



27 November 2014

QFF Members

CANEGROWERS

Cotton Australia

Growcom

Nursery & Garden Industry
Queensland

Queensland Chicken
Growers Association

Queensland Dairyfarmers'
Organisation

QFF Associate Members

Queensland Chicken Meat
Council

Flower Association of
Queensland Inc.

Pork Queensland Inc.

Queensland United Egg
Producers Ltd

Pioneer Valley Water Co-
operative Ltd

Central Downs Irrigators
Limited

Burdekin River Irrigators
Area Committee

**Emerging Primary
Industries Groups**

- Australian Organic
- Queensland Aquaculture
Industries Federation

Joint Select Committee on the Australia Fund
via email australiafund.sen@aph.gov.au

**QFF SUBMISSION TO THE JOINT SELECT COMMITTEE ON THE
AUSTRALIA FUND ESTABLISHMENT**

The Queensland Farmers' Federation (QFF) collectively represents primary producers in Queensland's intensive agriculture industries: sugarcane, cotton, horticulture, dairy, nursery, chicken meat, flowers, eggs and pork. We also represent local irrigator groups and emerging industry groups such as organics and aquaculture. QFF engages in a range of economic, social, environmental and regional issues of strategic importance to the growth, profitability and sustainability of the sector.

QFF's role in disaster management

Crises in the agricultural sector usually result from weather-related natural disasters, but they can also result from biosecurity incursion, disruption of essential services or structural changes in markets.

As agriculture continues to intensify, become more reliant on mechanisation and supply chains are more integrated, the impact of disasters is likely to be more disruptive into the future.

QFF has been involved in the management of a number of severe natural disasters including Cyclones Larry (2006) and Yasi (2011), the 2011 Queensland floods, flooding associated with Cyclone Oswald (2013) and long term drought. Our role in these events has been to bridge the ongoing gap in government services needed to facilitate the rapid and sustained recovery of farms and small businesses.

Based on our experience over the past decade, QFF now sees high value in advocating for resilience planning specific to farming and agribusiness. We have initiated a project in partnership with the Queensland Department of Agriculture, Fisheries and Forestry to improve disaster resilience planning as part of business planning more broadly.

QFF's Submission

QFF has previously provided comment on a number of the issues considered through the Committee's terms of reference. We would refer you to:

- The Productivity Commission Inquiry into Natural Disaster Funding Arrangements to which QFF has provided submission on the Issues Paper (June 2014) and the Draft Report (October 2014).
- The Queensland Farm Finance Strategy which has been negotiated between a range of industry and finance stakeholders. QFF is currently assisting the Australian Government Department of Agriculture with development of a nationally consistent approach to farm debt mediation and collecting consistent farm debt data.
- Detailed feedback provided from our member organisation CANEGROWERS to the Hon. Andrew Cripps MP, Minister for Natural Resources and Mines on the implementation of the Cyclone Oswald On-farm Productivity and Riparian Recovery Program, which can be provided on request.

QFF offers the following comments to the Committee:

1. The Committee's terms of reference collectively considers assistance to rural and manufacturing industries in crisis and communities affected by natural disasters. QFF considers that these are two distinctly different issues the former being more about workforce management and the latter being more about post disaster support.
2. QFF sees merit in the establishment of a dedicated fund to provide support following a natural disaster of significant impact which overwhelms individuals and businesses and requires a collective community, industry and government response. While the establishment of a reliable long term fund would be valuable the expenditure and management of the fund should leverage existing effective delivery pathways where they exist.
3. Under the current Natural Disaster Relief and Recovery Arrangements (NDRRA) grants and loans have been made available to farmers who can demonstrate eligibility. QFF has previously noted that the effectiveness of these programs in achieving NDRRA objectives requires further research. However, providing assistance to farmers to speed up recovery assists the community at large to recover. Our experience is that prompt recovery of regional agribusinesses and other small to medium enterprises has a strong spill-over to the impacted regional economy.
4. Concessional loans represent a valuable tool in some circumstances for farm businesses that need to invest in repair, recovery of farm productivity, or service existing debt while cash flow is suspended or much reduced. However, the application process to establish eligibility is now so onerous that coupled with a very low rate of success, this measure now creates more mental stress than it is trying to alleviate.
5. Grants are also a useful tool to speed up the process of rebuilding production and business capacity. However, as QFF has previously noted, there is some question as to whether this expenditure is always targeted to those with greatest need.

6. Consideration could be given to use of the fund for subsidy of fixed and variable production costs to farmers experiencing reduced or no income due to the impact of natural disaster.
7. Irrespective of relief and recovery arrangements, QFF considers governments need to invest in building resilience at the farm and regional scales. This includes mitigation to prevent impacts; preparedness to limit negative impact; and response to ensure human safety and animal welfare. QFF has previously supported the concept of establishing annual mitigation spending to achieve this, in combination with the provision of relief assistance.
8. Following Cyclone Oswald in 2013, the Queensland and Australian Government jointly funded the On-Farm Productivity and Riparian Rehabilitation Program. This program was administered by Regional Natural Resource Management (NRM) Bodies and in our opinion was largely successful in meeting the program objectives. However the effectiveness and efficiency of the program varied between regions, prompting us to question whether delivery should have occurred through a range of bodies (including industry, local government, NRM) appropriate to the characteristics of the region and the impact sustained.
Improvement to this type of program for future roll-out would include allowing for retrospective funding of 'eligible' recovery activities carried out by farmers in the aftermath of natural disasters (prior to eligibility assessments conducted many months after the event).
9. QFF considers that QRAA effectively serves agribusiness in Queensland in administering Queensland and Australian government assistance. We would prefer to see more industry consultation on the development of the assistance measures available, the eligibility criteria and the process of assessment. That said, there is no function that QRAA could not perform that would require the establishment of another government entity to service Queensland.
10. While outside the specific terms of reference of this inquiry, QFF has observed a withdrawal of agri-business services by some financial institutions. We would be keen to see a return of these services and in particular the availability of finance products that allow for agribusiness to manage for short term risk and longer term profitability.

QFF looks forward to a report from the Committee when available.

Yours sincerely,

Dan Galligan
Chief Executive Officer