



ANNUAL REPORT
2010 / 2011



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Queensland Farmers' Federation

2010-11 Annual Report

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Queensland Farmers' Federation

Level 6, 183 North Quay
BRISBANE QLD 4001
PO Box 12009
BRISBANE QLD 4003

t: 07 3837 4747
f: 07 3236 4100
e: qfarmers@qff.org.au
w: www.qff.org.au

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Australian Prawn Farmers Association

CANEGROWERS

Cotton Australia

Growcom

Nursery & Garden Industry Queensland

Qld Chicken Growers Association

Qld Dairyfarmers' Organisation

ASSOCIATE MEMBERS

Queensland Chicken Meat Council

Flower Association of Queensland Inc.

Pork Queensland Inc.

Fitzroy Food & Fibre Association

Pioneer Valley Water Co-operative Limited

Central Downs Irrigators Limited

Burdekin River Irrigators Area Committee

Emerging Primary Industries Groups

Biological Farmers of Australia

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Queensland Farmers' Federation

ABN 44 055 764 488

ACN 055 764 488

PO Box 12009

Level 6, 183 North Quay

BRISBANE QLD 4003

Ph: 07 3837 4747

Fax: 07 3236 4100

Email: qfarmers@qff.org.au

www.qff.org.au



The Organisation

THE Queensland Farmers' Federation unites 16 of Queensland's rural industry organisations to deliver collective representation and leadership for primary producers.

QFF's core business is to establish and coordinate policy response to the fundamental issues that underpin the viability of our members. These policy areas include sustainable agriculture, farm business and economics, water, natural disaster, valuations, economics, and natural resource management. QFF's goal is to secure a sustainable and profitable future for its members and to promote and enhance them as a core growth sector of the economy.

COMMODITY MEMBERS

- Australian Prawn Farmers' Association
- CANEGROWERS
- Cotton Australia
- Growcom
- Nursery & Garden Industry Queensland
- Queensland Chicken Growers Association
- Queensland Dairyfarmers' Organisation

ASSOCIATE MEMBERS

- Queensland Chicken Meat Council
- Flower Association of Queensland Inc
- Pork Queensland Inc
- Fitzroy Food and Fibre
- Pioneer Valley Water Co-operative Ltd
- Central Downs Irrigators Ltd
- Burdekin River Irrigators Association

EMERGING PRIMARY INDUSTRIES GROUP

- Biological Farmers of Australia
- Queensland Aquaculture Industries Federation

MISSION AND GUIDING PRINCIPLES

THE Queensland Farmers' Federation works to secure a sustainable, profitable primary production sector that is viewed favourably by the government and the community. The organisation represents the common interests of its member

organisations to deliver a collective voice in political, societal, and economic circles. QFF operates under the following guiding principles:

- Ensuring QFF member organisations are well informed on common issues of strategic importance to their members;
- Demonstrating and fostering leadership and a positive and proactive approach;
- Working collaboratively within the Federation to seek positive outcomes on issues of common interest;
- Seeking outcomes for the rural sector that meet positive economic, social, environmental and cultural outcomes;
- Recognising and embracing diversity within the QFF membership in achieving acceptable solutions for our members;
- Delivering positive outcomes that make a difference to the businesses of our members;
- Fostering a culture within the Federation that promotes responsible natural resource management as being an integral part of sound business management; and
- Working cooperatively and respectfully with all stakeholders.

KEY RESULT AREAS

Through QFF, scarce rural industry resources are pooled to ensure powerful representation and effective strategy development on issues relating to:

1. Water, and land resource policies;
2. Farm business and economics (including biosecurity and workplace health and safety);
3. Sustainable agriculture (including farm management systems programs, environment and natural resources; climate change and variability);
4. Drought and natural disaster response and recovery;
5. Communication and public awareness of the rural sector.

Board, Council, Staff 2010-11

Board



Gary Sansom
Chicken Grower –
Jimboomba



Joanne Grainer
Cotton Grower –
Mungindi



Joe Russo
Cane Grower – Childers



Brian Tessmann
Dairy Farmer – Kingaroy



John Bishop Fig &
Pomegranate Grower –
Lockyer Valley

Council

Gary Sansom	Queensland Farmers' Federation	President
Joanne Grainger	Cotton Australia	Councillor
Joe Russo	CANEGROWERS	Councillor
John Bishop	Growcom	Councillor
Bill Watson	Nursery and Garden Industry Queensland	Councillor
Jodie Redcliffe	Queensland Chicken Growers' Association	Councillor
Brian Tessmann	Queensland Dairyfarmers' Organisation	Councillor
Nick Moore	Australian Prawn Farmers' Association	Councillor

Staff

Chief Executive Officer	Dan Galligan
Senior Policy Officer - Water	Ian Johnson
Policy Officer - Sustainable Agriculture	Adam Knapp
Intensive Agriculture Employment Initiative Co-ordinator	Peter Perkins
Communications and Policy Officer	Brad Pfeffer
Vegetation Management Policy Officer	Kel Towerton (from Nov 2010)
Yasi IRO Coordinator	John Moroney (from April 2011)
Regional Planning Project Officer	Linda Lee (from June 2011)
Administration Officer	Susan Jackson

Auditors

The auditors of the Queensland Farmers' Federation are Conroys Accountants.

President's Report



If anyone was ever in any doubt about the proposition that Australia has the most variable climate in the world and Queensland in particular then the last 12 months should have convinced them. I would think that almost every report I have written in my time as President of QFF was against a background of a general lack of rain in most areas. What a turnaround in

2010-11, with everything ranging from waterlogged soils making harvesting almost impossible in some areas to total inundation in some areas and for some this was repeated two or three times. Add to that Cyclone Yasi and it has been a year of extraordinary weather events. Unfortunately not only was there significant property damage, but also loss of life. The images that we saw on TV of the tragic events that impacted on Toowoomba and the Lockyer Valley will never be forgotten.

While the cleanup and re-establishment of farm infrastructure continues, as does the stress, both financial and personal, agricultural industries generally face the prospects of some very good seasons.

While we can all be critical of some aspects of the State Government's response in some of the broader policy areas there was plenty of evidence of a general willingness to respond both by departments and individuals. Certainly once Brisbane was flooded the response was complicated by many staff being individually impacted. There is a tendency after such events to lay blame but personally I think it should be more about working out how we can respond more effectively given the constraints that are inevitably part of the scene.

For QFF, putting aside the issues arising from the weather conditions, which in themselves have required significant input, much of the other policy areas have been a continuation from the previous 12 months albeit for many a heightened need to get a resolution. The issues around the Murray Darling are still a high priority at both a State and Federal level as we wait for the Basin Plan to be released and of course at a State level the Queensland Competition Authority review into SunWater prices.

Coal seam gas and mining and the Strategic Cropping Land policy is still being debated. There is still significant concern amongst the farming sector about the impacts of CSG and water and the fact that significant tracts of farming land are likely to be taken out of production. Recognising that agriculture and mining are currently the two main pillars in the State's economy, it is important that we seek to get a balanced outcome from the debate.

As this will be my last report as President of QFF I would like to take the opportunity to acknowledge the support from a number of quarters that QFF and I have enjoyed over the years.

Despite the fact that we often agree to disagree in a number of areas we have always been appreciative of the projects that have been funded by government over the years including the long term support for a water policy officer and more recently the projects relating to Yasi recovery, workforce skills development, vegetation management, and reef rescue planning, which either directly or indirectly support our members.

QFF obviously relies on the support of its members both in a financial and policy sense and I would like to thank both the elected member representatives and staff for their support over the past ten years. Like all families we do have disagreements but as a collective I think we have managed to achieve a lot. Personally I have always valued the interaction that I have had at a board, council and staff level.

As I have said often, the staff are the backbone of any organisation and I have been very fortunate to have worked with and been supported by some excellent people over the past ten years. Not surprisingly most of them have been young although there have also been some old codgers as well. The current QFF staff led by Dan Galligan are as good a group as you could hope to find and I know that my successor will be inheriting some very capable and committed people.

I am now on my fourth CEO which some might see as an indictment of me but I like to think that the first three Graham Dalton, Brianna Casey and John Cherry have all gone onto bigger and better things and I have no doubt that at some time Dan Galligan will follow suit. My thanks to you all for a great job.

A handwritten signature in black ink, appearing to read 'Gary Sansom', written over a horizontal line.

Gary Sansom
President

From the CEO's Desk



Advocating rural policy in Queensland always occurs in a tumultuous environment, but 2010-2011 has the dubious mantle of setting a new benchmark of policy challenges, climatic setbacks, and market volatility. It is a year that tested QFF, our members, and farmers across the State, and is one from which many are still working to recover. It also

highlighted the strength of QFF as an organisation and our ability to deliver for our members.

Our tasks at QFF over the last 12 months have occurred against a backdrop of a new minority government entering Parliament in Canberra, a near 20% appreciation in the Australian dollar, volatile commodity prices, supermarket price wars on fresh produce, risk that the world economy is on the verge of global financial crisis 'mark two', and an incredibly fast acceleration of the resources sector into our valuable farming regions.

The entire State was also struck with record natural disasters. Spring and summer began with a frustrating wet start, with many of the State's farmers desperate for sunshine to simply maintain their crops and livestock. The problems worsened immeasurably in December and January with record floods in many regions and rivers. For some valleys, these floods occurred two or three times over the summer. Tragically, the floods and the devastating 'inland tsunami' took many lives and caused billions of dollars of damage to public and private infrastructure.

QFF as an organisation was affected with our office subject to the Brisbane CBD evacuation that lasted for a week. During that time, and over the Christmas period, the QFF staff and Council all played an important role as rural industries grappled with understanding the extent of the disaster and the intense media interest that came with it.

We also knew that the wet season still had months to run. Unfortunately, the La Nina weather pattern was unrelenting.

Just five years after Cyclone Larry, Far North Queensland was devastated by the Category 5 Cyclone Yasi, which, tragically, crossed the coast at a very similar point to that of its predecessor.

Unsurprisingly, the flood and cyclone recovery has dominated many facets of our work at QFF this year and has interacted with our regular activities. Nonetheless, our ongoing commitments have been equally as important, and of themselves have taken considerable effort and dedication.

It is a year that in spite of the challenges - and at times because of them - QFF has shown its depth and I believe its value as an organisation.

QFF took a lead role in steering the response to the summer of disaster.

Disaster recovery

QFF took a lead role in steering the response to the summer of disaster. While this saw the successful collaboration efforts exhibited by the Cyclone Recovery Rural Recovery Initiative (CYRRI), the recovery for both the flood and cyclone was not without problems. It was disappointing that the State and Commonwealth did not act faster to recognise the extent of these disasters, and ongoing changes and tinkering to the Natural Disaster Relief and Recovery Arrangements exposed a flawed chain-of-command, and it seemed timely sensible decisions were at a premium. It is

unfortunate that in the immediate post-disaster period, many farmers were left confused and under-informed about what assistance would be available to them and it is no wonder with no less than 65 changes being made to NDRRA declarations during the year.

Water policy

Water reform in the Murray Darling Basin once again was a dominant aspect of our water policy work. Even now, four-and-a-half-years after John Howard began to accelerate the reform, the government is still labouring over a solution to this complex policy challenge. An aborted 'draft Guide'

The wild ride for many agricultural commodities was matched only by the equal volatility in the Australian dollar

became a lesson in policy and public relations failure for the Murray Darling Basin Authority and the government, and it came as little surprise that several delaying tactics were used to separate it from the election campaign. Irrigators in Queensland have high hopes for an improved document and greater certainty when the draft Guide is released in November 2011.

