

# **SUBMISSION**

**To the**

## **Senate Inquiry into Natural Resource Management and Conservation Challenges**

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Queensland Farmers' Federation (QFF) welcomes the opportunity to provide input to the inquiry into Natural Resources Management and Conservation Challenges referred to the Senate Standing Committee on Rural and Regional Affairs and Transport.

QFF believes that rural industry and farmers have critical roles to play in regional natural resource management – a role that is under-utilised in existing NRM program arrangements. Farmers, as landholders and land managers, are directly involved with the management of resources. Within bounds set by regulation, landholders are ultimately the ones who decide how to manage and use the majority of natural resources of a region and therefore the decisions of landholders have a major impact on the prospects of a regional NRM plan meeting its targets.

Rural industry bodies like QFF and its member organisations play a vital role in assisting landholders to manage their resources through leadership, representation and the provision of services to facilitate ongoing improvements in natural resource management at an industry and farm level.

QFF would like to see the current arrangements for regional Boards and NRM plans maintained, with the introduction of a new program component dedicated to providing core support to industry NRM initiatives that demonstrate an ability to complement and accelerate the achievement of regionally defined targets.

## **1. BACKGROUND**

### **1.1 The Queensland Farmers Federation**

Queensland Farmers Federation (QFF) is a federation of major intensive agriculture organisations that collectively represent many thousands of primary producers across the State.

Members include:

- Australian Prawn Farmers Association
- CANEGROWERS
- Cotton Australia
- Emerging Primary Industries Group
  - Australian Ginger Growers
  - Biological Farmers of Australia
  - Flower Association of Queensland Inc
  - Queensland Aquaculture Industries Federation
  - Qld Olive Associations Group
- Growcom
- Nursery and Garden Industry Queensland
- Qld Chicken Growers Association
- Qld Dairyfarmers' Organisation
- Qld Pork Producers' Organisation

QFF's mission is to 'secure a sustainable future for Queensland primary producers within a favourable social, economic and political environment by representing the common interests of its member organisations'. QFF's core business centres on resource security; water resources; climate change; environment and natural resources; industry development; economics; quarantine and trade.

## **1.2 Sustainable Agriculture**

“Sustainable Agriculture” is a topic which is not defined well. In the 1998 *Environmental Code of Practice for Agriculture in Queensland*, QFF defines sustainable agriculture as the use of farming practices which maintain or enhance economic viability, the natural resource base and other ecosystems which are influenced by agricultural activities. Farming practices are central to activities aimed at enhancing sustainable agriculture. Suitable farming practices are those that address risks that are being faced by a particular enterprise. Each farming enterprise is different; the risks faced will vary.

“Sustainable Agriculture” is not just about NRM. QFF strongly believes that the viability of rural communities depends heavily on the viability of the rural industries they service. In its October 2005 submission regarding the Queensland based discussion paper “Blueprint for the Bush”, QFF stated that the most effective way to ensure the continued viability to rural communities is to promote and protect the economic viability of existing rural industries, and to provide a climate where new enterprises can be established and supported.

## **1.3 Farm Management Systems**

Managing the often competing risks and opportunities of economic, social and environmental demands is a major challenge for farmers at an enterprise level. QFF member organisations have been proactive in seeking to meet this challenge, and Farm Management Systems (FMS) offer a means of coordinating industry effort.

QFF and its member organisations have committed to developing FMS programs to give producers the tools they need to manage risks on-farm and improve their business. An FMS could encompass any of the risks that need to be managed including financial, environmental, workplace health and safety, food safety, biosecurity or animal welfare depending on the type of enterprise. The farming practices to manage the risks are articulated and a process is established to monitor practice uptake and effectiveness.

QFF believes an FMS differs to environmental management systems (EMS) in that it promotes better integration of the economic aspects of farming. Recommended practices and financial management tools already exist within many industries which encompass “environmental” risks. A small farming enterprise is not likely to see a great need for a stand-alone EMS, nor will it have the capacity to implement this as a separate mechanism to the rest of the farming operation.

Ultimately, FMS is about producers having more control over their future. By focusing on the management of risk, FMS programs will help producers to be better prepared for future challenges and will allow them to clearly demonstrate to the wider community and governments that they are managing their land in a responsible manner with a process of continuous improvement clearly embedded in the management system. This will add to the QFF’s long argued position is that better sustainability outcomes will be achieved through innovative, voluntary and holistic on-farm measures than by rigid, imposed regulation or single-issue focussed solutions.

## **1.4 Coordination and Implementation of FMS**

QFF and member organisations recognise that there is a need to work collaboratively with other sectors and with key stakeholders such as government for implementation of FMS.

An FMS Framework has been prepared to guide important high level policy, planning and partnerships. This Framework outlines the coordination and developmental process that QFF and its member organisations will engage in to roll-out industry FMS programs during the next four years. The content of a specific industry FMS is ultimately the responsibility of the respective member organisation, with this Framework encouraging a collaborative and consistent approach across industry FMS programs. This will be essential to meet the needs of multi-commodity enterprises and to help ensure that FMS programs have rigour and credibility.

