

Queensland REEF WATER QUALITY Program



Enhancing Reef protection regulations Factsheet

The Department of Environment and Science is seeking feedback from the community and affected stakeholders on the proposal to broaden and enhance existing Reef protection regulations.

In September 2017, a Regulatory Impact Statement (RIS) outlining the costs and benefits of proposals to change the existing Reef protection regulations was released for public consultation.

Consultation on the RIS was put on hold due to the election being called in October 2017. Consultation on the RIS re-opened on 22 January 2018 to ensure that everyone who wanted to provide feedback has a chance to do so.

Why is feedback on the RIS important?

Affected stakeholders are strongly encouraged to read the RIS, especially the sections relevant to their areas of interest, and make a submission by **19 February 2018**.

Feedback on the RIS will help the Queensland Government decide if the regulatory proposals should move ahead to the next stage, which is to prepare changes to the existing Reef protection regulations under the *Environmental Protection Act 1994*, or whether the proposals need to be refined further before they are progressed further and considered by the Parliament.

The RIS can be found online at www.qld.gov.au/environment/agriculture/sustainable-farming/reef-regulations

What are the existing Reef protection regulations?

Existing Reef protection regulations including minimum practice standards apply to grazing (on a property of more than 2000 ha) and commercial

sugarcane production in the Wet Tropics, Burdekin and Mackay Whitsunday regions. These standards include applying fertilisers and chemicals using prescribed methods and keeping records.

Read more about the existing Reef protection regulations at www.qld.gov.au/environment/agriculture/sustainable-farming/reef-initiatives

Why are changes to the existing regulations being proposed?

The proposal to change the existing regulations directly responds to the Great Barrier Reef Water Science Taskforce (Taskforce) recommendation to implement staged regulations to reduce water pollution throughout the Reef regions as part of a mix of tools to meet the water quality targets for a healthy Reef. Other tools recommended by the Taskforce include improved communication strategies, as well as on-ground extension to support producers to adopt improved management practices.

Successive reports since the late 1990s have identified that the Great Barrier Reef is showing declining trends in condition. The *2017 Scientific Consensus Statement: Land use impacts on Great Barrier Reef water quality and ecosystem condition* also confirms that:

- improving water quality remains the key priority for improving Reef health.
- the main cause of poor Reef water quality is nutrient and sediment run-off from agricultural lands in the Reef catchments, with locally significant contributions from urban and industrial land use.



- uptake of improved management practices to reduce nutrient and sediment run-off is too slow, not widespread enough and the current approach will not meet the water quality targets for a healthy Reef.

Implementing the regulatory proposals is anticipated to result in significant water quality benefits for the Reef.

Read more about the *Scientific Consensus Statement* at www.reefplan.qld.gov.au/about/scientific-consensus-statement

What are the regulatory proposals?

The proposed changes broaden and enhance the existing Reef protection regulations to apply to all key agricultural sectors including bananas, horticulture and grains as well as new industrial development with sediment or nutrient emissions.

The regulatory proposals would apply in all 35 catchments in the six Reef regions – Cape York, Wet Tropics, Burdekin, Mackay Whitsunday, Fitzroy and Burnett Mary.

Specifically, the regulatory proposals are to:

- Set nutrient and sediment pollution load limits for each Reef catchment to manage risks to water quality.
- Apply minimum practice standards targeting nutrient and sediment pollution for key industries in Reef catchments.
- Establish a requirement for fertiliser re-sellers to keep and produce records on request, of nutrient application advice provided to clients. This requirement will help improve nutrient management outcomes.
- Establish a water quality offset framework that can apply across industry sectors to manage water quality impacts for new, expanded or intensified development.

Read more about the regulatory proposals at www.qld.gov.au/environment/agriculture/sustainable-farming/reef-regulations

How have stakeholders been consulted to date on the regulatory proposals?

Since August 2016, there has been ongoing consultation with the agricultural and industrial sectors, conservation groups, other government departments, local governments and Natural

Resource Management bodies on the regulatory proposals.

In March 2017, a discussion paper, *Enhancing regulations to ensure clean water for a healthy Great Barrier Reef and a prosperous Queensland* was released for broader public consultation over a nine week period. A webinar and 17 information sessions were held during this time with representatives from the agricultural, urban and industrial sectors as well as local government and grower representatives attending.

The RIS released in September 2017 and re-released in January 2018 incorporated feedback from the March 2017 discussion paper. The RIS did not change between September and January. Previous submissions made before the consultation process was put on hold remain valid and are not required to be re-submitted.

Who is the government consulting with?

Consultation has occurred with a number of different organisations and industry bodies – urban, industrial and agricultural – in preparing the RIS. These have included peak agricultural bodies (such as AgForce, Australian Sugar Milling Council, CANEGROWERS, and Australian Banana Growers Council), regional Natural Resource Management bodies, local councils, individual producers, and many other stakeholder representatives. The invitation to make a submission about the RIS has been advertised in regional newspapers and is open to everyone.

