”³*

However as will be discussed, confidence and support for the manner in which the National Water Initiative is being delivered is being seriously eroded.

Summary of Recommendations:

The following Recommendations have been made for the consideration of the Committee in the body of this Submission.

1.0 That the Committee, recommend to the Minister for Transport and Regional Services that recognition and support for industry initiatives for research, development and implementation of water use efficiency measures be publicly stated.

2.0 That the Committee recommend to the Minister for Transport and Regional Services, that the Commonwealth government take those steps as appropriate under the National Water Initiative Intergovernmental Agreement, June 2004, to ensure that all government agencies respect and implement the original intent of the Agreement.

3.0 That the Committee recommend to the Minister for Transport and Regional Services, that State and Territory governments implement amendments to their water legislative structures to ensure that water entitlement holders in Australia have a consistent and recognisable water property right as described in section 31 of the National Water Initiative.

³ Cotton Australia – Policy Position Statement – March 2006 – section 3.d)i).

4.0 That the Committee recommend to the Minister for Transport and regional Services that he request of the Prime Minister, the formation of a working party of key Ministers and industry representatives to revisit the intent of the National Water Initiative in the area of water resource planning, to assess where the Initiative has not delivered against the original intent and to recommend what steps and actions may be taken to restore the confidence in the Water Access Entitlements and Planning Framework section of the National Water Initiative.

5.0 That the Committee meet with representatives of Cotton Australia to further discuss aspects of the adoption of the research and development activities of the industry and the methods and manner in which cotton growers have identified and implemented water use efficiency programs on-farm.

6.0 That the Committee recommend to the Minister for Transport and Regional Services, that an audit be undertaken on the evaporative losses from key strategic public water storage facilities that have major impacts on system efficiencies (e.g. Menindee Lakes) in an effort to identify areas where structural efficiencies and water savings may be found.

7.0 That the Committee recommends to the Minister for Transport and Regional Services that in collaboration with his colleague, the Minister for Agriculture, Fisheries and Forestry, they approach the Ministerial Council (ARMCANZ) to continue the efforts currently employed in drought risk management and that the Ministers seek uniform approaches to drought management and mitigation from the state agencies.

8.0 That the Committee in drafting its report to the Minister for Transport and Regional Services recommend that the Australian Government develop and adopt strong policy positions on adaptation to and mitigation of climate change.

9.0 That the Committee recommend to the Minister for Transport and Regional Services that the Minister in collaboration with his colleague, the Minister for Agriculture, Fisheries and Forestry take those steps necessary to ensure that the state governments fully implement the intent of the National Water Initiative Intergovernmental Agreement in those areas of assigning risks for changes in allocations.

Terms of Reference:

The Terms of Reference for the Inquiry cover:

“The impact on rural water usage of recent water policy initiatives and the possible role for Commonwealth agencies, with particular reference to:

- a. the development of water property titles;*
- b. methods of protection for rivers and aquifers;*
- c. farming innovation;*
- d. monitoring drought and predicting farm water demand; and*

- e. *the implications for agriculture of predicting changes in patterns of precipitation and temperature.*”

While Cotton Australia welcomes the opportunity to comment on issues as they have been identified in these Terms of reference, questions need to be raised as to the effectiveness of the Commonwealth and its agencies in such areas when the Commonwealth does not have the ability to directly influence the delivery and management of many of the initiatives sought.

Constitutional arrangements that exist between the Commonwealth and the States and Territories would prohibit or at least make very difficult the implementation of the wishes that may be expressed from such an Inquiry as this. The separation of powers that are described within the Australian Constitution – particularly sections 100, 108 and 117 – place the Commonwealth in an invidious and difficult position.

Therefore in making comment on the Terms of Reference that the Committee is following, Cotton Australia would call on the Committee to establish, as an outcome of its deliberations, once and for all a “*level playing field*” on which comment is made with respect to water using industries. That where industries, no matter in what endeavour, are acting within the full right of the relevant laws, working to research and develop technologies that lead to more and further water use efficiencies and are seeking to support and enhance economic, environmental and social outcomes within their own and the broader community, government allow those industries to continue without the continued harassment of vexatious public comment.

Recommendation:

1.0 That the Committee, recommend to the Minister for Transport and Regional Services that recognition and support for industry initiatives for research, development and implementation of water use efficiency measures be publicly stated.

Comment on Terms of Reference:

Given the comments made in the context of the Committee’s Terms of Reference, Cotton Australia would provide the following comments on the details of the Terms of Reference:

i) Water Property Title:

Cotton Australia and the growers it represents welcomed the announcement of the National Water Initiative and in particular the comment contained in s. 31 of the Agreement. This section refers to the qualities and nature of the “property right” as had been discussed and the intent agreed with numerous parties in the lead up to the June 2004 Council of Australian Governments meeting.

However, as is so often the case, there exists a “merry-go-round” relationship effect between the Commonwealth and the State and Territory governments. What may have been seen as intent in June 2004 very quickly became interpreted by all agencies as ‘different’ in their own particular case. Subsequently, there now exists the ‘railway

gauge” approach to what was seen as a single logical step in the reform of water management within Australia.

While some state governments have introduced new and amended legislation to deliver against the reform agenda, some have “missed the boat” in achieving the outcome as sought by the Agreement. An example of this differential interpretation is that of the recently announced water titles in the states of Western Australia and Tasmania. If these are examples of security in title, then significant concerns can be raised about the ability of state agencies to manage issues in the cold light of real life and commercial reality.

The Commonwealth government also needs to stand up to the line in its management and delivery of the intent of the National Water Initiative through the National Water Commission. While the appointment of the Hon. Malcolm Turnbull is seen by industry as a breath of fresh air in this debate, the ability of the Commonwealth to deliver effective outcomes from the Commission and therefore the wider initiative is brought into question.

Recommendation:

2.0 That the Committee recommend to the Minister for Transport and Regional Services, that the Commonwealth government take those steps as appropriate under the National Water Initiative Intergovernmental Agreement, June 2004, to ensure that all government agencies respect and implement the original intent of the Agreement.

3.0 That the Committee recommend to the Minister for Transport and Regional Services, that State and Territory governments implement amendments to their water legislative structures to ensure that water entitlement holders in Australia have a consistent and recognisable water property right as described in section 31 of the National Water Initiative.

ii) Protection for Rivers and Aquifers:

In commenting on the methods for the protection of rivers and aquifers, Cotton Australia would refer the Committee’s attention to sections 25 to 57 of the National Water Initiative Intergovernmental Agreement. Perhaps it was not an error in the development of the Agreement, in which the Planning component makes up approximately 25% of the content of the Agreement.

If this issue was seen as so significant, why then is there such an on-going debate and focus on planning and managing rivers and aquifers?

Again, perhaps the answers lie within the content of the Agreement and the incapacity of the various agencies to implement what the political masters saw as the most significant initiative in natural resource management in Australia history.

In its consideration of the various state agency planning processes, Cotton Australia would question the motive behind steps that have been taken in the development and implementation of the planning process. Initially, there is the immediate matter of the submission by each of the signatory states of a State Implementation Plan in accordance with the National Water Initiative. Now over twelve months behind the schedule agreed,

the states are still negotiating with the National Water Commission as to the content and veracity of their Plans.

Such Implementation Plans that have been developed in a number of instances, have given lip service to the concept of consultation and are based on what would seem to be “community opinion based science” rather than the sound scientific approach as one would expect in a long term natural resource management strategy. Examples of the ineffectiveness of the states to follow the intent of the National Water Initiative exist in the way some states have developed water sharing plans. Plans that have been developed and implemented in catchments without any consultative process – using the agency “black box” approach – or through the use of inaccurate or baseless science.

Recommendation:

4.0 That the Committee recommend to the Minister for Transport and regional Services that he request of the Prime Minister, the formation of a working party of key Ministers and industry representatives to revisit the intent of the National Water Initiative in the area of water resource planning, to assess where the Initiative has not delivered against the original intent and to recommend what steps and actions may be taken to restore the confidence in the Water Access Entitlements and Planning Framework section of the National Water Initiative.

iii) Farming Innovation:

Cotton Australia would contend that government and their agencies are in danger of being trapped in a duplicity of comment, when they on the one hand attack industry for what is legitimate natural resource use while on the other hand invest significant public dollars in a dollar for dollar matching arrange in support of industry research.

As already stated, the Australian cotton industry is able to produce more lint per milliliter of water than any other industry in the world and the results from a number of studies between 1997 to 2003 have demonstrated that on average Australian cotton farms have a whole farm water use efficiency of 59% which meets the international FAO benchmark of 60%. However internally the industry has decided to raise the bar and set a standard of 75%.⁴

In an endeavour to meet this standard, the industry has developed a water budgeting program WATERTRACK that will allow growers to track every drop of water used in irrigation from the farm gate to the plant. Growers throughout the industry are using this tool to monitor seepage and evaporation losses from farm dams, channels and fields and develop remediation strategies where required. The cotton industry is leading the way in the development and implementation of water monitoring equipment. The cotton industry is keen to have technology such as this program used across other industries.