QFF has signed Memoranda of Understanding (MoU) with both the Queensland Government and the Queensland Regional Natural Resource Management Groups Collective to facilitate policy alignment and the development and rollout of FMS. These key partnerships have begun to provide enhanced alignment of effort and improved understanding of institutional barriers and opportunities for progressing FMS. There is also a strong emphasis in the FMS initiative to seek alignment of FMS program delivery with regional NRM plan implementation processes.

The FMS initiative has subsequently been recognised in several key Government policy documents including:

- The Smart State Economic Strategy 2005-15 as a key Sustainable Agriculture initiative;
- The DPI&F's *Renewing Primary Industries* discussion paper as a key action to integrate business competitiveness and natural resource management;
- DNR&M's State Water Plan 2005-10 recognises FMS as a means of improving on-farm water management, efficiency and water quality;
- The Great Barrier Reef Water Quality Protection Plan annual report 2004-5 which recognised the QFF's FMS program as a significant step to help landholders adopt sustainable production systems.
- DNR&M 's Rural Water Use Efficiency program has made a substantial investment in FMS in its current program;
- EPA's Sustainable Industries division has made a substantial investment in FMS as part of its EcoBiz program.

## **2. NRM Programmes for Sustainable Agriculture**

### **2.1 Previous programmes – strengths/weaknesses**

In the past the NHT/NAP assisted industry's efforts via the National Landcare Program, the Envirofund, through Agriculture State-wide Investment Program (AgSIP), Eco-efficiency Agreements and the *Industry Pathways to EMS* program.

Landcare continues to be an important program for primary producers, although some intensive industry members have never made a strong connection with the Landcare movement and are unlikely to do so. Established Landcare groups can play an important role in local implementation activities. Industry involvement in NLP has also been beneficial and assisted with the appointment of NRM coordinators within industry settings and supported some larger scale industry initiatives such as development of industry strategic plans for sustainable development.

Envirofund provided useful funds for targeted producer implemented projects. Some industry groups assisted their members by acting as 'brokers' for Envirofund applications,

assisting with preparation of the applications and importantly providing strategic alignment of such funds with existing industry programs to leverage further benefits for all parties.

The AgSIP program was useful in that it provided a degree of coordination across the State to enhance sharing of learnings from these research projects. It also established criteria for selection of projects which provided the opportunity for all players to take part (industry, government, regional groups and researchers). Weaknesses of AgSIP include its confinement to NAP regions only and the lack of structures to handle policy issues or provide feedback to policy and decision makers.

Eco-Efficiency Agreements have been useful to industry as they have provided an opportunity to explore indicators of sustainability and, in some cases, have provided direct assistance to growers for on-farm NRM. The EEA's have evolved to incorporate the needs of agriculture, which are somewhat different to those of the manufacturing sector. DEH has recognised the need to work with DAFF regarding EEA's however, the link between EEA's and DAFF indicator development projects is not clear.

The Pathways to Industry EMS program evolved into a useful program for industry. The concept of a Pathway, or strategic direction, is helpful and recognises the differences between various industries, and the time required to implement strategic approaches. The focus on 'EMS' needs revision and there are numerous examples now through the Pathways projects of why 'EMS' is not the best focus for industry.

The bulk of NHT/NAP programs were directed to the implementation of the regional NRM model of delivery which sought to "empower regional communities to prioritise issues and design innovative and integrated strategies, which governments invest in to achieve regional, state and national NRM priorities" (extract from Ministerial Reference Group on NRM Programme Delivery Terms of Reference).

The strength of the regional model from an industry perspective has been the ability to be flexible in the methods of involving local people and industry representatives and designing local solutions. Another strength has been the growing focus on strategic solutions to regional issues and the business-like approach of many Boards in directing investment towards partners with the capability to deliver on clearly defined targets and strategies.

However, the regional arrangements were not without their weaknesses, particularly from the point of view of effective collaboration with industry. The weaknesses of the regional model for industry include:

- It has been a challenge for industry organisations offering state-wide or multi-state scale programs that support improved property level management of NRM issues by landholders to tap into the NAP/NHT and RIS funding structures. The options for industry groups are to try to cobble together a state-wide program through multiple contracts with a number of regional groups or to try to access national level programs that are generally targeted at national level organisations and programs (which rarely have the capacity to directly engage the grassroots land managers).
- The tools needed to assess the link between farm level actions and regional level outcomes are not yet developed.

- The disconnect between targets and implementation strategies of regional NRM plans and state based NRM legislation (that is often defined through statutory regional plans) creates significant confusion for land managers and makes property level management outcomes, expectations and requirements unclear.
- Limited continuity (short term projects) especially with respect to regional plans which are approved on an annual basis and therefore projects are only funded for 12 months having large implications for project development and delivery, project monitoring, development of partnerships, retention of staff etc.; and
- The confusing array of programs and funding sources within the NAP and NHT (eg Coastal Catchments Initiative, Wetlands Program, Sustainable Industries Partnerships, Eco-efficiency Agreements, Pathways to Industry EMS, random competitive bids rounds, Interim Funding Agreements, Strategic Reserves) that make it very difficult for industry organisations to strategically engage

QFF made a submission on the options paper *Options for Future Community Engagement in Regional Natural Resource Management Discussion Paper* released by the State Government in April 2005. In that submission, QFF supported the non-statutory community-based regional NRM arrangements existing in Queensland which seek to develop community ownership and motivation to address regional NRM needs through local implementation. Accordingly, QFF supported **Option 1 - non-statutory community based Regional NRM Bodies, Sub Option 2 - maintain current system with some specific improvements**, as the preferred model for future regional natural resource management in Queensland. Sub Option 1.2 proposes a continuation of the current system with some specific improvements including a proposal for stronger links between existing Regional NRM Bodies and Regional Planning Advisory Committees (RPACs) (where they exist) to focus government and community effort on agreed regional results.

