AgForce Queensland Industrial Union of Employers
ABN 21 241 679 171

Second Floor, 110 Mary Street, Brisbane, Qld, 4000
PO Box 13186, North Bank Plaza, cnr Ann & George Sts, Brisbane Qld 4003

Ph: (07) 3236 3100
Fax: (07) 3236 3077
Email: agforce@agforceqld.org.au
Web: www.agforceqld.org.au

GM/DM/GG025

10 February 2016

Mr Paul Lindwall, Presiding Commissioner
Regulation of Australian Agriculture
Productivity Commission
Locked Bag 2, Collins Street East
Melbourne Vic 8003

By Post & by Email: agriculture@pc.gov.au

Dear Mr Lindwall

Re: Inquiry into the Regulatory Burden Imposed on Australian Farm Businesses

Thank you for the opportunity to make a submission to the Productivity Commission's enquiry into regulations having a material impact on domestic and international competitiveness of farm businesses and the productivity of Australian agriculture.

As you are aware, AgForce is the peak lobby group representing the majority of beef, sheep and wool and grain producers in Queensland. AgForce exists to ensure the long term growth, viability, competitiveness and profitability of these industries. Our members provide high-quality food and fibre products to Australian and overseas consumers, manage more than half of the Queensland landscape and contribute significantly to the social fabric of rural and remote communities.

The Inquiry's terms of reference specifically ask the Commission to:

- Indicate priority areas for removing or reducing unnecessary regulatory burdens.
- Identify where there is greatest scope to pursue regulatory objectives in more efficient ways.
- Identify unnecessary restrictions on competition.
- Assess whether the current level at which matters are regulated is appropriate and if better coordination across governments would reduce unnecessary overlap.
- Look at whether Australia's farm export competitiveness could be improved by minimising duplication between domestic regulation and the requirements of importing countries.
- Examine whether regulatory approaches adopted in other countries might be relevant.

AgForce appreciated the opportunity to meet with you and your staff at our Brisbane offices on 27 January. This written submission will build on the comments made during our discussion. The National Farmers Federation are also making a submission to the Inquiry and AgForce would encourage the Commission to review that material from the perspective of understanding Federal regulatory burdens.

General Comments on Regulation

Not Achieving the Right Balance
AgForce is supportive of efforts by Government to develop effective regulation that achieves society's legitimate needs without imposing unnecessary burdens on businesses and individuals.

However Australia has a poor ranking on the burden of government regulation within the World Economic Forum's assessment of national competitiveness[1]. In the 2015-2016 Report, Australia ranked 80th out of 140 countries for burden of Government regulation. This relatively poor ranking suggests that the correct balance is not being achieved at present. The WEF Report also identified restrictive labour regulations, complexity of tax regulations and inefficient Government bureaucracy as key problems for doing business in our country.

Burdens are Significant

Regulatory burdens impact on primary producers' capacity to operate their businesses through the time and energy required for compliance activities being diverted away from running their enterprises and seeking further productivity and profitability improvements.

For example, the Federal Department of Agriculture estimated that its portfolio imposed an annual cost of between $547M and $709M in October 2013, although this was reduced by about $25M (net) through deregulation activities in 2014[2]. At the farm level, NFF commissioned a report published in 2007 indicating that the annual cost (1998 to 2006) for southern Australian livestock and mixed farms was in the order of $22,500, representing 18 days spent in compliance activities and 14% of net farm profit[3].

The regulatory burden within Australian agriculture is effectively a cumulative one; resulting from the impact of many individual regulations of which each regulation, seen in isolation, does not appear to represent a significant imposition. At 8 February 2016, a rapid desktop review conducted by AgForce showed that *just at a state level*, Queensland agriculture was affected by regulation contained within over 75 Acts and Regulations covering over 17,590 pages (see Table 1). This does not include local Government by-laws, associated Codes or Federal legislation but, does include some applicable cross-industry frameworks. Further, the Federal Minister for Agriculture and Water Resources administers more than 50 Acts relevant to Queensland broadacre agriculture[4].

The large majority of broadacre livestock and grain enterprises in Queensland are small businesses (95% to 98% in 2014 with aggregated turnover of less than $2M) and the majority of these businesses are operated without any employees, particularly for specialist beef and livestock-grain operations. As a result, many producers lack the time and financial resources to stay abreast of their many responsibilities and incorporate ongoing regulatory changes.

Need for Robust Data and Ongoing Education Programs

AgForce calls on the Productivity Commission to recommend to the Federal Government that it undertake a regular analysis of regulation by jurisdiction and industry sector in order to develop robust quantitative data on the regulatory burden placed on producers. In the context of cumulative impacts, this would enable more effective identification and prioritisation of regulations for reform and streamlining based on relative costs imposts.

Important to effective, balanced regulation is appropriately resourcing stakeholder consultation in developing regulation and combined with a proactive, outreaching consultation of and education program for, affected parties. The *Commonwealth Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) is an example of where there has been a limited attempt by Government to inform the affected group and so a similarly limited understanding by primary producers of their obligations under the Act. More views on the EPBC Act are outlined below.

---

[1] http://www3.weforum.org/docs/gcr/2015-2016/Global_Competitiveness_Report_2015-2016.pdf, accessed 5/2/2016.
[2] Agriculture Portfolio – Deregulation Annual Report 2014. Department of Agriculture 2015.
[3] The Cost of Bureaucratic Red Tape in Agriculture, Holmes Sackett Pty Ltd; www.nff.org.au/get/2982.pdf, accessed 9 Feb. 2016
[4] Agriculture Portfolio – Deregulation Annual Report 2014. Department of Agriculture 2015.

Table 1. Selection of Regulations relevant to Ag Industry within Queensland (reviewed early 2016)[5]

Act or Regulation	*Pages*
Aboriginal Cultural Heritage Act 2003	*113*
Agricultural and Veterinary Chemicals (Queensland) Act 1994	*28*
Agricultural Chemicals Distribution Control Act 1966	*49*
Agricultural Chemicals Distribution Control Regulation 1998	*35*
*Agricultural Standards Act 1994 **	*48*
Agricultural Standards Regulation 1997	*59*
Animal Care and Protection Act 2001	*156*
Animal Care and Protection Regulation 2012	*93*
Biosecurity Act 2014	*532*
Brands Act 1915	*58*
Brands Regulation 2012	*18*
Cattle Stealing Prevention Act 1853	*11*
*Chemical Usage (Agricultural and Veterinary) Control Act 1988**	*74*
Chemical Usage (Agricultural and Veterinary) Control Regulation 1999	*63*
Credit (Rural Finance) Act 1996	*25*
Duties Act 2001	*559*
Environmental Protection Act 1994	*894*
Environmental Protection Regulation 2008	*313*
*Exotic Diseases in Animals Act 1981**	*66*
Exotic Diseases in Animals Regulation 1998	*17*
Food Production (Safety) Act 2000	*108*
Food Production (Safety) Regulation 2014	*159*
Foreign Ownership of Land Register Act 1988	*53*
Gene Technology Act 2001	*143*
Heavy Vehicle National Law Act 2012	*819*
Heavy Vehicle National Law (Queensland)	*771*
Heavy Vehicle National Regulation (assorted)	*357*
Industrial Relations Act 1999	*908*
Industrial Relations Regulation 2011	*188*
Land Act 1994	*570*
*Land Protection (Pest and Stock Route Management) Act 2002 **	*197*
Land Protection (Pest and Stock Route Management) Regulation 2003	*54*
Land Regulation 2009	*138*
Mineral and Energy Resources (Common Provisions) Act 2014	*360*

[5] Source: www.legislation.qld.gov.au/Acts_SLs/Acts_SL.htm, accessed 8 February 2016.