The cotton industry has been involved in programs that have been funded under commonwealth (Environment Management Systems – Pilot Program – “Best

⁴ Tennakoon, S.B., Richards, D. and Milroy, S.P. 2004. Water use efficiency in the Australian cotton industry. in *WATERpak – a guide for irrigation management in cotton*. Cotton Research and Development Corporation. Narrabri, Australia.

Management Practice – Land and Water Management Module”) and state (Queensland Rural Water Use Efficiency Programs) initiatives that have seen significant and positive outcomes.

The Land and Water Management Module program has seen this area of focus added to the Australian Cotton Industry Best Management Practice program and has seen the growers themselves develop a set of minimum standards that a grower must meet in order to meet industry audit requirement.

The Rural Water Use Efficiency program saw significant efficiencies realised over the life of the program (see Table 1, below)

Table 1. Estimated on-farm water use, Queensland 1999 and 2003.⁵

<i>Industry</i>	<i>Est. Water Use 1999 (ML)</i>	<i>Est. Water Use 2003 (ML)</i>	<i>Difference (ML)</i>	<i>Difference (%)</i>
Cotton & Grain	600,000	532,145	67,855	11.31
Dairy	330,000	299,420	30,580	9.27
Horticulture	274,493	263,420	11,073	4.03
Lucerne	175,455	162,855	12,600	7.18
Sugar cane	1,211,000	1,180,725	30,275	2.50
Total	2,590,948	2,438,565	152,383	5.88

What is clearly shown in the figures of the Queensland Department of Natural Resources, Mines and Water Report is that the cotton industry in conjunction with the irrigated grain industry demonstrated more than twice the average efficiency savings for the whole set of industries. This is again further demonstration of the effectiveness of the Industry/government research partnerships as well as the ability of the individual growers to pick up and implement the outcomes of sound research.

Why then is there a continual questioning of the rights of the individual landholder who holds a legal license for access to a resource and who has taken sound business decisions to grow irrigated cotton and grain?

Further work on-farm has identified that an average of 63% of the water losses occurring on cotton farms is due to evaporation. The majority of this loss occurs from farm dams. Cotton growers have been utilising cell management practices to reduce evaporative losses and with the change in referable dam height as seen in Queensland, evaporation losses have been further reduced. These strategies have resulted in a reduction of evaporation losses by 20 to 50%⁶.

Cotton Australia would contend that a similar approach be considered by government agencies when dealing with evaporative losses from large public storage facilities.

⁵ Queensland Department of Natural Resources, Mines and Water. 2006. Water Resources in Queensland.

⁶ Dalton, P., Raine, S. and Broadfoot, K. 2001. *Best Management Practices for Maximising Whole Farm Water Use Efficiency in the cotton industry*. Final Report for CRDC Project NEC2C. National Centre for Engineering in Agricultural Publication 179707/2, USQ, Toowoomba.

During the cotton growing season, Application Efficiency (AE) and Distribution Uniformity (DU) measurements are taken to determine how efficiently water was delivered to a field during an irrigation event. Cotton growers in every cotton growing valley in Australia have employed consultants to measure and improve AE and DU⁷, with the data showing that on average cotton growers saving between 0.05 to 0.2 ML/ha per irrigation which amounts to a seasonal saving of 0.3 to 0.8 ML/ha.

It has been estimated that growers investing in these tools and strategies may have improved their Whole Farm Water Use Efficiency by up to 20%. Improvements in AE and DU have resulted in irrigators increasing their productivity (cotton bales/ML) by 7% (see Attachment 1).

Recommendation:

5.0 That the Committee meet with representatives of Cotton Australia to further discuss aspects of the adoption of the research and development activities of the industry and the methods and manner in which cotton growers have identified and implemented water use efficiency programs on-farm.

6.0 That the Committee recommend to the Minister for Transport and Regional Services, that an audit be undertaken on the evaporative losses from key strategic public water storage facilities that have major impacts on system efficiencies (e.g. Menindee Lakes) in an effort to identify areas where structural efficiencies and water savings may be found.

iv) Drought and Predicting Farm Water Demand:

Cotton Australia recognises that the climatic regime faced by landholders and primary producers is quite variable and as currently evidenced able to deliver significant impacts on business viability. Cotton Australia also recognises that little can be done by government to rectify the ravages of drought. However, Cotton Australia would encourage government at all levels to work in partnership with industry in developing and implementing climate risk management programs and drought mitigation strategies.

Cotton Australia welcomes the governments initiatives as demonstrated through the latest round of FarmBi\$ funding and in particular the approach that will see industry take a lesser reliance on such inputs. Cotton Australia would, however, express dismay at the inconsistencies of the state governments in working with the commonwealth to effectively deliver this program.

Recommendation:

7.0 That the Committee recommends to the Minister for Transport and Regional Services that in collaboration with his colleague, the Minister for Agriculture, Fisheries and Forestry, approaches be made to the Ministerial Council (ARMCANZ) to continue the efforts currently employed in drought

⁷ Purcell, J. 2004. Doing better with what we have: the art of surface irrigation. *The Australian Cottongrower*. vol 24(7) pp 36 – 38.

risk management and that the Ministers seek uniform approaches to drought management and mitigation from the state agencies.

v) Changes in Patterns of Precipitation and Temperature:

Early in 2005, Cotton Australia hosted an internal policy development workshop to consider the matter of climate change and to provide advice on the development of policy to be used as an intra-industry communication and as an external advocacy position.

Considering the reality of the evidence of changes in climatic conditions and the need for landholders engaged in primary production to consider operational methods that will allow the enterprise to adapt to such changes, Cotton Australia subsequently developed and adopted the following position statements, namely:

“That Cotton Australia recognises that the trends indicated from long-term weather data are suggesting that significant permanent change to weather patterns will be a reality in the future.”⁸

“That Cotton Australia, in developing strategies to accommodate climate change, recognise that any strategy being developed for growers begin with an understanding of climate variability and that the steps taken now to address such variability will be cognizant of long-term impacts.”

“That Cotton Australia engage the services of commonwealth and state governments in the development of and utilization of funding programs in dealing with climate change issues such as greenhouse gas emissions, carbon trading, etc.”

“That Cotton Australia develops with the conservation movement a strategy to approach government to ensure that agriculture is not traded off against the industrial in greenhouse abatement and other climate change debates.”

The development of a statement such as this is critical in the on-going water reform debate as the National Water Initiative states in s.48 that the water user is to fully bear the risk of any reduction water due to climate change.

One of the issues associated with this section in the Agreement is the ability of the relevant government agency to be able to attribute the reduction in water availability to the fact of climate change. For some time – since June 2004 – irrigation industries have been calling on government agencies to establish benchmarking and monitoring regimes that will allow all involved in the reform agenda to fully attribute any change in water flow to whatever cause – e.g. government policy change; climate variability or climate change. Almost without exception, there has been no benchmarking or monitoring undertaken by the agencies.

The concerns that the industry has with this lack of action from the agencies will become very clear at the time of the review of the various water sharing plans. How will the agencies know that the plans have delivered that which was intended? Will industry be required to enter into another round of surrealistic baseless scientific negotiations to determine the risk assignment as agreed in s.49 of the National Water Initiative?

⁸ Cotton Australia – Policy Position Statement – March 2006 – section 3h)

Recommendation:

8.0 That the Committee in drafting its report to the Minister for Transport and Regional Services recommend that the Australian Government develop and adopt strong policy positions on adaptation to and mitigation of climate change.

9.0 That the Committee recommend to the Minister for Transport and Regional Services that the Minister in collaboration with his colleague, the Minister for Agriculture, Fisheries and Forestry take those steps necessary to ensure that the state governments fully implement the intent of the National Water Initiative Intergovernmental Agreement in those areas of assigning risks for changes in allocations.

Conclusion:

Section 3g) of the Cotton Australia Policy Position Statement – March 2006, dealing with the issues surrounding water in the cotton industry has the following objective as its heading, namely:

“Objective: A cotton industry that operates within each catchment where there is broad stakeholder support for the sustainable allocation of water for irrigation.”⁹

This overarching objective on water policy is supported by cotton growers and sets the benchmark for the operation of the irrigation enterprise. This along with the on-farm practices as established by the Australian cotton industry Best Management Practice program positions the industry to be able to address many of the issues facing industry in the on-going water reform debate.

Cotton Australia is keen to bring to an end the on-going attacks that are aimed at the industry by those who either do not fully appreciate the actions that have been taken by the industry to ensure that it is a good environmental citizen or those who have another deliberate anti-cotton agenda to suit private interests.

Cotton Australia firmly believes that if a cotton grower meets all the requirements of the law, then the grower should enjoy the comfort of the law in undertaking their cotton growing activity. Accordingly, Cotton Australia’s position on the right to carry out farming practices is as follows:

“Objective: An Australian cotton industry that enjoys the right to undertake reasonable and practicable farming practices.

