



Darwin - NT Farmers

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Darwin Convention Centre, Darwin

Speaker: Simon Smith, Greg Owens

Simon Smith: My name's Simon Smith, I'm president of Northern Territory Farmers Association.

Greg Owens: I'm Greg Owens, I'm the CEO of that association.

Hon. Justice Pepper: Thank you. Whenever you're ready, thank you.

Simon Smith: Your Honour, and the Panel members, I'd first like to acknowledge the Traditional Owners of land on which we meet, and also the Traditional Owners of land in which our members farm throughout the Territory. I'll give you just a very quick overview of our organisation and our interest in this inquiry, and then I'll hand it over to Greg to give you a little bit more detail on our concerns around hydraulic fracturing. We have a PowerPoint which will run through, but I gather you guys probably can't see.

Hon. Justice Pepper: No, we can, we got a big screen cunningly hidden just in front of you.

Simon Smith: Very good. So first and foremost I guess our organisation is the peak body for plant-based industries in the Northern Territory. That's a very wide umbrella, and it extends from dates and table grapes and so forth in Central Australia through the Top End mangoes and melons and what have you. We cover hay and other production areas all the way in between. So we have growers from the South, to the tropical North. As you can see is a relatively young industry overall. 35 years. It really dates back to 1980, it began with some sort of interest from government and others, and probably not far from the time of production in the Ord and those areas it's gone from zero dollars in about 1980 to, in today's figures, somewhere between 250 and 300 million. Those figures are little bit out of date. You'll see there that we ... There's approximately of that 244 million plus, there's about 180 million of that which is directly spent and returned back to the Northern Territory, and that helps employ a number of people. I'll let Greg talk to the detail. I won't go over things twice hopefully.

One of the big parts of the projections that we have going forward, we see that the industry in several decades will be worth close to \$1 billion. And what underpins that primarily is the access to clean uncontaminated and good quantities of water. But it also relates to access to similar clean land. One of the great advantages we have in the Northern Territory in our



farming is that we have predominantly a clean slate. We're a clean and green industry. Our market is to the north in the future, at the moment it's predominately in the South. And the demand in years to come, decades to come will certainly be again a call for that high-quality Top End produce that's produced in a clean and sustainable manner.

There's an enormous range of produce that's grown in the Territory with all different sort of requirements, but that base is that none of them can be grown well without clean water and adequate supply of it. One of the other important aspects of plant farming in the Territory is it's one of the few regional based employers and developers, so we that as, again, something that will continue to grow in the future, will help underpin those small regional communities. You've obviously all been in the Territory for a while, or travelled through the Territory. That's an important part of what we see as growing farming in the Territory is that the opportunity to employ people from communities, to add to the size of those communities, and particularly around Aboriginal communities within the Territory.

NT Farmers has a diverse membership, some very much in favour of fracking come some very much against. We represent I guess the consensus view, and that consensus view is that no matter what else goes on, that there's some sacrosanct things around clean water and clean land, and Greg will talk to that shortly. We do understand there's a significant impact to be had for the Territory, but we do caution that that impact, that economic impact needs to be looked at against the potential for an industry like ours that can provide an income and a substantial one for hundreds of years to come, but can also, as time goes on I think will underpin that local, producing local, the whole ethos around rather than carting your food halfway around the world, we'd like to see a lot more produced locally and consumed locally. And as the population of the Territory grows and food security becomes an issue for the country and the region, we see that the underpinning and the growth of our industry will be a very important one both economically and for stability in the Territory.

I might leave it at that, there's other stuff but I had a long day and much of it I think you can take it as read. We are providing a written submission as well, so ...

Hon. Justice Pepper: Thank you.

Greg Owens: Thank you, Simon. Moving forward, our real concerns are our key production areas. And there are a number of places that we would consider that they're no-go zones for unconventional gas extraction, and they're around these really high value horticulture production areas. So, we have areas like around Darwin through out to the Marrakai area. There's the Katherine, and somehow Douglas Daly little circle got left off that, but so from Katherine down to Mataranka is a huge production area for us at the moment, and starts to touch just on the proposed gas fields the Beetaloo's production found that Ali Curung just south of Tennant Creek, Ti-Tree, Alice Springs, etc., so they're the ones that are currently producing high value



horticulture, totally dependent on clean water for our image and our production.