QFF also continues to take a lead approach in the Queensland Competition Authority review into SunWater prices. While we have not won every debate in this review, QFF has successfully steered the review in a sensible and fair direction for farmers and achieved some major changes for irrigators.

This review, as well as Basin reform, will continue to be a major focus for QFF in the year ahead.

Terms of trade

The wild ride for many agricultural commodities was matched only by the equal volatility in the Australian dollar, which peaked at over US110c in April 2011. For farmers producing for export markets, the blow was thankfully softened by major commodities such as sugar and cotton hitting some of their best levels in recent memory. In the case of cotton, the commodity hit its highest level since the American Civil War.

It was a cruel twist for many Queensland farmers that some of the 'once in a lifetime' real-term prices for commodities were beyond their reach. Too many of our farmers did not have the crop to sell, and for an unfortunate group locked into forward pricing arrangements, the high prices became a rod for their backs.

With the global economic outlook remaining unstable, our farmers will be faced with more of this volatility in the future, which will be an increasing challenge for them to manage. The underlying fundamentals are strong, although it is crucial that

the mining sector does not continue to sprint ahead of all other sectors of the domestic economy, dragging the Australian dollar with it, and leaving other sectors such as agriculture grappling with eroded terms of trade. In my view looking for policies that work toward this dilemma will be a priority in 2012.

Domestically, our fresh produce farmers confronted the challenge of supply disruptions from the floods and cyclones, and a supermarket price war put milk in the crosshairs. QFF continues to advocate that farmers should not bear the burden of the supermarkets' advertising gimmicks, and that the two major retailers have much work to do improving their relations with the farm sector.

The resources boom

As I described, the rapid growth of the resources sector and high mineral commodity prices have lit the fuse under the Australian dollar. These high commodity prices have also seen the expansion of mining industry, including coal and coal seam gas, into areas of the State that were previously the exclusive domain of farms.

QFF has played a lead role in ensuring that farmers are not trampled in the rush to expand these industries. This has involved lobbying and strategic influence being placed over the development of Strategic Cropping Land policy, and legislation

The Judd family at Millmerran moving quickly to put machinery on higher ground during the summer floods.



From the CEO's Desk

The strength of QFF continues to be underpinned by its staff, the Council and Board, and our members

including the Water and Other Legislation Amendment (WOLA) bill, Land access laws implementation and numerous committee and representative tasks.

Organisational health

The strength of QFF continues to be underpinned by its staff, the Council and Board, and our members. All have made extensive, intelligent,

and valuable contributions to QFF in the past year and it is thanks to this collective effort that QFF continues to be so highly respected in policy circles and continues to be such a successful advocate for intensive agriculture in this State.

Our membership base remained steady and subscription fees were unchanged this year, with the organisation in a sound financial position.

QFF has managed a range of projects this year, seeing the organisation expand in size, and reflecting the importance of rural policy for industry and the government. I wish to acknowledge the support of the State Department of Environment and Resource Management, the State Department Employment of Economic Development and Innovation, and the Federal Department of Sustainability, Environment, Water, Population and Communities.

We are still a small team but continue to deliver key outcomes for our members.

QFF continues to host the office of Cotton Australia, and provide secretariat duties for the Queensland Chicken Growers' Association and the Queensland Chicken Meat Industry Committee. While continuing QFF membership, the Australia Prawn Farmers Association no longer occupies an office at QFF, and the conclusion of the Primary Industries Week committee saw QFF cease its duties in a secretariat role.

Last, but not least, I express on behalf of current and former QFF staff, board, and members, the greatest

appreciation for the legacy that Gary Sansom leaves behind as president and councillor when he plans to step down in September.

It is difficult to single out any of Gary's extensive achievements. Most notably, he has been involved in QFF since it was formed in 1992 and has been president since 2001.

Gary has played an incredible role helping make QFF the respected and well-functioning organisation that it is. He has made an outstanding contribution to the organisation, its people, and to rural policy in Queensland. Credit must also go to his wife Julie also, who I know has been critical in the support for Gary and the time that his QFF and chicken industry roles have consumed.

We are grateful that he has shown and interested in continuing as a Director and will still continue to assist QFF as an organisation.

Finally, I conclude by saying that QFF and our members look forward to some bright years ahead for agriculture in this State. Our water supplies have rarely been better, and there are strong prospects for commodity prices in the long term with a growing State, national and global population. The outlook is bright for Queensland agriculture.



Dan Galligan
Chief Executive Officer

Packed crowds of farmers attended meetings to hear about the proposed guide to the Basin Plan, including here at Dalby.



Water Resource Management

HIGHLIGHTS

- * SunWater prices review by Queensland Competition Authority ongoing and final prices delayed until July, 2012. QFF successfully lobbied to have additional rate of return on dams and other scheme infrastructure built before October 1, 2011, struck from the review.
- * Murray Darling reform has continued to be a major focus for QFF and our members. Despite the government and Murray Darling Basin Authority having “another go” at releasing a draft Plan, this policy will continue to be a major focus now and in the future.
- * QFF has continued to call for the Authority to explain and justify environmental water needs at a catchment level to give the irrigation communities some confidence that the magnitude of the changes required to meet environmental water needs is supported by credible science.
- * QFF is continuing to work on other important water policy areas including water resource planning, southeast Queensland irrigation issues, and review of water and irrigation boards.

Water Resource Management

It is now over 10 years since the Queensland Government introduced the Water Act 2000 to implement national water reforms. Most of the State water basins now have first generation water resource plans implemented and water pricing reforms have been initiated in all supplemented irrigation schemes.

In the past twelve months much of the attention has focused again on the implementation of water reforms in the Murray Darling Basin and development of new price paths for SunWater schemes. Both programs will continue for the next financial year. QFF has also made progress on other important water reforms, including water resource planning in different parts of the State. The QFF Council relies on advice from the QFF Water Policy Committee chaired by Harrisville dairy farmer Ross McInnes in dealing with the issues arising from these reforms.

SunWater Schemes water prices

For well over a year now, the Queensland Competition Authority (QCA) has been conducting a review to recommend new SunWater irrigation prices for the next five years.

This review has been a major focus for QFF, especially since the State Government had initially requested QCA to investigate the imposition of a rate of return from dams and infrastructure and the capacity of irrigation customers to pay these charges. We were very concerned that the imposition of a rate

-of-return on irrigation schemes would have made a number of farms and irrigation areas unviable or unable to invest in their futures.

QFF, on advice from the QFF Water Policy Committee, made repeated submissions on these issues and welcomed the Queensland Government's decision late in 2010 striking out any additional rate of return for dams and other scheme infrastructure built before October 1, 2011.

This also meant the removal of the capacity to pay assessment – which would have been extremely difficult and complex – and saved the industry the agony of negotiating this process and the associated high degree of uncertainty. The decision also took the issue of funding for large dam safety upgrades off the agenda for the coming price path.

This decision brings us into line with the policies of southern States such as NSW and hopefully gives us the opportunity to grow irrigation schemes in Queensland.

Instead of having the irrigation sector looking over its shoulder and trying to pay for dams that the State built decades ago, schemes can have some confidence to look to the future and make long-term investments to modernise operations.

This was a major positive result from QFF's efforts, backed up by strong support from our members.

This focus on long-term sustainability of agriculture is a cornerstone policy of QFF. However, new irrigation areas and infrastructure built after October 1, 2011, will require a rate of return for SunWater.

Water Resource Management

Farmers will therefore need to have a strong say in where that capital investment goes. Irrigators will be the ones paying, so it makes sense that they are fully involved in the process.

There are still challenges to be addressed in the QCA process for determination of irrigation water prices. SunWater released the network service plans for each of the irrigation schemes across the State in late January.

These plans were of a very poor quality and failed to provide accurate assessments of the efficient costs of providing bulk water services over the next five years as a basis for QCA to recommend price paths for each scheme.

As a consequence, QCA investigations and planned consultations with each scheme were delayed to such an extent that the deadline for the release its draft report in mid-June could not be met.

Instead of taking a neutral position and granting an extension of time to let QCA complete its investigations and reporting, the State Government sideswiped Queensland's major irrigation industries by deciding to arbitrarily increase water charges for many regions of the State by up to \$2 per megalitre.

The decision pre-empted the entire QCA investigation. Also of major concern is current government policy that water prices cannot decrease.

This decision means that the announced \$2 per Ml 'temporary' increase becomes permanent according to this policy. QFF recognises the difficulties the government budget is facing but deplors this action. In particular, the decision will be a heavy blow to many irrigators recovering from extensive floods, rains, and cyclones.

The QCA will now release its draft report in late October and a final report in April 2012. The State Government is to decide on the final price paths for implementation from July 2012. Throughout this, QFF on advice from the QFF Water Policy Committee will be continuing to push for policies that ensure a long-term future for the industry and a

productive environment for Queensland farmers.

Murray Darling

The release of the Guide to the Proposed Basin Plan in early October 2010 involved regional consultations and Canberra-based workshops and triggered inquiries by Committees of the House of Representatives and the Senate.

QFF attended the regional consultation meetings in St George, Dalby and Goondiwindi where attendees reacted angrily to the lack of consultation during the development of the Guide, the limited implementation of the Commonwealth water recovery programs in the Queensland catchments and the failure of the process to deliver on the fundamental promise of secure water entitlements.

None of this flawed process gave irrigators any confidence that they would be able to 'willingly' participate in the Commonwealth water recovery programs and also raised questions about the role of the Commonwealth Department as a 'willing buyer'.

The Murray Darling Basin Authority (MDBA) had more than 18 months to prepare the Guide but it had not put in place an adequate process for engagement with irrigation communities to develop a draft Basin Plan.

QFF's submissions to the MDBA and the two Parliamentary Inquiries were highly critical of the flawed planning process conducted by the Authority. QFF has continued to call for the Authority to explain and justify environmental water needs at a catchment level to give the

irrigation communities some confidence that the magnitude of the changes required to meet environmental water needs is supported by credible science.

QFF also worked with irrigator groups from the Condamine and Lower Balonne subcatchments to make presentations to the regional hearings conducted by the Regional Australia committee of the House of Representatives chaired by Tony Windsor.

QFF drew attention to the key issues in the Northern Basin that the Guide failed to address and the limited progress that had been achieved with water

QFF drew attention to the key issues in the Northern Basin that the Guide failed to address

Water Resource Management

recovery programs in the Queensland catchments. QFF called for further improvements to water purchasing and water infrastructure programs by allowing irrigation industry and communities to drive the investigations needed to plan and implement the programs in priority areas.

QFF has given in principal support to the Windsor Committee report which was released in May.

The Inquiry report highlighted the need to balance the productive use of water resources with the needs of the environment in the Basin and called for a more strategic focus to water recovery and greater community involvement.

The Inquiry also wants the MDBA to lift its game when engaging with the community. QFF understands that improved engagement is not only about informing the community but also is about using the community's wealth of expertise to craft outcomes.

The Windsor Committee also recommended significant changes to the way water purchases and Government investments are conducted to achieve on-ground results and deliver more accountable water recovery programs.

QFF has always considered that the draft Basin Plan needs to identify areas of the Basin that require priority attention and recognise that the issues in the Northern Basin must be handled differently from those in south.

Also, water recovery programs must focus on being

more responsive to sellers and to achieving the lowest possible impact on communities concerned.

Importantly for regional communities, the Windsor report highlights the need for locally developed proposals to recover water and also, where necessary, for structural adjustment measures for communities likely to be impacted.

