AgForce's submission to the Productivity Commission's August 2002 Issues Paper: Industries in the Great Barrier Reef catchment and measures to address declining water quality

AgForce welcomes the opportunity to comment on the Issues Paper. Any policy debate involving the Great Barrier Reef and water quality is of vital interest to the beef industry generally, and many AgForce members particularly.

Relevant questions posed in the Discussion Paper have been addressed in turn. Please feel free to contact Paul Bidwell in AgForce's Brisbane office for clarification of any points raised in the submission – phone 3236 3100 or email paulbidwell@agforceqld.org.au

1. What is the nature and extent of research and monitoring activities relating to land and water uses, water quality and GBR health? What are the main areas of scientific agreement and disagreement on these relationships?

The beef sector, predominantly through Meat and Livestock Australia, continues to invest considerable funds in research and development activities relating to land use, particularly in the Burdekin and Herbert catchments. This research includes development of catchment soil and water movement models (SedNet), understanding grazing management practices and their impact, developing sustainable grazing management systems and development of Best Practice Environmental Management guidelines.

However, there will undoubtedly be a myriad of activities – at different scales - ongoing in this field, funded and organised through government agencies and programs. AgForce does not have and is not aware of any sort of list of these activities.

AgForce's understanding of current scientific opinion is that there is a clear view that sediment run-off is a significant issue in some parts of the GBR catchment. However, there no substantive evidence that this run-off is adversely affecting the Great Barrier Reef.

It is worth noting that in the Queensland Department of Natural Resources and Mines' December 2001 discussion paper dealing with managing State rural leasehold land – a significant proportion of which is in the GBR catchment - the view was expressed that there is consistent evidence of widespread and continuing land degradation in Queensland.

AgForce rejects this notion. It was apparently based on the Tothill and Gillies 1992 assessment of the pastures of northern Australia. However, the majority of Tothill and Gillies conclusions were based on subjective estimates of change in condition relative to previous subjective estimates made by Weston and others (1981) during the mid 1970s, when rainfall was well above average.

A similar report prepared today (using the same methodology as Tothill and Gillies) would conclude that most Queensland pastures had improved substantially in condition since the early 1990s. Their methodology is more a reflection of antecedent rainfall rather than current management.

There is quantitative data available from the Department of Primary Industries' QGRAZE monitoring network that supports substantial improvement in pasture condition indices since the early to mid 1990s. Grazier GRASS check monitoring sites are also likely to reflect improvement over time.

4. Should the Commission undertake a more detailed investigation of a few regions or catchments as part of its study to highlight important regional and local issues? If so, which areas are suggested and for what reasons?
This is a sensible approach. There are a number of catchments where there are strong regional networks and a solid body of research data – for example the Fitzroy and the Burdekin.

However, while the principles of grazing management would be consistent across the entire catchment, the wide variation in factors such as topography, climate and scale of development are such that it would be difficult to extrapolate from say the Fitzroy into the Wet Tropics, or the Burdekin into Cape York.

Economic and social importance of main industries

5. Are the proposed indicators of economic importance appropriate, taking note of the need for consistent comparison across industries? If not, please suggest alternatives.

- Yes

6. Are some economic indicators more relevant to certain industries and not to others?

- High focus should be given to those industries that generate export income. E.g. over 80% of Queensland beef production is exported overseas.
- The beef industry is also integral to the economic sustainability and social fabric of most of the inland regional communities within the catchment area.

7. Are the proposed indicators of social importance appropriate, taking note of indigenous and non-indigenous values? If not, please suggest alternatives.

- When determining the social importance of an industry, as well as taking note of direct employment within an industry, account must be taken of the income brought in to the community from outside by a particular industry.
- Invariably in many regional situations the beef industry generates the external income that subsequently provides money for the various services and employment in most inland regional communities.

9. Are there other useful data sources, in addition to ABS, ABARE and OESR, for the industries noted in the terms of reference?

- At a State Level, the Office of Regional Communities does produce some relevant data on social and economic issues.
- Relevant regional data may also be available from the "Central Queensland – New Millennium" project and the Fitzroy Basin Association.
- There may be other regional and local information available through individual catchments or relevant shire councils. Some contacts are provided Appendix 1.

10. Are the proposed levels of regional disaggregation appropriate?

Yes.

Economic importance of main industries in 2010 and 2020

11. What growth projections are available for the main industries, particularly in 2010 and 2020?

13. Are projections available at national, State, regional and local levels?

- Relevant projections for the beef industry can be provided by both ABARE and Meat and Livestock Australia on a national level.
- The Queensland Department of Primary Industries also produces forecasts, although these do not generally go out 20 years in advance.
- Relevant regional data may also be available from the "Central Queensland – New Millennium" project and the Fitzroy Basin Association.
- There may be other regional and local information available through individual catchments or relevant shire councils. Some contact details are provided in Appendix 1.

12. What assumptions are used to generate these projections?

- The forecasts are based on relevant supply and demand factors, the historical performance of the cattle industry as well as the excellent international reputation we have as the largest exporter of beef in the world and the producer of the highest quality and safest product.
- This competitive advantage is also enhanced by the current low Australian dollar, comparably low farm subsidies which ensure efficient production and our disease-free status, which is the envy of all other beef exporting countries.