Act or Regulation	*Pages*
Native Title (Queensland) Act 1993	*46*
Nature Conservation Act 1992	*282*
Nature Conservation (Macropod) Conservation Plan 2005	*79*
Nature Conservation (Macropod Harvest Period 2010) Notice 2009	*15*
Pastoral Workers' Accommodation Act 1980	*22*
Pastoral Workers' Accommodation Regulation 2015	*15*
Payroll Tax Act 1971	*217*
Payroll Tax Regulation 2009	*19*
Pest Management Act 2001	*98*
Pest Management Regulation 2003	*38*
Petroleum Act 1923	*375*
Petroleum and Gas (Production and Safety) Act 2004	*897*
*Plant Protection Act 1989 **	*94*
Plant Protection Regulation 2002	*184*
Public Safety Preservation Act 1986	*71*
Queensland Heritage Act 1992	*175*
Regional Planning Interests Act 2014	*72*
Regional Planning Interests Regulation 2014	*49*
River Improvement Trust Act 1940	*51*
Soil Conservation Act 1986	*35*
Soil Survey Act 1929	*9*
State Transport Act 1938	*10*
*Stock Act 1915 **	*121*
Stock (Cattle Tick) Notice 2005	*47*
Stock Identification Regulation 2005	*101*
Stock Regulation 1988	*129*
Sustainable Planning Act 2009	*725*
Sustainable Planning Regulation 2009	*260*
Transport Operations (Road Use Management) Act 1995	*531*
Transport Operations (Road Use Management—Road Rules) Regulation 2009	*427*
Transport Operations (Road Use Management—Vehicle Registration) Regulation 2010	*199*
Vegetation Management Act 1999	*214*
Vegetation Management Regulation 2012	*139*
Water Act 2000	*802*
Water Regulation 2002	*218*
Water Resource (Fitzroy Basin) Plan 1999 (One of many)	*165*

Act or Regulation	*Pages*
Water (Commonwealth Powers) Act 2008	*12*
Water Supply (Safety and Reliability) Act 2008	*429*
Weapons Act 1990	*246*
Weapons Regulation 1996	*126*
Workers' Compensation and Rehabilitation Act 2003	*537*
Workers' Compensation and Rehabilitation Regulation 2014	*288*
Workplace Health and Safety Act 1995	*238*
Workplace Health and Safety Regulation 2008	*733*
Workplace Health and Safety (Codes of Practice) Notice 2005	*17*

* *will be repealed or amended with the commencement of the Biosecurity Act 2014 by 1 July 2016.*

Apply Principles of Best Practice Regulation

In seeking to reduce the burden of regulation and in light of the view of an inefficient government bureaucracy, a stronger commitment by governments at all levels to the principles and practices of best practice regulation would be beneficial. This includes:

- Evaluating and regularly reviewing existing regulation for cost/benefit and achievement of clearly defined policy objectives to ensure maximum effectiveness
- Publication of Regulatory Impact Statements for significant new regulation and examination of alternatives to legislation, including increased recognition of voluntary industry Best Management Practice programs and inclusion of incentives for voluntary compliance
- Removal of redundant, duplicative or conflicting regulation eg, regular 'repeal days'
- Effective and specifically resourced stakeholder and community consultation processes
- Evidence-based objective regulation, not opinion poll or politically-driven decisions
- Risk-proportionate regulation eg, self-assessment with random compliance auditing is a preferred approach for low risk issues
- Outcome – not government process-focused regulations
- Providing clearer and effective information about resulting primary producer obligations
- Improving harmonisation between jurisdictions (local, state, national, international) where there is no significant loss of existing primary producer rights.

The recovery of costs to Government must be transparent and in line with the efficient costs of administering a regulation. Non-proportionate costs such as have been recently proposed for applications to purchase land by foreign buyers, should not be used as a revenue raiser with the associated risk of non-compliance.

Priority Areas for Reducing Unnecessary Regulatory Burdens

Environmental and Sustainable Resource Use Regulations and Alternatives

Areas of regulation consistently identified by our members as being onerous, stifling of profitability and not proportionate to risk were those related to the protection of the environment, and specifically vegetation management legislation.

These laws were seen to work to suppress ecologically sustainable development that could support ongoing profitability, were often at odds with the purpose of State leasehold land agreements around livestock grazing and imposed significant real and opportunity costs. These costs were borne largely by landholders, rather than the urban community which also benefits from such public-good-directed policy making.

1. Vegetation Management

The management of vegetation clearing in Queensland provides an insight into the regulatory challenges faced by broadacre primary producers managing natural resources. The following section outlines some key points concerning the vegetation management framework. A more detailed treatment, including specific responses to the Commission's questions, is included in Appendix 1.

Prior to the 1990s, developing land by clearing vegetation was a condition of many leases. In response to policy changes, controls on clearing were progressively introduced through the *Land Act 1994* (leasehold land), the tenure blind *Vegetation Management Act 1999* (VMA) and the *Vegetation Management and Other Legislation Act 2004* which introduced Property Maps of Assessable Vegetation (PMAVs). This was followed by cessation of fodder harvesting exemptions on freehold land and then introduction of a regrowth clearing moratorium and regrowth regulations. In December 2014 changes to the VMA made it possible for landowners to clear native vegetation for the purposes of high-value and irrigated high-value agriculture (HVA). Further, the *Sustainable Planning Act 2009* (SPA), the *Vegetation Management Regulation 2000*, as well as State policies, regional vegetation management codes, an offsets policy and a regrowth vegetation code, all guide clearing activities and impose requirements on landholders.

The Commission is referred to our submission in July 2003 to your Inquiry on the Impacts of Native Vegetation and Biodiversity Regulations, which included case studies and indicative costings to landholders associated with the framework[6]. Some detail is provided in a number of cases of the direct costs of compliance (direct payments to the State Government) with about $10,000 (pp 14-16) being required to comply with the VMA at a property level and a range of associated costs relating to management actions required for a landholder to meet their responsibilities (p 18).

For this submission, AgForce updated typical landholder compliance costs for February 2016. For an example property of 16,000 ha north-west of Charters Towers with 1,000 ha previously cleared and 750 ha of new clearing proposed for improved pastures, the total costs of compliance including expert advice is estimated at $17,091, close to double that required in 2003. On this same example property, if the owner applied to clear 550 ha for High Value Agriculture fodder cropping to aid dry season and drought mitigation, the compliance costs are estimated to be $24,161. In total for both projects and including the on-ground costs of compliance, the final cost of regulation to the landholder will be well over $50,000.

This cost to landholders is to implement an environmental policy that largely delivers public good outcomes. Estimated annual costs to the State Department of Natural Resources and Mines of managing the framework were in the order of $10M in 2010/11, with cost recovery from clearing permit applications less than 5% of this overall cost[7]. Given this, AgForce recommends that Queensland Government ceases charging landholders for vegetation management compliance.

There are also significant problems with the interaction between the state framework and compliance with the Federal EPBC Act. Recently the Compliance Division in the Department of Environment sent a letter to many of the HVA permit holders enquiring into their compliance with the EPBC Act and mentioning the severe penalties for breaches. Some landholders had invested heavily in water infrastructure only to be stalled by the Federal EPBC Compliance Division. This uncertainty is also causing considerable anxiety and undue stress for affected members. AgForce recommends that the Queensland and Australian Government divisions responsible for vegetation management legislation communicate more effectively and align their requirements for information from landholders to enable more streamlined assessment and certainty of compliance.

Improvements to the State-level framework such as alternatives to regulation include:

- introduce specific criteria and a further exemption in the current self-assessable codes for remnant vegetation clearing where there is offsetting restoration or rehabilitation of degraded or poor condition lands of the same ecosystem

[6] http://www.pc.gov.au/inquiries/completed/native-vegetation/submissions/sub054/sub054.pdf, accessed 8 February 2016.

[7] Baseline Cost of Vegetation Management Regulation report, 2012, Synergies Economic Consulting for the Queensland Government.

- address the perception that the application process is onerous, costly and has uncertain outcomes so that further viable development can occur
- advance ecosystems services science to enable introduction of ecosystem services payments, where landholders received remuneration for preserving remnant area
- enable better practices through improved landholder knowledge and understanding of sustainable vegetation management by increasing investment in extension and training services rather than having producers simply pay for consultant services.

AgForce recommends that non-coercive policy instruments (extension and training) be used to rebalance coercive instruments (regulation, enforcement) currently employed by State and Federal Governments. We consider that improving landholder understanding of both the framework and the financial benefits of compliance with sustainable development principles will result in better and sustained outcomes including more resilient and viable agricultural industries.

Our members have experienced the impacts of politically-driven vegetation management policies that change with the State electoral cycle. Such variability compromises long-term planning and landholder management of ecological change, businesses and production systems. Given this, AgForce recommends a bipartisan approach and agreement on policy settings to create greater certainty for landholders and enable sustainable development to occur. Linked to this is avoidance of regulatory creep associated with ongoing incremental changes to the State's regional ecosystem (RE) mapping. Long-term update intervals for PMAVs and RE are essential for improving landholder security and certainty, especially for HVA and regrowth management subject to partisan politics.

2. Agvet Chemicals

As time progresses there are fewer new active chemical constituents being developed and registered, with the cost of pesticide registration of a new product extremely high. This is compounded by reducing Government research into pesticides, their use and their impacts. Commercially, agricultural chemical companies are changing their business models and amalgamating internationally. The cumulative outcome is fewer pesticides being available for agriculture with risks for small niche agricultural industries reliant on some specific products.

The Federal Department of Agriculture and Water Resources has recently appointed Deloitte Touche Tohmatsu to conduct a review into the potential duplication between AgVet chemical and work health and safety legislation for AgVet chemicals. AgForce recommends that following the outcomes of this review that the Productivity Commission work with the Department to further assess ways in which the regulatory burden can be reduced and better align regulatory effort with risk.

A better system could be to enable S7 Poison Scheduling to be undertaken by the Department of Health and also the Australian Pesticides and Veterinary Medicine Authority (APVMA) to remove delays in pesticide registration processes. Further, the Government could enable a two-stage pesticide registration process with an interim registration provided until product efficacy is established. This process would have to be clearly communicated to potential users of interim products.