Therefore, we will be looking for a draft Plan that uses local communities to recommend a mix of water buy back and infrastructure recovery measures.

Importantly for regional communities, the Windsor report highlights the need for locally developed proposals to recover water

The Commonwealth and Basin States must also work together on implementing a Basin Plan that has a cooperative model for developing catchment plans. A fundamental flaw in the development of the Guide released last year was the failure to address how a Basin plan would be effectively implemented in cooperation with the States.

All of these recommendations support what QFF understands the new chair for the MDBA, Craig Knowles, is seeking to deliver in a draft Basin Plan which is expected to be released in November. However, Mr Knowles faces a mammoth task to restore confidence that irrigation

communities will not be sacrificed at the expense of environmental outcomes.

QFF is a member of the Queensland Murray-Darling Strategic Consultative Committee established by the Department of Environment and Resource Management (DERM) to provide advice on the implementation of the Plan in the Queensland Murray Darling catchments. QFF has also given priority to supporting the formation of subcatchment advisory groups to deal with the implementation of the draft Basin Plan with the Queensland Murray-Darling catchments.

IMPLEMENTATION OF OTHER WATER REFORMS

The QFF Water Policy Committee also addressed a number of other water reforms during the year.

Water resource planning

QFF has continued to be involved in the ten-year reviews of the Fitzroy and Burnett catchment water



Eric Danzi, Senior Manager Planning with CANEGROWERS overlooks the Fairbairn Dam, Emerald with consultant Geoff Kavanagh.

Water Resource Management

resource plans.

QFF has worked with irrigator representatives and members to ensure that key issues for attention in the reviews were given priority by the State Government water planners.

A key issue in the Fitzroy has been the proposal to cut groundwater entitlements in the Callide Valley by nearly 50 percent.

QFF attended a meeting in Biloela attended by 130 irrigators and families who rejected the proposal. QFF has subsequently worked with DERM to

address the concerns of this irrigation community. Work on the Burnett plan review has focused on a range of issues including the sharing of the water resources of the Lower Burnett and Kolan catchments, revision of environmental water allocations to address specific targets in the Basin and adjustments to seasonal allocation rules. Preparation of the initial water resource plan for the Wet Tropics has also continued this year. This Plan is addressing sensitive issues regarding the sustainable extraction from surface water and groundwater in some parts of the Wet Tropics plan area. QFF has been helping member organisations have input into the planning process. QFF has also worked with members on the draft Mary resource operations plan.

SEQ irrigation issues

QFF is a member of Rural Water Advisory Group established by the Queensland Water Commission (QWC) to address opportunities for sharing water between the urban and rural sectors and for the rural sector to use recycled water in different parts of the region.

Effort this year has focused mainly on opportunities to increase the use of recycled water for irrigation in the Lockyer Valley and regionally significant recycled water schemes in other irrigation areas. It is expected the agenda will expand in the coming year as rural scheme water price investigations are initiated.

Water and drainage boards review

Work has continued over the past twelve months on

reforms to help water authorities across the state to transfer to local government or alternative non-government entities as part of the implementation of the 2008 review of statutory authorities. QFF and member organisations have been working with water boards that have responsibility for irrigation supply and drainage boards in the Wet Tropics region to highlight the need for these measures.

Progress has been made to remove all significant policy impediments to the proposed transfers such as the removal of stamp duty charges and arrangements to allow the boards to cope with outstanding loan obligations.

Efforts are now focusing on clarifying the steps required for the irrigation boards to establish as independent entities. Drainage boards are likely to retain their public status but opportunities to amalgamate some of these boards to achieve efficiency gains are being investigated.

DEPARTMENTAL SUPPORT FOR QFF

DERM continues to provide financial support to QFF to help with the development and implementation of water reforms. This report highlights the important statewide and regional water policy priorities that QFF has been able to address over the past year. QFF thanks the Department for its continued support.

A key issue in the Fitzroy has been the proposal to cut groundwater entitlements in the Callide Valley by nearly 50 percent.



Cotton fields on the Darling Downs awash during the summer floods.

Natural Resource Management

Highlights

- * QFF and its members continue to play a key role in the implementation of the \$200 million Australian Government Reef Rescue program with the following outcomes:
 - * More than 2000 farmers and graziers have been engaged with and trained in better understanding improved use of natural resources;
 - * 1480 farmers entered into contracts with regional bodies to improve their practices over 350,000 ha of land;
 - * Over 1400 graziers improved and changed their management practices over 500,000 ha.
- * QFF establishes a rural planning project with Department of Employment, Economic Development and Innovation.
- * QFF continues to build on the partnership with the Regional NRM Groups Collective to improve links between industry-led FMS programs and natural resource management issues at a regional level.

Sustainable Agriculture

The concept of sustainable agriculture is about ensuring that farming remains viable and sustainable both economically and environmentally, while supporting a healthy and viable rural community. Fundamental to QFF's work on policy in relation to sustainable agriculture is engendering an understanding that an environmentally sustainable farm can and in fact must be economically viable. Indeed the most profitable farmers are those who also invest in natural resource management. The QFF agenda in 2010/11 continues to be both proactive (in terms of promoting best practices) and reactive (in responding to government and community concerns). To deliver the agenda QFF aims for a collaborative partnership with government and community on policies that will deliver an environmentally resilient outcome that encourages farmers to implement sustainable farming systems while minimising cost imposts.

QFF has a Sustainable Agriculture Taskforce that engages our members in this important policy area. The Taskforce is made up of environmental policy officers from QFF member bodies. The Taskforce is chaired by Growcom's Chief Advocate Rachel Mackenzie. Key priorities identified

by the Taskforce this year include:

- Department of Environment & Resource Management, Environment Line of Reconstruction Environment Sub-Committee
- Strategic Cropping Land
- Coal Seam Gas
- Land and Water Management Plans
- Climate Change
- Reef Rescue and State Government regulations
- Regrowth Vegetation Code
- Regional and land use planning
- Rural water use efficiency
- Farm Management Systems (FMS) implementation.

The QFF agenda in 2010/11 continues to be both proactive and reactive

Farm Management Systems

Farm Management Systems (FMS) is a key policy initiative of QFF and its member organisations, designed to improve the profitability and sustainability of Queensland farm enterprises. Through collaboration, member organisations share similar design and delivery features of programs, facilitate the development of partnerships, and enhance the prospect of achieving efficiencies and savings.

FMS is a voluntary, systematic approach to agricultural business that can be used by primary producers to identify and manage

Natural Resource Management

risks which may occur as a result of their enterprise. It is a tool to help drive sound business development and management and the achievement of more sustainable and profitable farming practices.

QFF member organisations continue to build on relationships in rolling out FMS programs to primary producers with continued ongoing work occurring between QFF's member organisations and Research & Development corporations to take into account ongoing research.

QFF continues to build on the partnership with the Regional NRM Groups Collective to improve links between industry-led FMS programs and natural resource management issues at a regional level.

Reef Rescue

For the past two-and-a-half years QFF on behalf of all rural industries engaged in Reef Rescue has, along with the Regional NRM Groups Collective (RGC), been contracted by the Australian Government to coordinate the activities of the Reef Alliance under Reef Rescue. The Reef Alliance is a group of peak agricultural industry bodies and regional Natural Resource Management bodies that developed the business case for the Department of Environment, Water, Heritage and the Arts (DEWHA) 'Reef Rescue' investment program, and are currently delivering the grants and partnerships components of that investment.

In a practical sense the Reef Alliance is a network of these organisations who have agreed to work together around the common objectives of supporting voluntary uptake of improved agricultural practices for the water quality benefit of

the Great Barrier Reef (GBR).

The Reef Alliance has no formal arrangements other than a foundation statement of principles which was developed in its initial formation phase. The Reef Alliance operates through regular meetings of strategic and operational representatives, industry-based working groups, communication staff and a variety of regional delivery arrangements.

The role of the QFF/RGC partnership is in coordinating the activities of the Alliance to ensure that its functions can be maximised towards the achievement of the outcomes of Reef Rescue. A critical part of this role is ensuring a level of consistency across reef catchments in the development of industry plans and in regional delivery, as is the maintenance of the continued dialogue with Federal and State agencies about appropriate targeting, reporting, governance and delivery issues. The support for this project continues QFF's crucial coordination and communication role with the Australian Government's Reef Rescue partnerships funding.

Priorities over the last year have been data management and reporting and in working with industry members and AgForce to coordinate with the regional bodies to develop a business case for the funding of years four and five (2011/12 and 2012/13) of Reef Rescue. The business case was presented to the Commonwealth in early March. The alliance has now moved on to planning for the release of the Reef Rescue three-year impact statement. It is planned for this document to be released on October 11 in Canberra. The impact statement will be developed collaboratively over the next six months.

Significant outcomes of the program in the first two-and-a-half years of the program include:

- More than 2000 farmers and graziers have been engaged and trained in better understanding

QFF member organisations continue to build on relationships in rolling out FMS programs to primary producers



Natural Resource Management

The project will assist QFF to develop a planning tool kit ...

improved use of natural resources;
– 1480 farmers entered into contracts with regional bodies to improve their practices over 350,000ha of land; and
– Over 1400 graziers improved and changed their management practices over 500,000ha.

Reef Plan and the Reef Partnership Committee

QFF has continued in its role representing industry on the Reef Plan

Partnership Committee. The committee includes stakeholders from every party that holds any action accountability under Reef Plan. The 2010/2011 most pressing issues for the partnership committee included the rollout and development of a “new” extension delivery model. The model is still being trialed with mixed success in the Hinchinbrook catchment. Further, the partnership committee has reviewed the recently released reef report #1. Previously known as the 1st Report Card, it includes management practice data and resource condition data delivered out of the Paddock to Reef (P2R) modeling program. QFF strongly supported this report being provided to Reef Plan Partners on an embargo basis prior to release. The report is a snapshot of the state of the Reef and it’s waterways in 2009. The massive improvements under Reef Rescue will start to be revealed after the release of the next report in 2012.

Planning project

Agriculture and its associated industries make a major economic, environmental and social contribution to all regions

of Queensland. This contribution needs to be better reflected in government policy and planning to:

- Conserve high value agricultural land.
- Protect agricultural uses on agricultural land.
- Facilitate sustainable growth through planning for the future transport and processing infrastructure and, telecommunication and energy requirements of agricultural industries.

Commercial agriculture, and in particular the intensive agricultural sector represented by QFF requires a secure and consistent policy environment to allow for large and long term investment. The sector also requires flexibility to adapt to changing markets and technologies, and economic and climatic conditions, and to promote innovative responses.

In 2010/2011 QFF signed a contract with the Queensland Government through the Department of Employment, Economic Development and Innovation (DEEDI) to support QFF and AgForce in promoting the interests of the agricultural sector in future planning processes. The project will assist QFF to develop a planning tool kit to inform land use planning in relation to agriculture. The project

QFF President, Mr Gary Sansom AM, visited flood affected communities in December 2010 along with (from l to r) Minister Mulherin, Bruce Turner (DEEDI), Senator Joe Ludwig, Vaughan Johnson the Member for Gregory, & Agforce President Brent Finlay.



