

16 February 2021

Reef protection regulations
Office of the Great Barrier Reef
Department of Environment and Science
GPO Box 2454
Brisbane QLD 4001
Email: officeoftheGBR@des.qld.gov.au

RE: Environmentally relevant activity (ERA) standard for Commercial cropping and horticulture in the Great Barrier Reef catchment (prescribed ERA 13A)

- Consultation on the updated [draft standard conditions for new or expanded commercial cropping and horticulture activities](#) in the Great Barrier Reef catchments under the Reef protection regulations

This submission is provided by the Australian Sugar Milling Council (ASMC) in response to consultation by the Queensland Government's Office of the Great Barrier Reef, on the updated draft standard conditions for new or expanded commercial cropping and horticulture activities in the Great Barrier Reef catchments under the Reef protection regulations.

ASMC is the peak representative body for the sugar manufacturing sector, representing five companies that collectively produce approximately 90% of Australia's raw sugar at 16 sugar mills across Queensland.

These milling companies also own and operate large sugarcane farms.

In our submission (overleaf) we outline some concerns relative to the new standard conditions and have suggested a number of changes, which if implemented, could provide industry stakeholders with a clear framework within which to manage farming activities in the Great Barrier Reef catchments into the future.

Please contact Jim Crane, Director Industry and Government Affairs on jim.crane@asmc.com.au or 0400 991 931 for further clarification on the issues raised in the submission.

Yours sincerely



David Pietsch
Chief Executive Officer



Introduction

This submission is provided by the Australian Sugar Milling Council (ASMC) in response to consultation by the Queensland Government's Office of the Great Barrier Reef, on the updated draft standard conditions for new or expanded commercial cropping and horticulture activities in the Great Barrier Reef catchments under the Reef protection regulations.

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The Queensland sugar industry generates \$4 billion in annual economic activity and underpins 23,000 jobs in regional Queensland.

In the many submissions ASMC has made since the first set of specific reef regulations was introduced in Queensland in 2009, we have stressed that all sugar industry stakeholders need to do more in terms of reducing the impact of farming activities on reef water quality.

We continue to believe the best way to do this is in a true partnership approach between industry, government and community stakeholders. We remain convinced that for any measures introduced to be successful, they need to have a clear and positive impact on the sustainability of the stewards who manage the land and natural resources in the GBR catchments.

Negatively impacting the business viability of local sugarcane growers will threaten their capacity to optimally manage their operations, and in turn significantly affect the viability of sugar milling areas. Subsequent mill closures would result in major social and economic repercussions for GBR catchment communities.

ASMC has also supported a regulatory framework to underpin the industry-led initiatives, developed and implemented on a collaborative basis between industry and Government. However, this support has always been qualified on the basis that the management initiatives and regulatory framework must be complementary and evidence-based, and balance what can be seen at times as competing objectives, to deliver positive social, economic and environmental outcomes for Queensland, and its regional communities.

Summary of the sugar milling sector's response

ASMC believes the stated approach of the proposed regulation covering new or expanded cropping activity, and the requirement for a site specific application for activity on areas over 100 hectares, has the potential to negatively impact sustainable sugarcane supply for mills.

ASMC contends that there should be scope within the regulation for areas over 100 hectares to also be eligible for new or expanded cropping activity without needing a site specific application if the activity is simply replacing sugarcane land that has been alienated from cropping.



Further, ASMC is most concerned with what appears to be an overly bureaucratic approach to the process that land holders will be subjected to when making an application for a variation, site specific or amendment to expand cropping activity.

The requirements set out in *Appendix A: Optional tools for variation, site-specific and amendment applications* of having an ‘appropriate person’ (certified professional soil scientist and/or environmental engineer) involved with the applications will have the potential to introduce unreasonable cost burdens as well as introducing ‘drawn out’ application processing timelines.

ASMC supports Smartcane BMP and the requirement for sound soil conservation practices on cropping land but the considerable ‘red tape’ described in the guideline for ‘*applying for an environmental authority to undertaking new cropping and horticulture*’ establishes the framework for a costly and protracted process that will only frustrate landholders and limit the opportunity, in some cases, for important horizontal expansion.

