



CANEGROWERS

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The Secretary
Innovation, Tourism Development and Environment Committee
Parliament House
George Street
Brisbane QLD 4000

By email: itdec@parliament.qld.gov.au

Dear Committee Secretary

RE: Environmental Protection (Great Barrier Reef Protection Measures) and Other Legislation Amendment Bill 2019

CANEGROWERS is the peak representative body for Australian sugarcane growers and represents around 80% of cane growers. Membership ensures that growers' needs are represented at the highest possible levels of industry and government decision-making.

CANEGROWERS welcomes the opportunity to comment on this Bill. Cane farming is the lifeblood of regional communities up and down the east coast of Queensland. Cane farmers are proud of their achievements and are committed to maintaining the health of their local environments, including the Great Barrier Reef (GBR) lagoon.

CANEGROWERS recognises the need to reduce the impact of farming on the nitrogen and chemical loads in waterways that feed into the GBR lagoon. To this end, we have helped develop and implement many programs with the Australian Government (Reef Rescue, Reef Programme and Reef Trust), Queensland Government (Queensland Reef Water Quality Program) and other partners. This includes the Smartcane BMP (best management practice program), which has engaged growers managing 70% of the state's cane area; the Reef Alliance project, which is assisting growers to improve their nutrient management; and a state-wide project evaluating the effectiveness of enhanced efficiency fertilisers. All of these programs have been developed with the investment of State and Federal Government money, leveraged against industry levy dollars and private investment of landholders.

The number of growers accredited (by third party audit) in Smartcane BMP continues to grow and we will double the current area of accredited cane in the next two years. In the Wet Tropics, the highest priority region for Reef water quality, 35% of the cane area is managed by accredited growers and this figure is rising.

Importantly, CANEGROWERS also initiated the Cane Changer project to better understand growers' behaviour and needs, and this is leading to increased adoption of best management practices. Indeed, the learnings from this project is informing many of the concerns we have over aspects of the proposed Bill.

Cane growers are already regulated through minimum standards developed under provisions of the *Great Barrier Reef Protection Amendment Act 2009*. The current Bill under consideration proposes to give the chief executive of the Department of Environment and Science broad powers to change these regulations without due concern for the effects of any changes on the viability of farmers or their local economies.

We acknowledge the Bill's provisions that would provide growers with an alternative pathway for meeting regulatory requirements through a recognised BMP program, such as our industry's Smartcane BMP. But this does not alleviate our concerns about the impact of the regulations in the first place.

This Bill has significant flaws, and we therefore urge you to adopt the following four recommendations:

1. *That Section 81 of the Bill include:*
 - a. *Provision for an independent process of review of the existing minimum standards, including the economic and social impacts of any proposed changes. The findings of this review are to be made public and would be the basis for any decision of the chief executive.*
 - b. *Provision of an appeal process for industries and individuals whose livelihood is affected by the chief executive's planned changes to the minimum standards.**Also, that the penalties within Section 82 be reduced to a small fraction of those proposed.*
2. *That Section 81 of the Bill be revised to ensure there are no changes to the existing minimum standards for sugarcane for at least five years.*
3. *That cane growing in the Burnett-Mary not be defined as an ERA under Section 79.*
4. *That Section 89 of the Bill (which proposes providing government with broad powers to demand data associated with fertilisers and agricultural chemicals across the supply chain) be removed.*

Our rationale for each of these recommendations is provided below.

1. The Bill provides government with the power to change minimum standards in any way, and at any time, that it sees fit, with no regard for the impacts on growers and their regional communities.

Under Section 81, the Bill provides the Department's chief executive with the power to make an ERA standard and to review and change this at any time. While the chief executive must consider all submissions, there is no implicit or explicit requirements for them to account for the impacts of any changes on growers or their regional economies.

In effect, the goal posts can be shifted at any time. Further, there is no commitment to ensure that changes to an ERA standard are evidence-based or driven by the need to balance environmental, social and economic outcomes. The issues we have identified with the proposed changes to the existing ERA standard for sugarcane will therefore recur on a regular basis with the exercise of these powers.

It is not reasonable that a growers' ability to farm profitably will be at the whim of a government department, with no explicit consideration of economic and social impacts, no process for independent review and no recourse for appeal by affected industries and individuals.

We also note with alarm that Section 82 provides penalties for growers that contravene an agricultural ERA standard of up to 1,665 penalty units. This is highly punitive and totally inappropriate.

We therefore recommend that Section 81 of the Bill include:

1. *Provision for an independent process of review of the existing minimum standards, including the economic and social impacts of any changes. The findings of this review are to be made public and will be the basis for any decision of the chief executive.*
2. *Provision of an appeal process for industries and individuals whose livelihood is affected by the chief executive's planned changes to the minimum standards.*

Also, that the penalties within Section 82 be reduced to a small fraction of those proposed.

2. Minimum standards for sugarcane already exist in law, and there is no reason to change these.

Cane growers are already regulated through minimum standards for nutrient management developed under provisions of the *Great Barrier Reef Protection Amendment Act 2009*. Reports from the Queensland Government, following the initial discussion paper and the review of the RIS, show that the regulations emerging from Section 81 will make significant changes to these minimum standards for sugarcane.