QFF suggested further improvements to the existing regional arrangements:

- 1) The Regional Group Collective and QFF continue to progress an effective working partnership between Regional bodies and QFF and members over the next five years to:
  - a) Recognise and assist with implementation of FMS programs on farms in intensive agricultural areas as an important priority for the implementation of Regional NRM programs and achievement of MATs and RCTs.
  - b) Assist with the improvement of FMS programs to address the complexity of NRM planning and management requirements
  - c) Provide for condition and trend monitoring at local area and sub-catchment scales to assess the progress and impact of the implementation of FMS programs and provide a basis for assessing longer term outcomes at the catchment scale.
  - d) Address common policy issues for industries and regional NRM bodies.
  - e) Assist the development of a common framework for property level management systems including FMS.
- 2) Regional NRM bodies develop an approach to benchmarking the resources (financial, physical, and human) applied by each body to common regional NRM functions as a basis for planning and implementing continuous improvements.

- 3) Coordination between regional NRM bodies and regional planning advisory committees should be improved to have regional NRM plans recognised in the development of regional development plans in key areas of the state.

## **2.2 NHT3 arrangements**

The previous government's proposed arrangement for NHT3 and bilateral agreements developed with State Governments sought to address some but not all of these issues. QFF saw a key challenge for Federal NRM programs as better managing the interface between industry bodies and regional bodies and avoiding overlap between Federal, State, Regional and Industry programs. QFF was part of a high level working group involving Federal, State, Industry, Regional and conservation representatives established to investigate better linkages between programs in the lead up to NHT3. The report of that working group is attached (Attachment 1). That paper provides a broad argument for better alignment of effort across programs building from the interface with landholders as the key action point for change. QFF commends the paper to the Committee as presenting a possible framework for aligning NRM programs and moving forward.

In April 2007, QFF wrote to the then Federal Government outlining our view for NHT3 moving forward. Our key recommendations were:

- A nationally funded Reef stream to the NHT with a strong focus on supporting industry-lead best management practices for land and water resources would make a very significant contribution towards meeting the objectives of the Reef Plan, and avoid the problems of the disjointed and uncoordinated nature of Reef Plan activities over the last four years.
- A Sustainable Agriculture Strategic Investment Stream with the NHT3, incorporating a strategic research stream providing a state-wide strategic investment in projects of state-wide significance that would assist in developing and implementing sustainable agricultural practices; and a direct investment in industry programs stream, aiming to promote the rollout and uptake of industry sustainable agriculture best management practices programs consistent with the objectives of the NHT.

We argued that such an approach would be consistent with the objectives of the *Framework for Future NRM Programs* endorsed by the Natural Resources Management Ministerial Council in April 2006, particularly the need for mechanisms to address cross-regional issues (objective 3), the development of arrangements that encourage primary industry to be involved in private investment in NRM (objective 6), and developing arrangements that draw on existing operational experience of current and previous NRM models (objective 8). It would also help to continue to focus on making environmental management an integral part of overall good business management, as well as incorporating adaptation to climate change into existing FMS approaches and refining operational requirements (Framework p. 7). A key finding of the Keogh Review of Arrangements for Regional Delivery of Natural Resource Management Programmes was that the primary industry sector was yet to be fully engaged with the Federal NRM programmes. It concluded:

“The challenge is to identify where gaps in engagement exist and to expand on those models where effective engagement already occurs. Stronger support is needed for innovation and for communicating programme success.”

The report recommended strategies developed in partnership with industry to achieve higher levels of engagement (Recommendation 3) and a direct funding stream from government to improve the uptake of sustainable agricultural practices to deliver desirable regional, cross regional and cross-jurisdictional outcomes (Recommendation 4). The report noted:

“Industry organisations have built confidence and trust among members and consequently have an advantage when engaging constituents in areas like sustainable farming practices.”

Industry programs also reflect a considerable investment by Government, through both Federal and State NRM programs (e.g. Pathways to EMS, National Landcare Program) and through the rural R&D corporations which have helped to develop much of the content of such programs. To ensure maximum return on the governments’ considerable investment in NRM programs, it makes sense to build on pre-existing programs and engagement processes in industry to deliver the desired outcomes of the NRM program.

### **2.3 Caring for Our Country Arrangements**

QFF was pleased to see that our proposal for a Sustainable Agriculture theme was broadly picked up with the CFOC arrangements. However, we remain concerned that CFOC funding for sustainable agriculture appears to be less than was available under the previous programs such as Landcare, Environmental Stewardship, Environment, Pathways to EMS and other elements of the NHT and NAP. We are also concerned that the strategic industry investment arm of the former National Landcare Program which did much to develop major new strategic industry initiatives on NRM issues might not be replicated in the new arrangements.

QFF was also very pleased to see that the Federal Government has committed to a dedicated Reef stream with the CFOC – the \$200 million five year Reef Rescue Plan. QFF was instrumental in helping to develop the unique Reef Alliance involving six industry bodies and six regional bodies combining their networks to roll out the programs on the ground. A copy of the Framework proposing the Alliance is also attached (ATTACHMENT 2).