The Minor Use Permit registration system administered by APVMA should be retained. The permit system provides agriculture, local government and others with options to control new emerging pests, diseases and weeds that are not currently on pesticide labels. Niche agricultural products can also acquire minor use permits for their unique situation. AgVet chemical companies rarely update pesticide labels as there is a huge associated cost. Minor use permits fill this gap. Where feasible, minor use permits could apply to more than one state.

More broadly, the Government could enable registration of low-risk chemicals in Australia based on the registration status of the product from two trusted international regulators demonstrating robust registration and testing processes. This would streamline some pesticide registration processes and

provide a greater range of access within our relatively small market. The removal in 2014 of re-registration requirements saved an estimated $677,000 in costs annually[8].

Agvet Chemicals and Reef Protection

The re-introduction of Reef Protection regulations by the current Queensland Government requires residual herbicide record-keeping on prescribed forms as outlined in the state *Environmental Protection Act 1994* and the *Chemical Usage (Agricultural and Veterinary) Control Act 1988*. The regulation pertains to graziers on properties in excess of 2,000 ha in the certain locations within the Wet Tropics, Burdekin and Mackay-Whitsunday catchments. The Reef record-keeping involves duplication of effort with AgForce recommending that the AgVet chemical records that are maintained for Livestock Protection Assurance (LPA) requirements be sufficient to meet Reef Protection requirements.

Transportation

In Queensland, the cost of livestock freight can be up to 48% of farm operational costs in delivering products to point of sale. For example, transport of a 550 kilogram steer from Surat in southern inland Queensland to Yokohama, Japan represents 13.1% of the total farm gate value. Similarly, to deliver a live beast from Queensland to Indonesia represents around 30% of the total farm gate price. Transporting grain to port in Queensland is the most expensive in Australia at $73 per tonne.

Cost of regulatory compliance is significant in the extensive regional freight routes and can be unnecessarily stringent. For example, infringements by transporters can result in fines of up to $1000, a cost which is passed back to primary producers. AgForce supports the concept of national harmonisation of laws however, agriculture was not properly considered when the National Heavy Vehicle Regulator (NHVR) was developed and implemented. Rather than reduce red tape, the NHVR legislation was heavy handed and lacked flexibility.

For example, under the *Heavy Vehicle National Law Act 2012* the road manager, which includes State transport authorities such as the Department of Transport and Main Roads (TMR) in Queensland, local government and other road owners, are responsible for consenting access and the use conditions that may apply under certain circumstances. This includes the movement of oversized agricultural equipment such as grain harvesters that exceed the regulated width. AgForce has numerous cases of grain growers who have made applications for permits to move their oversized equipment who have waited many weeks, sometimes months, to receive a permit. There are statutory time frames associated with assessment for road managers however, information on the National Heavy Vehicle Regulator's 'Heat Maps'[9] and anecdotal information from industry contacts concerning the average time taken to respond to consent requests, indicates there are many permit assessments exceeding these statutory timeframes.

Agricultural producers face unnecessary costs associated with waiting for these permits, such as costs to delayed production and the additional time and energy used in following up applications that should have been processed promptly. Alternatively, they are faced with the risk of operating without a permit due to the serious threat of losing a crop if it cannot be harvested prior to impending adverse weather such as a significant rainfall event.

Queensland has some excellent examples of low regulation solutions, such as class permits for over-mass cotton pickers and a 160 kilometre work diary radius in line with the size of our State[10]. Further, simple examples of how regulations could be improved and further reduce costs and time for primary producers, include an electronic permitting system as existed in Western Australia (MOVES), with a 24 to 48 Hour Key Performance Indicator (KPI) for issuance of permits

A key barrier is a lack of reliable information on the logistics of product flows from the farm gate to the final customer, including transportation costs, distribution of costs, legal barriers and other issues. For beef cattle production there is particularly limited data as much of the supply channel is

---

[8] Agriculture Portfolio – Deregulation Annual Report 2014. Department of Agriculture 2015.

[9] https://www.nhvr.gov.au/files/201601-0279-local-government-road-manager-processing-timeframes.pdf, accessed 8 February 2016

[10] https://www.nhvr.gov.au/files/c2015g01429-national-primary-production-work-diary-exemption-no2.pdf, accessed 8 February 2016

post-farm-gate and information is tightly held by meat processors and ports' operators. Further, grain stocks information is unavailable after being deposited in GrainCorp or other storage facilities, with costs of inefficient grain shipping (eg, incomplete loading or delays in shipping) being passed back to primary producers. A Government-mandated, comprehensive review with appropriate consideration of any 'commercial-in-confidence' concerns would go a long way to improving transparency and efficiency in agricultural product transportation. This could be a role for the new Australian Competition and Consumer Commission Agricultural Enforcement and Engagement Unit.

The following are further identified areas for risk-proportionate reform:

- Inter-jurisdictional (local and State Government) harmony for the rating of road networks to improve the freight-efficient movement of agricultural products, so that costly changes to vehicle configurations and loads do not have to be made at borders and to simplify the compliance task for drivers of heavy vehicles.
- more cost-effective regulations around aircraft pilot licensing, including improving access to CASA-Registered medical practitioners and reducing the associated CASA fees, as well as implementing rurally-relevant fatigue management requirements for aerial musterers. Musterers should be consulted about these requirements to ensure safety is not reduced.

Workplace Health and Safety

A study conducted by the Chamber of Commerce and Industry Queensland (CCIQ) in July 2013 shows that small businesses are, on average, spending between 16 and 40 hours per week on WH&S compliance alone. AgForce recognises the need for a strong and effective WH&S framework to protect workers however, submit that there is significant capacity to reduced red tape and remove or amend regulation where it is unnecessary, duplicative or burdensome. In particular, the report highlighted five red tape burden 'hotspots' including:

- Training and repeat training requirements eg, the various and duplicative induction training requirements from large principal contractors (see more below).
- The WH&S documentation burden is believed to be detracting from safety outcomes and serving little purpose other than to prove compliance for the regulator.
- Complexity and excessive burden associated with the risk assessment processes and documentation.
- Role (voluntary or mandatory) and interaction of code of practice and duplication with other national standards.
- Ongoing education and notification costs with monitoring regulatory changes and reporting.

AgForce seeks the following outcomes in this area:

- Provide practical interpretation and guides to the Acts to ensure there is certainty for employers and they can effectively maintain an up-to-date knowledge base.
- Ensure licensing requirements are practical, commensurate with risk, cost efficient and tailored to the needs of people in remote areas eg, small rural abattoirs.
- Ensure Codes are practical, commensurate with risk and capable of being complied with by people working in remote areas and more extreme environmental conditions.
- Investigate the capacity for generic industry-induction packages which lower the cost of inductions and provide skills and education, particularly for new entrants to agriculture.

The National Farmers Federation submission contains further views on WH&S regulation and the Commission is encouraged to examine this area of regulation in more detail.

Member Example: 'Two sheets of iron, 1.5 metres long have blown off the top of a wall on a high shed. We have the means of reaching the area but it does not comply with safety requirements so we are obliged to hire a cherry picker, for a minimum of 24 hours, from a town 160 km away which adds up to a total of 640km travel, a minimum of 8 hours driving, to do a 20 minute job.'

Industrial Relations
The World Economic Forum's 2015-2016 National Competitiveness Report identified restrictive labour regulations as a key problem for doing business in Australia. This flows through to significant labour input costs, onerous compliance responsibilities and a disincentive to further employment in rural areas, particularly by small agricultural businesses.

There is interest amongst AgForce members for improving labour market flexibility and the streamlining of industrial relations regulations and incentives to increase employment in a way that is relevant to conditions in rural and remote areas. For example, the Government should examine:

- The modern award rates and conditions to ensure that they are relevant to various farm working situations.
- Realistic allowances for 'found' awards (which presently allow relatively low amounts to cover bed and board).
- The appropriateness of set mandatory penalty rates, given the timing requirements of many farms where many activities cannot be done between the more urban-relevant 9am to 5pm period eg, night spraying when wind and temperature are appropriate to make best use of applied chemical and 24-hour crop planting practices during the time-limited, most effective window. Such non-standard conditions can be offset by providing employees with other rurally-relevant options to maintain equitable employment conditions.

The National Farmers Federation submission also contains further detail on WH&S regulation improvements and the Commission is encouraged to examine this area of regulation in more detail.

Land Use Planning and Extractive Resource Sector Activity
A key area of concern for AgForce members is Government policies and regulation around land use and management in agricultural areas including the interaction with resource extractive industries. Key to this interaction is:

- Protecting agricultural soil resources for future generations to produce food and fibre.
- Protecting vital above and under-ground water resources.
- Achieving equity in land access and compensation negotiations.
- Appropriate restoration of environmental resources to their prior condition at the end of a resource extractive activity.