In response to the draft standard conditions for new or expanded commercial cropping activities, ASMC’s position is that the following amendments are essential:

1. The reference to a specific date of 1 November should be removed from SC3 with the amended condition to state “*As soon as possible each calendar year following the completion of the annual sugarcane harvest, a waterway buffer must be implemented and maintained between the defining bank of all downslope waterways and the edge of any adjacent cropping or fallow areas, such that it minimises sediment run-off.*”
2. That ‘avoid’ be removed from each of the standard conditions 4, 5 & 6. ASMC is concerned that the use of “avoid and mitigate” will create unnecessary confusion for landholders with regard to any additional measures that could be implemented over and above mitigation measures that would establish the ‘avoid’ step of ‘avoid and mitigate’.
3. That SC8 should be modified to stating a currency date of 1 March each year rather than 1 November. The reason for this is that a plan current at 1 November each year will be backward looking in terms of important elements required of the plan described in SC7.

The context for sugar milling

The sugar industry is one of Queensland’s oldest with commercial sugarcane farming and milling commencing in 1864.

A unique feature of the industry is the relationship that exists between a sugar mill’s operator and the farmers that grow sugarcane on their contracted areas of land surrounding the mill. The time taken from when a sugarcane crop is harvested for transport to the mill for processing into raw sugar is critical to the quality of the sugar produced. This means that the supply of sugarcane for a particular mill must be located as close as possible to the mill.



Providing the basis for an ongoing, sustainable supply of sugarcane for each sugar mill, the Queensland *Sugar Industry Act* requires that there must be a cane supply agreement in place between farmers and the milling company before any sugarcane can be processed at the mill. The area and location of the land on which this contracted sugarcane can be grown underpins these supply agreements. The total area contracted to the mill has been known by various terms over time including “assignment” and “Cane Production Area (CPA)”.

Retention of a viable cane production area is fundamental to the sustainability of a sugar mill, and by extension to the viability of each individual sugarcane farmer supplying the mill. If the cane production area linked to a sugar mill falls below the ‘viable area’ then the sugar mill will close, potentially leaving the remaining farmers without an alternative milling option.

Thirteen sugar mills have closed in Queensland during the past thirty years, and apart from when the Moreton Mill at Nambour closed in 2002, the great majority of the remaining sugarcane attached to the mills that closed was then supplied to the next closest sugar mill. Two of those 13 mills closed after completion of the most recent 2020 crushing season, and in both instances there remains a crushing option at the next mill ‘down the road’ for most of the remaining sugarcane. However, after similar examples of this rationalisation over the past two decades, the opportunities for this to occur into the future are becoming more limited.

In 2021, almost all remaining mills will operate with sub-optimal cane supply. There is a strong focus on increasing the amount of cane available for crushing in these mill areas, the major focus being on vertical expansion through productivity improvement programs. The only other option to increase cane supply is via horizontal expansion with additional areas within a mill’s ‘viable footprint’ being brought into production.

On the basis that a sugar mill’s viability is inextricably linked to having a sustainable catchment of land producing sugarcane, ASMC therefore believes there should be an exemption from the requirement introduced by the prescribed ERA 13 that “*new or expanded cropping or horticulture activities over 100 hectares will need to make a site-specific application to the department*” where the new land brought into production is simply replacing ‘cane production area’ that has been alienated from future cropping.¹

This could be provided for by expanding clause a) of the eligibility criteria as follows:

- a) *The commercial cropping and horticulture will be undertaken on no more than 100 hectares of land in a particular river basin or on an area in excess of 100 hectares if the commercial cropping proposed for the land is replacing sugarcane production from land that has been alienated from future cropping e.g. by urban development, solar and/or other energy developments*

¹ Examples of alienation would include urban or industrial development, solar or other energy developments, roads or other public infrastructure likely to prevent any cropping for a minimum of ten years.



or public infrastructure established in a sugar mill's contracted sugarcane supply area with a baseline for the area being set as at 7 September 2017.

ASMC also contends that SC3 needs modification to be practical and workable. By defining 1 November as the implementation date for establishing a water buffer, the regulator is making a de facto prediction that seasonal conditions will be suitable each year for grass to establish “*between the defining bank of all downslope waterways and the edge of any adjoining cropping or fallow areas*” prior to 1 November.