Going further than that, there's some prospective precincts. It's been identified by the NT Government water and land surveys, and within our organisation we were looking at different growing systems, there's potentially different agricultural systems that might come into place. Places like ... out towards Kakadu and the greater Katherine-Roper area. So, there's areas out towards Flying Fox Station in the Roper basin that have real potential for agriculture, and again will be dependent on irrigation. Irrigated agriculture is our only option in the Territory. There's a lot of history of people trying to grow it on rain, it's just too unpredictable. Too heavy, too light. Too late, too early.

Hon. Justice Pepper: Just "too."

Greg Owens: At the end of the day the bank balance is zero, so it has to be irrigation based supplemented, fully irrigated, but at least having control of that water to produce those crops. So, we would stipulate that we are very concerned that even though the risks low and are take all your recommendations within that water chapter, we'd accept absolutely all of them and support them strongly, particularly the base studies on water, water quality, water amounts. The expansion of the water control districts to incorporate all those activities in those areas, including the gas extraction. There's other mining we'd like to see also included in that water control system so that whole resources managed as a whole for the benefit of the Territory. We believe that the hort and ag have the capacity to generate economic benefits for the Territory a long time in the future. Do you want ...

Simon Smith: Yeah, a couple of things on ... You know, we strongly support your recommendations, both from chapter 7 and chapter 8. One of the things that I think I need to point out around one of the biggest issues for our industry is what we generally term; biosecurity. Territories at this stage, it's part of what underpins their clean and green image, we have a relatively clear pathway with as far as biosecurity incursions and risks. There's occasional ones, but at the moment it's a relatively clean slate. We abut some risky areas to the north. One of the things we'd like to see very much strengthened, and it comes in around your weeds stuff, which I think was 8.2, 8.3, your recommendations there. We'd like to see at least a recommendation there to have a similar note around biosecurity.

And biosecurity can be anything from the obvious sort of cane toad scenario to soil-based pathogens and other issues that could affect cropping and our industries. And any movement of equipment, any movement of people, it's fairly obvious. I won't drag it out, I think you know what we're talking about there. That's something we'd very much like to see independently monitored. That requires a specialised eyes. Those sort of information's available, most jurisdictions within Australia have fairly strong sort of plant biosecurity regulators. We certainly want to see best practise applied up here around that. Similarly with weeds. Weeds present, are often the vectors, the host of some of these bio security issues. And weeds on their



own present a great threat to our industry. So we see that those need to be strong and if anything, the recommendation strengthened. Certainly wouldn't like to see them weakened. Same with the SREBA and the water allocation plant and stuff, that's all ... We support that and see that is something that again must be a precursor to the industry kicking off.

Greg Owens:

Thanks Simon. So I'll just run through our key points very quickly, so ... Clicker's got to go. Go back again. So, we would like to establish some no-go areas around those really key and agricultural and horticultural production areas that are now generating wealth, generating employment and a part of that social system for the Northern Territory. We recognise very clearly that we rely on those high-volume clean water resources which are limited in the Territory. We know where they are, and we very, very much don't want anything impacting on them. We've been as we've seen contamination of groundwater systems is very, very problematic and the impact on our industry was minimal by luck rather than good management with PFAS because most of our production areas were actually outside of the contamination zone, but they were close enough to significantly scare the supply chain into more rigorous testing regimes etc.

Where there are go zones, we want to see the regulation really strongly to look at those minimal impacts on all the primary industries, our brothers with farm cattle as well as well as plant products. I strongly support the idea that all commercial use is subject to the same water allocation regulatory regimes through water control districts. We are long-term, we are here, we're building, we're growing year on year, and we don't want that risk in any way if we can avoid it.