There is a need for regulatory reform for the protection and use of productive agricultural land and water resources including:

- Improved protection of these resources eg, the new State Regional Planning Interests Act 2014 (RPI Act) enables significant permanent impacts to occur with the agreement of landholders and the associated repeal of the Strategic Cropping Land Act 2011 (SCL Act) resulted in a range of non-resource sector assessment triggers being removed.
- Do the benefits of regulations that restrict land use to agriculture activities outweigh the costs? Less than 4% of the State's land area is used for broadacre cropping and not all of this land is categorised as Strategic Cropping Land (SCL). Agriculturally productive soil is an irreplaceable asset enabling sustained and essential economic activity over time, compared to a one-time payment from the extraction of mineral or energy resources. As such it should be protected from all permanently alienating land uses.
- Is there scope for zones to allow a broader range of complementary land uses, while still preserving agricultural interests and recognising essential land management or conservation purposes? The Queensland Government manages land use decisions through its Sustainable Planning Act *2009* (SPA), State Planning Policies (SPP), Regional plans and the RPI Act as well as through compliant local government planning schemes. This framework involves a balancing of State and local government interests when planning and managing land uses. The SPP identifies important agricultural areas and ALC Class A and B agricultural land as a State interest for consideration by local government in their plan schemes. Agricultural land provides the 'land bank' for alienating developments and short term boosts to economic activity has regularly been

prioritised over the long term protection of agriculturally-valuable land. Thus, urban encroachment affects the pre-existing rural uses and places pressure on agricultural enterprises to relocate further from population centres. The inclusion of 'compatible' activities often acts to detract from the emphasis or preference for rural and in particular agricultural uses in the rural zone. Given this, our preferred solution to land use conflicts is for areas of irreplaceable, high quality agricultural land to be completely protected from activities that risk the capacity to produce food and fibre for future generations. Failing this, all development proposals incompatible with ongoing agricultural land uses on high quality agricultural lands should be referred to the State for assessment.

- To ensure all State interests concerning agriculture are considered, it is important that the central assessing agency consults with the Department of Agriculture and Fisheries on an effective engagement and education process with local government.
- There is also a need to rationalise definitions of high quality agricultural land as currently a range of definitions are in use and often overlap (eg, ALC Class A and B land, priority agricultural areas, strategic cropping areas).
- The current definition of 'owner' in the SPA includes only 'the person who is entitled to receive rent for the land or place or who would be entitled to receive rent for the land or place if the land or place were let to a tenant at a rent'. Leasehold land covers 66% of the State and many agricultural leaseholders have long-term investment interests in that land and have legitimate interests in any planning and development impacts upon it. Currently the SPA identifies the responsible state agency as the provider of the owner's consent. The Regional Planning *Interests Act 2014* acknowledged this wider interest by including the following addition to the definition of an owner '; *or (b) the lessee of a lease issued under the Land Act 1994 for agricultural, grazing or pastoral purposes'*. Regulation should include fair consultation of and consent from long-term rural leaseholders.

Resource sector interaction with agricultural land is managed under a separate regulatory framework to other development and so there is not currently a coordinated overall approach to the management of alternative uses of agricultural land. The RPI Act has taken steps to provide greater integration however it is not comprehensive and doesn't adequately prioritise the protection of agricultural land. This needs to be revisited.

Water impact management comes under Chapter 3 of the *Water Act 2000* and under the *Environmental Protection Act 1994* if related to water quality. In relation to water resource protection, AgForce's preferred approach is to take a risk management approach to regulation and firstly avoid any significant risks of adverse impacts to vital agricultural water sources. Secondly, if impacts are accepted by the State Government, then there needs to be effective and proactive impact management and make good processes. It is vitally important that producers have confidence in the legislative framework that it will ensure proactive offsetting of any remaining impacts. Some examples include:

- Regulators having and applying strong powers to act quickly to restore a landholder's water use if there is an interruption in critical supplies.
- A need for legislative clarification on what access rights and water bores are included within the entitlement to make good.
- Rebalancing the Chapter 3 provisions which are currently weighted in favour of proponents for example, it is they who determine the cause of a supply impact and must agree it resulted from their activities in order to entitle the bore owner to make good measures.
- Provide compensation for expenses incurred by the landholder to cover the cost of expert hydrologists so landholders can argue the impacts are from resource sector activities.
- Clarify how this increased groundwater extraction will be accounted for under water resource planning and management regulation to avoid further impacts on third parties.

Land Access
A significant impact on broadacre agriculture in Queensland has occurred over recent years through the resource (mineral, petroleum and gas) industry with significant exploration on rural holdings, in particular for coal-seam gas. There has been considerable conflict between landholders during both exploration and establishment of the coal-seam gas industry.

Within the Queensland Government, the Tenure Reform Taskforce has been attempting to streamline the granting of development permits for activities like coal-seam gas extraction. AgForce are keen to ensure that the certainty provided through increased flexibility for the resources sector is not delivered at the expense of the agricultural industry. The following areas have the potential for concern:

- Work Plans – the adaptive approach to the scheduling of proposed works has the potential to impact on business operations on-farm, especially given long crop and breeding cycles in broadacre industries. A prescribed process for consultation and negotiation with landholders would provide certainty for their business operations.
- Performance assessments – self-assessment approaches to exploration performance must include independent audit and non-compliance measures, as well formal processes to address potential landholder objections.
- Decommissioning, final rehabilitation and closure – each of these activities has the potential to disrupt business operations on-farm. Supporting regulations should include a formal consultation process with landholders prior to change or surrender of tenure to ensure agricultural production activities are not unduly affected.
- Transitional arrangements – the complexity of changing resource tenures and potentially multiple simultaneous resource tenures must be effectively communicated to agricultural landholders.

How could development assessment and approval processes be improved?
Agricultural development assessment is spread across a number of state legislative frameworks:

- Water Act 2000 (eg, irrigation water licensing)
- Sustainable Planning Act 2009 (eg, vegetation clearing and water access)
- Regional Planning Interests Act 2014 (eg, cultivation in 'strategic environmental areas')
- Vegetation *Management Act 1999* (eg, clearing for High Value Agriculture)

The Queensland Government is revising the development application, assessment and approval process and while there are benefits in flexible, applicant-driven development assessment processes, it is important that it does not come at the cost of transparency and consultation with affected landholders. Further, it is important that notification of landholders is provided in a timely and effective manner. Governments have sought to focus on digital and web based methods, including uploading to a departmental website with no publicity but, this is not always appropriate for rural and remote stakeholders. Regulation should not seek to diminish the range of options and paper based systems like an advertisement in a local newspaper remain relevant.

The former Queensland Government was working towards a single Act covering resource sector activities and a similar process could be applied for agriculture if the overall regulatory burden did not increase as a result. This would produce a more streamlined, navigable and consistent regulatory process for agricultural developments.

Pursue Regulatory Objectives in More Efficient Ways

Are there more effective approaches to environmental protection adopted overseas, or in other parts of Australia that should be considered?
Initiated in the late 1950's, the Common Agricultural Policy (CAP) has been a cornerstone arrangement within the European Union to aid coordination of production systems across member countries. Australian agricultural and environmental policy makers need to consider the lessons resulting from over five decades of CAP investment. While the original intentions of CAP were to assist the agricultural sector in increasing productivity, stabilising markets and ensuring people eat well at reasonable cost, over the last two decades, subsidies have been increasingly linked to environmental

targets[11]. The present CAP system rewards farmers for taking conservation measures rather than simply maximising production and provides economic incentives to minimise their use of inputs such as fertiliser and pesticides. Environmental stewardship methods supported include soil protection, water availability management and the safe use of pesticides.

In a similar vein, the Agricultural Policy of the United States of America until the 1920's, focussed strongly on developing and supporting family farms and the inputs of the total agricultural sector. Subsidies have been used in different ways by the government of the USA to regulate agricultural industry, even for minimising production during the Great Depression in the 1930s. Their Soil Conservation Act was then the precursor for delivering subsidies to American farmers for an increasingly comprehensive policy that encouraged sustainable agricultural production[12]. More recently, use of uncapped trading systems or capped allowance systems[13] are cost-effective approaches to environmental protection that have been used alongside subsidies for environmental outcomes. While some critics observe that subsidies have enabled some forms of environmental degradation, arguably the ability of the Government to incentivise and manipulate agricultural production using subsidies to meet the national interest provides significant lessons for Australia in terms of efficiency and effectiveness within the regulatory environment.

In Queensland, the rapid reversion from non-coercive policy instruments for vegetation management (information, extension, education), to coercive policy instruments (legislation, compliance, enforcement) has impaired the relationship between State Government and landholders. Improved balance in the policy instrument mix with the introduction of payments for conservation outcomes and ecosystems services will see improved environmental compliance. The current CAP process and move to subsidising achievement of environmental targets, along with lessons from US Agricultural Policy and achieving desired outcomes using policy instruments such as subsidies and trading systems, is directly in line with AgForce's recommendation of enabling ecosystem payments for preserved or restored remnant ecosystems. AgForce recommends that Government in Australia learn from the alternative policy instrument mixes and approaches used for many years by overseas countries such as the European Union or the USA for achieving environmental protection targets in the national interest.

