

QFF MEMBERS

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 & Garden
Industry Queensland

Qld Chicken Growers
Association

Qld Dairyfarmers'
Organisation

Qld Irrigators Council
Association Inc

Qld Pork Producers
Inc.

24 November 2005

Mr Gary Banks,
Chair,
Federal Regulation Taskforce
PO Box 282
Belconnen ACT 2616
Email: info@regulationtaskforce.gov.au

Dear Mr Banks,

The Queensland Farmers Federation (QFF) is a federation of major intensive agriculture organisations and value-adders which unites fourteen of Queensland's peak rural industry organisations, collectively representing over 14,000 primary producers across the State.

QFF welcomes the establishment of the Regulation Taskforce. QFF commodity members are affected by cost structures and market forces which are impacting on the primary production sector as a whole. Regulation adds significantly to the costs of running a farm enterprise, and QFF would urge the Taskforce to give high priority to addressing excessive regulation in this sector which is impairing the competitiveness of Australian agriculture.

Our submission deals in some detail with the increased amount of State and Federal regulation of natural resource management issues. QFF is a strong supporter of voluntary, self-management approaches to such issues, arguing that in many instances, such approaches are more likely to deliver better policy outcomes. Our submissions deals in some detail with our Farm Management System program which is an industry initiative to deliver better sustainability and profitability outcomes without the need to rely on excessive regulation.

Please contact me should you require further information.

Yours sincerely,



John Cherry
Chief Executive Officer

QUEENSLAND FARMER FEDERATION SUBMISSION TO THE PRIME MINISTER'S REGULATION TASKFORCE November 2005

The Queensland Farmers Federation (QFF) is a federation of major intensive agriculture organisations and value-adders which unites fourteen of Queensland's peak rural industry organisations, collectively representing over 14,000 primary producers across the State. Its 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 Irrigators Council Association Inc
- Qld Pork Producers Inc.

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; environment and natural resources; industry development; economics; quarantine and trade.

QFF welcomes the establishment of the Regulation Taskforce. QFF commodity members are affected by cost structures and market forces which are impacting on the primary production sector as a whole. Farmers will continue to be price takers rather than price dictators. A recent analysis of Australian Farm Sector Demography compiled by the Australian Farm Institute noted that:

The real dollar value of Australian farm sector outputs has plateaued with future growth in profitability dependent primarily on finding ways to enhance the value of outputs and on increased efficiency of use of existing resources.¹

¹ Synapse Research & Consulting Pty Ltd & Bob Hudson Consulting Pty Ltd (Australian Farm Institute) (2005) *Australian Farm Sector Demography*

1. Farm Cost Structures impacted by regulation:

Rural producers have little influence over the prices they receive, and little capacity to pass on increased charges. What they can influence is total amount of production and the underlying costs structure. For decades, Australia's rural industries have maintained a reasonable standard of living for primary producers by containing costs and improving productivity. ABARE data shows that costs continue to rise faster than commodity prices for most Queensland rural industries:

% Changes In Prices Received and Costs Paid by Farmers

Item	Change 1996/7 to 2000/01	Change 2000/1 to 2004/5	TOTAL
Prices -			
Grains	+3.4	-0.5	+2.9
Beef	+55.1	+20.7	+87.2
Sugar	-29.6	+6.1	-25.3
Cotton	+2.9	-18.0	-15.6
Fruit	-6.9	+22.5	+14.0
Vegetables	+6.5	+19.9	+27.8
Milk	-6.2	+7.1	+0.5
Poultry	-16.0	+8.5	-8.8
Pigs	-7.8	+5.6	+2.5
Total Prices	+6.8	+10.0	+17.5
Total Costs	+11.1	+11.3	+23.7
- Fuel	+32.1	+6.1	+40.2
- Labour	+13.5	+13.1	+28.3
- Breeding stock	+41.0	+23.4	+73.9
- Insurance	+11.9	+21.5	+36.0
- Rates & taxes	+17.6	+11.0	+30.5

(Source: ABARE Australian Commodities Sep 2005)

This table shows that over the last eight years, with the exception of beef and vegetables, cost increases have substantially exceeded price increases for most Queensland rural industries.. Indeed, ABARE data shows that total net farm income fell almost 10% in 2004/5, and will fall a further 23% in 2005/6 to \$4.5 billion.