That Cotton Australia believes that cotton growers should be able to undertake farming practices in compliance with legislative and regulatory requirements, according to the cotton industry BMP program without undue or vexatious interference from third parties.

⁹ Cotton Australia Policy Position Statement – March 2006 – section 3g).

That Cotton Australia promotes to Australian cotton growers the need to undertake farming practices to a standard that will be recognised and accepted by the community and thereby have the support of the community by way of a “social license” to carry out cotton growing activities.”¹⁰

Cotton Australia would acknowledge the many cotton growers, researchers, consultants and representatives who have worked to ensure that the industry is one that has the best and latest technology, adopts the best management practices available and stands for a strong and viable cotton growing industry.

Cotton Australia would be pleased to meet with the Committee to further discuss issues raised in this submission.

Ralph Leutton
Program Manager – Policy and Advocacy
Cotton Australia

¹⁰ Cotton Australia Policy Position Statement – March 2006 – section 1a).

Attachments:

Attachment 1:

CASE STUDY¹¹
Queensland Murray Darling Basin Committee (QMDC)
Border Rivers Catchment Management Association
Water Use Efficiency Subsidy Co-operators – St George and Dirranbandi
Cotton Season 2005/06

Queensland Murray Darling Basin Committee through the Border Rivers Catchment Management Association subsidised irrigation consultancy fees associated with measuring and improving where necessary the irrigation performance of several cotton irrigators in the Lower Balonne.

IrrimateTM Irrigation Evaluations were conducted at Pre-Irrigation and First Irrigation in order to establish current performance. Using the Surface Irrigation Model (SIRMOD) optimum management scenarios were developed. The subsequent change in management was then monitored with the IrrimateTM equipment and water savings were able to be estimated. Consequently an estimate of improved productivity can be estimated.

Table 1: Improvements in Productivity through IrrimateTM Irrigation Evaluations and Optimisation as measured on five cotton farms in the Lower Balonne over the 2005/06 Cotton Season.

Farm	Irrigation Water Used (ML/ha)	Yield (bales/ha)	Water Savings (ML/ha)	Bales/ML	Bales/ML without water savings	Increased Productivity- i.e. Increase in bales/ML (%)
1	7.6	11.41	0.3	1.50	1.44	4.2
2	8.78	9.88	0.68	1.13	1.04	8.7
3	8.49	8.50	0.53	1	0.94	6.4
4	10.84*	11.13	0.75	1.03	0.96	7.3
5	8.96	9.86	0.75	1.1	1.01	8.9
Average	8.93	10.15	0.60	1.15	1.08	7.1

* This soil has the highest final infiltration rate of any of the other soils which tends to make it leakier.

¹¹ Sarah Hood – Personal Communication – July 2006.



Cotton Australia

Policy Position

As at March 2006

Letter from the Chairman.

March 2006

Dear Colleague,

I am pleased to provide a copy of the **Cotton Australia Policy Position Statement as at March 2006** for your information and reference.

These position statements have been developed by way of a consultative process and will be utilised by those who represent **Cotton Australia** and the interests of Australian cotton growers at meetings with other industries, community, NGO's and government agencies.

The policy development process and issues facing cotton growers are dynamic in nature and **Cotton Australia** is committed to an on-going process to further development these policy position statements. This copy is the latest version of the *Policy Position Statements* and replaces all previous releases.

I would like to thank all who have had an involvement in the process of formulating these Statements and trust that as the document further develops, all people interested and involved in the Australian cotton industry will gain benefit from its use.

Yours faithfully,

Bernard George
Chairman
Cotton Australia

Introduction to Cotton Australia

Who We Are

Cotton Australia is the peak industry body for Australia's cotton growing industry.

Cotton Australia supports Australian cotton growers by representing and advancing the interests of the industry to governments, non-government organisations, the media and the community.

The Vision of **Cotton Australia** for the Australian cotton industry is that it continue:

- To grow as a mature, profitable and sustainable industry, and be recognized as the benchmark for cotton production throughout the world;
- To be a strong and united industry that values contribution, maximizes research, and manages its environmental footprint by operating at best practise levels in all that it does;
- To be a commercially driven industry that seeks appropriate rewards and benefits for its investors, workers, service providers and regional communities; and
- To be accepted and recognised by the community as a valued contributor, environmentally, economically, socially and culturally.

What We Do

The core business of **Cotton Australia** is:

To represent and advance the interests of the Australian cotton growing industry.

How We Do It

Best practice

Facilitating increases in the efficiency, productivity, viability and sustainability of cotton production and improving the health and safety of those engaged in cotton production.

Representation

Creating a better understanding of the Australian cotton industry and what it is trying to achieve, both for its members and its many stakeholders by further developing the economic, social, technological and political environment.

Communication

Ensuring that we communicate effectively and openly with the industry and the broader community by promoting, encouraging and participating in dialogue on the issues that impact on our shared future.

Research and adoption

Support a wide range of cotton focused research activities and promotes the adoption of the outcomes of such programs to the cotton growing community in an effort to position the Australian cotton industry as the most efficient supplier in the world market.

Stakeholder engagement

For the Australian cotton industry to succeed it must be **cohesive** and **collaborative** and be based on sound relationships with other sectors of the industry and agriculture in general. To achieve this, **Cotton Australia** will:

- Be open and inclusive in its dealings with all stakeholders – both internal and external;
- Take a leading role in building and harmonising skills and relationships both within **Cotton Australia** and other industry organisations to more effectively and efficiently deliver outcomes;
- Work to recognise the role played by the Australian Cotton Industry Council as the overarching industry body and that ACIC's role be clearly differentiated from that of **Cotton Australia**; and
- Work to develop the cotton growing industry as an accepted and valued community member.

That **Cotton Australia** will continue to promote the position that the industry will be an innovator by working with the all relevant sectors in the use of competitive services and human resources with an emphasis on strengthening long term relationships.

Policy Area 1: Industry Support

Cotton Australia strengthen its role as being the **growers' organisation** and provide appropriate levels of **support and representation** and by such actions ensure high levels of **grower ownership**.

Cotton Australia's policy position:

- That **Cotton Australia**, in accordance with its vision statement, works to support, assist and represent cotton growers in those issues that impact on and are associated with the long-term profitable and sustainable production of cotton;
- That **Cotton Australia** seek every opportunity to engage growers in decision-making, and encourage participation and feedback on its policies and performance;
- That **Cotton Australia** highlights the significance of cotton growers operating under current legislation and attaining certification under the industry Best Management Practices (BMP) program;
- That **Cotton Australia** seeks to create an environment to ensure that the cotton industry, as a component of Australia's rural economy, attracts, supports and maintains an appropriately skilled management and workforce by encouraging current and potential players in the industry to undertake education and training to a level appropriate for the future development of the industry;
- That **Cotton Australia** ensure its operating structures and programs meet current and future needs to best support, represent and advance the interests of cotton growers;
- That **Cotton Australia** through responsible and accountable financial administration delivers value to its members in return for the levy investment made; and
- That **Cotton Australia**, in cooperation with those sectors that service the industry, works to ensure that such services are provided by appropriately trained and experienced personnel.

Industry Support – Summary of Position Statements

1a) Right to Carry Out Farming Practices *Objective: An Australian cotton growing industry that enjoys the right to undertake reasonable and practicable farming practices.*

1b) Best Management Practice *Objective: An Australian cotton growing industry that manages to continuously improve on-farm environmental activities according to industry and community accepted best practices to contribute to achieving enhanced environmental outcomes.*

1c) Chemicals *Objective: An Australian cotton growing industry that maintains access to the most advanced chemistry for use in the growing of cotton, based on effective training, management and application of that chemistry.*

1d) Waste Management *Objective: A cotton growing industry that is mindful of its environmental impacts arising from waste generated during farm operations and actively involved in and supporting waste management and recycling programs.*

1e) On-Farm Security *Objective: An Australian cotton growing industry that operates within the security guidelines established by government while maintaining reasonable access to necessary farming inputs.*

1f) Investigations into on-farm Incidents *Objective: An industry agreed protocol for handling investigations.*

1g) Occupation health and safety *Objective: An Australian cotton growing industry that provides a safe workplace environment.*

1h) Industrial Relations *Objective: An Australian cotton growing industry that while acting in compliance with the relevant industrial relations legislation, enjoys a readily available and stable employment environment.*

1i) Workforce (employment) *Objective: An Australian cotton growing industry that enjoys a high standard of trained staffing.*

1j) Standard Classing Arrangements *Objective: An Australian cotton growing industry that meets and matches the best standards in world cotton classing and specification.*

1k) Succession Planning *Objective: An Australian Cotton Industry that has in place enterprise succession planning processes that will ensure long-term viable business outcomes on farm.*

1a) Right to Carry Out Farming Practices

Objective: An Australian cotton industry that enjoys the right to undertake reasonable and practicable farming practices.

That **Cotton Australia** believes that cotton growers should be able to undertake farming practices in compliance with legislative and regulatory requirements, according to the cotton industry BMP program without undue or vexatious interference from third parties.