Can the Burden Imposed by Environmental Protection Regulations be reduced by Changing the Regulations or the way they are administered?

Reforming environmental approvals into a 'one-stop shop' for administering State and national environmental legislation has merit. Producers are often perplexed by all the regulatory requirements for a proposed activity and in the dealings with different government departments and completion of the various required paperwork. To assist them, Queensland Farmers Federation has developed a useful guide on 'Legislation affecting Primary Producers'[14] and additional support for landholder compliance could be provided by ensuring organisations implementing natural resource management projects are well informed of legislated requirements.

Recognition of Sustainable Agriculture

Beyond ecosystems payments, it is in the agricultural industry's interests to be able to clearly demonstrate and communicate good stewardship of natural resources and lift transparency around on-farm production practices so that society has confidence in the sector and is supportive of self-regulation and a lighter regulatory hand being applied.

The Government could also seek to:

- Develop a unified voluntary national framework for recognition and demonstration of sustainable agriculture:

[11] http://www.ecpa.eu/information-page/agriculture-today/common-agricultural-policy-cap, accessed 10 February 2016
[12] http://www.usda.gov/oce/sustainable/, accessed 10 February 2016
[13] http://yosemite.epa.gov/EE%5Cepa%5Ceed.nsf/webpages/EconomicIncentives.html, accessed 10 February 2016
[14] http://www.qff.org.au/policy-projects/our-work/planning/#legislationaffectingprimaryproducers, accessed 11 February 2016

  - Monitor condition of natural resources using nationally consistent indicators and methods to provide transparency and understanding about ecological outcomes by the community and for national and international market access and premiums
  - Improve targeting of future NRM investment by public and private investors
  - Provide a basis for rebates/concessions for infrastructure, pest and weed management and land condition improvements through the 'Landcare Operations' provision of the *Income Tax Assessment Act 1997*24
- Government recognition and support for industry-led, voluntary Best Farm Management Programs as a pathway for continuous improvement and sustainable food and fibre production, rather than external-interest-group imposed mandatory systems' approaches
- Support an independent, non-profit Australian Centre for Food Integrity to build consumer and community understanding, trust and confidence in today's food and fibre systems. The successful United States model (www.foodintegrity.org) could be used as a basis.

Tailoring Regulatory Settings to Risk Levels

It is important that regulatory burdens are proportionate to the risk being managed or the behaviour being incentivised. In an ideal setting this would involve regulations set proactively before issues or problems are observed and with reporting requirements and administrative expenses kept to a minimum. For example, understanding the changing demographics of agricultural businesses may enable regulatory structuring to be put in place that can accommodate the growing numbers of smaller niche-focussed operations. This could include enabling compliance burdens to be spread out over a 5-year reporting period rather than being reviewed at a cost annually, or having fees linked to the scale of the enterprise to give start-up enterprises more scope at commencement.

Another example relates to crop biotechnology. We support comprehensive and rigorous science-based risk assessment of genetically modified (GM) species however, commercial providers are faced with nationally inconsistent regulatory schemes and lengthy decision-making processes which could stifle the development of further cultivars suitable for Queensland conditions. The Government should not impose further costly regulatory burdens on new GM products that result in products that are not distinguishable (in a safety sense) from those resulting from traditional plant breeding methods. Similar to AgVet chemical registration processes, duplication of acceptable overseas or local assessments adds cost but, not further benefits to customers or the environment.

Better Coordination across Governments

Water Regulation and the National Water Initiative

Due to concerns over added cost, duplication and non-alignment with state legislation, AgForce does not support the EPBC Act. With the NFF, we opposed the inclusion of a water trigger for large scale resource developments as it established the precedent of targeting specific industries and because the approach taken was a poor remedy for addressing state-level regulatory failure.

Enabling a streamlined 'one stop shop' where States manage environmental approvals for mining and gas developments contributes to less duplication, although concerns remain about the State's strong incentive to approve projects for economic reasons and the adoption and implementation of the recommendations from the Independent Expert Scientific Committee (IESC). The expert review by the IESC is welcome but, if resourced, such independent scrutiny could be included at a State level and required to be transparently addressed in State approvals' processes.

The Federal Government's National Water Initiative (NWI) has assisted in developing a framework for water planning and management in Queensland. Given the principle of full cost recovery by water users, there is now potential to consider a number of further initiatives:

- Ensuring that water sector regulation is aimed at environmental sustainability, such as the Murray Darling Basin (MDB) Plan, effectively balances and minimises the associated socio-economic cost to irrigation-dependent communities

- Prioritise planning and management efforts on the basis of the risk of not meeting water use and environmental objectives within catchments or sub-catchments, in order to minimise regulatory costs and maximise benefits (ie, taking a risk-based approach)
- Investigate embedding participatory approaches that enable greater industry participation at the local level in reform eg, Queensland has implemented local management of irrigation schemes and entitlement holder management of water metering
- Further development with the private sector of policy frameworks supporting new or emerging water markets and the trading of water products, including the timely availability of water pricing information and information on seasonal availability of water
- Integration of policies for water-associated issues eg, federal initiatives drive increased water use efficiency which often comes at the cost of greater energy use, so policies relating to State regulated energy supply and cost need to be integrated
- Clarification of policies and regulated planning processes concerning Indigenous access to water resources for cultural and other purposes, particularly where these include economic purposes which could interact with other third party interests.

Other Regulatory Issues

Water Planning and Management

What aspects of water regulation are having a material effect on the competitiveness of farm businesses and the productivity of Australian agriculture?

AgForce is supportive of the State water planning and management process in Queensland and the investment certainty that comes from clearly defined and secure water rights and entitlements and moves to convert entitlements to tradable allocations. Generally the framework is working effectively and recent reforms to further streamline and take a more targeted risk-based approach to licensing processes have been welcome. It is important when promoting the efficient use of water that it is delivered through the operation of water markets, in the initial allocation of water and via regulation only where there is a risk of land or water degradation.

There are concerns about the lack of full integration of resource sector demands for water with the planning framework covering other consumptive uses. In relation to recent proposed changes under Queensland's *Water Act 2000* to mining water rights (ie, as statutory and not volumetrically controlled), the National Water Commission (NWC) concluded that these changes would be a move away from the principles of the NWI and represent a risk that the planning process may not adequately identify the magnitude of the impact of these intercepting activities on the resource, other users or environmental assets. The NWC has identified that effective adaptive management for the resource sector requires:

- Collation of effective baseline data
- Robust identification of agreed environmental and other public benefit outcomes and associated stop/start trigger values for projects
- Effective monitoring and enforceable management actions developed and conditioned as part of initial project and water use approvals, reviewed and updated on a regular basis throughout operations.

In the NWC view, current make good arrangements do not address unforeseen post-tenure impacts and associated monitoring costs to ensure security of access for other users and the environment.

As stated earlier, for AgForce the key outcome sought is firstly avoiding impacts by application of the precautionary principle and a risk management approach (rather than adaptive management) to potentially irreversible resource sector water impacts. Secondly ensuring that any unavoidable residual impacts are proactively and fully mitigated through an effective 'make good' strategy (pre-development baselines, impact reports establishing clear obligations, impact monitoring and acceptable 'make good' agreements). There is a need for sound and robust scientific information on both the short and long term impact of CSG and other extractive industries. The role of the

Independent Expert Scientific Committee (IESC) as an independent knowledge provider is important and its remit should be extended to include non-CSG P&G activities such as shale gas.

Taxation Regulation

In 2012-13 nationally, the agriculture, fisheries and forestry sector had $665M in taxation liabilities. It is important to recognise that small business bears a disproportionate share of the tax compliance burden[15] and simplified small business reporting requirements would result in significant benefits for broadacre primary producers. The annual cost of accounting services to broadacre businesses in Queensland in 2014 was around $3,900 and this cost has increased on average by about $55 per annum per farm (in 2014/15 dollars), that is 1.5% year on year since 1990[16].

While supporting a reduction in the complexity of tax affairs and reducing compliance costs, in delivering a 'simpler' tax system it is important that any proposed streamlining does not include taking a 'one size fits all' approach which results in not effectively considering the unique features of agriculture and agricultural enterprises in Australia. The current tax system rightly identifies that primary producers face a number of specific challenges due to this variable and often remote operating environment and features a number of structures to accommodate this fact.

There are a range of definitions that governments apply to small business and its regulation as it relates to taxation. For example the ATO applies a $2M gross revenue/turnover threshold and the ABS applies a threshold of less than 20 employees as part of its small business surveys. Where possible, for consistency, a single definition should be applied across governments. As agricultural enterprises continue to grow in scale, these thresholds of what is defined under regulation as a 'small business' must remain relevant. The Henry Tax review recommended lifting the turnover threshold to $5M and AgForce supports such an increase.