Interestingly, from a Government perspective, rates and taxes charged to the rural sector have risen twice as fast as prices in the same period. Too often, Governments have imposed regulatory costs and charges on the rural sector without proper consideration of the cumulative economic impact those costs have. Some examples include:

- **Natural resource management costs.** The costs of complying with the Vegetation Management Act, the Water Act and the Land Act. The application fee for lodging a Land and Water Management Plan, for example, is \$250, ongoing vegetation clearance fees are \$280.60 plus the indirect costs such as consultants to assist with applications;.

- ***Occupational health and safety costs.*** The State Government is currently in the process of progressively removing all rural industry exemptions for OH&S laws at the behest of the union movement in line with national agreements on OH&S. This will increase costs for farmers. For example, the proposal to remove the exemption from ‘prescribed occupations’ would require farmers to obtain licences to drive all load shifting equipment on farm, such as forklifts, backhoes etc.
- ***Irrigation water charges.*** This year, in pursuit of the National Water Initiative, the introduction of the Water Resource Management Charge was a new impost of \$10 million on rural Queensland, already suffering poor income due to drought. Since 2000, Sunwater Irrigation charges have increased by a third (from around \$30 million to around \$40 million), with a similar increase likely from the next price round due to be completed by April 2006. The National Water Commission needs to be vigilant that state governments do not impose excessive cost and regulatory burdens on water users. Yet, at a recent conference, the new Commission chair was quoted as saying that water prices will rise and that water policy management costs will also rise. QFF finds it difficult to understand how a Federally appointed official could state such a position given the Prime Minister’s commitment to removing red tape.
- ***State and Federal taxes..*** The increase in land values has significantly increased the stamp duties and rates payable by farmers on land conveyancing. Similarly, the large increase in insurance costs has led to a commensurate increase in stamp duties payable. Stamp duty adds costs in an economically inefficient way to farm businesses engaging in succession planning or loan renegotiation.
- ***Security sensitive chemicals.*** New requirements brought in last year by the Federal and State Governments on the storage and use of ammonium nitrate have also added to farm costs. Governments are now considering widening the ‘anti-terrorism’ net to cover other chemicals.
- ***ICA Fees and charges.*** The introduction of Interstate certification fees and charges has added another additional cost to horticultural businesses throughout the State. These are seen as a Government revenue raising mechanism as no real attempt to reduce, consolidate or minimise the fees has occurred..

2. Future Operating Environment

Rural industries 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 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, and to minimise the costs associated with new regulatory requirements. Key questions facing the rural sector in dealing with the unfolding reform agenda include:

- How are farmers' rights of access to and use of natural resources likely to change with the implementation of reforms? If these changes reduce accepted rights of access and use, does the community share some responsibility for these impacts?
- How can science be improved to provide better assessment of not only the need for reform but also the quantum of change required at a regional and local level to meet catchment/regional targets?
- How can farmers improve their on-farm environmental performance to achieve adaptable and sustainable outcomes?
- How can farmers be sure that their efforts on-farm will improve environmental conditions at a catchment and regional level?
- How can farmers make better use of the available natural resources (once environmental requirements are determined) to improve business performance?
- What will it cost farmers to access and use natural resources? What are the implications for farm viability?
- Will food imports be required to meet the same standards in terms of natural resource management as Australian produce i.e. will there be a genuine level playing field?

Governments can play a key role working in partnership with rural industry and other stakeholders to address these issues and fully engage farmers and their communities to implement reforms using practical and efficient measures. To achieve this outcome, there is a need for Governments, rural industry and other key stakeholders to define and commit to a partnership approach to reform implementation.

3. Need for consistent State application of national agreements:

On the 12 October 2005, the Prime Minister and Treasurer announced the establishment of a taskforce to identify practical options for alleviating the compliance burden on business from government regulation. The Taskforce has been asked to examine and report on areas where regulatory reform can provide significant immediate gains to business.