In terms of the rollout of the rest of CFOC, it is still unclear how this will occur. The strength of the Reef Rescue Plan delivery arrangements was the collaboration between industries and regions on multi-priority programs with a longer term funding commitment and a strong commitment to developing partnerships. The CFOC document appears to endorse similar approaches across the rest of the CFOC. However, excessive reliance on competitive grants will destroy much of the capacity for building partnership approaches and long term commitments necessary to make a real difference on the ground.

The ‘problematic’ result of the ‘Caring for our Country Open Grants’ recent call for applications in general are:

- there was no requirement to fit any strategic framework;
- projects designed in isolation of each other, required no relationship with regional plans or any other planning or priority setting process;
- a multitude of projects were proposed – far more than can be funded;



- expectation by community groups and government agencies for Regional Bodies to advocate their projects putting them in a very difficult position;
- much too short a time frame to gain any worth while collaboration and integration;
- lack of clarity about state role – funder, applicant, partner or planner;
- huge transaction costs as a result of so many applications causing widespread diversion from core business;
- no guidance was provided on how applications are to be assessed. Participants were mystified about how the Australian Government will assess a large number of diverse applications in the absence of any strategic framework.

By way of constructive feedback we would recommend that any ‘future’ programme calls need to:

- return to the development and approval of State and Commonwealth Governments agreed regional investment strategies which are directed by the national priority encompassing Regional NRM Plans;
- embrace greater links to regional plans and build on existing industry programs and networks;
- be preceded by an Australian Government review of regional plans to test alignment with Caring for our Country priorities;
- be predictably scheduled to allow adequate time
  - for greater collaboration between stakeholders,
  - to deliver a more integrated response to investor expectations;
- support the establishment of asset based forums to explore opportunities for greater collaboration e.g.
  - sustainable agriculture,
  - biodiversity/reserves,
  - water habitats;
- provide clear assessment guidelines to applicants; and
- give much stronger and clearer priority to long term partnerships between industry and regional bodies in delivery and networks.

The observations and comments above have been made in the spirit of continuous improvement of the Caring for our Country programme. We are committed to working with the Australian Government to ensure that the Caring for our Country is an extremely successful programme resulting in the long-term sustainable use of our precious natural resources. We question whether the contestable bids process will ever deliver a targeted and strategic outcome - it is not the way other government agendas like health and education are delivered.

### **3.0 Recommendations for Future NRM Programmes**

***Recommendation 1. Formally recognise the critical role that can be played by industry organisations and their farm management initiatives in directly supporting land managers in achieving improved on-farm and sub-catchment scale NRM.***

***Recommendation 2. In partnership with industry, set out a clearly defined agenda of priority NRM issues that need to be addressed to achieve a sustainable agriculture sector.***

While the Business Plan for CFOC does this up to a point, QFF would argue that it makes more sense to also build more detailed partnership approaches that cover specific actions and delivery arrangements even ahead of funding calls. This was the basis for the Reef Rescue Plan, and could form a meaningful basis for addressing other major sustainability

issues. Currently there are too many diffuse and competing policy agendas and messages affecting industry organisations and land managers, for example salinity management, water use efficiency, water reforms, reef water quality, etc. A clear and agreed outline of the key areas of focus required to enhance a sustainable agriculture sector would provide a valuable underpinning for future NRM program arrangements.

***Recommendation 3. Establish a program to support the on-going development and roll out of industry led FMS (and similar NRM) initiatives.***

The CFOC Outcomes statements sets its goals for sustainable farm practices as:

- *Assist at least 30 per cent of farmers to increase their uptake of sustainable farm and land management practices that deliver improved ecosystem services.*
- *Increase the number of farmers who adopt stewardship, covenanting, property management plans or other arrangements to improve the environment both on-farm and off-farm;*
- *Improve the knowledge, skills and engagement of at least 30 per cent of land managers and farmers in managing our natural resources and the environment.*

These goals cannot be met without the active involvement of industry organisations. Yet, the CFOC programs (other than Reef Rescue) are being developed with little or no input from industry organisations. Collaborative partnership approaches that build on existing industry and regional programs and networks are likely to be the most cost effective means of meeting the goals in CFOC, yet policy makers designing CFOC programs do not appear to grasp the necessary steps needed to build such partnership approaches. Indeed, QFF would argue that funding principles for CFOC should both actively encourage and even require such approaches. QFF believes that the very ambitious goals for sustainable farming practices in CFOC can be met, but only with a concerted agreed action plan and program negotiated between Federal and State Governments, Industry and Regional bodies.

***Recommendation 4. Involve industry in program design and planning of delivery from the start.***

Too often, government programs are designed in isolation without due consideration of target participants' desired outcomes, the logistics of rollout and the barriers raised by a range of legislative requirements which have predetermined but not necessarily aligned agendas.

***Recommendation 5. Consideration of industry drivers in the design of programs.***

Following on from Recommendation 2, consideration of industry drivers in the design of programs will encourage better involvement of industry. The Sustainable Agriculture Concepts Paper (Attachment 1) seeks to build industry alignment from industry drivers. This is essential as too often NRM programs are built solely from the policy objectives from government with little consideration of how uptake on the ground can be affected by the drivers facing farmers. If CFOC is to be successful, it needs to be built from the bottom up, from the landholder interface up.