The new minimum standard proposed by the Department for sugarcane includes requirements for soil loss control (documented in the Decision Regulatory Impact Statement of February 2019). These are unnecessary. There is almost universal adoption of green trash blanketing which ensures protection of the soil at all times. There are no reports or studies in the past 10 years which suggest that sediment loss from cane land is a priority issue for managing Reef water quality. This is a case of regulation 'after the fact'. It is concerning that government would propose to spend public funds on regulating a practice that has been widely adopted for more than a decade.

The proposed additional requirements for nutrient management (from Decision Regulatory Impact Statement of February 2019) are also unnecessary and are likely to have perverse outcomes. The current minimum standard for sugarcane requires growers to apply nitrogen and phosphorus at the block-specific rates derived from soil tests and the use of the SIX EASY STEPS program. This provides a block by block nutrient management plan for the crop cycle. There is general agreement that this practice is the most important nutrient-related practice that growers can do to both optimise nitrogen rates and reduce risk to Reef water quality.

The proposed changes to the minimum standards for nutrient management are described as a 'transition to refined nutrient management', presumably to achieve some further reduction in the rate of nitrogen applied. It will require:

1. Development of an additional nutrient management plan and its review each year, with input from a 'qualified' agronomist.
2. Refinement of N rates based on soil and crop attributes.

This new plan will incur significant costs for growers – nutrient management plans cost around \$4,000 to develop, with ongoing annual costs to re-do the plan for blocks that are coming out of fallow to re-start the crop cycle. A grower who commissions such a plan for compliance purposes, rather than on a voluntary basis, will be much less likely to use the plan to refine practices. In addition, the tools for refinement of nutrient management refinement are under development and have not been tested. Their impacts on water quality (assuming the grower is already following SIX EASY STEPS, as per the current regulations) are likely to be relatively small.

CANEGROWERS sees value in striving for nitrogen use efficiency, but the full benefits for productivity and water quality will only be realised as part of an integrated extension program that focuses on a grower's specific constraints to productivity. Improved nutrient use efficiency is the key. The proposed new minimum standards are attempting to use regulation to nurture continuous improvement and innovation – this is not a rational approach and will, in fact, discourage many growers.

CANEGROWERS was instrumental in initiating development of the so-called SIX EASY STEPS 'tool box', which will guide more refined nutrient management in a holistic approach to crop productivity. Such tools were never intended to become part of a blunt regulatory process. Regulating the use of such tools will compromise their credibility and adaptability for growers and result in superficial uptake with no sense of ownership by the sugarcane industry.

Rather than changing the current regulatory goal posts for nutrient management, we invite the Queensland Government to join industry in promoting and supporting the holistic adoption of the SIX EASY STEPS toolbox, and related programs, aimed at improved productivity and nutrient use efficiency. To achieve long lasting and important changes in industry practices, for both production and water quality, we need to work alongside growers rather than impose additional regulatory requirements.

We therefore recommend that:

Section 81 of the bill be revised to ensure there are no changes to the existing minimum standards for sugarcane for at least five years.

3. The proposed regulation of sugarcane growing in the Burnett-Mary region is unjustified based on its low significance for Reef water quality outcomes.

Section 79 of the Bill will result in cane growing in the Burnett-Mary region becoming an ERA and therefore subject to the existing (and any additional) minimum standards for sugarcane.

The inclusion of cane growing in the Burnett-Mary region is an unnecessary cost to the public purse and to the growers in the region. The Burnett-Mary region is a low priority for interventions related to Reef water, as reflected in the relatively modest Reef program investments allocated to the region in the past 10 years. Further, the contribution of cane growing to sediment and nutrient export is relatively low, due to (1) the adoption of trash retention and other best practices, and (2) the rapidly declining area arising from conversion of cane land to macadamias, avocados and other crops.

We therefore recommend that:

Cane growing in the Burnett-Mary region not be defined as an ERA under Section 79.

4. The Bill provides government with unrestrained power to demand and use all data related to the use of fertilisers and agricultural chemicals, from across the farming supply chain, with no checks on confidentiality, use of the data, or its interpretation.

Section 89 will require any person or entity involved in the supply chain for fertiliser, chemicals or the production of raw sugar to keep records that may relate to fertiliser and chemical use on crops and report these to government. This represents an intrusive and unbounded grab for data on the basis that it will help the Queensland Government make decisions about future regulations and intervention programs.

In particular, the Bill makes no provision for how the government will guarantee the confidentiality of the data provided, ongoing data quality and integrity, or the responsible use and analysis of the data. This Section is very poorly developed and written and appears to have been added at short notice in response to lobbying from conservation groups.

CANEGROWERS believes this power is unnecessary, as the existing minimum standards for cane farming already require growers to keep records of fertiliser and chemical applications and to produce these records to demonstrate compliance. Further, there will be significant transaction costs incurred by each part of the supply chain to meet the additional data grab and these costs will no doubt be passed on to growers.

It is also unclear how these powers will be used in a way that is consistent with the objectives of the *Information Privacy Act 2009*, which provides for:

- (a) the fair collection and handling in the public sector environment of personal information; and
- (b) a right of access to, and amendment of, personal information in the government's possession or under the government's control.

*We recommend that:
Section 89 of the Bill be removed.*

I would like to thank you for your consideration of the impact this bill will have on the cane growers of Queensland and I would welcome the opportunity to discuss our submission further with the committee.

Regards

A handwritten signature in black ink, appearing to read 'D. Galligan', is written over a light grey rectangular background.

Dan Galligan
Chief Executive Officer