Its tasks include to:

- identify specific areas of Commonwealth Government regulation which are unnecessarily burdensome, complex, redundant or duplicate regulations in other jurisdictions;
- indicate those areas in which regulation should be removed or significantly reduced as a matter of priority;
- examine non-regulatory options (including business self-regulation) for achieving desired outcomes and how best to reduce duplication and increase harmonisation within existing regulatory frameworks; and
- provide practical options for alleviating the Commonwealth's 'red tape' burden on business, including family-run and other small businesses.

A key issue for primary producers is achieving consistent efficient approaches across the nation on regulatory issues affecting the rural sector. Too many times COAG agree on principles, but then State Government departments develop inefficient, inconsistent regulatory approaches in each State, adding to the costs of running business. QFF believes that there needs to be more consistent, national approaches across a whole raft of areas that impact on primary producers, including:

- food safety and quality assurance;
- biosecurity and quarantine matters;
- occupational health and safety;
- natural resource management.
- transportation. It is ludicrous that for dairy farmers it is cheaper to ship grain from the USA than it is from WA. This needs to be carefully considered given the growth of new demand for grain in the eastern states into the production of ethanol.

4. Fuel excise reforms 2006 to 2012

Federal Government should be encouraged to fast-track the below mentioned fuel excise reforms announced by the Treasurer in June 2004. Fuel prices have been the fastest growing cost input for farmers. This is significant given farmers spend around \$2.1 billion a year on fuel. Fuel price rises have added around \$600 million to farm costs over the last three years.² Fuel costs for farmers rose by 14% in 2003/4, 22% in 2004/5 and are forecast to rise by 20% in 2005/6. Farmers fuel bills this year are twice what they were just eight years ago.³

The Federal Government has announced the phasing in of full rebates for all business off road fuel use (including petrol) between 2008 and 2012. Examples of additional activities to be covered from 2008 include” drying of crops/grains after harvest, vehicles under 2.5 tonnes used off road for business purposes (e.g. petrol utes and quad motorcycles), off road transport of livestock and diesel used for commercial electricity generation.

QFF believes that the Federal Government should bring forward these changes in off road fuel use, to apply from 2006 rather than 2008. With the Commonwealth enjoying surpluses of \$8 billion or more a year, and given fuel excise collections have risen by more than \$1 billion a year since 2001 despite the freezing of indexation⁴, such a reform is clearly affordable and would help ease the fuel burden.

To implement the reforms to fuel taxes, the Government will introduce a new business credit system. This system will replace all existing rebates and subsidies. Businesses will be able to claim their fuel excise credits through their Business Activity Statement in the same way as they claim their GST credits. Business will only be required to fill in one form, and will have only one point of contact with the Australian Tax Office. This new system will substantially reduce compliance costs for business, and should be applied earlier (from 2006) rather than later as currently planned.

² ABARE Australian Commodities Sep 2005 p.566

³ Ibid p 565

⁴ Commonwealth Budget 2004-5 Budget Paper No 2 p. 5-34

5. Regulation and taxation of biodiesel production:

Biodiesel has great potential as a renewable fuel in rural areas, particularly given the large increase in diesel prices. Biodiesel is a renewable fuel made from vegetable oil (new or used) or animal fat (saturated oils/fat). It is an environmentally friendly replacement for, or additive to, diesel fuel. Some of the advantages are:

- No major engine modifications are needed to use biodiesel.
- Does not require special storage or fuel dispensing facilities.
- Reduced harmful exhaust emissions, almost no sulphur emission.
- Reduced hydrocarbons, carbon monoxide, aromatics and particulates emissions.
- Better engine lubrication than low-sulphur diesel fuel.
- Has better power rating than conventional diesel – is a better fuel.
- Excellent biodegradability characteristics, low toxicity and high flashpoint.
- Biodiesel is renewable. Carbon is recycled through plantations back into oil.
- Can be made easily and safely with small (backyard) and large scale equipment.⁵

But, the biodiesel industry faces some serious policy challenges to become established in Australia. A University of Western Australia information sheet describes these as:

The oil companies appear to have successfully lobbied the Federal Government to hinder the progress of this industry in Australia: They have caused an excise to be imposed on biodiesel before the industry begins - natural gas has been excise free for the last 20 years to enable it to grab a sustainable share of the market place. They have introduced a licensing system that favours large corporations. They have written an Australian Standard that requires biodiesel to be a significantly better fuel than dinosaur diesel - which it easily meets. The standard requires a direct test of CTANE rating in a variable compression diesel engine - made only in Chicago, and at the time of writing the standard only approx. 24 existed on the planet and the only one in Australia was non-functional. Dinosaur diesel does not need to be directly tested in the standard whereas biodiesel must be.⁶

The NSW Farmers Association has pointed to impediments for on-farm production of biodiesel, with a regulatory system designed around large fuel production rather than small-scale production. Excise duty must be paid on all fuel produced, but biodiesel is not included as an eligible fuel for agricultural activities, particularly for private use. If excess fuel is to be sold to neighbours, registration as a fuel supplier with the ATO is required. Mandatory testing of fuel (at \$3000 a test) is needed. This rigid and restrictive approach contrasts with the United States, where no excise duty is payable on production of biodiesel for private use. Transportation requirements are also very onerous.⁷

Yet, farm scale biodiesel production could be of great benefit to farmers. A farm scale plant using canola developed by a Wimmera-based canola grower Steven Hobbs was developed for around \$20,000 and able to produce biodiesel at around 62 to 78 cents per litres (ignoring the costs of canola seeds or the revenue from the canola meal, glycerol or other by-products

⁵ University of Western Australia <http://www.sustainability.fm.uwa.edu.au/>

⁶ University of Western Australia <http://www.sustainability.fm.uwa.edu.au/>

⁷ NSW Farmers Association submission to Biofuels Taskforce 2005 p.9

produced), rising to around 78-94 cents when the opportunity cost of canola is added in.⁸ A study by the WA Department of Agriculture showed somewhat higher costs of producing biodiesel from canola (approximately \$2.13 per litre), with a quarter of that being the opportunity cost of not selling the canola and 15% being the labour cost. On the other hand, revenue was around \$1.42 per litre, half coming from biodiesel and half from meal by-products. The model was extremely sensitive to canola and diesel prices. At current canola farm gate price (\$317/t) and diesel on farm (\$0.77/l), there was a loss of around \$265 per hectare. Diesel prices would need to rise 70% to break even. If canola prices fell 20% (to their 1999/00 price level), biodiesel would break even at a diesel price of around \$1.10 on farm.⁹

QFF submits that on-farm production of biodiesel could provide long term fuel security for farmers and improved greenhouse gas emissions, but more supportive regulations are needed to foster this. QFF recommends that the Federal Government establish a new excise and regulatory regime for on-farm production of biodiesel, with an excise exemption for private use and a more scale-appropriate regulation of local fuel sales and fuel transportation. Further, the fuel standard for biodiesel should be reviewed to ensure that that the standard does not impede the development of the industry, while protecting consumers.

6. Road transportation:

While the Heavy Truck Regulations were originally intended to apply to Heavy Vehicles, it is apparent that elements are being applied to light vehicles. An example is the application of “conditional registration” to “four wheel ag bikes” or tractors if those vehicles cross a road or operate on a road related area (beside a road). This is an unnecessary administrative burden for vehicles that do not travel significant distances on roads or only just cross roads. A more practical approach is required in relation to light vehicles, for example by focusing on the real requirements rather than a blanket based approach using regulations that apply to quite different vehicle classes.

Fatigue Management: The flexibility associated with maintaining records in relation to fatigue management is beneficial, particularly in relation to the definition of Local Area and the choice of whether or not to use the National Log Book. However, from an Employer’s Perspective, the requirements to maintain records of driving, working and rest times may place an unnecessary chain of responsibility on those employers. A slight change in terms of requiring both the employer and employee to sign an acknowledgement of these conditions is therefore required.

7. Work Place Health and Safety

Primary producers i.e. employers and self-employed persons are being subjected to an increased need to demonstrate compliance with workplace health and safety legislation. Recent changes to the Queensland *Workplace Health and Safety Act*, legislated we are told as a result of ministerial agreements at a national level, have imposed as mandatory requirements risk management assessments on safety at the workplace and for safe systems of work. This together with record keeping will have significant implications for primary producers and the way they work.