Current management approaches

15. What are the principal activities of the main industries that have the potential to change water quality in the GBR lagoon, and how do these industries currently manage these?

The significant issue for the beef industry is managing ground cover – specifically vegetation and pasture cover. However, by and large vegetation cover is addressed in legislation through the Vegetation Management and Land Acts, which are both underpinned by principles including preventing land degradation.

AgForce contends that the key issue for the beef industry is addressing stocking pressure in relation to pasture availability. An integrated project (funded by industry through Meat and Livestock Australia) across the Burdekin catchment has identified that when a good cover of grass is maintained (>60%), suspended sediment losses are always low. However, when grass cover drops below 60%, losses of suspended sediment increase dramatically. Industry is working alongside groups such as Land and Water Australia to extend this approach across other major catchments in northern Australia.

Specific activities to improve land condition and reduce nutrient and soil loss include:

- Resting paddocks during the wet season to enable pastures to rejuvenate.
- Adopting a flexible stocking rate policy based on available feed and seasonal conditions.
- Controlling cattle access around major creeks and rivers to reduce streambank erosion, particularly during the wet season and provide increased pasture cover in these riparian areas.
- Monitoring pasture for quantity and quality of forage and trends in pasture condition.
- Identifying high risk erosion areas and developing systems to manage them.

A network of producer groups has been proactive in integrating these activities as part of sustainable grazing systems within their regions.

A Grazing Land Management course is being developed jointly by MLA and a consortium of researchers including QDPI, to demonstrate the impact of good land condition on improved sustainability and profitability and reduced soil and nutrients loss and assist producers to adopt sustainable grazing practices.

As well, mapping is underway in the Burdekin catchment to identify areas which require particular management practices. This is being conducted by Tropical Savannas CRC and LWA. TS-CRC is also developing land and condition monitoring practices, using both remote and ground based methods, for producers to use in paddock and property management to adjust stocking rates

Links to the National Action Plan for Salinity and Water Quality and the Land and Water Audit have also been developed.

An Environmental Management System (EMS) for the beef industry is being developed by producers and MLA. This EMS is due for completion in September 2002, and will link into regional standards for resource environmental, which are being proposed within the Tropical Savannas CRC.

However, there is a proviso to all of this - it needs to be recognised that these activities represent a benchmark that the industry aims to achieve. Seasonal conditions, such as extended wet or dry periods, that affect pasture cover and/or recovery will determine whether these are achievable year in year out, across the landscape.

17. What industry codes of practice and other voluntary measures have been developed that would influence water quality in the GBR lagoon? Are these effective in terms of their adoption rates and their contribution to improved water quality outcomes?

AgForce supports individual property plans as the key mechanism for managing natural resources. They provide the best opportunity to provide the lessee with a measure of certainty. These plans would describe the lessee's rights and responsibilities while acknowledging risks and opportunities. Associated issues that need to be considered include:

- voluntary versus mandatory
- incentives to comply
- compensation
- enforcement/compliance
- monitoring

It is acknowledged that for on-going management activities (such as maintaining pasture cover) codes of practice may be more appropriate than property plans. Obviously these codes – which could be issue and regionally specific - need to link to existing regional plans and accommodate future plans – particularly where targets (at a regional or catchment scale) are set. MLA is conducting a project involving producers and researchers to identify best practices in natural resource management as a basis for sustainable and economically viable grazing management.

AgForce has yet to form a conclusive view on the role of environmental management systems as part of this.

Policy options

18. Are there policy options which should be given priority for analysis by the Commission? If so, why are the nominated policy options of particular interest?

The Issues paper discusses the policy problem in terms of "who and what". By way of background, the starting point for AgForce's policy approach is the need for planning and investment certainty.

AgForce supports a "4 pillar" approach to managing all natural resources that requires:

1. Adequate data and integrated information systems as a basis for making informed decisions.
2. A regional approach to planning.
3. A self-regulatory approach as far as possible.

4. Compensation where a lessee's rights and legitimate and reasonable expectations are diminished.

AgForce is calling for a performance-based, statutory framework capable of protecting a range of values at a landscape scale. A system that is based on protecting outcomes negotiated as part of a regional planning process.

The process needs to accommodate individual landholders negotiating across a range of issues, resulting in a clear statement (in the form of a property plan) of development rights and obligations, acknowledging risks and opportunities.

19. To what extent will the assessment of policy options need to take account of variations between and within catchments?

It is not expected that regional differences would require adjusting of the broad policy approach. Rather, these differences (climate, topography, scale of development etc) may mean a different emphasis on specific issues across the catchment, which require different mechanisms to deliver outcomes.

20. What information is available on the costs and benefits of policy options?

Our overarching policy – refer to pillar 4 in question 18 - is that if the community expects a landholder to forego some development opportunity or undertake some activity that is for the community's benefit, the community should pay. The amount paid should reflect the effect of the foregone development opportunity on the market value of the property.

AgForce has evidence that demonstrates the significant cost borne by landholders (measured in terms of loss of market value) where landholders are prevented from capitalizing on opportunities to develop their land involving (say) land clearing.

21. Could institutional arrangements for managing water quality in the GBR lagoon be improved? If so, how?

There is a clear need to integrate natural resource management across the board. We argue that out policy approach is a means of delivering this outcome.

Appendix 1 - List of Contacts for Further Information

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