The Commonwealth, States and local government all raise taxes, many of which have been identified as being economically inefficient in that they act to reduce business activity. Given the structure of our Federation, reform and simplification of taxation law must be co-ordinated and supported across jurisdictions in order to deliver the greatest benefits.

The Henry Tax review[17] identified a number of regulation-relevant characteristics of any tax system that AgForce would be supportive of, including:

- Transparent access to information.
- Sufficient time to adjust to any changes and the grandfathering of provisions so the benefits of past legal business-structuring decisions are not unfairly compromised.
- Secure State-level agreement to overall changes, so that reforms at the Commonwealth level are not compromised by the retention or increase of state or local government taxes.
- Government has a responsibility to ensure efficiency of expenditure and administration.

Biosecurity

Is it likely that the new Biosecurity Act 2015 (Cwlth) will achieve its aims of managing biosecurity risks to an acceptable level, managing the impact associated with biosecurity incidents and maximising the economic efficiency of the management of biosecurity risks?

The underpinning regulations to the *Biosecurity Act 2015*, currently in development, will largely determine success in managing biosecurity risk. AgForce commends the industry consultation process instigated by the Australian Government Department of Agriculture and Water Resources while developing the regulations. The series of forums between the Department and the National Farmers Federation Biosecurity Taskforce is providing excellent feedback loops for generating practical and effective regulations. This is a good consultation model for generating other legislative and regulatory instruments and is supported by AgForce.

[15] Australian Government 2010, Australia's Future Tax System Review (Henry Tax Review), Australian Government, Canberra

[16] http://apps.daff.gov.au/AGSURF/agsurf.asp, accessed 27 May 2015

[17] Australian Government 2010, Australia's Future Tax System Review (Henry Tax Review), Australian Government, Canberra.

Animal and plant emergency response plans coordinated through organisations such as Animal Health Australia and Plant Health Australia need to be developed and work alongside the *Biosecurity Act 2015* schedules for managing emergency responses of national concern.

Alongside and supporting the effectiveness of regulations, is the need for retaining a network of skilled biosecurity officers with honed surveillance skills in order to minimise biosecurity risk. Further, community awareness and understanding of biosecurity impacts to our Australian agriculture also need to be constantly promoted given Australia's international connectivity.

Do risk assessments of imported agricultural inputs effectively balance the need to protect Australia from harmful pests and diseases with the need to minimise the burden on importers?
Development of effective Biosecurity Import Risk Assessments (BIRA) depends on the biosecurity risk expertise amongst the appointed Scientific Advisory Group. There are very few experts that understand biosecurity issues across all industries. AgForce and the National Farmers Federation recommend the Director of Biosecurity creates a 'register' of a core group of scientists, economists and technical experts that could be appointed to a SAC. Additional experts from within the agricultural strand requiring a BIRA could be augmented with the SAC panel, if required.

Leasehold Land

Is diversification of agricultural activity unnecessarily restricted by conditions in pastoral leases?
The State of Queensland is one of the largest if not the largest landholder in the southern hemisphere and the past justifications for leasehold tenure relating to encouraging development or protecting the natural environment no longer hold given the range of alternative regulation that is now available. Queensland grazing land lease requirements also restrict the opportunity for diversified land use and there is a need to review leases and the leasing process. This includes enabling diversification and drought proofing activities such as mosaic irrigation across grazing rangelands. Queensland grazing land leases also impede opportunity to participate in carbon trading which are binding on title for more than 10 years. The former Queensland Government made steps to create affordable pathways to freehold tenure and this work should be continued.

Competition Law

What areas of regulation which affect competition in the agriculture sector are favourably positioned for reform?
As indicated earlier, Queensland broadacre agriculture is dominated by small businesses with no or few employees. These small businesses often transact with much larger entities across the supply chain with limited opportunities for collective bargaining and a resulting imbalance in market power. They are often marketing products with a limited time window of maximum value and so can be at a disadvantage in negotiations, which can be on a 'take it or leave it basis'.

AgForce would be supportive of collective bargaining to be facilitated within competition law settings under these circumstances where there is no detriment to the public. We are also supportive of recent efforts to resource the Australian Competition and Consumer Commission with a Commissioner and staff delivering education and enforcement programs for the agricultural sector. AgForce supports the National Farmers Federation submission relating to completion law.

Foreign Investment

What are the likely implications for the agriculture sector from the recent reduction in screening thresholds, creation of a national foreign investment register and the introduction of application fees for proposals of foreign acquisition of agricultural land?
Foreign investment has long been a feature within Queensland agriculture and has contributed significantly to the economic development of broadacre industries within the State. AgForce has a keen interest in the occurrence of further foreign investment into agriculture in a way that is open and transparent and aligns with our national interests. It is important that the oversight framework is effective but, also consistent and efficient so that it does not act as a barrier to further beneficial investment.

AgForce has supported recent efforts to increase the transparency of foreign investment in agricultural land, water and agribusiness assets, including the establishment of a national register and moves to lower the screening thresholds applied by the Foreign Investment Review Board (FIRB). The inclusion of agriculturally-important water resources in the Agricultural Land Register will further strengthen the proposed framework. AgForce supports greater transparency around assessment requirements within the National Interest Test and subsequent compliance with conditions imposed by the Treasurer (within privacy constraints) in order to enable informed investors and public debate.

In relation to fees for investment applications, AgForce supported a cost-sharing model where the costs of investment screening, compliance and enforcement activities is shared reasonably between the foreign proponent and the Government. Consideration should be given to ensuring costs are efficient, relate directly to the assessment of the investment itself rather than being a revenue stream for Government and that fees are not charged multiple times on the same application. It is important that application fees do not act as a disincentive to foreign investment.

Native Title

How well are native title processes managed? How do native title processes affect decisions relating to current or future land use? What scope exists to reduce any unnecessary burden imposed by native title processes and how should regulation be reformed to give this effect?

There are two issues that affect producer decisions relating to current or future land uses. Where the Federal Court grants Native Title in respect of a claim it is either by litigation or consent determination. The two issues delaying that process are:

1. Where claims are struck out or dismissed, the claimants are able to lodge another claim. This process can continue *ad infinitum* adding to the cost of Native Title. This is very unsettling for a pastoralist's future. A sunset clause is needed that limits lodging of claims to an initial claim and perhaps only one further claim. This then introduces greater certainty for landholders which could support further productivity-boosting investments.
2. Where claims overlap, the Federal Court expects the claimants to finalise the boundaries. This is very difficult to negotiate and simply extends the cost of Native Title practice. Settling of claim boundaries therefore also needs a time limit.

Cost and time-effective Native Title settlement processes are needed for certainty and would benefit both claimants and primary producer respondents.

Animal Welfare

Do existing animal welfare regulations (at the Australian and State and Territory Government levels) efficiently and effectively meet community expectations about the humane treatment of animals used in agriculture production?

All State and Territory Governments have recently accepted the Australian Animal Welfare Standards and Guidelines for both sheep and cattle, the result of a number of years of collaborative work. The Cattle Council of Australia, the Sheep Meat Council of Australia and Wool Producers Australia have commissioned Meat and Livestock Australia to contract some independent work analysing regulatory impacts on livestock producers, including regulations relating to the environment, carbon farming, occupational health and safety, AgVet chemicals and a brief examination of the Exporter Supply Chain Assurance System (ESCAS) and the benefits of the Livestock Global Assurance Program (LGAP). This is expected to be available for consideration in time for responses to the Commission's Draft Report.

Firearms

The Queensland Weapons Act was written in 1990 (amended in 1996) with the focus of the Act being on restricting and monitoring the lawful community of firearms users as the key to reducing the misuse of firearms. Evidence gathered since that time has demonstrated that there is little (if any) connection between levels of legal firearm ownership and firearm misuse.

Primary producers are the single largest lawful users of firearms for business purposes. The current regulatory structure puts the onus on law-abiding primary producers to defend their need to possess

and operate firearms appropriate for on-farm purposes, including euthanising injured or distressed livestock and for feral animal control. There is a view that police resources would be better directed towards preventing and policing the criminal misuse of firearms rather than managing weapons licensing and registration paperwork.

A number of improvements could be made to the current state framework including:

- Streamlining of agriculturally-related firearms licensing and renewals processes. The former Queensland Government was investigating and reforming this area but progress on this policy area has since stalled.
- As for NSW, create a single licencing regime allowing multiple endorsements of individual firearm categories to be made on one weapon's licence eg, rifle and handgun approvals provided on the one license (as for multiple vehicle classes on single driver's license)
- Review the mandatory registration of rifles and shotguns with a licence stating an individual producer is licensed to possess and operate these firearms, which would then be centrally recorded within the Police Service database. Evidence suggests that Category 'H' handguns are the preferred firearm for criminal purposes, with the majority of firearms used for criminal activities illegally kept by unlicensed people and not registered. New Zealand abolished long arm registration in the early 1980s and Canada followed in 2012; neither country has observed increases in criminal activity as a result of abandoning registration and both countries have similarly low levels of firearm crime to Australia. Central recording gives police the capacity to check potential firearm possession and these authorities also have powers to search premises.
- Providing a specific exemption within s57 of the Weapons Act 1990 for discharging firearms across public land by a farmer, farmer's agent or associate, or a pest controller. While there is already acknowledgement within s57 of a 'lawful excuse' for such actions, this exemption with appropriate safeguards would provide greater legal certainty for producers controlling feral animals where their property is intersected by public lands, such as a road easement.