⁸ Ibid p.10-11

⁹ Brad Plunkett, presentation to Australian Oilseeds Federation Aug 2005 <http://www.australianoilseeds.com>

Producers are generally concerned about the lack of consultation taking place on the development of new or revised legislation. Exemptions granted to rural industry under the *Workplace Health and Safety Act* are systematically being lifted over the next year and a review of regulations is currently being undertaken. Regulation is currently being phased in requiring the mandatory fitment of rollover protective structures to tractors by 1 July 2007. Regulations and Code of Practice in the area of working in confined spaces, provision of amenities, noise limits, hazardous substances and chemical safety training are making farming more difficult to sustain and increasing costs.

Another area on the horizon that is causing much concern for primary producers is the proposed introduction of prescribed occupations for the operation of load shifting equipment which will mean that primary producers will have to become licensed to operate equipment that they may have been driving for many years and to pay for the privilege to continue to use such equipment.

8. Environment and natural resource management regulations

QFF believes that rural industry and farmers have critical roles to play in regional natural resource management. Within bounds set by regulation, landholders are ultimately the ones who decide how to manage and use the 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. In recent years, an array of new regulatory controls on natural resource management issues has added to the cost and complexity of managing a farm enterprise. While many regulations are state based, there are likely to be drivers from the federal government.

Native vegetation laws at a State level have been the most recent area of contention for farmers. The Productivity Commission has produced a solid report on the onerous nature of that body of regulation, as well as best practice guidelines on better regulatory approaches. QFF commends the report and its recommendations to the Taskforce as an example of how natural resource management regulation could be improved in a wider reform sense.¹⁰

A significant concern is the administrative inefficiencies associated with preparing regulatory required documents for applications for plans and licences and their associated processing by the relevant regulatory agencies. There is almost always a significant time and information requirement with preparing these documents, and much of the information requested in the documents of application can be irrelevant and take the focus away from managing the risks – the applicants often receive no real benefit from the information other than a “approval tick”. Further, much of the information is difficult to obtain (even from regulatory agencies) and can be expensive. The processing of the documents in many cases takes a significant time.

A more practical approach would be to identify the risk areas of the farm in question and to provide information on, and more importantly, to develop management approaches, based on the specific risks. This is more likely to provide benefits and desired outcomes in terms of sustainability from an environmental and profitability perspective. QFF and its members are also developing industry Farm Management System (FMS) programs which can allow for farms to achieve equivalence with regulatory requirements.

¹⁰ Productivity Commission “Impacts of Native Vegetation and Biodiversity Regulations” report No 29 April 2004 especially

QFF is particularly concerned about the growing complexity of property level planning and management requirements to accommodate the various reform agendas (water, vegetation, salinity and water quality, coastal management etc). We understand the complexity and costs of trying to bring these requirements under one single piece of legislation however it would be valuable to bring together common elements of existing legislation within a coordinating framework. Effort to develop a national level approach to environmental management of agricultural land resources needs to also consider developing a guideline for best practice regulation. QFF recommends that such guidelines seek to ensure that Governments:

- Recognise self-management property management systems such as QFF's Farm Management Systems program) for compliance with existing regulation;
- Providing time and support for the implementation of self management programs like FMS before significant new regulation is initiated, and
- Not seeking to regulate FMS programs or to use FMS Programs to deliver regulation.

QFF welcomes the broad endorsement of property management systems by the most recent Primary Industries Ministerial Council in October 2005, but believes that the Commonwealth needs to lead by example.

8.1 EPBC Act

The operation of the *Environment Protection and Biodiversity Act 1999 Act* remains a key focus for QFF, who since the development of the Act, has been monitoring its implementation. Because Queensland is home to a wide array and numerous matters of national environmental significance, the State is considered 'trigger rich', with the Act potentially having significant ramifications for agriculture.

Evidence to date suggests that in terms of requiring assessment and approval of activities there has been little direct impact on the agricultural sector. Still, it is considered the Act contains very strong mechanisms to promote its objectives, and its effectiveness in terms of environmental outcomes and impacts on landholders is will depends on how the Act is able to be used and enforced.