What are minimum practice standards and who do they apply to?

Minimum standards set a base level of required practice and are aimed at replacing approaches that are known to pose a high risk to water quality.

Minimum standards will initially apply to existing commercial sugarcane, grazing and banana producers. For example, optimising fertiliser rates and the timing of application to reduce run-off; sound record keeping; and maintaining ground cover through appropriate stocking rates and on banana, crop inter-rows.

Sugarcane growers will initially be required to meet the current requirements, with some additions to these standards, and at a later stage implement more refined nutrient management.

New commercial sugarcane, grazing and banana development will need to meet the same minimum standards as existing properties in addition to new farm design standards.

Guidance material will be developed to assist producers to determine whether they are undertaking a commercial activity.

The current regulatory requirement for an Environmental Risk Management Plan for some producers in some catchments, would be removed to reduce regulatory burden, particularly for farmers already operating at best practice.

It is proposed that timeframes are set in legislation to state when regulated minimum standards come into effect. Minimum standards will apply in all Reef catchments.

Minimum standards for the horticulture and the grains industries are yet to be developed. These industries will be regulated at a later date due to the lower water quality risk associated with these sectors and the complexity in developing standards for these activities.

The proposed minimum standards for sugarcane, grazing and bananas can be found in Appendix 4 of the RIS.

I'm already BMP accredited. How will these proposed changes affect me?

There has been a tremendous amount of effort by many to move to improved practices with producers already being proactive and accredited as implementing best practice for water quality under industry-led best management practice (BMP) programs.

The Queensland Government is proposing to formally recognise industry BMP programs or like programs as an alternative pathway for producers to meet the regulated minimum standards.

Producers accredited against BMP or like programs will be deemed as meeting the minimum regulatory standards. This recognition rewards those producers who are already operating at best practice for reducing risks to water quality. It will also encourage producers to continue to engage with voluntary programs, which have additional benefits such as providing dedicated technical assistance for many aspects of farming.

What are water quality offsets and why are they proposed?

Water quality offsets are actions that work to counterbalance any potential or proposed significant increase in nutrient or sediment run-off from new development that can't be avoided or mitigated through the implementation of minimum standards. They require at least an equivalent reduction elsewhere either on or off the property. The purpose of water quality offsets is to minimise additional significant residual nutrient and sediment run-off from new development.

An offset could be through a financial settlement made by a producer or an operator; a management action determined by a producer or an operator (for example, revegetation work, hillslope reshaping, pasture renovation, better road surfacing and drainage or improvements in stormwater systems on farms); a combination of these actions; or through recognition that the offset has been provided under another offsets regulatory framework (such as under the *Environmental Offsets Act 2014* for impacts on value species or ecosystems).

A water quality offsets policy will be developed in consultation with stakeholders to provide guidance on how offsets will be applied and delivered, including what is meant by significant residual pollution and how this is determined. If no significant residual load exists then there would be no further requirements.

As an agricultural producer, I'm already doing my bit. What about urban and industrial activities?

The regulatory proposals include new requirements for the operators of industrial activities which are currently regulated under the Environmental Protection Act. Where these activities release nutrients and sediments, they will be required to offset significant residual pollution that cannot be avoided or mitigated under their licence conditions.

Examples of these activities include sewage treatment, wastewater treatment, aquaculture and other intensive animal industries such as poultry farming, and some extractive and petroleum activities, such as mining and quarrying.

Recent changes to the legislation that affects urban development will contribute to reducing nutrient and sediment run-off to the Reef from urban development. This includes strengthened measures

for erosion and sediment control during the construction of urban developments and post-construction.

What data has been used to inform the RIS?

A RIS is undertaken to estimate what the costs and benefits of new government policy and regulation are for industry (including producers and operators), the community and government.

The RIS is unable to provide individual costs and benefits for producers. Costs and benefits have been estimated for industry sectors, and across Reef regions at a per hectare scale for an average farm size. The estimates of costs and benefits are based on best available information. This means that in some cases the costs and benefits of certain practices will be an over or an under-estimation of the on-farm cost.

The executive summary in the RIS provides an overview of the costs and benefits. The full economic assessment for the regulatory proposals can be found in Appendix 1 of the RIS.

What are the costs and benefits to the agricultural sector from implementing minimum standards?

Most of the financial benefits for the sugarcane sector are generated by the expected increase in profit from producers implementing finer scale nutrient management. This financial benefit is estimated to be \$54 million per year for the sector.

The total capital cost for implementing the sugarcane standards in all Reef catchments is estimated at \$142 million, with ongoing costs of \$14 million a year to implement finer scale nutrient management.

The costs to the grazing sector includes an estimated one off capital cost of \$148 million, with ongoing costs estimated at \$32.5 million a year. The ongoing grazing production costs are based on the value of stock removed to reduce grazing pressure. Improved land condition is expected to lead to improved profitability in the long term.