Rural industries in Queensland are facing an unprecedented reform agenda, which includes competition-based reforms, natural resource planning and management reforms and structural reforms in the sugar and dairy industries.

The reform agenda is complex as it involves a number of staged reform initiatives (such as water, vegetation, salinity) being implemented through a range of different processes by a plethora of government agencies. The reforms are being driven through national and state policy frameworks and catchment wide plans. Farmers and local and regional communities find these frameworks and plans difficult to interpret let alone respond to.

The time frames for the development of policy frameworks and plans are continually extending, yet there is insufficient time made available to assess, explain and gain commitment to the changes required by the reforms at the local and property management level. Also there is insufficient science available to validate the plan targets (eg catchment environmental flow objectives). This raises questions regarding the credibility of the plans.

Farmers have a very real fear that the mix of reforms will drive them out of business rather than open opportunities for development. Considerable effort will be required over at least the next ten years to ensure that farming enterprises can cope with the implementation of reforms.

***Recommendation 6. Programs should build on and add value to current activities.***

Industry and regional bodies have made a considerable investment in developing their best practice and Farm Management System programs. Industry programs have been tailored to meet the need of producers at both a commodity and regional level, with a view to building more robust, sustainable, profitable and risk-based farm management systems. Government investments will deliver the greatest return on investment where they build on such programs rather than seek the creation of new programs or projects. Partnership approaches with alignment of effort across programs and requirements for collaboration rather than 'compliance' are likely to make the best use of landholder networks within industry and regional bodies and reach the largest number of landholders at the lowest cost. This is the basis of the Reef Rescue Plan partnership and can be duplicated in other areas.

***Recommendation 8. Programs should recognise the time required.***

The cultural change implicit in the adoption of sustainable farming practices and the monitoring necessary to observe NRM outcomes will be a long process, however the commitment displayed in the FMS Framework by QFF and its member organisations demonstrates our collective determination to move forward.

In conclusion, QFF looks forward to further dialogue in this important area and would welcome further engagement in the design of future NRM programmes.

## ATTACHMENT 1:

### BACKING GOOD FARMING PRACTICES

## A STRATEGIC APPROACH TO SUSTAINABLE AGRICULTURAL PARTNERSHIPS AND INITIATIVES IN QUEENSLAND - *DRAFT CONCEPT PAPER*

### Introduction

On 14 March 2006, a Sustainable Agriculture Policy Forum was held to assist in building a common understanding of issues relating to the design and delivery of strategic sustainable agriculture initiatives and in promoting partnerships in progressing future sustainable agriculture initiatives in Queensland.

The key outcome of the Policy Forum was agreement to develop a 'Concept Paper' as a first step in expressing an agreed strategic approach to sustainable agriculture across key stakeholder groups.

This Concept Paper is a collaborative directions document produced by the 'Concept Paper' Working Group consisting of representatives of the Australian Government, the Department of Primary Industries and Fisheries (DPI&F), Environmental Protection Agency (EPA), and Department of Natural Resources, Mines and Water (NRMW), the Queensland Farmers Federation (QFF), AgForce, Regional Group Collective (RGC), and Queensland Conservation Council (QCC).

### Purpose

The purpose of the Concept Paper is to work towards developing and articulating a long term, shared view on the strategic directions for sustainable and profitable agriculture in Queensland.

A shared view incorporates:

1. An understanding by all stakeholders of the **full range of sustainable agriculture partnerships and initiatives and processes** involved.
2. Agreement on the **key objectives and priorities** for sustainable agriculture partnerships and initiatives.
3. **Coordination and integration** where appropriate of national, state, regional and property scale policy, planning and management processes and activities.
4. A **partnership approach** to sustainable agriculture incorporating all relevant stakeholders.

A shared understanding on the strategic directions for sustainable and profitable agriculture in Queensland will guide the delivery of and coordination between key programs and assist in the development and implementation of the *Memorandum of Understanding to Progress Farm Management Systems, Blueprint for the Bush*, any bilateral agreements for the next round of the Natural Heritage Trust, regional natural resource management plans, and current water and vegetation reform activities.

There may be scope for the Concept Paper to lead to the development of an agreed policy statement on sustainable agriculture in the future. At this time there is no imprimatur for this to occur at either state or Australian government level.

This draft Concept Paper will inform discussions amongst Sustainable Agriculture Policy Forum participants in order for this group to provide direction on a way forward.

## **What is Sustainable Agriculture?**

For the purpose of the Concept Paper, the term sustainable agriculture is taken to mean

*The use of farming systems and practices which maintain or enhance:*

- *the economic and social viability of agricultural production;*
- *the natural resource base; and*
- *other ecosystems which are influenced by agricultural activities.*<sup>1</sup>

This definition captures the comprehensive triple bottom line of economic, social and environmental sustainability. It implicitly recognises the fourth dimension of cultural influences on the adoption of farming systems and practices, including those influencing the stance of policy, governance and administration. It also relates to the dictionary definition of sustainability in terms of keeping in existence or maintenance.