That **Cotton Australia** promotes to Australian cotton growers the need to undertake farming practices to a standard that will be recognised and accepted by the community and thereby have the support of the community by way of a “social license” to carry out cotton growing activities.

1b) Best Management Practice

Objective: An Australian cotton industry that manages to continuously improve on-farm environmental activities according to industry and community accepted best practices to contribute to achieving enhanced environmental outcomes and farm profitability.

That **Cotton Australia** supports and promotes a cotton industry that can credibly demonstrate to the community through the voluntary adoption of a Best Management Practices process, stewardship in the management of natural resources. Cotton Australia seeks to ensure that government and community recognise the outcomes demonstrated by cotton growers in their adoption the Best Management Practices program as evidenced over time by:

- Audited certification;
- Addressing community accepted catchment planning (*i.e.* Integrated Catchment Management – ICM) milestones;
- Adoption of critical farm management practices that will contribute to enhanced environmental; and
- Demonstrable benefits to the grower for implementation of the process.

That **Cotton Australia** endorses the cotton industry’s Best Management Practices program as a environmental management system. This is accomplished through modules such as:

Application of Pesticides

Pesticide Storage and Handling

Integrated Pest Management

Farm Design and Management

Farm Hygiene

Petrochemical Storage and Handling

Land and Water Management

That **Cotton Australia** works to support all growers in adopting the BMP principles.

That **Cotton Australia** works to influence and support the research efforts and adoption of new technologies and to have those technologies adopted on farm through the adoption of the industry Best Management Practice programs.

That **Cotton Australia** supports the overarching principles set out in the Farm Management Systems (FMS) initiative of the *Queensland Farmers Federation* and recognises that the Cotton Industry Best Management Practices program is the cotton industry activity that delivers against components of those principles as determined in the FMS approach.

That **Cotton Australia**, in recognising the strength of the Cotton Industry Best Management Practices program to demonstrate and deliver on-farm outcomes in those areas covered by the program, encourages cotton growers where applicable and appropriate, to participate in industry, community and regional activities that may lead to an integrated area wide management (IAWM) approach to natural resource management and other issues.

That **Cotton Australia** recognises that, as with the Cotton Industry Best Management Practices program, any IAWM initiatives are to be voluntary in nature, based on the initiative and cooperation of local landholders.

1c) Chemicals

Objective: An Australian cotton industry that maintains access to the most advanced chemistry and pest control agents for use in the growing of cotton, based on effective training, management and application of that chemistry.

i) Risked-based National Accreditation for Chemical Users

That **Cotton Australia** supports a national industry based accreditation process, based on the level of associated risk for users of agricultural and veterinary chemicals that is recognised across all states and industries.

ii) Trespass – off target movement of chemicals

Objective: Where possible, Cotton Australia will facilitate appropriate processes aimed at assisting users of pesticides to minimize the risk(s) of chemical trespass onto cotton crops – in particular the movement of herbicides and defoliant which may have detrimental effects on crops (e.g. cotton plants) and pastures.

In implementing this policy, **Cotton Australia** will:

- (1) Deliver to the cotton industry a timely reminder of the risks associated with chemical trespass of herbicides and defoliant prior to a period of high risk so as to enable growers to liaise with neighbours and others who may be a source of risk to their individual enterprises.
- (2) Deliver to the grains industry and other potential users of herbicides / defoliant (prior to periods of high risk) a timely reminder of the risks associated with chemical trespass on growing cotton plants.
- (3) Encourage and co-operate with government agencies in utilizing their resources to alert potential users of herbicides and defoliant that are high risk to cotton crops, of the potential hazards involved.
- (4) Liaise with Australian Pesticides and Veterinary Medicines Authority (APVMA) on a regular basis to ensure high risk herbicide and defoliant labels carry adequate directions to assist the user in applying these products in a safe and appropriate manner and also ensure that those directions are such that they facilitate regulatory authorities in progressing investigations and possible prosecutions against those who misuse high risk herbicides and defoliant.
- (5) Liaise with state regulatory authorities who are responsible for the enforcement of pesticide use legislation to ensure that label directions are adequate in providing sufficient directions to use the product with minimum risk and also capable of supporting a prosecution under relevant state legislation if the product is misused.
- (6) Liaise with broad representative use groups such as NSW Farmers and Agforce Queensland to ensure label directions for high-risk herbicides and defoliant remain realistic to the user but require a level of precaution and procedures that will minimize the risk to susceptible crops such as cotton.
- (7) Liaise with the registrants and manufacturers of herbicides and defoliant which pose a risk to cotton crops and seek their co-operation in developing label directions which promote the appropriate and safe use of their product so as to minimize the potential risk to cotton crops. In addition co-operation in informing the users of high-risk herbicides and defoliant of the risks to cotton crops will be sought from the manufacturers.
- (8) Service industry members such as cotton consultants, chemical resellers, aircraft operators and ground application operators will also be consulted prior to periods of high risk and their co-operation sought in addressing the risks to cotton crops by herbicides and defoliant.
- (9) Initiate all reasonable steps to make cotton growers aware of the risks to neighbouring crops and livestock in those cases of accidental trespass and that **Cotton Australia** continues to actively support and participate in groups such as the national Residue Survey, SAFEMEAT and the Endosulfan Working Group as a co-operative means of monitoring and preventing such trespass.

iii) Data Protection

That **Cotton Australia** accepts the *status quo* (as at March 2005) in relation to the patent period and data protection period for agricultural chemicals and opposes any extension in the period of data protection

1d) Waste Management

Objective: A cotton growing industry that is mindful of its environmental impacts arising from waste generated during farm operations and is actively involved in and supporting waste management and recycling programs.

i) Waste Containers

That **Cotton Australia** supports the national thrust of a chemical container collection program and recognises that the process of recycling appropriately cleaned chemical containers is necessary as a component of good environmental stewardship.

ii) Waste Chemicals

That **Cotton Australia** supports such industry/agency led programs designed to collect unmarked and/or redundant chemicals.

iii) Trash and Plastic management

That **Cotton Australia** recognises and supports the Australian Cotton Ginners Association Code of Practice and in particular that area dealing with management and control of cotton gin by-products, in particular, cotton gin trash.

That **Cotton Australia** recommends that plastics of any kind used in agricultural production be disposed of in accordance with methods prescribed by the manufacturer, legislative requirements or relevant industry waste reduction agreements.

1e) On-Farm Security

Objective: An Australian cotton industry that operates within the security guidelines established by government while maintaining reasonable access to necessary farming inputs.

i) Chemicals

That **Cotton Australia** recognises the potential security threat that certain chemicals, such as fertilizers, may represent and that users of any such chemicals are prepared to adopt adequate methods of handling to ensure the on-farm security of such chemicals, provided that any such methods are reasonable and practicable.

ii) Radiation

That **Cotton Australia** recognises that in the interests of national security that material of a radioactive nature not be stored on-farm, except in those cases where such material is incorporated into proprietary branded equipment, such as that used in water monitoring.

iii) Biological Agents

That **Cotton Australia** recognises that certain biological agents utilized in farm management programs may have potential to be used in illegal non-farming activity and as such recommends to all cotton growers using such products that all care and necessary steps be taken to ensure the safe and secure handling and storage of these agents.

iv) Access

a) Livestock

That **Cotton Australia** recommends that livestock should be excluded from cotton growing areas (paddocks) at all times during cotton growing periods and particularly at times of pesticide use.

b) Laws of Trespass

That **Cotton Australia** recognises there is an inherit risk in allowing un-controlled access to farms and that to manage this risk, Cotton Australia seeks to ensure access to all cotton farms is controlled and monitored and that trespass laws exist as mechanism for all farmers to use to enforce this safety measure.

c) Liability

That **Cotton Australia** takes the position that provided all reasonable and practicable steps have been taken to exclude livestock (including commercial bees) and other trespass from cotton fields, that in the event of trespass occurring, any liability arising as a result of the trespass is the responsibility of those causing the trespass.

1f) Investigations into on-farm Incidents

Objective: An industry agreed protocol for handling investigations.

That **Cotton Australia** and the staff of Cotton Australia will work to agreed protocols and guidelines if it becomes necessary to undertake investigations on behalf of growers or the industry. (See Manual of Protocols and Guidelines)

That **Cotton Australia** members and staff, when addressing issues of significance, be guided by and refer to the established Crisis Management Plan.

1g) Occupational Health and Safety

Objective: An Australian cotton industry that provides a safe workplace environment.

i) Farm safety training

That **Cotton Australia** and cotton growers in general supports and promotes safe workplace conditions for all management and staff and their families on a cotton enterprise and that all staff be required to undertake workplace induction programs prior to the commencement of working for a new employer.

That **Cotton Australia** will work to ensure that appropriate training and information is available to allow cotton growers to understand and manage the health and safety risks associated with growing cotton.