Natural Resource Management



Land valuation reforms

New land valuation legislation was introduced in late 2010 to implement 'site value' for non-rural land and other reforms to improve and make the land valuation process more accountable. QFF has been involved with a range of other peak organisations in the development of these reforms. QFF has welcomed the State Government's decision not to apply site value to rural land as this would have involved consideration of a range of issues regarding improvements that are made

to farming land for productive and environmental outcomes. Landholders located near urban areas will need to be aware of current zoning and future zoning changes to watch for the impact of the implementation of these valuation reforms. However, it appears that adequate provision has been made for landholders to apply for a change in valuation if they are adversely affected by the changes.

involves an initial 3 month scoping exercise which will inform a 12 month project to be completed in 2012.

The Project's objectives are to:

- Promote the agricultural sector in planning processes to enhance the security, sustainability and profitability of producers.
- Analyse current State, regional and local planning policies, environmental impact statements and other relevant government policy to understand and advise on the implications for Queensland's intensive and extensive agricultural industries.
- Develop a coordinated response to assist State and local government and other key stakeholders in future policy decisions. Recommendations should promote the agricultural sector within a planning context for the long term, promote sustainable management of agricultural lands, minimise land use conflicts and effectively manage the urban rural interface; and
- Provide support for agricultural industry specific projects in relation to land use policy and planning issues.

to farming land for productive and environmental outcomes. Landholders located near urban areas will need to be aware of current zoning and future zoning changes to watch for the impact of the implementation of these valuation reforms. However, it appears that adequate provision has been made for landholders to apply for a change in valuation if they are adversely affected by the changes.

Condamine River rising rapidly in the summer floods.



Vegetation Management

HIGHLIGHTS

- ✱ QFF's vegetation management project began in November 2010 and has made progress assisting QFF and its members regarding the Regrowth Vegetation Code and various other land-clearing issues.
- ✱ Queensland landholders have made large concessions reducing land clearing in this State. The latest State Land and Tree Study (SLATS) report tells us that vegetation clearing rates reduced from 729,000ha per year from 1988 to 1991 to 99,940ha per year in 2008/009, down by 86%.
- ✱ On carbon policy, QFF is concerned about the impact of a carbon tax on intensive farms and their operating margins. Farmers will have limited ability to pass on extra costs.
- ✱ The Federal Government has established a Carbon Farming Initiative to provide some opportunities for farmers and other landholders to assist in reducing carbon in the environment. It remains to be seen how much ability intensive farmers will have to participate.

Vegetation management, trees, and carbon Regrowth Vegetation Program

The Department of Environment and Resource Management (DERM) and QFF have partnered on a project to assist farmers understand the complexities and detail of the Regrowth Vegetation Code (2009). Since November 2010, Kel Towerton has been delivering on this project, bringing with him considerable experience in vegetation issues.

The Regrowth Vegetation Code removes the requirement for farmers to apply for permits for some clearing activities. If farmers follow the code requirements, the next step is to complete a simple form to notify DERM of their clearing intentions.

There are exemptions under the regrowth regulations to allow clearing work, some of which include routine maintenance, establishing necessary infrastructure, clearing for extractive industry and burning to reduce fuel hazard loads for wildfires.

Regrowth vegetation protects native remnant vegetation that is identified on a regrowth map as high-value regrowth, located within 50 metres of a watercourse, or contained within a Category 'C' on a Property Map Assessable Vegetation (PMAV).

QFF has been assisting DERM in the design and layout of the Regrowth Vegetation Guide in conjunction with AgForce and other Program Reference Group committee members to make it more easily understood and to

implement. Additionally, QFF will establish a pocket-sized ready-reckoner that farmers can take into the field, which will detail the major facts and procedures required of the code.

Kel has been visiting farming regions to educate farmers on the requirements of the code and will cover many intensive agriculture regions within the project.

The Regrowth Code - Key Issues for farmers

The Regrowth Vegetation Code has generally been accepted by most farmers as a step in the right direction as it allows for a self-assessment mechanism that saves time, money, and red tape when applying for clearing permits from DERM.

The Code has made it more important for farmers to complete a PMAV to ensure their currently cleared areas do not become classified as regulated regrowth over time. By locking-in these areas into a PMAV they know that there is certainty as to the status of vegetation for the future.

Another area that is somewhat contentious is the Essential Habitat Mapping. For example, the regrowth map may indicate there are koalas in an area where they have not been seen for more than a decade.

However, the code stipulates that if there are at least three essential habitat factors present for that species of protected wildlife, then that creates an environment for that species to be there. Therefore,

QFF will establish a pocket-sized ready-reckoner that farmers can take into the field

Vegetation Management

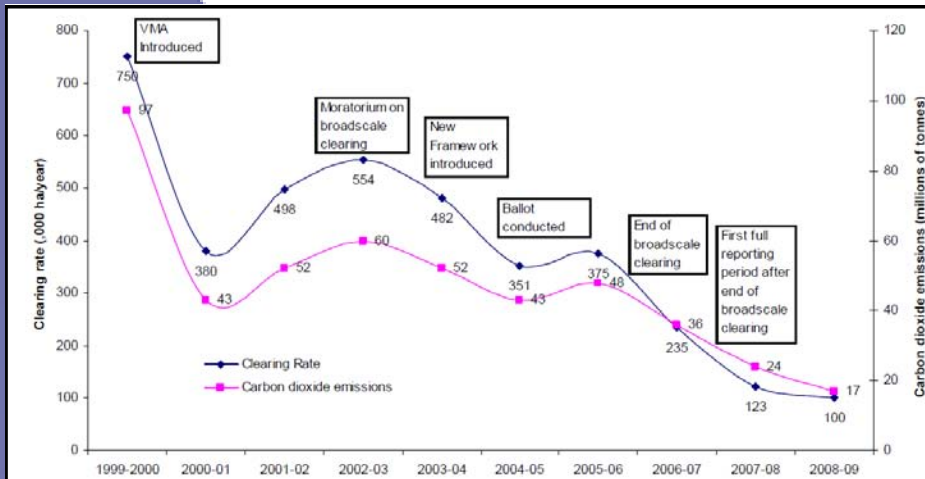


Figure 1: Summary of woody vegetation clearing rates and carbon dioxide emissions in relation to VMA legislation reforms.

Regional Ecosystems (RE) prior to its pre-clearing status. In the case of endangered REs this can result in less than 10 percent remaining. By protecting these remaining remnant areas the Queensland Government can retain the biodiversity function of the remaining vegetation in that community landscape.

Since the introduction of the Queensland Government's Vegetation Management Act (1999) the rates of woody vegetation clearing has reduced substantially.

The latest State Land and Tree Study (SLATS) report tells us that

there may not in fact be an animal in that area at that particular time; but there are habitat features within that landscape for that particular animal to exist.

An essential habitat has more stringent land-clearing controls over these areas. Because it is listed as a restricted area, this is frustrating for landholders who are not fully conversant with the code.

QFF is explaining these frustrations and others at a series of workshops across intensive agriculture regions of Queensland.

Wetland protection areas and stream protection areas are another restricted area under the code. These areas on the maps create some confusion for farmers as there are different criteria between Reef Protection Areas (Burdekin, Mackay and Whitsunday and Wet Tropics regions) and watercourses elsewhere. The Reef Protection Areas require more stringent controls to ensure that the Reef is protected from erosion run-off, fertilisers and other chemicals from farms. These details are also explained comprehensively at the QFF Regrowth Vegetation workshops.

Another issue for farmers is the loss of productive farming land due to buffers, set-backs and designated no-clearing zones, unless there is an off-set of at least twice size.

This occurs because of the need to conserve the percentage rate left of the

vegetation clearing rates reduced from 729,000ha per year from 1988 to 1991 to 99,940ha per year in 2008/09 (or about 0.05pc of the land area of Queensland).

That number shows the vast improvements and concessions that landholders have made, especially considering the vast size of Queensland (see Figure 1 left).

These figures show that the rate of clearing has been reduced significantly, reducing the loss of the States' biodiversity and the amount of carbon dioxide emissions though the clearing of native vegetation.

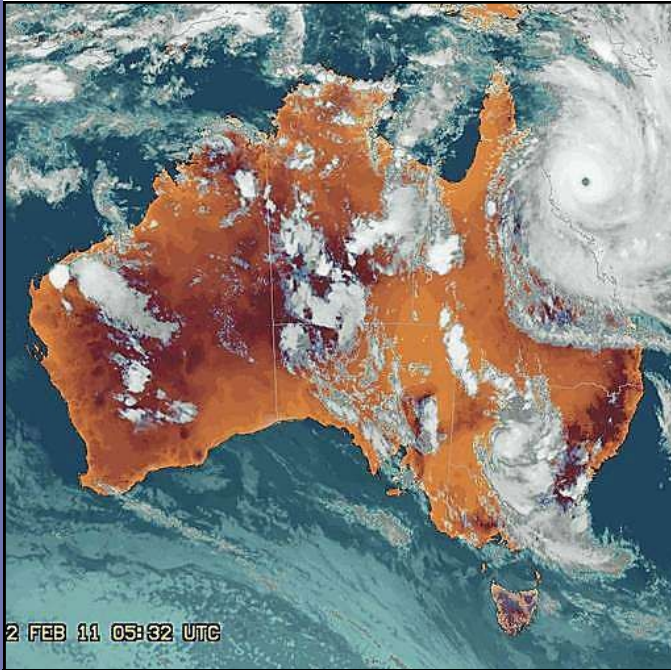
Farmers can now see that although there was some loss of productive land in the beginning of the vegetation framework commencement, the gains in protection of landscape is starting to pay environmental dividends for the State's biodiversity.

The gains in protection of landscape is starting to pay environmental dividends for the State's biodiversity.

Carbon tax

QFF has analysed the detail of the carbon tax and the impact that it will have on farmers, communities, and regional economies. While agriculture will have its direct emissions excluded and the diesel fuel rebate will not be cut for businesses in agriculture, fisheries and forestry, it remains the case that our members are very concerned about the impact that this tax will have on farm margins. This will be a result of rising input costs such as

Vegetation Management



Radar image of Cyclone Yasi bearing down on the Queensland Coast on the 2nd of February 2011.

electricity, gas, and fertiliser, as well as freight costs from 2014-2015 when the trucking industry has its rebate cut. It also seems that the rebate would be cut for aerial spray applicators. Farmers will have limited ability to pass on extra costs given that they either compete in international markets or are constrained by the domestic supermarket value chain.

So what are the options for intensive agriculture? The sector can seek to change practices and reduce reliance on energy, try and pass the costs on or take advantage of the programs on offer to act as a net carbon sink (store) and in essence be paid for the service. The reality is there is currently limited ability to change practice on farm to substantially avert these added costs, without some impact on the overall productivity of the farm. The history of big productivity gains have been made on the back of inputs into the farming system. In fact, it is an irony that productivity gains through technology often require the use of *more* energy.

The result of the carbon tax (and the associated carbon farming initiative) will become more apparent with time, especially after the transition to an emissions trading scheme (ETS). The ETS was the

mechanism that initially had bi-partisan support and could be the fairest and most effective policy. The current tax is a stepping stone toward that, and the current political scene appears to have necessitated this stepping stone. With this the case, it will be important for the government to ensure funding in the interim goes towards preparing for this market-based system and this includes a greater focus on energy efficiency.

The government must seriously look at options such as big solar rebates or electricity tariff structures (which perversely are both declining) and measuring nitrous oxide emission reductions, and biofuel from either sugarcane or grasses and trees. Operating in a global market as Queensland farmers are, the sector knows that it must increase productivity to meet future demand and this now will need to be done within low emission farming systems. Leaving aside the “belief” arguments on climate change, this is the dilemma producers face and this is the problem that we need help to fix.