Just in that 2015 year when we did a full economic analysis, we sustained 423 full-time positions in across the industry, and employ almost 4000 casuals and seasonal labour coming through, including a number of seasonal labourers now from the South Pacific and East Timor which is the equivalent of around about 1200 full-time employment positions. That's all on the back of our clean safe food product image that allows us to target those high prices that we need to get to sustain our production up here because our input costs are certainly higher than anywhere else in Australia. So, the last thing I'd like to leave you with this just the cautionary approach is the one we would clearly recommend, because as it's shown we get damage to our aquifers this long-term social and economic impacts that we don't particularly want to live with. Thank you.

Simon Smith:

Thank you. Thank you gentlemen. Yes, Dr Jones.

Dr. David Jones:

We've heard about the concept of coexistence between industries, and in particular say the coexistence between the gas extraction industry and the pastoral which I guess is much more disseminated than your industry is, do you see any prospect for coexistence, or do you think the two are actually mutually incompatible just based on service footprint?

Greg Owens:

Most of our members would definitely like to see those high value horticulture production areas as no-go zones, so ... Our footprint on the



territory is about 8000 hectares of irrigated agriculture. About 20,000 of rain fed hay production. Those are not huge areas they don't really impact on a large amount of the landscape, but they are key areas and the expansion that's been identified in those areas is what our members are looking for us to protect.

Hon. Justice Pepper: Yes, Professor Hart.

Prof. Barry Hart: A question about no-go zones, any thoughts about how they should be determined? You had some pretty large ovals there.

Greg Owens: Please don't take the graphics as boundaries to be identified, but there's been a land-use mapping project done by the Department of Environment and Natural Resources, which we were part of, which clearly identifies those areas in the production-

Prof. Barry Hart: That's the part around Mataranka in particular?

Greg Owens: It's done the whole Territory. And now I believe the spatial database exists as part of ... It was actually a biosecurity project, but ... So, those current production areas are clearly identified, and the productive, prospective precincts are also identified in a series of land-use release documents that we've also helped Department of Environment and Natural Resource to produce, so those precincts are well identified.

Prof. Barry Hart: Sorry, just continuing that, it wasn't in our SREBA, it was primarily in terms of the groundwater, but we've got a number of other areas, biodiversity and so forth which are included in that. Maybe we should think a little bit about ... Your green, clean image has to do with obviously water. But I guess it also has to do with proximity of activities like this.

Greg Owens: Yeah, I would certainly agree with that.

Simon Smith: And again the surface, the potential for issues around weeds biosecurity is enormous, huge risk. Water's ... the footprint on the surface is part of the story, but the water movement underneath, and that's where those, a lot more research on the movement. The things we've seen with PFAS particularly the mapping of where the effect might be, and yet we are now seeing PFAS appearing in wells that they didn't expect it to, and that's a big concern for growers when you talk about social licence whatever, it's that the fear the property prices, the value of their product, and it doesn't take long to scare the horses when you're talking about things people eat. You've just got to have one bad report, that the melons in Mataranka contain something that's come from a fractured ... whatever, that's the sort of fear, so we feel there's an importance for a buffer, and an understanding, a far greater understanding of that water movement. One other little thing we've discussed too the quantity of water required for fracturing is enormous, it doesn't, I'm not sure what high-quality, and I have it, it's possibly somewhere in there the quality that's required. Our growers need exceptionally good quality water. I don't think that fracturing would need that quality, and I think wherever possible if fracturing is to go, there should



be a requirement that wherever it's economically viable that the poorest quality water is used.

Hon. Justice Pepper: Yes, Dr Beck. Thank you.

Dr. Vaughan Beck: Can I just clarify, in terms of PFAS, has there been any impact on the horticultural industry today?

Greg Owens: There was an initial impact with increased cost of testing and compliance. There was certainly some reluctance around the change to accept product from Katherine originally. That was quickly dispelled by our Biosecurity Officers in Darwin which we thank very much. The longer-term impact is on our smaller growers that are still within that contaminated zone. Their land values, property values have fallen to almost nothing. And traditionally for a farmer particularly a horticulturalist close to town, part of your retirement planning is to then sell that property as your superannuation moving forward, and that option's been taken away from a lot of those smaller growers. So, that is of concern to our members.