## **Drivers for Sustainable Agriculture in Queensland**

A series of key drivers were identified at the Policy Forum that have generated the need for this Concept Paper. These include:

- Lack of an articulated shared understanding of strategic directions for sustainable agriculture;
- Current emphasis and support for voluntary approaches as an alternative to regulation eg self management approaches, statutory stewardship obligations and market based mechanisms;
- Increasing government intervention through regulation including regulatory reform associated with security of entitlement e.g. Water Act, Vegetation Management Act, Land Act (leasehold land);
- Limited understanding by all stakeholders of the range of sustainable agriculture initiatives and processes that need to be considered;
- Increasing complexity of the policy environment which producers need to operate in relation to sustainable agriculture;
- Climate change impacting on the agricultural sector now and in the future; and
- International competitiveness and market access (community attitudes demanding sustainable production) e.g. niche for clean, green products.

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<sup>1</sup> Derived from the Rural Industries R&D Corporation report *Developing Indicators for Sustainable Agriculture*.

## **Challenges for Primary Producers**

Primary producers are substantially impacted by a myriad of drivers, despite the fact that some farm practices are already sustainable and many industries are working towards sustainability. By considering the challenges faced by a primary producer, there is an opportunity to focus sustainable agriculture initiatives which will achieve the desired outcomes. The challenge for primary producers is how to best respond to increasing regulation, current national and state reforms, and the emergence of community based regional natural resource management plans, while maintaining a viable, productive and internationally competitive business.

Broken down into parts, the challenge for a primary producer becomes one of:

- Managing change;
- Understanding and dealing with changing community expectations;
- Coping with the complex policy and regulatory environment, including complying with regulation;
- Achieving community understanding and acceptance of sustainable production systems in use;
- Contributing positively to the economy, rural and regional communities and sustainability of the natural resource base and the environment; and
- In some cases, identifying and adapting production systems to changing market requirements (e.g. climate technology, industry standards, food safety, community attitudes).

## **Challenges for Natural Resource Managers**

There are priority natural resource management challenges to focus sustainable agriculture efforts, particularly in sensitive catchments (e.g. Reef). These include:

- Water Quality;
- Climate change – mitigation and adaptation;
- Salinity;
- Erosion;
- Biodiversity and nature conservation;
- Biosecurity;
- Pests;
- Management of nutrients and chemicals;
- Water use efficiency; and
- Soil health.

## **Challenges for Policy and Delivery of Sustainable Agriculture Initiatives**

There are a range of existing mechanisms which involve a range of key players at differing scales which all have an influence on the direction of policy and delivery for sustainable agriculture initiatives, such as:

- The *Reef Water Quality Protection Plan* (Australian and Queensland Governments);
- *Memorandum of Understanding to Progress Farm Management Systems* (Queensland Government and Queensland Farmers' Federation);
- *Blueprint for the Bush* (Queensland Government, AgForce and Local Government Association of Queensland); and
- Existing regional NRM agricultural partnerships and initiatives funded through the National Action Plan for Salinity and Water Quality (NAP) and Natural Heritage Trust (NHT) (Australian and State/Territory Governments) including *Reef Link*, *Reef Extension* and *DCQ Rangelands*. Statewide initiatives include *AgSIP* and the *Systematic Approach to Sustainable Agriculture in Queensland* project.

The challenge is how to coordinate policy, planning, programs and management for sustainable agriculture at the national, state, regional and property scale. Such coordination is important to effectively and efficiently use resources, and may:

- Simplify decision making processes for primary producers;
- Address gaps;
- Build on successes;
- Strategic investment advice;
- Coordinate funding options to maximise funding opportunities; and
- Coordinated design and evaluation of projects.

## **Strategic Direction for Sustainable Agriculture in Queensland**

### **1. Objectives**

The following key objectives for sustainable agriculture have been identified by the Sustainable Agriculture Concept Working Group. Sustainable agriculture initiatives will:

- Contributing to Queensland's sustainability as central to government, industry and community's economic, social and environmental goals;
- Align producer and community expectations in relation to sustainable agriculture;
- Internalise the costs negative environmental externalities to enable the alignment of the costs of achieving sustainability with those who benefit from it;
- Ensure a complimentary mix of voluntary and regulatory approaches to achieving sustainable agriculture;
- Establish long term coordination through a partnership approach;
- Provide cost-effective delivery of services to producers; and
- Enhancing international competitiveness, including access to markets and alignment of production systems with market requirements where appropriate.

## 2. Policy priorities for sustainable agriculture

The following priorities for sustainable agriculture in Queensland have been agreed through existing documents and/or identified by the Sustainable Agriculture Concept Paper Working Group. These provide the focus for action, as evidenced by existing efforts in many of these areas by all stakeholder groups. Priorities identified include:

- **Focus on voluntary approaches** to sustainable agriculture as an important part of a complementary mix of voluntary, self management and regulatory approaches;
- **Demonstrate the profitability outcomes** of sustainable production systems;
- Provide a **sound scientific base** for linking practices to impacts and risk management;
- **Commitment** to coordinated and integrated (where appropriate) policy objectives and program delivery between industry, government and stakeholders which builds on existing agency and stakeholder partnership programs and processes;
- Ensure appropriate levels of engagement through development of an **agreed coordination mechanism**;
- **Coordination of operational** aspects of sustainable agricultural initiatives particularly at a regional level;
- Ensure adequate systems are in place for **monitoring and feedback** to track performance; and
- Clearly delineate **public interest requirements** on landholders.