That **Cotton Australia** will encourage all cotton growers to establish a safe working environment that protects their employees and is cognizant of the relevant occupational health and safety legislation.

ii) Safe Access to farms

That **Cotton Australia** recognises that the cotton farming enterprise is a workplace and that in recognition of this status, all due and proper precautions are taken when allowing access by visitors to the workplace. Cotton Australia recommends that all proper signage is used according to Occupational Health and Safety requirements.

iii) Operations on farm – electricity, module restraint, transport guidelines

That **Cotton Australia** recommends that all cotton production activities be undertaken in accordance with the requirements of Occupational Health and Safety criteria and that Cotton Australia will work in collaboration with growers and governments to ensure that such requirements are designed to be reasonable and practicable for the farming enterprise.

1h) Industrial Relations

Objective: An Australian cotton growing industry that while acting in compliance with the relevant industrial relations legislation, enjoys a readily available and stable employment environment.

That **Cotton Australia** supports the freedom of choice for growers in the selection of the industrial system under which they might employ staff as well as supporting the approach of cotton growers to those organisations providing appropriate industrial relations service.

1i) Workforce (employment)

Objective: An Australian cotton growing industry that enjoys a high standard of trained staffing.

That **Cotton Australia** supports the concept of vocational education and training when it is focused at delivering staff training that is relevant and timely.

That **Cotton Australia** in ensuring the delivery of relevant and focused training supports the development of targeted training programs that deliver training against the competencies as described in the Australian Quality Training Framework.

That **Cotton Australia** encourages vocational education and training programs that delivers industry focused training to years eleven and twelve in preparation for potential employees in the cotton industry.

That **Cotton Australia** recognises the urgency of addressing the shortages of skilled employees and supports programs such as the schools based new apprenticeship scheme as programs capable of addressing such shortages.

That **Cotton Australia**, in recognising the impact of the scarcity of human resources in agriculture and particularly in cotton, encourages cotton growers to consider:

- appropriate remuneration;
- appropriate working conditions;
- accessing human resources from the indigenous labour pool where appropriate;

- availability of temporary labour through various visa options; and availability of sponsored immigration pathways for skilled labour, when seeking to engage either fulltime or part-time/casual labour.

That **Cotton Australia** recommends that all cotton growers implement appropriate steps to mitigate against possible risks arising from the employment of inappropriate or illegal farm workers.

1j) Standard Classing Arrangements

Objective: An Australian cotton industry that meets and matches the best standards in world cotton classing and specification.

That **Cotton Australia** supports the adoption of the USDA classing standards based on the separation of colour and leaf and that based on that Standard, **Cotton Australia** will act in the interests of growers in the resolution of classing issues arising from differences in the measurement of colour and leaf.

That **Cotton Australia** believes that when and where appropriate, cotton growers should be able to have access to independent cotton classing services and advice.

That **Cotton Australia** supports in principle the use of Pricing and Discount (P&D) sheets as a marketing mechanism for rewarding lint quality and penalizing poor quality lint in the market place.

1k) Succession Planning

Objective: An Australian Cotton Industry that has in place enterprise succession planning processes that will ensure long-term viable business outcomes on farm.

That **Cotton Australia** recognises the significance enterprise succession planning and recommends to cotton growers that appropriate advice and direction be sought from recognised financial and succession planning advisors for the implementation of such planning into the business enterprise.

Policy Area 2 – Community Support

Cotton Australia must be proactive in **promoting** the benefits of Australian cotton and seeking Community acceptance, respect and support.

Cotton Australia's policy position:

- That **Cotton Australia** works to ensure that Australian cotton growers maintain a social license to grow cotton; and
- That **Cotton Australia** encourages the fostering of grower pride and local community interaction.

Community Support – Summary of Position Statements

2a) Viable Rural Australia *Objective: A viable rural economy based on profitable and ecologically sound farming activities.*

2b) Community Engagement *Objective: An Australian cotton growing industry that is recognised as a sound and valued member of the local and wider community.*

2c) Industry Development *Objective: An industry agreed strategy that will influence and guide any future consideration in the development of cotton growing.*

2d) Transport *Objective: To improve the level of infrastructure available to and in cotton growing communities and to work with government and other agencies to ensure that legislation developed in the area of transport and transport infrastructure be practical and conducive to sustainable enterprise development.*

2e) Telecommunications *Objective: An Australian cotton growing industry that enjoys the highest possible standards of all avenues of telecommunications.*

2a) Viable Rural Australia

Objective: A viable rural economy based on profitable and ecologically sound farming activities.

That **Cotton Australia** supports the development of a viable rural economy based on prosperous farming enterprises and prosperous communities, which in turn are based on financially, and ecologically sound management principles that promote natural resource stewardship. **Cotton Australia** calls on rural industries, governments (at all levels) and the community to promote and encourage the development of such regional economies. (See **Appendix I** for **Viable Rural Australia Policy**.)

2b) Community Engagement

Objective: An Australian cotton growing industry that is recognised as a sound and valued member of the local and wider community.

That **Cotton Australia** and its members support as a key partner in developing community relationships, the Cotton Grower Association structure of the industry and recognises these organisations as critical in the communication link with individual cotton enterprises.

That **Cotton Australia** recognises the role played by Food and Fibre groups that are active within cotton growing valleys and actively supports the part they play in representing the interests of local water users.

2c) Industry Development

Objective: An industry agreed strategy that will influence and guide any future consideration in the development of cotton growing.

- *Industry expansion*

That **Cotton Australia** will engage with local communities to demonstrate the benefits of the cotton industry to the regional economy and community.

That **Cotton Australia** works to ensure cotton growing is seen as a benefit to the community and will seek to ensure that it is viewed equitably with other farming practices.

- *Catchment Community*

That **Cotton Australia** recognises that the catchment community plays a critical role in implementing systems to ensure the catchment's natural resources are managed in a sustainable way.

- That **Cotton Australia** works to facilitate good communication between catchment groups and the industry.

2d) Transport

Objective: To improve the level of infrastructure available cotton growing communities and to work with government and other agencies to ensure that legislation developed in the area of transport and transport infrastructure are practical and conducive to sustainable enterprise development.

That **Cotton Australia** supports the development of a national integrated freight transport strategy to drastically improve efficiency in movement around rural and regional Australia.

i) Road

That **Cotton Australia** supports the National Farmers' Federation's (NFF) belief that Australia's road network is rural Australia's lifeline, however, as many of Australia's roads are in poor condition, a significant long-term increase in funding is supported to meet the needs for road-infrastructure refurbishment and maintenance.

That **Cotton Australia** supports;

- An extension of *Roads to Recovery* funding over the next 10 years to fund the upgrade of all rural and regional roads graded "D" in the 2001 Australian Infrastructure Report Card; and
- Better coordination of road funding from the Federal and State governments.

ii) Rail

That **Cotton Australia** supports NFF in the view that Australia's current rail networks are constrained in their ability to provide efficient freight transport by the lack of an integrated national freight strategy.

iii) Air – Regional Services

That **Cotton Australia** supports the need for rural communities to be serviced by competitive passenger and freight air services and that these services be competitively priced and appropriately scheduled to ensure open competition and adequate service delivery.

2e) Telecommunications

Objective: An Australian cotton growing industry that enjoys the highest possible standards in all avenues of telecommunications.

That **Cotton Australia** believes that people, wherever they reside or carry out business, should have affordable and reasonable access to quality digital data, telephone and mobile services.

That **Cotton Australia** seeks those current and future owners of the supply of telecommunication services, such as

- reliable, high quality Internet access;

- a digital data capability; and
- mobile phone coverage to rural and regional communities,

commit to maintaining such services to those communities at levels and costs that are equivalent to those provided to subscribers in city areas, and that any lag time leading to the delivery of those services be kept to an absolute minimum.

That **Cotton Australia** seeks;

- Improved minimum standards relating to all aspects of the Telecommunications Universal Service Obligation (USO), with the aim of removing all current quality of service inequities;
- Application of the same Customer Service Guarantee criteria to both the standard telephone service component and the digital data capability component of the Universal Service Obligations;
- All Customer Service Guarantee regulation and related legislative changes must reflect a commitment to upgrade the minimum standards of existing services and delivery timeframes, and not merely maintenance of the *status quo*(as at March 2005); and
- Improved coordination between governments and agencies funding community-based telecommunications related projects in order to ensure long-term sustainability and reduce the risk that services will collapse once government support is withdrawn.

Policy Area 3: Sustainability

The Australian cotton industry must be sustainable over time if it is to continue to prosper.

Cotton Australia's policy position:

- That **Cotton Australia** recognises that the Australian Cotton Industry Best Management Practices program is the most significant farm management system available to the cotton industry and that the program be promoted to all internal and external stakeholders;
- That **Cotton Australia** gain knowledge of environmental, economic, ecological, and social impacts of the cotton industry and to extend awareness, and be able to represent the industry on these issues;
- That **Cotton Australia** recognises and encourages development of programs and strategies that will address the complex issue of maintaining and where necessary improving the quality of biodiversity within regions involving cotton production;
- That through a wide consultative process with communities e.g. local government, researchers, the conservation movement, etc., **Cotton Australia** facilitates open dialogue on the long-term sustainability and profitability of the industry;
- That **Cotton Australia** works to influence and support the research efforts and adoption of new technologies and to have those technologies adopted on farm through the adoption of the industry Best Management Practice programs (refer Policy Area 1.); and
- That **Cotton Australia** recognises and supports relevant research and development strategies dealing with the long-term sustainability of the cotton industry.