A chief concern has been around the term 'significant impact'. Approval under the Act is required if an action has (or is likely to have) a 'significant impact' on certain matters, such as a matter of national significance. Despite its importance in the regulatory regime, the term 'significant impact' is not defined in the Act or regulations. Although the *EPBC Act Administrative Guidelines on Significance* (recently reviewed) and guidelines for specific species, go some way to clarify the meaning of significant impact using impact criteria, no guidance is provided on how a referred action will be assessed. Due to the 'gap' between the Act's potential scope for and actual implementation, together with the use of the somewhat ambiguous "significant impact" as the referral trigger, there remains a degree of uncertainty about the Acts direct and indirect impact on landholders both now and for the future.

In the five years since the Act has been operational, its implementation has slowly improved. There exists though much more scope for improvement in terms of clarifying the role of the Australian Government and the States and Territories regarding the environment. Their still remains much potential for duplication and inconsistency, particularly in relation to the listing

and protection measures (and referral assessments and approvals) for threatened species and ecological communities.

8.2 Farm Management Systems

Farmers are concerned about the increasing paperwork associated with agri-business. The development of Farm Management Systems (FMS) and related procedures provides an excellent opportunity to review the impact of regulatory processes at a farm level with a view to achieving best possible policy outcomes with minimal regulatory intrusion. QFF and members are developing Farm Management Systems to help farmers address the practical implementation of reform on their farms.

A farm management system is a voluntary, systematic approach to agricultural business management that can be used by primary producers to identify and manage risks that may occur as a result of their enterprise. It is a tool to help drive sound business development and management. QFF members are developing FMS programs in conjunction with their farmers as well as in conjunction with one another under the umbrella of QFF. An FMS Framework is being developed to enhance the individual activity of member organisations and provide a means of supporting QFF members to deliver FMS at the farm level.

QFF has set out to work with stakeholders, particularly the Queensland Government, the Federal Department of Agriculture Forestry & Fisheries and regional Natural Resource Management (NRM) groups to foster an environment that supports and enhances this work. Significant partnering steps thus far have been the signing of Memoranda of Understandings between QFF and the Queensland Regional NRM Groups Collective and Queensland Government in June 2004 and March 2005 respectively. Partnership work of late has also included the conservation sector, where it is hoped that the sector on the basis of gaining confidence in this work is able to 'endorse' Farm Management Systems. The MOU with the Queensland Government recognises that FMS programs should:

1. Be broadly consistent with, and have the capacity to align with, national industry programs or similar systems, such as quality assurance schemes, food safety and workplace health and safety programs;
2. Aim for continuous improvement through an adaptive management cycle i.e. plan-do-check-review, of planning, implementation, evaluation, review and reporting
3. Be based upon a risk management approach;
4. Integrate the management of natural resources including environmental values into a whole-of-farm business management system;
5. Be voluntary for QFF member organisations and voluntary for their membership
6. Be simple to administer and implement, seeking to reduce rather than add to the complexity of sustainable farm management;
7. Utilise the best available science and up-to-date recommended management practices;
8. Promote awareness and understanding of landscape and regional natural resource management priorities;
9. Be applied by industry and tailored to suit differing industry and regional needs (including multi-commodity enterprises), requirements and capabilities;
10. Incorporate property level management performance verification and reporting systems that producers can use to monitor and record their own performance to assist

with farm planning and review for improvements in profitability and sustainability, and where it is required to demonstrate achievement of or progress towards recommended management practices;

11. Be capable of assisting producers to achieve recognition from government, community and market processes;
12. Be capable of assisting producers to demonstrate their 'general environmental duty' under the Environmental Protection Act 1994 and the 'duty of care' under the Land Act 1994;
13. Be capable of recognition by the Queensland Government as assisting producers to meet specified statutory property-level management requirements;
14. Focus on the improvement of on-farm management to assist producers in meeting their own outcomes as well as where necessary, industry and regional desired outcomes; and
15. Inform industry-wide performance reporting.¹¹

The Queensland Government has recognised the potential of the Farm Management Systems and has assisted QFF members through programs such as the *Rural Water Use Efficiency Initiative* and a number of funding grants from the Environmental Protection Agency's Sustainable Industries Division. The Australian Government has supported member organisations too, with the most recent effort being through the third round of its *Pathways to EMS Program*. This support has been of great value in developing FMS Programs.