Kangaroos: Nature Conservation (Macropod) Conservation Plan 2005
Currently there are two macropod harvest quota systems existing in Queensland for two separate purposes. One purpose is for commercial harvesting (up to 20% of the estimated kangaroo population) and a second being non-commercial harvesting (up to 1%) permitted for Damage Mitigation purposes. Neither quota can be utilised for the other purpose. It is recommended that the current two quota system be replaced by one quota that involves inter-changeable harvest dependent upon domestic and international markets for human consumption and pet food and seasonal conditions. For example, in 2015 the commercial harvest was only about a quarter of the allowable 20% but, the non-commercial harvest (DMP) quota was reached. The State Government was initially unsure if existing regulations allowed the Minister to increase this limit however, with stakeholder support including of animal welfare groups, the DMP limit was doubled. Such flexibility should be a permanent feature of the regulatory system.

Further, for kangaroos harvested under a DMP, current requirements are that carcases are left to lie in the paddock and cannot be used for feral animal baiting purposes, representing a waste of a potentially useful resource. The meat resource can be used only if the producer firstly obtains an additional level of approval in addition to the DMP to use the meat for these purposes and if a commercial skins harvester harvests the kangaroo. Both RSPCA and Wildlife Preservation Society of Queensland (WPSQ) support the use of this resource rather than having it wasted. Making the regulatory system more flexible to accommodate this use as a standard option would enable multiple outcomes to be achieved without additional cost.

Other Regulations
There were a number of other regulations identified that could be subject to review and potential reform including:

- A Commercial Operator license for chemical application is issued by the Department of Agriculture and Fisheries (Biosecurity Queensland) after the applicant completes a nationally-recognised training course through a Registered Training Organisation, such as AgForce or Queensland

Agricultural Training Colleges[18]. The training costs about $400 to $600 per person and then the applicant applies to DAF for the license, costing an additional $30 for a 1-year license or $70 for 3 years. Such license details are registered with the Government through this process but, the time required makes it difficult for job seekers who require a license to take up employment offers quickly. In the absence of any obvious compliance checking it would be simpler if the RTO involved could subsequently lodge the details of those completing training so they would be free to commence immediately.

- Streamlining of farm data requests from Federal and State Government departments to minimise duplication of requests and time required of producers to provide it eg, Australian Bureau of Statistics surveys.

If you have any enquiries about the contents of this submission or to arrange a follow-up meeting please contact Dr Dale Miller

Yours sincerely

Grant Maudsley
General President

[18] https://www.business.qld.gov.au/industry/agriculture/land-management/chemical-controls/commercial-operators-licence-for-using-herbicides, accessed 8 February 2016

Appendix 1: Vegetation management

The following outlines a case study of the Queensland vegetation management framework to illustrate many of the issues primary producers are faced with when managing natural resources.

Vegetation Management - Introduction/Historical Perspective

Prior to the 1990s, clearing of vegetation was not heavily regulated and developing the land by clearing vegetation was a condition of many leases. In an effort to reduce clearing rates, the Government introduced a system of vegetation clearing control on leasehold land under the *Land Act 1994*. This was followed by the introduction of the *Vegetation Management Act 1999* (VMA), tenure blind legislation that incorporated an increased level of restriction on clearing across all rural land. This removed the controls through the Land Act although the permits issued under that Act continued until expiry.

At the time of the introduction of the VMA, the Minister, Hon Rod Welford, accepted the published argument that the extent of vegetation communities, defined and described as Regional Ecosystems (REs), were useful surrogates for biodiversity. The capacity of the State to assess the condition of these REs, a critical element to this argument, was not questioned at the time.

Controversy continued to surround vegetation legislation and in an effort to end broad-scale clearing, the State Government introduced the *Vegetation Management and Other Legislation Act 2004*, opened the Ballot process and introduced Property Maps of Assessable Vegetation (PMAVs). In the following years, fodder harvesting exemptions on freehold land ceased, the Ballot was finalised and a regrowth clearing moratorium was called - followed closely by the introduction of regulations for clearing regrowth vegetation.

In December 2014, changes to the VMA made it possible for landowners to clear native vegetation for the purposes of high-value and irrigated high-value agriculture. High-value and irrigated high-value agriculture includes broadacre cropping and annual and perennial horticulture. It does not include grazing or plantation forestry activities.

Currently, the clearing of native vegetation in Queensland is regulated under a vegetation management framework which is based on the VMA, the *Sustainable Planning Act 2009* (SPA) and associated policies and codes. The vegetation management framework regulates the clearing of native vegetation mapped as either remnant vegetation on a Regional Ecosystem (RE) map, regulated regrowth on a regrowth map or a Declared Area under the VMA. In addition to the VMA and SPA, the framework is made up of other pieces of legislation such as the *Vegetation Management Regulation 2000*, as well as State policies, regional vegetation management codes, an offsets policy and a regrowth vegetation code.

To undertake vegetation clearing the first step is for a landholder to determine the requirements that apply to an area through obtaining a regulated vegetation management map. These maps are included in a vegetation management report for the landholder's specific property. The report and maps are free of charge and can be obtained online. With the aid of the map, the landholder needs to decide which of the available clearing options permitted by the VMA apply in their specific situation and then take the prescribed action to either apply for a permit to clear or commence clearing after having decided on whether their activity meets the requirements for an exemption, or is permitted as part of the 'self-assessable code' system (at this point many landholders choose to use a vegetation management professional consultant to assist them in the application process).

The options available for clearing applicants on the DNRM website include:

- Clearing exemptions – which apply to a range of routine property management activities. No approvals are required for these.
- Self-assessable codes – which apply to a range of activities such as fodder harvesting and weed control. The landholder must follow the practices listed in the code and notify DNRM before clearing. The most recent codes were released on 8 August 2014.

- Area management plans – which can be prepared by groups of landholders or rural organisations and apply to certain clearing activities.
- Development approvals – which may be an option if the landholder cannot conduct clearing under an exemption, self-assessable code or area management plan.

Currently the VMA also allows landholders to clear native vegetation for high-value and irrigated high-value agriculture purposes. To initiate the high-value agriculture (HVA) permit process, all development applications must comply with numerous requirements and follow a multi-staged process:

1. Preparation of a Development Plan
2. Assessment of the Development Plan against VMA
3. DNRM Decision
4. Development Application under SPA
5. Development Assessment against State Development Assessment Provisions, and
6. Department of State Development Decision.

The DNRM website provides guidelines for applying to clear for high-value or irrigated high-value agriculture that the landholder must comply with before being accepted as high value agriculture clearing. There are significant information requirements within applications for high-value and irrigated high-value agriculture.

Commission Questions

What excessive and unnecessary costs do environmental protection regulations impose on farm businesses?

1. Cost of Compliance – the Public Good-Private Good debate

The Vegetation Management Framework has, for the most part, done an admirable job of attempting to find a balance between the complexity of regulating regional ecosystem clearing levels and providing certainty for landholders in planning the management of natural resources. The long-term opposition landholders have had to the imposition of vegetation clearing laws has, been around the questions of their property rights and their apparent responsibility in making significant payments for the attainment of 'public good' outcomes.

We would like to refer the Commission to the earlier AgForce Submission Productivity Commission Inquiry into the 'Impacts of Native Vegetation and Biodiversity Regulations' dated July 18th 2003[19]. Some detail is provided in a number of cases of the direct costs of compliance (direct payment to Queensland Government) with about $10,000 (pp. 14-16) being required to comply with the VMA at a property level and a range of associated management costs relating to the actions required for a landholder to implement and meet their regulatory responsibilities (p 18).

For this submission, AgForce understands that the Vegetation Management Framework has developed considerably since 2003 however, we went through the exercise of calculating typical landholder compliance costs (direct payments to Queensland Government) in February 2016.

Following in Table 1 are the proposed vegetation management compliance costs for an example property of 16,000 ha north-west of Charters Towers.

[19] http://www.pc.gov.au/inquiries/completed/native-vegetation/submissions/sub054/sub054.pdf, accessed 8 February 2016.