## 3. Coordination and Integration across Different Scales

To better coordinate and integrate (where appropriate) existing sustainable agriculture initiatives, efforts should build on policy and planning approaches which currently exist at a state, regional and local government, and property scales, by describing the farming enterprise within a landscape that is relevant to that farming enterprise's management considerations. For example, the landscape of interest may be an irrigation scheme, a sub-catchment, or a rural production area in a peri-urban environment.

## 4. Approaches to Sustainable Agriculture

There are a range of approaches available to government, industry and stakeholders either in use or with potential to contribute toward the agreed priorities for sustainable agriculture. Key tools and mechanisms include:

- Policy leadership and direction, including potentially a high level strategic coordination plan for sustainable agriculture in Queensland to assist with implementation of the identified priorities with a view to a long term strategic investment strategy;
- Generation, dissemination and accessibility of information, by;
  - Working with supply chain participants to improve information on sustainability requirements along the supply chain, for consumers and to promote the achievements of producers,



- Continued development and implementation of a research, development and extension (RD&E) strategy for agriculture in Queensland.
- Enhancing voluntary industry-led approaches to deliver sustainable agriculture (Best Management Practice / Property or Farm Management Systems).
- Strengthening market institutions and incentives, for example;
  - Government grants programs, such as Sustainable Industries Initiative, Rural Water Use Efficiency program,
  - Ecosystem service payments, which could provide a mechanism for landholders to receive payment for provision of services (e.g. biodiversity protection) above and beyond those implied by regulatory and stewardship obligations
  - Tradable property rights for land, water and carbon
- Ensuring a best practice approach to regulation when considering;
  - Offsets, whereby developers are required to provide trade-offs for adverse environmental impacts,
  - Defining stewardship obligations to represent a delineation of community expectations (public interest) inherent in landholder entitlements.

Consideration of the tools and mechanisms needs to be done in the context of an appropriate mix of regulatory and voluntary approaches to achieving sustainable agriculture outcomes at minimum cost. This includes the need to minimise duplication of effort and resources and the need to build programs from the producer interface up. The above tools may also not be sufficient when used in isolation but when used in a coordinated and integrated way may achieve desired policy outcomes.

It is important to note that priorities for sustainable agriculture are constantly changing and evolving. The appropriate approach needs to be flexible and responsive in order to deal with this constant change.

## ATTACHMENT TWO:

### OUTCOMES OF THE REEF RESCUE PLAN REEF REGIONAL NRM BODIES/AGRICULTURAL INDUSTRY PARTNERSHIP MEETING

**Friday 1<sup>st</sup> February 2008**

*Queensland's industries and the Reef Regional Bodies<sup>1</sup> are presenting a joint approach to the Australian government concerning progression of the Reef Rescue Package.*

*The following key outcomes have been generated from a partnership meeting of Industry and Regional Bodies which straddle the Great Barrier Reef catchments. This meeting was held to establish this proposed collaborative way forward to deliver positive reef health outcomes.*

#### KEY OUTCOMES

- Peak Agricultural Industry Groups (Industry) and Reef Regional Natural Resource Management Bodies (Regional Bodies) are committed to a joint partnership from design to delivery, including mutual accountability of return on investment.
- The partnership between Industry and Regional Bodies is a critical and tangible planning and delivery asset that is central to the success of the program and as such needs to be adequately recognized and resourced.
- The Reef Rescue Package must value add to existing arrangements between Regional Bodies, Industry and their partners.
- Incentives program will have a consistent set of design principles and will be driven by maximum return on investment in the context of improved reef health.
- A transparent and efficient management system will ensure the effectiveness of the program and has been agreed to and detailed below.
- The Industry and Regional Bodies partnership proposes that dialogue between the Federal government and the partnership should be robust, responsive and supported by the proposed process below.
- The partnership recommends that the title "Reef Rescue Plan" is counterproductive to producer engagement. It is recommended that a more constructive title is adopted.

#### Background

The impacts of Climate Change on the Great Barrier Reef can be mitigated if Reef Water Quality is protected. In October 2007 the Federal Labor government made an unprecedented commitment to protecting the Great Barrier Reef from the impacts of Climate Change through a program designed to protect the Water Quality entering the Reef Lagoon. A central part of the protection strategy is to improve the quality of water entering the reef from agricultural land uses and as such relies on improved agricultural practice. Regional Groups and Industry have been working in partnership to produce the science and associated data that underpin the proposal. Industry and Regional Bodies have committed to further collaborative effort and have agreed on the broad arrangements that will be necessary to ensure the success of the federal Labor Government's Reef Rescue Plan (October 2007). These are presented in this document for further negotiation between the partnership and the Australian Government.

The following outlines specific agreement reached by Industry and the Regional Bodies with respect to specific components of the Reef Rescue Package.