Sustainability – Summary of Position Statements

3a) Sustainability Statement

Objective: An Australian cotton industry that operates at world's best practice in cotton production.

3b) Catchment Planning

Objective: A catchment planning approach for the cotton industry to ensure that wherever cotton is grown it is done in a manner that accounts for economic, environmental and social matters such that the industry can demonstrate that it is contributing to sustainable development.

3c) Industry Growth (see also Policy Statement 2c))

Objective: An industry agreed strategy that will influence and guide any future consideration in the development of cotton growing.

3d) Water – General

Objective: A cotton industry that operates within each catchment where there is broad stakeholder support for the sustainable allocation of water for irrigation.

3e) Healthy Working Rivers¹² (see also The Living Murray Initiative – Appendix II)

Objective: An Australian landscape that encompasses a range of working waterways within a framework of heritage and managed river systems.

3f) Vegetation Management

Objective: A regionally based vegetation management program that ensures long-term sustainability and viability of identified ecosystems and rural enterprises in partnership.

3g) Salinity

Objective: An Australian cotton industry that is able to identify potential sites for salinity degradation and implement abatement strategies.

3h) Climate Change

Objective: To have an Australian cotton growing industry that is mindful of and prepared for increased climate variability that is leading to long-term climate change.

3i) Biotechnology – Products of Genetic Engineering

Objective: An Australian cotton industry that utilises the most advanced technologies developed by scientifically sound methods that are accepted by the community and marketplace.

¹² This Position Statement is based on that developed by the Industry Forum convened by the New South Wales

3a) Sustainability Statement

Objective: An Australian cotton industry that operates at world's best practice in cotton production.

That **Cotton Australia** commits to continually improving the value that the industry delivers to the environment, to individuals and communities, and to the economic well being of our nation.

That cotton growers commit to working towards developing a standard of environmental performance through a wide process of consultation with stakeholders.

The industry acknowledges the need for external verification as a way of credibly demonstrating attainment of an agreed level of environmental performance and will seek to develop mechanisms to enable market differentiation of cotton on the basis of environmental performance.

That the cotton industry believes its future growth will be dependent on innovation and creativity based on viable, profitable and sustainable growers.

That the industry recognises the importance of economic, environmental, societal and cultural issues in the conduct of its farming operations.

The industry believes that it can contribute to the creation of solutions to current and future social, economic, environmental and cultural challenges. These will provide an opportunity for its product to become the preferred product on the competitive world market.

3b) Catchment Planning

Objective: A catchment planning approach for the cotton industry to ensure that wherever cotton is grown it is done in a manner that accounts for economic, environmental social and cultural matters such that the industry can demonstrate that it is contributing to sustainable development.

That **Cotton Australia** has no statutory position to determine where cotton can or cannot be grown, however by implementation and promotion of the principles stated, may have significant influence over the future development of the cotton growing industry.

That **Cotton Australia** also recognises the role played by Catchment Management Authorities and Regional Groups in the development of each catchment and will strive to work in collaboration with such groups through open and transparent interaction and communication.

That **Cotton Australia** supports a catchment planning approach that takes a holistic and precautionary view of a region which takes into consideration the economic, environmental, social and cultural impacts of any development while being consistent with any approval processes required by respective State legislation.

That **Cotton Australia** recognises the need for effective participation of all stakeholders in the discussions required to develop and undertake such catchment planning processes and that those discussions be appropriately resourced with high quality information and support.

That **Cotton Australia** seeks State based development approval processes to be established in consultation with industry to ensure they are relevant, realistic and take into account the environmental, social, economic and cultural interests of the catchment.

That **Cotton Australia** supports benchmarking targets for the preservation of ecological communities and threshold limits for the development of ecological communities at a regional and property scale.

That **Cotton Australia** will participate in and facilitate the collection of information to an adequate standard for sound planning decisions with an aim to:

- Prevent further land degradation;
- Restore degraded resources;
- Ensure that resources are used within their capacity;
- Minimise impacts arising from the use of resources;
- Promote appropriate property planning and management practices to ensure that the habitat of native flora and fauna is maintained and/or improved; and
- Preserve items and places of cultural heritage.

That **Cotton Australia** recognises that the aims of landscape conservation are:

1. to maintain ecological processes and the dynamics of ecosystems;
2. to maintain viable examples of ecosystems throughout their natural ranges;
3. to maintain viable populations of native species throughout their natural ranges; and
4. to maintain the genetic diversity of native species.

Cotton Australia believes that these objectives will be most efficiently achieved through a regional approach that will provide for the establishment and effective management of public and private conservation reserves and complementary best practice management of adjoining production areas.

This position is based on the recognition of:

- The potential for new cotton development opportunities that may arise in Australia;
- The significant trade-off in values and uses that would be involved in any further development of irrigation in Australia;
- The current lack of information available for sound planning decisions;
- The current lack of appropriate processes needed to identify the trade-off's for development on a catchment wide scale;
- The dangers and risks to intrinsic landscape values associated with incremental and *ad hoc* planning decision-making processes; and

- The opportunity afforded from collaborating with other stakeholders within the landscape to enhance the economic, social, environmental and cultural outcomes of future development.

3c) Industry Growth (see also Policy Statement 2c))

Objective: An industry agreed strategy that will influence and guide any future consideration in the development of cotton growing.

That **Cotton Australia** recognises that in any future development of the cotton industry, that prior to such development, criteria be established that would enable the on-going sustainable development of any such initiatives.

That **Cotton Australia** believes that any such criteria be focused on the quadruple bottom line of economic, environmental, social and cultural matters.

That **Cotton Australia** believes that any future development of the cotton growing industry should be based on the principles contained in the Australian Cotton Industry Best Management Practice program.

That **Cotton Australia** believes that the criteria for the development of cotton growing areas apply to development in existing cotton growing regions as well as any greenfield regions being considered.

That **Cotton Australia**:

- Seeks that any planning process to address future irrigation development must be clearly defined to help all stakeholders in the water market (i.e. governments, water service providers, private developers and water users) to determine how projects may be initiated and progressed to fulfill national, state and local industry and community needs;
- Supports that any planning and management process for natural resource management should:
 - promote the efficient and effective use of natural resources to allow for new and increased use of those resources for irrigation; and
 - recognise that irrigation enterprises must remain viable to implement ecologically sustainable practices;
- Recognises that responsible irrigation development will support a growing and diversified economy and strengthen the economies of rural and regional areas;
- Recognises that any planning process for water allocation must address future irrigation development needs having regard to such issues as spare capacity of existing infrastructure, the market in transferable entitlements, demand reduction and water use efficiency initiatives as well as options for development of new allocations including in-stream and/or on farm development;
- Recognises that future water development planning must assess the impact of the release of new allocations on trading of existing allocations; and

- Recognises that the water market must be well informed on proposed irrigation and other water developments and how planned projects will provide the best outcomes for the community and irrigation development.

3d) Water – General

Objective: A cotton industry that operates within each catchment where there is broad stakeholder support for the sustainable allocation of water for irrigation.

Cotton Australia - Overarching Position

That **Cotton Australia**'s position is to develop policy on water issues strategically at a national and state level that recognises the integrity and diverse nature of the catchments whose community activities include cotton.

This diversity includes the different resources of surface and ground water. When requested, **Cotton Australia** will provide support complementary to the activities and actions of the respective state irrigator councils and the local water user groups.

i) National Water Initiative – Risk Assignment

That **Cotton Australia**:

- Supports the principles set out in the National Water Initiative as establishment by the meeting of the Council of Australian Governments, June 2004;
- Supports that any adjustment to water entitlement be based on sound science and supported by clear social and economic impact studies agreed between the Commonwealth Government, the relevant State Government and the water users impacted by the adjustment; and
- Supports that while Commonwealth and State Governments back such a package approach, it is implemented and managed at a catchment level.

ii) Water Rights

That **Cotton Australia**

- Stands for a resource management framework that delivers water access rights in perpetuity, that specify shares of the available resource with defined reliability and operational rules;
- Recognises that current levels of economic activity and social integrity based on water access and use rights must, at least, be maintained; unless revised levels of access and use are determined by regional/catchment agreements based on sound science;
- Supports a catchment based water planning, allocation and management process that encourages efficient and sustainable use of water;

- Identifies and implements through the cotton industry Best Management Practice program, natural resource stewardship;
- Supports a clear specification of entitlements entered onto a nationally recognised water entitlements register;
- Supports the capacity for transferable rights and effective arrangements for trading of those rights;
- Recognises that where water access or use changes are imposed on farmers by any review process and subsequent right of appeal, that transitional arrangements be implemented to allow for such change;
- Recognises that any future changes to the management of or adjustment to the access to water is supported by sound science that is responsive to community needs; and
- Provided that where such changes impact on the water property right or access rights that appropriate financial adjustment (that is at least equal to the current commercial value of the lost resource) is made to all affected parties.

iii) Water Trading¹³

That Cotton Australia:

- Stands for the trading of fully defined water rights (entitlement, access and use) and that this trading must take place within a defined marketplace (*i.e.* the market for water, as with any other market needs defined rules);
- Recognises that the social, economic, environmental and cultural implications of trade must be identified and addressed in consultation with the impacted communities;
- Accepts that rules for the operation of the market will address the following principles: namely
 - protects individual and community rights;
 - allows a proactive participatory role for the community in any developmental process;
 - protects accepted and defined environmental principles and outcomes; and
 - maintains a consistent approach to permanent, temporary and leasing transactions with no increases in current government taxes and charges;
- Recognises that the market for water requires proper administration, - *i.e.* once the rules of the market are established and agreed, then an independent statutory body will be responsible for the on-going governance and due diligence;

¹³ This Policy Position statement is consistent with New South Wales Irrigators' Council Discussion Paper – 2003, but not yet considered by Queensland Irrigators Council.