Table 1: Vegetation Management Compliance Costs - 10 Year Vegetation Management Projection (1,000 ha previously cleared, 750 ha new clearing improved pasture area)

Application Category	Component Costs	Itemised Costs	Total Cost
Property Map of Assessable Vegetation (PMAV)	PMAV application fee	$405.20	$605.20
	4 hours to complete ($50/hr)[20]	$200	
Self-Assessable Clearing Application (regrowth)	Vegetation management clearing notification form (2 hours to complete $50/hr over 4 times in 10 years)	$200 x 4	$800
Forestry Practices	DNRM notification (no cost but significant time researching and understanding eligible activities)	$200 x 4	$800
Development application for clearing new pasture area under Clearing for environmental works	Development Application Assessment fee Page 132 SPA	$11,686.00	$11,686.00
	Consultant fees	$3,000	$3,000
	Significant time researching eligibility and with consultant developing application (4 hours)	$50 x 4	$200
Total			$17,091.20

In Table 2, on this same example property, the owner has applied for clearing 550 ha of High Value Ag cropping land for forage to aid dry season feed requirements and drought mitigation.

Table 2: High Value Agriculture Compliance Costs

Application Category	Component Costs	Itemised Costs	Total Cost
A pre-lodgement meeting	Prior research to understand HVA process and eligibility (4 hours at $50/hr)[21]	$50 x 4	$600
	Meeting (including travel)	$50 x 8	
Consultant prepare application including soil test and land suitability mapping	Soil-tests ($85)x55 sites 25 hrs x $200/hr	$4,675 $5,000	$9,675
	Consultant land suitability report and economic viability assessment	$200 x 8	$1,600
	Development Application Assessment fee Page 140 SPA	$11,686.00	$11,686.00
	Time with consultant (10 hours)	$50 x 10	$500
	Complete development plan template	$50 x 2	$100
Total			$24,161

In Table 1, the compliance costs paid to Queensland Government are close to double what was required in 2003. If we add the vegetation management compliance for the grazing lands of the property with a High Value Agriculture application for dryland fodder production, we find that the

[20] Landholder Compensation Rates: http://www.ipart.nsw.gov.au/files/sharedassets/website/trimholdingbay/final_report_-_landholder_benchmark_compensation_rates_-_november_2015.pdf

[21] Landholder Compensation Rates: http://www.ipart.nsw.gov.au/files/sharedassets/website/trimholdingbay/final_report_-_landholder_benchmark_compensation_rates_-_november_2015.pdf

total compliance costs in direct payments to Queensland Government are well in excess of $40,000. Add to this the associated property management costs and the combined on-ground costs of compliance, it will be well over $50,000. It appears that vegetation management compliance costs have significantly increased since 2003.

As a payment for public good outcomes, this is an ongoing regulatory burden that landholders have now had to bear for more than a decade. In the Baseline Cost of Vegetation Management Regulation report prepared in 2012 by Synergies Economic Consulting for Queensland Government, it is evident that in the 2010-11 financial year about $10 million was required to fund the vegetation management compliance function within DNRM, while the proceeds from clearing permit applications were less than 5% of this overall cost. When we consider the large costs borne by Queensland Government taxpayers and the small return, AgForce recommends that Queensland Government ceases charging landholders for vegetation management compliance.

There is considerable merit in providing mechanisms of rewarding 'sustainable vegetation management' where landholders are supported in offsetting 'remnant' regional ecosystem clearing in particular areas of the property, with improvement of degraded or poor condition ecosystems on other parts of the property. The aim is to achieve a 'no-loss' outcome where areas cleared are proportionate to areas restored or rehabilitated. AgForce recommends that Queensland Government introduce specific criteria and a further exemption into the Self-Assessable-Codes within the Vegetation Management Framework as follows:

- 'No-net-loss Exemption' for sustainable pastoral clearing where remnant vegetation (Least Concern, Of Concern) cleared in one area of the property is offset by restoring ecosystem function in a degraded ecosystem (Least Concern, Of Concern) on the property in a proportionate manner.

This would be of significant mutual benefit on properties where past clearing activities have resulted in poorer than planned remnant ecosystem health in particular areas and uncleared areas remain. In a contracted agreement between the landholder and the Queensland Government, by clearing further land in a compliant manner and restoring or rehabilitating land of the same regional ecosystem of an equal size or bigger elsewhere on the property, there is a probable outcome that this rehabilitated land can be declared remnant into the future.

2. Opportunity Costs – Application and Assessment Process issue for Landholders

There are numerous cases within the AgForce membership where vegetation clearing is not undertaken on potentially viable areas of their properties due to the perception that the application process is onerous, costly and has uncertain outcomes. This perception has changed little from the 2003 AgForce submission. Without the opportunity to undertake a detailed study of members and with significant risks of resistance to enquiry into personal plans or property details, AgForce cannot at this point begin to quantify the opportunity costs for landholders of uncleared areas, where in many cases these areas are regarded as a liability rather than an asset.

The inverse case where landholders regard these uncleared areas as positive income-bearing assets would be a desirable state. Ecosystem services payments, where landholders received remuneration for preserving intact remnant ecosystems would be a significant and attractive option for many landholders frustrated with bearing the opportunity cost of vegetation that is largely uncleared because the application process poses too great a risk for them. AgForce recommends that the Ecosystems Services science be advanced to enable payments to be provided to landholders who preserve remnant vegetation.

The opportunity-cost issue has recently become a significant concern for AgForce members who applied for and in many cases received permits to clear High Value Agricultural (HVA) land. The Compliance Division in the Federal Department of Environment sent a letter to many of the HVA permit holders enquiring into their recognition of and need for compliance with the EPBC Act. The letter mentioned the severe penalties for breaches of the EPBC Act, which resulted in a number of members expressing concern. Examples of members facing significant opportunity costs include some who have invested heavily in water infrastructure only to find their HVA permit withheld by

Queensland Government or stalled by the federal EPBC Compliance Division. This lack of certainty is also causing considerable anxiety and undue stress for affected members. AgForce recommends that the Australian Government implement a rapid appraisal process for landholders who have been stalled by potential compliance issues with the EPBC Act.

3. Understanding of the Self Assessable Codes and Vegetation Maps

The last decade has shown that landholders who are less able to understand the regulatory process of attributing exemptions and codes for different vegetation management requirements, have been more likely to engage a consultant in the application process. Arguably this has resulted in these landholders maintaining a 'compliant' status with Queensland Government. However, the employment of experts/consultants has in many cases negated the intention of the legislation in enabling improved vegetation management practices through improved knowledge and understanding. AgForce recommends increased investment in extension and training services to enable landholders to increase their understanding of sustainable vegetation management.

Do environmental protection regulations particularly affect certain businesses or businesses in certain locations?

1. Major concern that large EPBC referrals will compromise outcomes for smaller landholders

In Queensland, two large scale HVA permit holders have cleared considerable land which is of questionable suitability for sustainable cropping operations (eg, soil and slope limitations). These two properties are, in part, a major reason for the Queensland Government referral to the EPBC Compliance Division. AgForce members have highlighted concern that if the referral process results in heavy penalties and legal action against these landholders, it may impact heavily on the HVA regulatory system and compromise the possibility of many smaller areas from being cleared. AgForce recommends that a rigorous process for irrigated/high value agriculture clearing needs to be applied to all landholders.

2. Complex legislation is a disincentive for some landholders

While mentioned in the opportunity cost section above, extensive experience shows that some members, particularly with small to medium size enterprises, have maintained their perceptions that the complexity of the vegetation management framework is a major deterrent for these landholders to improve small areas of their property. AgForce recommends that extension and training services are made available for assisting understanding and developing the capacity of landholders to manage vegetation on their properties and avail themselves of eligible clearing, regrowth control and/or HVA opportunities.

Can the burden imposed by environmental protection regulations be reduced by changing the regulations or the way they are administered?

1. Jurisdictional Entanglement – The EPBC Act and Queensland High Value Agriculture Issues

AgForce recommends that the Queensland Government and Australian Government divisions responsible for vegetation management legislation communicate more effectively and align requirements for information from landholders to enable more streamlined assessment and compliance with respective regulatory frameworks.

2. Balancing Coercive and non-Coercive Policy Instruments

AgForce recommends that non-coercive extension policy instruments (extension and training services) be used to rebalance the coercive instruments (regulation, enforcement) currently employed by State and Federal Governments to enable compliance with legislation. AgForce supports that improving landholder understanding of vegetation management regulation and complexity and the financial benefits of compliance and sustainable development principles will result in greater compliance outcomes as well as more resilient and viable agricultural industries.

3. Election Policy Pendulum

AgForce members have witnessed the impacts of rapidly changing political administrations with vegetation management legislation developed under Labor, relaxed somewhat under Coalition and then the Labor Government seeking to repeal relaxed amendments to legislation. The changing regulatory framework compromises long-term planning and creates significant issues for landholders

both in managing ecological change as well as progressing viable businesses and production systems. AgForce recommends that the Vegetation Management Framework be negotiated with the aim of bipartisan agreement and longer term support, which in turn creates greater certainty for property managers.

4. Regulation Creep

Evidence observed by AgForce members of incremental changes to regional ecosystem mapping raises concerns about the potential for regulatory creep over time as a principle maps should be accurate and therefore only requiring occasional review. This is essential for improving landholder security and certainty in vegetation management and providing certainty for HVA agricultural practices and regulations such as high value regrowth.