Carbon Farming Initiative - what it means for farmers

The Federal Government has established a Carbon Farming Initiative (CFI) to provide some opportunities for farmers and other landholders to assist in reducing carbon in the environment. The CFI will include legislation to create a carbon crediting mechanism, fast track the development of methodologies for offsets, and provide farmers with the tools and information to take advantage of carbon markets. While QFF cautiously supports this initiative, we have some concerns about the way the implementation of the scheme will impact farmers. We are also wary of it being used as a disguise for the impacts of the carbon tax, which is expected to place significant cost burden on energy use in the intensive agriculture sector.

Following the carbon tax announcement, QFF welcomed that the government appears to be trying its best to work with the land sector and invest in some important areas. As part of the carbon tax announcement on July 10 2011, a package of measures was announced including \$429 million into Carbon Farming Futures, to increase participation in the Carbon Farming Initiative;

Vegetation Management



Flood water rushing across the Gore Highway in December 2010.

almost a billion dollars for a biodiversity fund; \$200 million to encourage the adoption of clean energy technology; and nearly \$84 million for extension and education activities.

However, there is a risk that there will be little ability for intensive farmers to participate in some of these initiatives given the policy's fascination with soil carbon (which has limited opportunity in Queensland climate) and that intensive farms won't be able to plant large areas of trees. For this reason QFF will be working hard with the Government to make these programs deliver beyond the soil carbon and trees dogma to the hard yards of facing up to fertiliser use and electricity.

For farmers, the CFI scheme's effectiveness will be in how it is implemented; and QFF and its members have made a submission the Federal Government to ensure that the farm sector is properly compensated

for any activities in the scheme. Many QFF members have been working towards sustainable agricultural practices that play a substantial role in reducing on farm carbon emissions. This can be demonstrated within the QFF members by the establishment of Farm Management Systems (FMS) that incorporate carbon abatement practices within them, which have the same carbon emission reductions as the CFI.

The CFI will have

additionality clauses otherwise known as business as usual within them, which could mean that these current practices within the FMS will be excluded from being included in the CFI. QFF has argued that the existing FMS could be adapted to the CFI standards and could then be included within scheme.

QFF is broadly supportive of the need for a CFI and agrees with the general principles that are enveloped within it

There can be no major investment by the public in Australia and overseas if the stakeholders cannot perceive that there is value and they have confidence in the methodologies and abatements approved in the CFI.

It is imperative that there is a balance achieved between private and public investment that ensures the methodologies are effective and appropriate. QFF is broadly supportive of the need for a CFI and agrees with the general principles that are enveloped within it, but will continue to strive to obtain changes to the CFI that will include and preserve better interests and outcomes for our members.

Farm Business & Government Programs

HIGHLIGHTS

- * The fourth successive La Nina year finally ended the exceptional drought in eastern Australia, but produced extraordinary weather extremes here and fully tested Queensland's capacity to respond to months of excessive rainfall, repetitive floods, fierce storms and a Category 5 cyclone. QFF estimates that three quarters of Queensland farms were damaged by one or more of these extreme events costing at least \$1.5 billion in lost farm production and a similar figure for repairs to destroyed farms.
- * While recovery and rebuilding will remain a focus for the next year and beyond, there remain ongoing priorities for the sector to develop and implement proactive climate risk management and workforce development strategies to provide the foundation for sustained growth.
- * Likewise, farm financial and succession planning require ongoing resources and re-emerging debt management stresses mean a close monitoring of the Queensland Farm Finance Strategy as the guiding principles for best practices for all players using debt financing to sustain and grow their businesses.

Key Activities in 2010-2011

QFF is able to offer a program to help farmers, agribusinesses and local communities gain access to appropriate government assistance programs when circumstances dictate. Obviously, the extraordinary flood, storm and cyclone damage from November onwards became the priority activity for the rest of the year, but QFF has been developing a broader approach to climate risk management and a number of activities have been developed to ensure our membership is proactive, as well as crisis ready.

Delivery of the programs is only possible because of support from our member organisations and a state government employment grant. Since 2008 this program has gone beyond drought and natural disaster assistance to cover the wider range of government programs that help develop proactive climate risk management strategies in the regions and build regional workforce capabilities to support expanding farm businesses. In this way the Intensive Agriculture Employment Initiative (IAEI) assists individuals, small businesses and commodity groups gain awareness of and access to state and federal assistance programs that will help increase employment on farms and in agribusinesses and help Queensland's important intensive agriculture industries grow.

The principal assistance measures are a mix of programs triggered by economic downturns, exceptional drought and extreme weather events, plus some proactive ones designed to improve business preparedness, upgrading of certain skills and workforce development initiatives. Few are easily understood and invariably they have

convoluted guidelines for eligibility that can discourage applications. Additionally, the employment and skills programs are not well known to the farm sector and these need to be promoted more broadly to ensure the workforce needs of the sector are met.

It is therefore fortunate that QFF has maintained this capability because it provides a mutual gain for both industry and governments, there being a greater uptake and use of government programs than would otherwise be the case. The past year has also proven the importance of being able to respond flexibly and with urgency when farmers and small businesses need immediate help as happened repeatedly for much of 2010-11.

Principle activities in 2010-11 can be categorised into four and reflect the demands placed on QFF and our members from both farmers and government officials.

- Aligning QFF's efforts to develop regional skills strategies and workforce development activities more closely to those of the AgriFood Skills Australia 2009-2012 Strategic Plan which has at its core a regional workforce attraction and retention program backed up with effective skills building and utilisation programs.
- Attempting to make further progress with the QFF's Climate Change project and the development of risk management strategies appropriate for farm production and marketing systems.
- Continuing efforts to develop and promote proactive climate risk management programs with practical application for farmers, especially

Farm Business & Government Programs

the planning and climate preparedness ones being trialled in the WA 'pilot study' for the National Drought Policy (NDP) reform.

- The ongoing provision of advice to individual farmers, small businesses and their representational organisations seeking help coping with recovery from drought or the extraordinary devastation of recent floods, storms and cyclones.

Workforce Development

An important driver of profitability and overall performance of the farm sector is productivity growth and much of this comes from the skills of the farm owner and the people he or she employs. Governments are involved in the education and skilling industries but it is well known there is an ever widening disconnect between what is needed for rural industries and what is provided. It is for this reason that QFF promotes the AgriFood Skills Australia approach to training reforms and workforce development. It is this approach that QFF and its members will continue to push through the various avenues open to us, including the renamed Industry Advisory Group for Agribusiness Skills and Extension Strategy and the new Skills Queensland.

QFF and its members have continued to invest considerable time in trying to create a more responsive and progressive education and skilling industry in Queensland because labour and skills shortages are restraining growth in the sector. While needed change is unlikely to happen quickly there are opportunities to affect incremental changes as long as we remain engaged and persist. Some activities conducted during 2010-11 include:-

- Contributions to the annual DEEDI Rural Skills Demand report and active participation in the associated Industry Advisory Group (IAG) meetings.
- Participation in a number of industry training workshops including QRITC's Productivity Places Program and Rural Recovery Skills Program, and the National Quality Council's Working in Partnership guide for improving VET.
- Various discussions with the staff of the now operational Skills Queensland on processes for

aligning with Skills Australia initiatives and reforms.

- Strong involvement with the Queensland Gateway Schools to Agribusiness program and its expansion into north Queensland with the assistance of AgriFood Skills Australia investment.
- Final submission and attendance at the public hearing of the Productivity Commission Review of Rural Research and Development.
- Evaluation of the AgriFoods Skills Australia online Business Skills (Cert IV) project, participation in the Sustainability in the Food Chain workshop (using the quadruple bottom line accounting tool) and the pilot scoping workshop for the Future Proofing Food Manufacturers initiative.
- Participation in a range of forums and workshops to evaluate options for industry growth including the Environment Institute of Australia and New Zealand (EIANZ) Five Industries Adjustment review of risks and rewards as they (mining, agriculture, construction, manufacturing and transport) adjust to changing climate and climate policies, and the Queensland Agri-Science workshop to scope the science requirements for energy efficiency and carbon sequestration.
- Participated in some important farmer extension meetings across a range of issues including climate risk management, managing market change (dairy contracts), energy efficiency on farms and coal seam gas issues management.

Climate Change

QFF continues to keep a watching brief over this important science and policy issue that can seriously impact future prospects for rural and regional industries. Unfortunately we have been unable to secure funding to keep the coordinated approach to defining risks and developing capacity across the sector. Some of our members do have

An important driver of profitability and overall performance of the farm sector is productivity growth

Farm Business & Government Programs

Exceptional Circumstances Interest Rate Subsidies (ECIRS) Queensland 2008/09 to 2010/11						
Qld Regions	Approvals in 2008-09	\$ grants in 2008-09	Approvals in 2009-10	\$ grants in 2009-10	Approvals in 2010-11	\$ grants in 2010-11
Downs & West	1,279	\$52,889,000	610	\$23,560,000	416	\$14,094,000
Burnett & Sun Coast	677	\$18,745,000	194	\$5,254,000	1	\$65,000
South South East	58	\$1,648,500	21	\$410,000	0	0
Granite Belt	58	\$1,939,000	0	0	0	0
Other	82	\$2,848,000	13	\$681,000	21	\$1,273,000
Totals	2,154	\$78,070,000	838	\$29,905,000	438	\$15,431,000
Ave Farm Grant		\$36,245		\$35,690		\$35,230
Small Business	171	\$3,410,000	53	\$1,190,000	34	\$669,000
# EC Regions start/finish of year	12 -	1 + 3 part	1 + 3 part -	3 part* + 1	3 part* + 1 -	none

funded projects and we use them as a way to stay engaged with the science elements of the issues. Likewise where possible staff attend climate seminars and report the latest developments in climate sciences in the various media available to us. QFF and our members participated in a number of Q150 Climate Adaptation Matrix workshops that help specific commodity and industry groups define their risks and rewards in a well structured manner. QFF has also been involved in some workshops scoping climate risks and carbon farming (sequestration) options. In order to stay appropriately engaged on these issues QFF teamed up with USQ to develop and submit a research proposal for the National Climate Change Adaptation Research Facility (NCCARF) to evaluate farm profitability and climate change adaption across a selection of southern Queensland farming systems. The Science Review Panel initially rejected this proposal, but it is our intention to recast the research plan so that it does include specific action; "bridging the gap between user needs and science capability: dealing with uncertainty in climate scenarios for adaptation".

In associated work we provided comments to NCCARF's Primary Industries Adaptation Research Network draft research plan, stressing the importance of climate and physical scientists staying in regular discussion with farmers and agribusinesses about climate issues and attendant changes happening on farms and along supply chains. We also reviewed the latest CSIRO report on Community Resilience and Transformation which was launched in Canberra towards the end of 2010 and provides a 'template' for dealing with community stress caused by a variety of natural or

manmade crises. A most timely release as subsequent events have proven.

National Drought Policy Reform

Unfortunately all momentum towards concluding the National Drought Policy (NDP) reform process stalled this year as the federal government elected to extend the "WA pilot study" one more year. The trial involves potentially 6000 farms in about half the state and government officials are "trailing" seven proactive interventions designed to have farms better prepared and managed for the inevitable setback brought about by climate extremes. These programs are designed to replace the more reactive and uneven drought assistance measures contained in state drought relief programs and the national Exceptional Circumstances (EC) programs. The WA trial results are set to be reviewed in September 2011.