There has been less economic analysis carried out on best management practices for bananas than for the sugarcane and grazing industries, and robust cost estimates of the practices for an average property do not exist. One report however did indicate adoption of best practice standards produce a net financial benefit and improve water quality from

banana farms (Refer to: www.publications.qld.gov.au/dataset/best-management-practices-for-bananas/resource/8e9fe2c7-931e-4e06-90e0-9cd791ead488). The proposed regulated minimum practice standards for banana production have been developed with the aim of maintaining or improving productivity and profitability.

The proposed minimum standards are anticipated to provide benefits in the form of significant reductions in nutrient and sediment pollutant loads, and therefore progress towards the Reef water quality targets and a healthier Great Barrier Reef.

What are the costs and benefits to the agricultural sector for water quality offsets?

Using data on previous changes in land use, it is predicted that the land area under sugarcane production will increase by 1% per year. From this predicted 1% change, the anticipated residual nutrient and sediment loads from new sugarcane production can also be estimated. The total costs to offset the additional nutrient and sediment loads has then been calculated to be approximately \$5.7-6.2 million per year.

Estimated offsets costs if grazing production increases by 0.1% per year as predicted are \$1.2 million per year.

The water quality offset costs for new sugarcane and grazing production are likely to be an overestimate. This is because they do not account for any reduction in residual pollution from the proposed farm design standards.

The residual water pollution loads from banana growing is not known at present, but given the low levels of expansion expected, the offset cost is not likely to be high for new banana production.

Why are there specific requirements for fertiliser resellers?

Advice and recommendations provided by fertiliser re-sellers can play a significant role in the way that fertilisers are applied across agricultural industries in Reef catchments. Fertiliser re-sellers will be required to keep and produce records of nutrient application advice as a practical way to support alignment of this advice with the regulated practice standards. Records of fertiliser re-sellers could complement records provided by agricultural producers and help identify where producers may have been given incorrect advice or have not followed the advice given.

Why are pesticides not addressed in the RIS?

The Taskforce recommended that the government establish and regulate minimum standards across all agricultural industries to address sediment and nutrient pollution. The RIS describes the costs and benefits of implementing this recommendation.

Pesticides are identified as a pollutant of concern for Reef water quality, and improved pesticide management is being addressed under actions in the proposed Reef 2050 Water Quality Improvement Plan that is due for completion in the first half of 2018. This includes education and extension activities supported by on-ground resources, and on-ground projects working directly with producers and industry groups, such as the Sandy Creek project in the Mackay Whitsunday region.

Pesticide users must apply pesticides in accordance with current regulated requirements including product label conditions legislated by the Australian Pesticides and Veterinary Medicine Authority.

When would the proposed regulations commence?

It is proposed that any regulatory changes for agricultural and relevant industrial activities in Reef catchments will be staged with timing set in regulation, to provide time for producers to transition to compliant practices and adopt new standards, where necessary.

For the agricultural sector, it is proposed that:

- Sugarcane growers in the Wet Tropics, Burdekin and Mackay Whitsunday Reef catchments will be required to meet minimum practice standards upon commencement of the regulations. The minimum standards reflect the current requirements, with some revisions and additions to these standards.
- Sugarcane growers in catchments not currently subject to Reef protection regulations (for example, in the Burnett Mary) will be required to meet the minimum practice standards within one year from commencement.
- Sugarcane growers in all Reef catchments will be required to implement refined nutrient management within two years of commencement.
- Graziers and banana growers will be required to meet practice standards within one year from commencement.

- New sugarcane, grazing and banana production will be required to meet farm design standards and management practice standards immediately upon commencement.
- New sugarcane, grazing and banana production will be required to offset additional significant nutrient and sediment releases after meeting minimum standards upon commencement of the water quality offsets policy.
- New industrial activities will be required to offset additional significant nutrient and sediment releases that cannot be avoided or mitigated under their licence conditions.

Practice standards for grains and the horticulture industries are yet to be developed.

How can I have my say on the RIS?

Submissions must be made in writing and close on **19 February 2018**.

Previous submissions remain valid. However, new submissions can be made should submitters wish to provide additional feedback or changes to their submission.

Submissions are public documents and may be placed on the Department of Environment and Science website. Please provide advice within your submission if you would like it to remain confidential. However, please note that all submissions may be subject to disclosure under the *Right to Information Act 2009* (Qld), and the public's access to submissions, including those marked confidential, will be determined in accordance with that Act.

Submissions can be made by:

Email:

Reef regulations RIS submission
officeofthegbr@ehp.qld.gov.au

Mail:

Reef regulations RIS
Office of the Great Barrier Reef
Department of Environment and Science
GPO Box 2454
Brisbane QLD 4001

For more information, please email officeofthegbr@ehp.qld.gov.au or call 13 QGOV (13 74 68).