### **Reef Partnership principles**

Industry and regional bodies agree that the development of this program could be best achieved based on the following principles:

- Delivery through flexible commodity specific and multi commodity programs that take into consideration Industry Group, regional targets, Reef Plan goals and the varying range of capacity for adoption across commodities and regions;
- Producer engagement, training and incentive programs to foster the accelerated uptake of on-ground activities and improved practices that deliver productivity, sustainability and most importantly improved profitability, thereby maximizing return on investment and public/private good outcomes;
- Investment by Governments, Industry Groups and their industry partners, Regional NRM Bodies and producers for the key elements of the program;
- Build on existing successful plans, activities and documented practice improvement opportunities and based on continuous improvement and risk based management approaches at a regional and industry level.
- Funding to be of sufficient scale and term (i.e. 5 years) to foster a strategic approach, build farmer commitment, and through the partnership, ensure effective delivery;
- Ambitious goals, targets, performance standards defined clearly, commensurate with the funds available, articulated to all stakeholders and adapted with the experiences that develop as the Program is rolled out;
- Clear links between specific on-farm actions and sub-catchment NRM targets and reef water quality outcomes;
- Clear roles and responsibilities for Program partners and transparent management and accountability;
- Reef Rescue Package should enhance regional and industry arrangements, with investment aligned across regional boundaries by a consistent set of design principles;
- Incentives should be delivered following an agreed Property Plan/FMS. Incentives must have public good delivered and through the most efficient mechanism. Private benefit may be funded to accelerate adoption rates;
- Incentive programs must accommodate justifiable regional/industry differences.

### **Reef Partnerships Program**

Industry and Regional Bodies agree that a joint partnership approach between industry and Regional Bodies building on existing programs and efforts is the most effective means of delivering the outcomes and achieving the objectives of the Reef Rescue Plan. This is congruent to the Labor Reef Rescue Plan proposal which aims to boost partnerships between Regional NRM Bodies, Industry and others. The commitment to the partnership is demonstrated through the proposed coordinating arrangements that were agreed to by the partnership.

*1. A **Coordinating Group** comprising of the following will oversight the implementation of the Reef Rescue Package in Queensland. A key responsibility of this group is to provide*

*advice to the Australian Government on the oversight of development and delivery of the program. It is proposed that the membership of this group would comprise:*

- *2 Industry representatives*
- *2 Natural Resources Management Bodies representatives*
- *technical expertise as required*

*2. **Industry Working groups** will be work horses for program delivery. Each industry will work consistently with all Regional NRM bodies for that industry through an industry specific working group. Industry Working Groups will propose targets, actions and delivery arrangements and will report to the Coordinating Group.*

*Each will comprise:*

- *Industry representatives*
- *NRM Body representatives, preferably through a lead NRM body for each*
- *particular industry*
- *Other expertise as required on an industry by industry basis.*

Industry and regional bodies recognize the importance of partnership approaches to support landowners. However, we are concerned that the importance of information diffusion and extension is undervalued by the proposed investment package. Regional bodies and industry view this component of the package as being under funded (\$12m of the \$60m proposed), and additional funds will need to be sourced for the program to be effective, and deliver the most cost effective outcomes on the Water Quality Grants investment.

### **Water Quality Grants Scheme**

To reiterate the need for effective delivery, it was further stated by the partnership that the Reef Rescue Package Water Quality Grants Scheme should enhance regional and industry arrangements. However, investment under the Reef Rescue Package would be aligned across regional boundaries by a consistent set of design principles. A key design principle is that incentives delivered will follow an agreed Property Plan/FMS.

Incentives must also have public good delivered through the most efficient mechanism but that private benefit may be funded to accelerate adoption rates. It was noted that further analysis is required here and that this investigation needs to be funded. Underpinned by agreed guiding principles it is proposed that a Multi-Criteria Analysis (MCA) could be used to determine regional/industry allocation of incentive funds under this component of Reef Rescue Package.

### **Reef Water Quality Research and Development Program**

Research programs must support the implementation of the plan. Both Industry and Regional Bodies should be fully engaged in the design and delivery of research initiatives. These initiatives need to include both investment in water quality science as well as improved best management practices and delivery systems. Priorities for this work need to be progressed via the existing mechanisms established via the existing Reef Water Quality Partnership arrangements. More direct industry involvement in the Reef Water Quality Partnership is also required.

### **Water Quality Monitoring and Reporting Program**

The importance of industry in the on-ground monitoring of practice and resource condition change further supports mutual accountability of outcomes. The Reef Water Quality Partnership has amassed experience in this area over the previous 18 months. In

recognition of this it was agreed that the collective expertise of the Reef Water Quality Partnership with improved industry involvement should underpin the progression of this program.

**Sea Country Indigenous Partnerships Program (\$10 million)**

It was agreed that current regional arrangements for traditional owner involvement in natural resource management (eg existing and emerging traditional owner-based land and sea management institutions) need to be acknowledged in this component of the Program. A collaborative approach to this would be negotiated with Great Barrier Reef Marine Park Authority (GBRMPA). GBRMPA has already noted support for this concept.

**A proposed way forward**

In order to ensure effective and efficient dialogue between the partnership and the Federal Government that is not exhaustive of available resources it was agreed that a temporary working group will be formed to further design the program. This working group comprises:

John Cherry (Queensland Farmers' Federation)

Allan Dale (Terrain Natural Resource Management)

Ian Ballantyne (Canegrowers)

Suzie Christensen (Fitzroy Basin Association)

Brett De Hayr (Agforce)

Col Creighton (Mackay Whitsunday Natural Resource Management Group)

Industry and regional bodies will need to make a significant investment ahead of the full rollout of the program in the identification of risk factors, profiles, targets and work plans.