Drought Assistance (EC)

The drought areas of Queensland continued to contract sharply in the early months of 2010-11 and switched rapidly to the other extreme as the year progressed. The main form of government assistance during drought, aside from relief payments (Centrelink), is business support via ECIRS (interest rate subsidy) administered by QRAA. The table above shows the gradual wind down and conclusion of the program over the last three years.

It is instructive to note that in the ten years that EC payments were made to help Queensland farmers and small businesses cope with and recover from the exceptional drought (in theory EC operates for the event year plus a recovery year, but by the height of the drought in eastern Australia around 2006, "extensions" of three or more years were common),

Farm Business & Government Programs

QRAA NDRRA Grant Approvals to 28 July 2011

Event/Industry Grouping	Total Grants \$	Number	Average \$
Floods Small Business	\$37,545,000	3,840	\$9,777
Floods Primary Producers	\$40,765,000	4,949	\$8,237
- Darling Downs	\$11,447,000	1,488	\$7,693
- South East Qld	\$7,821,000	947	\$8,259
- Burnett	\$5,546,000	690	\$8,038
- Central Qld	\$6,611,000	772	\$8,563
- Rest of State	\$9,340,000	1,052	\$8,878
Total Floods	\$78,310,000	8,789	\$8,910
Cyclone 5 Yasi Small Business	\$6,235,000	947	\$6,584
Cyclone 5 Yasi Primary Producers	\$13,939,000	1,838	\$7,584
Total Cyclone 5 Yasi	\$20,174,000	2,785	\$7,244
Total all NDRRA 2010/11 events	\$98,484,000	11,574	\$8,509

from the immediate counter disaster, emergency and relief arrangements to a more comprehensive set of recovery arrangements in recent years, significantly since Cyclone Larry in 2006. Most of these arrangements are to do with public services and the restoration of public assets, plus basic support for people where it is needed. It is only in the most extreme events that they can also trigger a macroeconomic response to provide cash support for businesses so that a localised recession is avoided if at all possible (category 'C' events).

It is evident on many fronts that these disaster arrangements can work very

a total of about \$440 million was paid to about 16,150 business support applications, and likely higher figures for emergency relief payments (Centrelink). EC figures peaked in 2006/7 and 2007/8 when about 2,900 farmers and small business received about \$100 million each year in business support. While these payments, along with welfare support undoubtedly helped many farm families and agribusinesses through the worst of the drought, about half Queensland farmers in those EC areas did not get this help either because they choose not to and/or had no debt with financial institutions. These figures are worth keeping in mind as we review the 2010/11 natural disaster impacts and responses summarised in the table above.

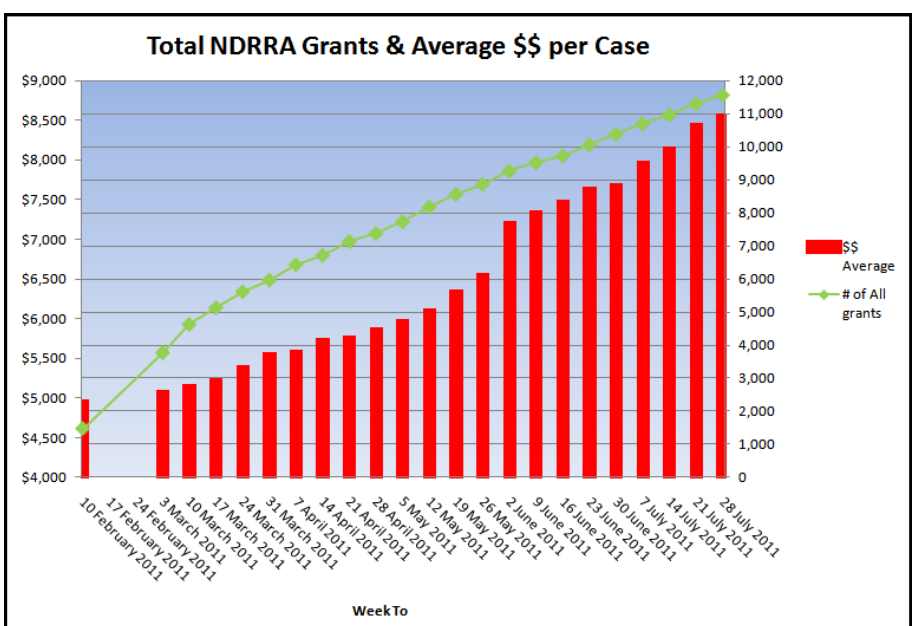
well in many circumstances and not so well in others. Indeed early in this reporting year QFF had responded to requests from DEEDI to provide some input and advice to an Emergency Management Queensland review of NDRRA. Among other things QFF asked the disaster management authorities to focus on restoring infrastructure as expeditiously as possible (normal category A events), and if the scope and scale of an event warranted escalation to category B and C then to streamline this process so that it was easily communicated and understood.

QFF and many others were well aware of the heightened risks for 2010/11 because of the pronounced La Nina weather pattern and the prior saturation after many months of above average and

Natural Disaster Relief and Recovery Arrangements (NDRRA)

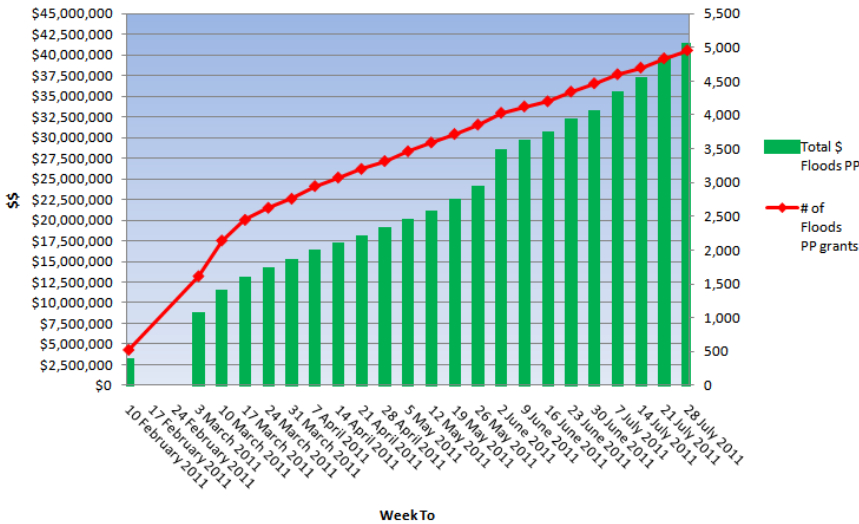
The year 2010/11 started with so much promise, but ended with so much destruction that it will no doubt become the benchmark for assessing how well Queenslanders cope with extraordinary weather extremes.

Natural disasters are a common feature of Queensland given our tropical and subtropical climate and the stormy nature of how it is manifest in the October to April "danger" period. As such there have been long standing natural disaster arrangements in place to guide governments to appropriate responses when natural disasters strike. These have evolved over time



Farm Business & Government Programs

Primary Producers Floods NDRRA Grants



approvals provided in the charts below, remembering that the key event dates (when NDRRA Category C was declared for the 'lead' events was late December for floods and mid February for Cyclone Yasi), but there were no less than sixty five NDRRA declarations and escalations over the key emergency and relief stages for about a dozen critical weather events during the past year. Even now, keeping track of what is available from government departments for victims of these events is difficult and complex for even experienced service providers. It can be totally bewildering for the many who are still trying to come to grips with their own personal losses and options for recovery.

even record rainfalls before summer. For our part we developed explanatory Fact Sheets and publicised them to our members and made them readily accessible via our website.

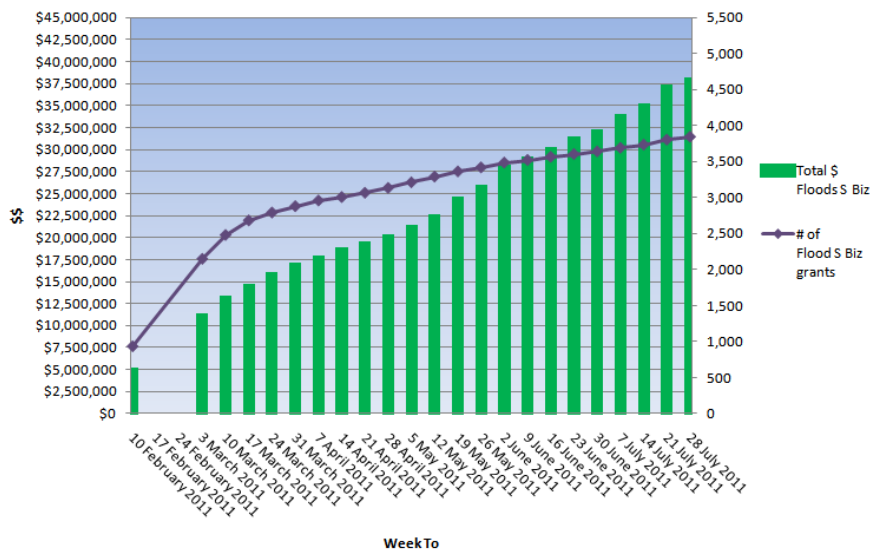
With the benefit of hindsight it is now clear that the state was woefully underprepared for what happened. The fact that Queensland is conducting a Royal Commission Floods Inquiry and has a new coordinating institution, Queensland Reconstruction Authority (QRA), plus the national Natural Disaster Insurance Review all suggest that NDRRA needs overhauling. QFF will provide advice through these and other forums as we all work towards a better system.

From the perspective of farmers and small businesses the principle measure of progress with recovery efforts comes from QRA reports and data on the approval of NDRRA grants from QRAA. It is unfortunate that there is not like information coming from federal agencies and QFF hopes this will be rectified in various review processes now underway. The important yardstick of how well assistance is getting to those who need it is likely the QRAA grant approvals and their average size to date, all summarised in the table on page 18.

These figures provide a snapshot on one day, so it is instructive to examine the weekly progression of

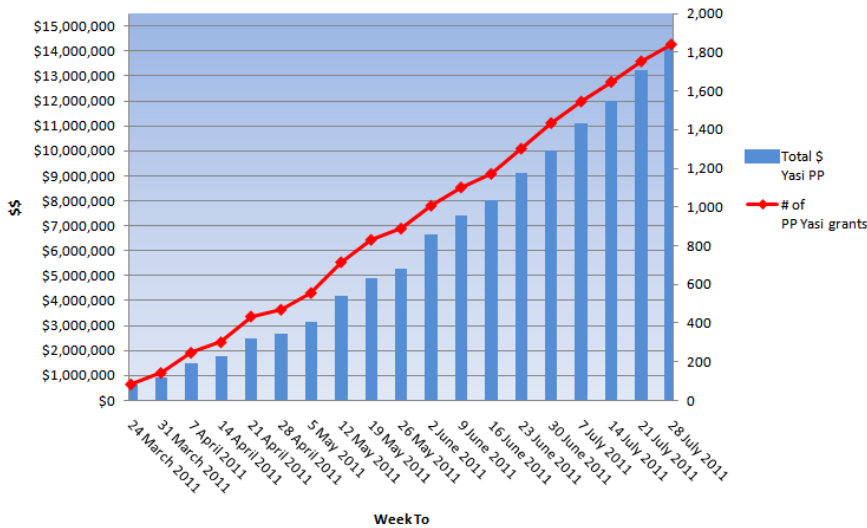
Throughout these crises QFF and its members tried as best they could to assist their members cope, as well as advise governments what the impacts were and what government assistances were most critically needed. It is for another place to critically assess these responses, suffice it to note here that QFF was unable to respond fully because we were unable to convince governments that a "Cyclone Larry Type" response was required across the state as these disasters became catastrophic in December 2010. We did manage to win one important