- Recognises that without impacting on base environmental flow, the “environment” is a legitimate participant in the marketplace and is subject to the same rules of the marketplace as all other participants:
 - As a buyer and seller of defined water access rights;
 - That such participation will be transparent and accountable as with all other trades; and
 - That the participation of the “environment” in the marketplace will be through government or a legitimate community based entity;
- Recognises that governments are legitimate participants in the marketplace and are subject to the same rules of trading as other participants; and
- Recognises that water trading is not a legitimate alternative to structural adjustment assistance or compensation when the quality or quantity of the water access right is eroded by legislative process.

iv) Water Pricing¹⁴

That Cotton Australia:

- Believes that while recognising variation between catchments and excluding infrastructure costs, water resource management costs should be shared equitably across all water users and that such costs be based on sound and transparent disclosure of those costs; and
- Recommends that water pricing be based on the efficient cost of supplying water and managing the resource, as determined by an independent, accountable and transparent process, removed from government, while including a significant public consultation process.

That **Cotton Australia** recognises that it is important that all of the positions as listed above (*i.e.* 3d)i) to 3d)iv)) are performance based rather than being prescriptive and are developed through a rigorous community development process.

That **Cotton Australia** also supports the inclusion and recognition by government and others of these sensible performance measures for efficient use of water and other natural resources as part of voluntary industry based farm management systems.

3e) Healthy Working Rivers¹⁵ (see also The Living Murray Initiative – Appendix II)

Objective: An Australian landscape that encompasses a range of working waterways within a framework of heritage and managed river systems.

¹⁴ Based on policy development undertaken by the National Farmers’ Federation Water Taskforce.

¹⁵ This Position Statement is based on that developed by the Industry Forum convened by the New South Wales

That **Cotton Australia** agrees that there is a need to have “healthy working rivers” and that this will be achieved through policies that equally recognise:

- the national value of irrigated agriculture and associated industries;
- the importance of sustainable ecological communities; and
- the importance of water as the “lifeblood” of many rural and regional communities.

In principle this requires:

- the need for an integrated catchment management approach, applied as equally to integrating the related environmental policy, administration, investment and legislative frameworks as it does to biophysical elements; and
- the need to monitor, measure and manage the river systems.

i) Determining Sustainable Extraction

That **Cotton Australia** recognises that to ensure the on-going health of many river systems, communities may choose to establish and set extraction limits on the diversion of water from such rivers. In such cases, **Cotton Australia** believes that realistic and achievable limits should be set that will deliver economic and environmental outcomes, rather than a politically popular limit without consideration of the consequences.

That **Cotton Australia** maintains that in exercising any adjustment to achieve such a limit, that due consideration and account be given to the value of the asset being adjusted – based on current market mechanisms – and that due processes be used that recognise the rights of all parties to the adjustment.

3f) Vegetation Management

Objective: A regionally based vegetation management program that ensures long-term sustainability and viability of identified ecosystems and rural enterprises in partnership.

That **Cotton Australia**:

- Supports the need for adequate data and integrated information systems as a basis for making informed decisions on vegetation management;
- Endorses a regional approach to vegetation management planning;
- Endorses a self-regulatory approach to vegetation management where possible;
- Supports the payment by the government, as the representative of the community, of adequate financial adjustment to initiate such appropriate adjustment programs where a landholder’s rights, and legitimate and reasonable expectations have been diminished; and
- Supports the development of incentive based programs to encourage proactive management and rehabilitation of native vegetation.

(**Note**– Cotton Australia acknowledges that these principles have been drawn from the Queensland Farmers Federation Position Statement – “4 Pillars for Managing Vegetation on Freehold Land”)

3g) Salinity

Objective: An Australian cotton industry that is able to identify potential sites for salinity degradation and implement abatement strategies.

That **Cotton Australia** recognises that due to certain geo-morphological reasons, certain regions of Australia are and can be subject to degradation from salinity. **Cotton Australia** believes that in such areas, farming practices undertaken need to recognise the dangers and long-term impact of salinity and that the Australian Cotton Industry Best Management Practice program be used as the tool for managing this risk in cotton production.

3h) Climate Change

Objective: To have an Australian cotton growing industry that is mindful of and prepared for increased climate variability that is leading to long-term climate change.

That **Cotton Australia** recognises that the trends indicated from long-term weather data are suggesting that significant permanent change to weather patterns will be a reality in the future.

That **Cotton Australia**, in developing strategies to accommodate climate change, recognise that any strategy being developed for growers begin with an understanding of climate variability and that the steps taken now to address such variability will be cognizant of long-term impacts.

That **Cotton Australia** engage the services of commonwealth and state governments in the development of and utilization of funding programs in dealing with climate change issues such as greenhouse gas emissions, carbon trading, etc.

That **Cotton Australia** develops with the conservation movement a strategy to approach government to ensure that agriculture is not traded off against the industrial in greenhouse abatement and other climate change debates.

3i) Biotechnology – Products of Genetic Engineering

Objective: An Australian cotton industry that utilises the most advanced technologies developed by scientifically sound methods that are accepted by the community and market.

That **Cotton Australia** supports a flexible approach in the production methods available to cotton growers. **Cotton Australia** believes that members of the cotton industry should have the right to choose from a range of technologies and production management systems that will contribute to enhanced sustainability and lead to the minimisation of environmental impact. This may include the use of the products of genetic engineering, where it can be conclusively shown to enhance sustainable cotton production in appropriate cotton growing areas.

That **Cotton Australia** recognises the need for the industry to be mindful of the social, economic and environmental management demands of the wider marketplace and that the industry will work to have appropriate responses and partnerships implemented in an effort to respond to such demands, provided that the proposed response is fully researched and complies with current legislation.

That **Cotton Australia** recognises that the application of the precautionary principle¹⁶ may cause some uses of biotechnology to be judged as inappropriate for economic, environmental or social reasons.

That **Cotton Australia** will, when considering the benefits and risks of biotechnology:

- Actively seek both internal and external stakeholder advice on how to use biotechnology most effectively, ensuring that the technology can be properly used in an integrated, sustainable-management system and seek the help of these stakeholders in continuously updating policy development in this area;
- Support the use of biotechnology where there are demonstrated to be significant benefits for growers (e.g. production, reduced pesticide use), the environment, human health and the end user;
- Consult with internal and external stakeholders about appropriate research and ensure that the information and knowledge gained is made available to the public in an understandable and balanced way to fill the gap that presently exists in the understanding of such food, seed and fibre products;
- Work in close collaboration with the wider agricultural community, local communities, end users and environmental group stakeholders, to develop a set of measures to track the effectiveness of the application of this technology throughout the industry. Specifically, to take precautionary measures to prevent key impacts such as,
 - Cross contamination of conventional, organic or native relatives of cotton;
 - Weed, insect and technical resistance;
 - Yield losses;
 - Increases in overall pesticide usage;
 - Loss of crop or product quality;
 - Any other relevant issue as may arise; and
- Actively promote the adoption of a wider (IPM) system throughout the industry, which may include this gene technology as a component, where it is demonstrated that it can be used sustainably and without negative environmental, public health or safety impacts.

That **Cotton Australia** will actively encourage, support and participate in any efforts initiated by agricultural industries arising from a carefully considered social, economic and environmental approach, as outlined, to inform the wider community of the identified benefits/costs of using the products of biotechnology in agriculture.

¹⁶ The Precautionary Principle as Interpreted by Cotton Australia and agreed by Genethics – Lack of full scientific certainty about the risks, hazards and costs of using genetically engineered organisms cannot be used as a pretext for failing to take measures or make decisions to protect public health and safety, and the environment. The onus of resolving uncertainty rests with the proponents of the technology, not the regulators or the community.