9. Biosecurity and Quarantine

QFF recognises that Australia has international obligations to run its quarantine system on a science-based analysis. Nevertheless, many QFF member organisations have been concerned that Biosecurity Australia has been compromising the scientific basis of import risk assessment to further Australia's trade agenda. Recent and past controversies concerning the import risk assessments of pig meat, chicken meat, apples and bananas have lead many producers to become very concerned about the future of Australia's biosecurity system.

The separation of Biosecurity Australia from the trade facilitation divisions of DAFF was a welcome and long overdue reform. Biosecurity Australia should be run as a science-based organisation entirely separate from the trade policy agencies of Government. QFF would urge the Government to ensure that Biosecurity Australia has a clear mandate to run a conservative approach to import risk assessments that aims to minimise (and preferably eliminate) the risk of disease entering Australia from imported produce. This mandate should be clear and unambiguous. Biosecurity Australia also needs to improve its consultation with industry, recognising the enormous cost effort entailed by industry in responding to import risk assessment reports. The recent import risk assessment on bananas, for example, cost banana growers hundreds of thousands of dollars in costs to complete scientific and technical responses. This is a cost which, to some extent, it is unfair to impose on industry. Industries involved in exporting plant and animal materials are not happy with the cost effectiveness of Australian Quarantine Inspection Service (AQIS) services. In the nursery industry, AQIS inspection add thousands of dollars in costs and delays to exports even of small shipments. Similar concerns have been raised about horticultural exports. There is a

¹¹ Queensland Government/QFF Memorandum of Understanding on Farm Management Systems March 2005

clear need for an efficiency review of AQIS services to ensure that export inspections occur in a timely and cost effective manner.

10. Immigration:

Labour costs are a rising component of farm expenses in a tight labour market. Farmers have always welcomed migrant labourer (including temporary visitors and backpackers) as a means of finding seasonal workers. Recent measures have made working as a rural worker more attractive for backpackers with the possibility of a visa extension. However, there are still unnecessary costs and complexity involved in employers taking on migrant labour. In particular, employers need to be assured that a potential employee is allowed to work in Australia. Currently, checking of a visa and an applicant with DIMEA is necessary to confirm the status. QFF believes that this process could be facilitated by the DIMEA issuing visa holders with a “Green Card” containing a photograph identification, stating clearly what work permissions the worker has. This would greatly reduce the compliance costs for an employer wishing to take on migrant workers

11. Collective Bargaining and the Trade Practices Act:

Farmers face a very difficult marketplace with a highly concentrated retail sector, and increasingly concentrated wholesale and processing sectors. As such, there is often an imbalance of market power that needs to be addressed by collective bargaining arrangements. These require authorisation by the ACCC under the Trade Practices Act. The Dawson Inquiry in 2003 recommended a number of modifications to make this process less onerous, which were included in the *Trade Practices Legislation Amendment Bill (No 1) 2005*. QFF and its members strongly support the collective bargaining provisions in that Bill. The bill passed the Senate on October 10, 2005 with a section deleted, but has been laid aside by the House of Representatives. The QFF supports the bill and would urge the House to pass the bill forthwith to allow the rural sector to access its benefits. The provisions which the Senate deleted which deal with mergers and acquisitions have little relevance or benefit to the rural sector, although. QFF notes that as concentration of ownership is a serious concern in the retail and processing sectors. We note with concern that the ACCC is of the view that the provisions are unnecessary and may undermine the effectiveness of its mergers and acquisitions powers. QFF does not believe that passage of the collective bargaining provisions should be made conditional on the passage of the mergers provisions, and would urge the Government to enact the bill that has already passed the Senate.

12. Taxation:

Taxation is the area of greatest Federal regulatory complexity for farmers, adding hours each month to the administrative burden of running a farm business. QFF would urge the Taskforce to consider carefully submission to ease the taxation regulatory burden on business. We do not have specific expertise in this area, but would expect this topic to be dealt with extensively by other bodies. QFF would support any recommendations that result in a simplification of the taxation system and an easing of the onerous regulatory burden associated with it.