Small Business Floods NDRRA Grants



Farm Business & Government Programs

Primary Producers Yasi NDRRA Grants



farms. Many have observed that the lingering effects of the Global Financial Crisis (GFC) are still with us and this is most evident in the “credit squeeze” affecting many industries. This influence of much stricter capital requirements was impacting parts of the farm sector before the ‘summer of disasters’, but is now clearly evident as we see more rural businesses being placed on credit watch and asset management as the year progresses. Last year’s Queensland Farm Debt survey showed debt grew by 27 percent in the two years to 31 December 2009 to average about \$921,000, and this was seen as a strong signal of confidence in the

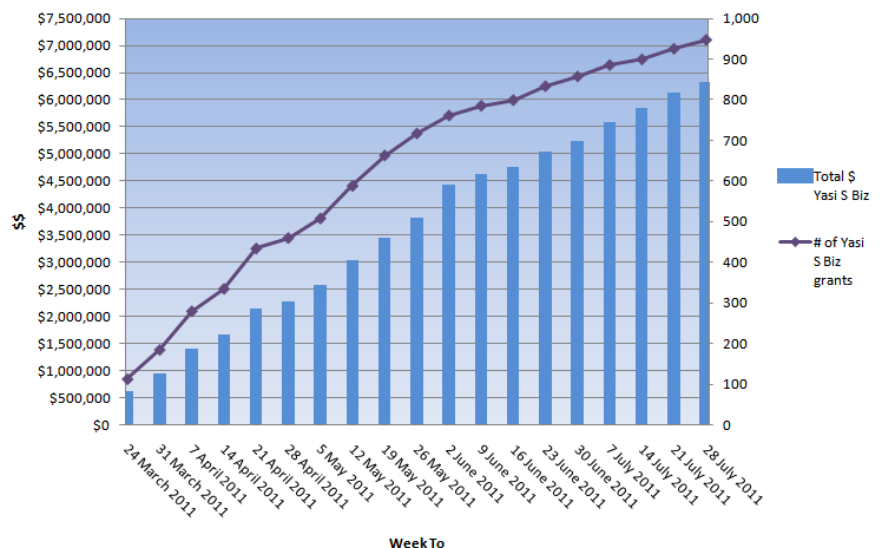
concession for the Cyclone Yasi response which is reported following, but we believe history will prove the overall “official response” to this summer of disasters was poorly managed and resourced relative to its unprecedented scope and scale.

While the QRA has a two year plan (to Dec 2013) for rebuilding, and most government services have funded recovery support services into the future, we believe the latter may prove inadequate for the task at hand. We feel that careful consideration of the data above should send alarm bells to all that the biggest task is still ahead as small businesses and farmers continue the long, slow path to recovery. Events will prove the major work is still ahead of us, not behind us.

We acknowledge that there is an important upside to all this, namely all water storages and aquifers are fully replenished and cropping soil moisture profiles are good. Crops and animals can be grown with confidence for some years to come now, but after many years of drought a lot of farm businesses will not be able to finance this opportunity. One important consequence of these disasters has been the further worsening of the credit and loan management issues for many family

sector both for lenders and borrowers. Eighteen months later the landscape has changed because the anticipated strong cash flows from farming have been greatly disrupted. With lending conditions tight and a subdued rural property market, it is important that farmers, advisors and bankers continue to use the sound financial management practices contained in the Queensland Farm Finance Strategy. QFF will conduct further talks with the banking sector to ensure their support through this vital catch up and rebuilding phase of rural recovery in Queensland.

Small Business Yasi NDRRA Grants



Cyclone Yasi Rural Recovery Initiative

HIGHLIGHTS

- * QFF and its members worked to establish the Cyclone Yasi Rural Recovery Initiative (CYRRI) to assist after the Category 5 cyclone event.
- * 15 Industry Recovery Officers have been engaged to work across Far North Queensland communities and ensure that the rural recovery is on track and successful.
- * Based on a similar program adopted after Cyclone Larry, the project is setting a benchmark standard for rural disaster recovery.

Introduction to the CYRRI

As Tropical Cyclone Yasi approached the north coast of Queensland in February, QFF acted immediately with a submission to government detailing how it could assist with disaster relief and recovery. Having had previous experience in the Cyclone Larry recovery, QFF was ideally placed to bring its expertise to bear once again.

Unfortunately the machinery of governments was already stretched and it took more time than ideal to get approval. QFF eventually secured a contract with the Department of Employment, Economic Development and Innovation (DEEDI) to engage fifteen Industry Recovery Officers (IROs) whose job was to engage with individuals and the community to facilitate access to government and other assistance measures, and provide feedback on what was needed. With approximately 3000 farmers involved in a range of agricultural production affected by the Category 5 cyclone, time was of the essence. The IROs wasted no time in establishing contact and ensuring that the burden of dealing with multiple government agencies was lifted from the shoulders of busy farmers thus allowing them to get on with the demanding job of recovery and rebuilding their farms and businesses.

About the IROs

In difficult times people affected by catastrophes respond better to support that is delivered by people they can relate to. With this in mind QFF ensured that the IROs were drawn from the ranks of the key industries in the region by sub-contracting with key players CANEGROWERS, Growcom, Australian

Banana Growers Council (ABGC), Seafood and Aquaculture Industries, AgForce, Queensland Dairyfarmers' Organisation (QDO) and Nursery and Garden Industry Queensland (NGIQ).

Sugar and banana growers were particularly devastated by the cyclone across a wide area of North Queensland, necessitating an appropriate response from their respective industry associations. CANEGROWERS responded by engaging seven IROs covering an area spanning Ingham in the south to Gordonvale in the north. Leona Gangemi and Mary Girgenti are employed by CANEGROWERS, Ingham; Peter Reed is employed at Tully; Tammy Austen and Debra Telford at Mourilyan and Amabile Destro and Sandra Henrich at Babinda. The ABGC engaged Louis Lardi and Steve Morrice. AgForce has engaged John Hardaker to manage the cattle industry. Seafood and Aquaculture Industries has Wil Conn assisting fishery and related businesses.

Georgie Knight is Growcom's representative. QDO has Lyn O'Connor as its representative while Darryl Madder is employed by NGIQ.

Both the Federal and State Governments have established a number of recovery initiatives spanning a multitude of agencies.

While they are to be commended for their efforts in ensuring that social and economic recovery progresses smoothly, the complexity of dealing with numerous departments across a range of different schemes, each with its own peculiar set of guidelines can be a daunting experience for the best of us. For farmers and small business people who have suffered devastation at the hands of a Category 5

With approximately 3000 farmers involved in a range of agricultural production affected by the Category 5 cyclone, time was of the essence.

Cyclone Yasi Rural Recovery Initiative

Tropical Cyclone, and are in the process of trying to get their businesses up and running, the task of submitting and possibly re-submitting formal applications to government for help can be bewildering. This is where the efforts of the IROs come into their own.

Through their involvement in their respective industries, the IROs are able to easily establish rapport with affected farmers and guide them through the countless complexities of applying for assistance under the respective government schemes. The IROs also perform a vital function in reporting anomalies or other problems encountered by farmers in claiming assistance under the various programs. This field-based intelligence has proven invaluable in raising matters of concern with government agencies. To date considerable success has been achieved in having program guidelines amended or interpretations relaxed with the ultimate outcome of improving the speed with which farmers and small business people can recover.

In their daily working environment, IROs can be exposed to a myriad of stressful situations when dealing with farmers, often personally well known to them, who have suffered great personal and or financial loss as a result of Cyclone Yasi. It is one of the most difficult aspects of this recovery effort that many farmers in the worst hit areas (Cardwell, Tully, Mourilyan, Malanda) are still recovering from the destruction of Cyclone Larry five years previously. The emotional strain on the farmer can also become an emotional strain on the IRO without measures to ameliorate this. QFF maintains regular contact with IROs through a variety of means including face to face conferences to allow the IROs to share experiences and to develop coping mechanisms in dealing with stressful situations.

Key Progress and Objectives

At the time of writing, CYRRI has been operating for four months. During that time the IROs have made 2800 contacts with affected farmers and small business people.

They have assisted 870 farmers to log calls with Operation Clean Up to have debris removed from properties and have small scale remedial work such as fence repairs carried out. They have assisted 750 farmers in receiving the \$1000 Australian Government Disaster Recovery Payment. As at the end of June, QRAA had paid out about 1400 grants totalling approximately \$10m to primary producers and 850 grants of over \$5m to small businesses in the Yasi region. The IROs have already played a big part in getting this important assistance out quickly to those who need it and will continue to help get additional grants and concessional loans where required. In addition they have assisted over 150 farmers and small businesses get the Australian Government Wage Assistance Scheme (WAS) payments for their workers.

The CYRRI will run until December. During this time IROs will continue to make contact with farmers and small business operators to ensure that they are accessing all government programs designed to assist them in their recovery. In addition they will be gathering information on the delivery of the CYRRI to provide valuable feedback to government on how to structure an appropriate response to any future disaster recovery effort.

A local business hit by Cyclone Yasi shows their sense of humour at a time when it is most needed.



Coal Seam Gas

Coal seam gas

TWELVE months ago in this annual report, QFF detailed the rapid pace of expansion of the coal seam gas (CSG) industry in Queensland. That pace has since accelerated, and as work continues on the Curtis Island LNG export facility in Central Queensland and the pipeline from the Gladstone to the Surat Basin, this will become more frenetic in the years ahead.

However, the interface between gas mining companies and the rural sector remains troubled, with public protests and media events continuing throughout the year.

QFF has played an important role lobbying for farmers' rights with the State Government, although has refrained from calling for the introduction of a moratorium. We share the widely held concerns about the fast pace of development in this industry, but are also aware that a moratorium has no significant political support (by either side of politics) and that it may not eventually alleviate the main concerns associated with CSG.

Instead, our focus has been on holding the government and resource companies to account and delivering sustainable expansion that doesn't cause undue damage to farmland and the environment.

In August, 2010, QFF effectively lobbied for amendments to the Geothermal Energy Bill (2010), which allowed for improvements to the way farmers negotiate with exploration companies on issues such as gas exploration.

These changes were long in the making and were a first step toward improving the relationship between farmers and resource companies.

The power remains with the resource company to gain access to farmers' land with no right to veto from the landholder. However, these laws should ensure that exploration companies are doing the right thing once they enter the farm gate. The law will require the companies to behave fairly, respect the land and the farmers living and working there, and to provide compensation up front. QFF is of the view that this is a positive start from the government to addressing a host of problems in this area.

QFF also played an important role in providing feedback to the Water and Other Legislation Amendment (WOLA) Bill 2010. Not all industry

considerations were won in this debate, but some progress was made.

While there has been a focus on environmental requirements on surface construction and operational activities, there has not been the same understanding and emphasis applied to groundwater.

For farmers on the Darling Downs, and particularly those who access the Condamine Alluvium, this is a major concern relating to the CSG industry.

The WOLA Bill provides for 'learn by doing' or adaptive management approach backed by requirements on project companies to 'make good' on any impacts on farm or other bores.

QFF and landowners are not yet convinced that this adaptive management process will ensure that companies will make-good for bores that could be rendered unable to supply water in the quantities and quality required.

A negotiated agreement about making good these impacts will be of little value if there is no way to prove water damage is the result of CSG extraction.

In this respect, QFF is continuing to lobby to ensure groundwater resources are afforded the levels of protection that they deserve.