Policy Area 4: Trade and Infrastructure

The Australian cotton industry must be **world-competitive** to compete with other suppliers of cotton and with other forms of fibre.

Cotton Australia's policy position:

- That **Cotton Australia** works towards positioning Australian cotton growers as an increasingly world competitive agricultural force due to the efficiency of its actions with regard to inputs, resources and best practices; and
- That **Cotton Australia** promotes the adoption of new technology and forward thinking, so that existing and new markets and opportunities will be captured and maintained to ensure the long-term viability of the industry.

Trade and Infrastructure – Summary of Position Statements

4a) Trade Distortions and Cotton Markets Objective: *To reduce (and eventually eliminate) the negative impact on the financial viability of the Australian cotton industry of trade distorting subsidies implemented by some countries.*

4b) Marketing Objective: *An Australian cotton growing industry that enjoys free market access without imposition of government or industry restrictions.*

4c) e-Commerce Objective: *An Australian cotton growing industry that has access to and use of the latest methods and technologies for the marketing and distribution of raw cotton and its by-products.*

4d) Trade Infrastructure Objective: *An Australian cotton industry that is an active player in the world market supported by up to date and efficient transport and trade infrastructure.*

4a) Trade Distortions and Cotton Markets

Objective: To reduce (and eventually eliminate) the negative impact on the financial viability of the Australian cotton industry of trade distorting subsidies implemented by some countries.

That **Cotton Australia** recognises the following four key issues as the major elements in the on-going trade debate, namely:

- Market access
- Government trade policies that impact on cotton market (trade distortions)
- Supporting Cairns group / other alliances.
- FTA vs WTO negotiations

That **Cotton Australia**:

- Recognises that evidence exists to demonstrate the extent to which countries that do not subsidise their producers and processors are losing out to countries with heavily protected agricultural industries;
- Supports the need for ongoing research and market analysis to determine the levels to which our competitors are subsidising their industries and to what extent this is affecting Australian cotton growers.
- Supports work done through the Department of Foreign Affairs and Trade and the National Farmers Federation that is targeted at the opening up of international markets to allow trade in Australian cotton
- Supports the co-ordination and co-operation offered by Australia's involvement and leadership of the Cairns group of countries.
- Supports the Australian governments approach of pursuing Free Trade Agreements (FTA) with trading partners but also support maintaining a strong commitment to multi-lateral trade reform that can only be delivered through the World Trade Organisation (WTO) negotiations.
- Supports the position of the National Farmers Federation (NFF) as the key Australian agricultural trade lobbyist in partnership with the Department of Foreign Affairs and Trade while maintaining the industry's ability through the Australian Cotton Industry Council (ACIC) to talk openly with trading partners affected in the international cotton market.

That **Cotton Australia** seeks to address;

- Domestic market subsidies that artificially increase cotton production;
- Export subsidies that distort international trade in cotton; and
- Tariff and non-tariff import barriers that artificially restrict entry to markets.

4b) Marketing

Objective: An Australian cotton growing industry that enjoys free market access without imposition of government or industry restrictions.

That **Cotton Australia** believes that a real strength of the local industry has been the open marketing system whereby growers determine who sells/markets their cotton with no involvement from peak industry groups or the government.

4c) e-Commerce

Objective: An Australian cotton growing industry that has access to and use of the latest methods and technologies for the marketing and distribution of raw cotton and its by-products.

That **Cotton Australia** supports the use of e-commerce and it's many variations in the marketplace, provided that adequate and efficient telecommunication services are made available to rural and remote communities.

Cotton Australia will continue to work with the Cotton Evaluation and Advancement Committee to promote the strong links between growers, classers and merchants and further develop a classing system most appropriate for the Australian industry.

Cotton Australia will continue to promote an open marketing system that provides growers with the best options available to them in order to market and sell their cotton.

4d) Trade Infrastructure

Objective: An Australian cotton industry that is an active player in the world market supported by up to date and efficient transport and trade infrastructure.

i) Ports

That **Cotton Australia** recognises the importance of Australia's ports to the local cotton industry and with over 99% of the Australian crop exported, that ports within Australia provide the gateway for the import and export of commodities to and from Australia.

In the *2001 Infrastructure Report Card – Challenges for Regional Australia* it was stated that ports are being affected by a lack of long term, integrated planning arrangements that recognise ports' role in the transport chain and what they require to be able to fulfil that role.

That **Cotton Australia** seeks;

- The development of a national integrated freight transport strategy to drastically improve efficiency in movement around rural and regional Australia; and
- The continued upgrade and maintenance of Australian ports to remain competitive on the international trading market.

Appendix I – Viable Rural Australia Policy (2001)

Introduction:

The Australian cotton industry has begun to accept that the World Trade Organisation is not going to deliver the level playing field in agricultural trade that we had all hoped would be achieved. The round of talks in Seattle only served to confirm the view that the major economies of the USA & Europe have every intention to continue to talk about trade liberalisation, but continue to demonstrate no real commitment to change their practices in the foreseeable future.

The Australian cotton industry believes Australia should not change its long-term commitment to see real trade reform championed at the WTO. More aggressive domestic policies need to be developed by the Government and rural communities to ensure we are productive rural producers that have the capacity to take advantage of any real trade wins in the future.

This proposed change of direction would require a whole new commitment to a different way of thinking for rural Australia. This should be developed into a policy that has ownership by all sections of rural Australia and government.

This policy development process should be lead by the National Farmers' Federation as Australia's peak agricultural body.

Vision:

One of prosperous farms and prosperous communities based on ecologically sound management and natural resource stewardship.

Issues:

The cotton industry believes the policy should cover three major issues.

1. Economic issues

Rural Australia needs a commitment from government at all levels to long-term structural adjustment and support. This support should encourage efficiency and ingenuity. It should create incentives for agricultural industries and operators to be world competitive. It should not punish the poorer operators, but reward the people and industries that are searching for ways to survive and prosper against the power of the subsidised agricultural nations.

2. Environmental issues

Rural Australia needs a commitment from government to long-term rehabilitation of our land, water and vegetation resources. In some instances this may mean that industry will have to radically change some land use practices, in others it may mean that industry will have to focus on encouraging efficient resource use.

Again, industry will have to create incentives for farmers to change their land use, and reward those who commit to 'best environmental practice'.

3. Social & community issues

The very fabric of rural Australia is its people. This great resource is passionate about protecting and utilising the environmental and cultural values of rural Australia. With the right infrastructure, appropriate government responsibilities and incentives, communities will retain & nurture the unique social values that industry holds dear. With viable farms & sustainable environmental practices, the rural communities will be places of pride.

Strategies:

How can industry achieve these lofty goals? What strategies could government, industries & communities put in place?

Firstly, these strategies need to be developed jointly with industry, community and government. Industry believes that the earlier (2001) actions of the Prime Minister and Deputy Prime Minister with their various 'bush' tours and statements confirm the desire for change. Rural industries, under the guidance of the NFF could harness and guide that desire to make change and develop strategies.

Secondly, rural industry needs to have some options ready for debate in the wider public forums. If industry agrees that the basis of these options is the 'carrot rather than the stick'. Incentives rather than punishment. Then industry could propose a series of proposals that cover the economic, environmental and social issues we face. These could include;

- Investment support for efficiency and competitiveness;
- Tax incentives for regeneration & biodiversity;
- Low interest long-term loans for infrastructure, environmental improvement programs, resource stewardship; and
- Incentives for sustainable management practices.

Appendix II

The Living Murray Initiative¹⁷

Cotton Australia recognises that the following principles are integral to the implementation of and successful outcomes from the Living Murray Initiative. **Cotton Australia** also recognises that based on sound scientific principles, a clear goal must be set for the determination of a “Living Murray”, as well as clear benchmarking processes to monitor changes and improvement in river health (see Position on *Healthy Working Rivers*).

Namely:

- That water access rights be clearly defined as set out in this Policy Position Statement
- That all costs and benefits arising from the Living Murray Initiative be fairly and equitably shared across all stakeholders involved;

- That any action required to achieve targeted environmental outcomes be achieved through:
 - Better management of existing systems and environmental flows;
 - Investment in infrastructure upgrades and savings, with benefits distributed in proportion to investment;
 - Purchase from willing sellers through transparent market-based programs; and
 - Just terms acquisition as a last resort; and

- That through participation in the ongoing development of the Living Murray Initiative, **Cotton Australia** in conjunction with the wider irrigation community must have confidence that prior to any decision being taken on this Initiative by the Murray-Darling Basin Ministerial Council, there is;
 - complete objective, reliable, relevant, easy to find and understandable information available to all stakeholders;
 - a reasonable timeframe that reflects the complexity of the decision;
 - engagement on a scale appropriate to the level of detail; and
 - governments’ to have demonstrated consideration of community feedback and shown how this has been reflected in any decision taken by the Ministerial Council.

¹⁷ This Position Statement is based on that developed by the Industry Forum convened by the New South Wales Irrigators’ Council, August 2003.