In most cases in the sugarcane cropping system, this described buffer area is the “headland” of a cane paddock and is used as the roadway for farm and transport vehicles during the harvest period. Grass will establish on these headlands once the harvest season is complete and rain, typically associated with the commencement of the ‘wet season’, begins to fall more frequently.

ASMC suggests SC3 should be modified to state as follows:

As soon as possible each calendar year following the completion of the annual sugarcane harvest, a waterway buffer must be implemented and maintained between the defining bank of all downslope waterways and the edge of any adjacent cropping or fallow areas, such that it minimises sediment run-off.

ASMC is concerned that the use of “avoid and mitigate” in SC4, SC5 and SC6 will create unnecessary confusion for landholders with regard to any additional measures that could be implemented over and above mitigation measures that would establish the ‘avoid’ step of ‘avoid and mitigate’. It appears that the Regulator has also found it challenging to understand this with the definition of ‘avoid and mitigate’ stating that it ‘means that in the first instance, any loss of irrigation water, sediment and nutrients from the activity area(s) to receiving waters be avoided’.

ASMC would be interested to understand what additional measures the Regulator had in mind that would deliver on the ‘avoid’ requirement that are not delivered by the range of drainage structures defined in the DRAFT standard conditions. These are defined as meaning ‘structures designed, implemented and maintained to reduce soil loss or surface water run-off or the loss of irrigation water, and may include a:

- 1) Vegetated spoon drain; or
- 2) Contour bank; or
- 3) Diversion bank; or
- 4) Sediment trap; or
- 5) Recycle pit; or
- 6) Constructed wetland; or
- 7) Another measure which meets this intent

It is ASMC’s contention, in the first instance, that the inclusion of the term ‘avoid’ in addition to ‘mitigate’ is not necessary to achieve the outcome being sought in terms of managing run off from the activity area(s) through mitigation measures.

While not the preferred option, an alternative to removing the ‘avoid’ step would be to alter the ‘Avoid and mitigate’ definition which uses as a defining term ‘as much as



possible'. The use of 'as much as possible' will create uncertainty around the interpretation of 'as much as possible' for landholders in terms of compliance with the requirement. ASMC proposes that the ALARP (as low as reasonably practical) safety risk management principle should be applied to this definition which should be altered by replacing 'as much as possible' with 'to the maximum reasonably practical extent'.²

Finally, ASMC proposes that SC8 should be modified to stating a currency date of 1 March each year rather than 1 November. The reason for this is that a plan current at 1 November each year will be backward looking in terms of important elements required of the plan described in SC7.

By having 1 March as the date for currency of the plan, the cropping activity will reflect the year ahead and irrigation and drainage areas will be relevant to cropping activity depicted. Elements d, e and f will be largely unchanged regardless of the timing, but importantly the waterway buffers can be shown as established in the period between the end of the previous year's harvest and as seasonal conditions allowed.

An example of key information that could be included in a March plan is those areas of a farm that are to be fallowed. Decisions regarding blocks to be fallowed are often not made until the February following the previous cropping year, i.e. farmers will wait to see if their late ratoon crops establish well, or not, before they make a final decision to fertilise and ratoon or plough/spray out to fallow.

Conclusion

As ASMC has stated previously, we support an industry-led framework for sustainable production and management of natural resources in Queensland, of which sugar mill companies and sugarcane growers are large custodians.

ASMC also supports a regulatory framework to underpin the industry-led initiatives, developed and implemented on a collaborative basis between industry and Government. The management initiatives and regulatory framework must be complementary and evidence based, and balance what can be seen as competing objectives, to deliver positive social, economic and environmental outcomes for Queensland, and communities beyond.

In summary, the standard conditions (if incorporating the suggested modifications) are workable and will provide industry stakeholders with a clear framework within which to manage farming activities into the future.

²**Avoid and mitigate** - Means that in the first instance, any loss of irrigation water, sediment and nutrients from the activity area(s) to receiving waters be avoided. Any loss of irrigation water, sediment and nutrients from the activity area(s) must be mitigated to the maximum reasonably practical extent including to both lessen the force or intensity of the flow of water and to lessen sediment and nutrient loads.