At the Federal level, in October, 2010, Minister for Environment, Tony Burke, gave environmental approval for the Curtis Island LNG facility, which has been the trigger to increase CSG production from its current domestic focus, to an export-oriented industry. It has been widely publicised that it is

expected the industry will increase in size from about 3000 wells to almost 40,000 wells in the coming decades.

Both State and Federal Governments are continuing to place a massive emphasis on CSG in their jobs and economic forecasts, so it is evident that the farm sector is confronted with governments that are determined to see the industry progress.

QFF is continuing to work with our members to ensure this rapidly expanding industry does not ride roughshod over rural communities, and that it progresses in a sustainable way that does not destroy farmland or the environment.

This has been no small task when confronted with a government that seems to have placed gas expansion as its highest priority, attracted to a forecast jobs and royalty boom.

QFF is continuing to work with our members to ensure this rapidly expanding industry does not destroy farmland or the environment.

Strategic Cropping Land (SCL)

Strategic Cropping Land (SCL)

QFF has been vigorously pursuing the development and refinement of a strategic cropping land (SCL) policy for Queensland over the last year, as well as advocating for the urgent need to see this legislation enshrined in law.

This policy, first flagged for development in February 2010, is due to become law in late 2011, although has been delayed several times over the last 18 months.

In essence, this long-term-view policy intends to protect Queensland's best farming land from permanently destructive development activities, such as open cut coal mining or urban encroachment. The need for this policy has been accelerated in line with the rapid pace of the expanding resources sector across regional Queensland.

However, the process of the SCL policy development has been consumed with lengthy rounds of submissions, committees, discussions, and attempts from some interest groups to delay the debate, or at times reset it entirely.

QFF has continued to place a high priority on getting appropriate SCL legislation in place as an initial safety net to protect these soils so they can be secured for the long-term future of agriculture and the State.

However, this task has been made significantly more difficult by government, which has continued to make surprise announcements on ways it would roll out the policy, and has done so without complete consultation with industry.

In April, the government released its proposed eight criteria for identifying SCL and trigger maps describing the potential area. These criteria were to be released as a final after the draft criteria were released for discussion in the last quarter of 2010.

At the time, QFF expressed its frustration that these maps and criteria were released counter to the process that had been set out, and were far from perfect for all sides of the debate.

While QFF acknowledged that the mapping was imprecise and some of the data used to develop them was dated, we advocated that the trigger maps should be a starting process, and that the criteria were a key issue.

But even the criteria fell short and failed to fully recognise the full diversity and range of the agricultural industries in Queensland. Some of our most productive farming systems exist profitably on soils that would not have been captured by these criteria.

Following the April announcement, further Government decisions have appeared as a thinly veiled attempt at watering down the overall area that would be covered under SCL. Based on trigger maps that

cover about 4% of the State, QFF had hoped that final SCL land would cover at least 2%. This has since been put at risk of sinking as low as 1%.

In June, then-Minister Kate Jones delivered another unexpected announcement to rural industry by announcing new 'protection areas' and 'management areas', which has effectively split the proposed SCL area into two categories.

While protection for the 'protection area' was in line with industry requests, the level of protection for the 'management area' fell well short of rural industry's expectations and now appears to have swung the concessions firmly toward benefiting the resources sector.

QFF has expressed specific concern about resource companies being able to mitigate their damage to SCL via an offset payment, which we see as resource companies effectively paying for the right to permanently damage SCL. Rather than taking this approach, the government must stick to its original commitment and the very framework of the policy. That is: that land once permanently alienated cannot be restored or replaced, and therefore must be protected.

QFF also disapproved of the policy that the government is looking to develop a 'history of use' criteria. The SCL policy is about the future of agricultural production in Queensland, not its past.

In summary, our focus has been on dealing with a frequently changing policy challenge that is attempting to consider sizeable vested interests. QFF will continue to be heavily engaged with this as the policy is developed further.

Ultimately, we need to ensure the policy framework is implemented as holistically as possible and also as quickly as possible, in accordance with Minister Jones's time-frame of entering a Bill to Parliament by at least October.

QFF President, Mr Gary Sansom AM, with Queensland Premier Anna Bligh at the 2010 QFF Annual Dinner.



Summer of Disaster



This cow at the O'Connor property near Ravenshoe found herself in a tight spot post Yasi.

Summer of disaster

BY August 2010, the indications were that Queensland was facing a significant year of rain and cyclones. Three months later in November, large parts of the State had experienced their wettest spring ever, and the wet season was yet to begin.

Some saw the emerging risks and many farmers prepared as best they could, but the reality for most ongoing farming operations was that there was little that could be done to protect assets from the exceptional rain, floods, storms and cyclones that were to come.

The cumulative and wide-ranging impact of the natural disasters is not easily described within the confines of this report. Suffice to say that by December parts of the State were already hit by serious flooding and the rest was well saturated ahead of a forecast that was predicting much wetter

than average weather. What was to come has proven unprecedented in Queensland's recorded history.

The flooding and cyclones were disastrous for the sector not just due to the damage and record peaks in many rivers; but equally because the disasters covered such a vast area and impacted almost all corners of the State, causing infrastructure damage on a wide scale.

The damage bill for the State has been estimated at \$6.8 billion and more than 30 lives were lost.

QFF estimates that 20,000 farms and farm families have been affected by one or more extreme weather events this fiscal year. At the end of the summer, virtually all of Queensland had been severely impacted by floods, storms, and cyclones and this adversely impacted every agricultural activity in the state, some to a greater degree than others.

A snapshot of some of the impacts includes:

- Dairy: 99 percent of farms effected and a cost to industry between \$80-\$100 million;
- Sugar cane: The poor 2010 harvest saw a loss of \$498 million. The current harvest will also be severely impacted, as well as the 2012 rush if replanting is not completed;
- Cotton: Industry impact about \$250 million, with individual farmer losses \$1 million or higher in some instances.
- Horticulture: Cyclone Yasi is estimated to have caused up to \$600 million in losses in FNQ, including three quarters of the banana crop.

But these are just statistics. Individual farmers have to bear the costs of not just lost opportunities, but the rebuilding of farm production systems. Many will have to rebuild residences as well. For Cyclone Yasi, it was a near miss for large cities such as Townsville and Cairns, but it was a huge hit for smaller communities such as Tully and Cardwell, and a massive hit for crops such as bananas and sugarcane. Other horticultural industries, prawns and dairy farms have also been impacted. It is also a sad reality that the path of this cyclone was similar to that of Cyclone Larry in 2006, the previous Category 5 storm, meaning many farmers have been struck twice in five years.

Summer of Disaster

Personal losses are impossible to quantify. Then there are the other hidden costs of these disasters that we can never measure. For instance, there will be farmers this year who will defer new machinery purchases and other expansion plans simply because their focus is on rebuilding their farms and their equity position. Those impacts flow through to local communities and to economic development. Farmers will also hope that there is not a significant drop in the rural property market, the growth of which in recent years has underpinned a large amount of expansion and viability of the rural sector.

Another issue is how we can re-establish the fabric of rural communities so young people see farming and related industries as good future career choices. These disasters have created a situation that would make young people somewhat nervous about committing themselves, and therefore it becomes vitally important that we do everything possible to ensure that the positive outlook of the current generation is transferred to the next generation. For other farming families, they may now have reduced options for succession planning resulting from a drop in income. They may have to extend succession plans by a few years until the businesses are in the same financial position where they might have been just 12 months ago.

These disasters are unprecedented and the recovery effort has required a different approach to that taken to previous floods and cyclones.

QFF has taken a lead role in lobbying for the correct response for rural industries, although several delays and bureaucratic processes slowed this to an excruciatingly slow and frustrating process at times. At times, the government has neglected to adopt the policy recommendations that we and our members have put forward.

However, the organisation has delivered positive outcomes for its members throughout the recovery, in difficult circumstances. Our key achievements are outlined in other sections of this annual report.

With the perspective of time on these disaster

events, it is clear that the Government response was too slow in some instances and that the scale of the disaster caught many underprepared.

The fact that governments have had to make more than 60 Natural Disaster Relief and Recovery Arrangements (NDRRA) announcements and revisions plus create a new coordinating instrument, the Queensland Reconstruction Authority, and conduct the Queensland Flood Commission, says that we still have a lot to learn about best practices for managing government intervention when disasters strike.

The real challenge will be with time and ensuring that the recovery continues across the State, and that government and industry have learnt from these experiences to handle a recovery at an even higher standard in the future.

Many roads and infrastructure—including this road in the Lockyer Valley—were severely damaged in the floods.



Communications

HIGHLIGHTS

- * Strong media focus in the past 12 months on summer of natural disasters and the ongoing recovery effort.
- * QFF has engaged with media across the state and the country and used every available opportunity to promote the agriculture sector and important messages for our members.
- * QFF also continues to publish its Weekly Bulletin and submit a weekly President's Column to the Queensland Country Life.

MEDIA interest in Queensland agriculture over the last 12 months has been stronger than ever. Much of this interest has been triggered by the significant setbacks facing the sector, be they policy challenges or natural disasters.

Our reporting year began with a bang last October with major attention focusing on the release of the guide to the draft Basin Plan. This controversial document drew national focus, which was strengthened by a strong protest movement in regional communities as the Murray Darling Basin Authority kicked off a regional tour promoting the guide.

While maintaining a strong opposition to the guide, Queensland irrigators commendably conducted this protest in a thoughtful and intelligent way. While we note that television from southern stretches of the Basin showed images of the guide being burnt in the street raised a very strong point - this was neither necessary nor a sensible approach for Queensland.

QFF played an important role in steering this debate from a media perspective over the weeks following the release of the guide.

We subsequently and concurrently also ran successful campaigns on the Queensland Competition Authority (QCA) review into SunWater prices, and environmental approvals for the Gladstone LNG hub. These two issues have both proven considerably complex, but QFF has nonetheless taken the time to explain them to journalists.

Then it started raining. Consequently, most of December, January, and February was consumed with media issues relating to the floods and cyclones.

With these events coinciding with a traditional quiet time in the calendar year for media events, and with the record size of the weather events, this created unprecedented interest in the Queensland farming sector.

The issue attracted worldwide interest from media outlets and journalists, many of whom QFF would

not normally cross paths with. The organisation catered to these interests and communicated the needs of our members throughout the floods and cyclones.

The sheer size of the issues and challenges facing the sector has meant that much of the 12 months has been reactionary to media interest. However, where possible, QFF has continued to seize upon the momentum and promote the vibrance and importance of Queensland intensive agriculture.

In March this year, QFF joined Twitter. We have more than 100 followers and will be making increasing use of this form of media in the year ahead.

Policy forum

It was always QFF's intention to not hold a policy forum in 2011, and we are expecting that the event will become bi-ennial. QFF will promote details of a forum for 2012 early that year.

Queensland Country Life

QFF continues to contribute a weekly column to the Queensland Country Life. This weekly article by President Gary Sansom allows us to communicate to a wide audience the important issues that are affecting our members and the Queensland agricultural sector. It continues to be a well-read section of the paper and is a driver of debate in the policy arena.

Weekly Bulletin

Our Weekly Bulletin is delivered each Monday to thousands of key stakeholders across the State and around the country. It is sent to our members, journalists, farmers, government staff, politicians, political staff, rural organisations, and other key decision-makers. The bulletin is the key platform for delivering messages on policy areas that impact us and our members. It is read by a wide audience and is an opportunity for us to note our achievements and to advocate for change. It is also an opportunity for us to promote the activities of our members.