Simon Smith: The other significant factor there is a lot of these farms are financed, and there's already some concern there about the potential for if the property values drop, the equity and so forth becomes an issue, potential to borrow for expansion, or at least maintain what you're doing. That's our biggest concern at this stage. Thankfully there's been no evidence of any transmission into fruits or vegetables that have been sent to the supermarkets as Greg mentioned. But where only one bad test away from that. We hope it will never happen. But should that happen, the potential for there to be huge financial ramifications around the borrowings, potential repossessions, that's a very scary proposition for our growers. Virtually all farmers in the Territory, as Greg alluded to, there's been some monumental failures up here.

If you actually look at the amount of money that's been pumped into schemes, even including the Ord in Western Australia with very poor returns. Our best growers have started small and become very good growers, very hard-working and good growers. And they've required a model, a business model that's meant they can expand. They'll often acquire the land and then they'll need to borrow for infrastructure and even for the trees, they might be planting. They might be ... You know, 60,000 mango trees don't come cheap, that sort of thing. So if their ability to borrow money is affected, that's a real concern in the industry long-term.

Hon. Justice Pepper: Yes, Dr Jones.

Dr. David Jones: To what extent is the current horticultural land the subject of existing petroleum exploration leases, do you have any information on that? Do you know?

Greg Owens: As far as I know there's none. Sorry the leases are probably in existence, but I don't ... I'm not aware of any exploration.



- David Jones: The reason I asked that question is there is a current government guideline, it's not policy, where agricultural land is excluded from the grant of new exploration leases, but not current ones. So, that could be a fly in the ointment.
- Greg Owens: It could be, yeah, but as yet I'm not aware of any exploration activities on our high-value areas, some not too far away.
- Hon. Justice Pepper: Thank you. I just got ... Sorry, Dr Smith, yes.
- Dr. Ross Smith: I've just got one point of clarification, it's not directly related to the shale gas industry, but it speaks to the plans for growth for your industry, and you made two statements that I struggle to reconcile, one was that you're proposing or hoping to develop a billion-dollar export based industry, whilst also promoting in a separate statement grow local, eat local. So just trying to understand what that means in terms of ... or what you are actually trying to achieve in terms of industry growth.
- Simon Smith: Yes, they do sound like they're conflicting statements. We definitely see export as the driver in the near-term, but we have a very large proportion of growers that grow around Darwin that sell into the local markets. And similarly, in Katherine. And we see that as the population of the Territory expands, the cost of projects coming from interstate is large. We find that Territorians tend to eat a suite of foods from the markets that are perhaps different of what you to buy at Woolworths or Coles, and that makes sense, because our growers can grow them, because the climate's correct. It makes sense for lots of other reasons. Social ... whether it's just global warming type reasons, or the practicalities of freshness and so forth, so there are two separate things, but they both require us to have clean and green credentials.
- Dr. Ross Smith: Okay thanks for the clarification.
- Hon. Justice Pepper: Thank you.
- Greg Owens: Can I just add we're also still looking across Northern Australia as part of particularly our food futures conference in road show events within the North Australian cropping research. Eventually we will get cropping systems for broadacre agriculture that for places like Kununurra which are almost [inaudible 00:24:28] Georgetown in Queensland, and around the Roper area in the Territory that will generate the product that Indonesia wants. Peanuts, soybean. Two and a half million tonnes of peanuts go into Indonesia every year. If we can meet the price points, get those growing systems, and as part of the research and development that we are currently focused on working on with our NT Government, and we've finally got some of big R&D corporations like GODC, Cotton Australia, starting to talk about the opportunities in the North, maybe to take a little bit of the pressure off Murray–Darling, but at least looking at growing systems that will allow us to hit the price points that make that system possible in the Territory. So, the potential's there for those billion-dollar industries. There's still a lot of work to be done to get there, and we want to take it slow and steady, we don't



want to have a hurdle in the middle that means that our water isn't up to scratch.

Dr. Ross Smith: Yep. Thank you.

Hon. Justice Pepper: The presentation, I mean you've ... Thank you for the submission, but the presentation. Have you provided that to ...

Greg Owens: Yeah.

Hon. Justice Pepper: You will do? Excellent. Thank you.

One last question is I was wondering if see any potential benefits for your industry. I noticed that on the first or second slide you ... there's \$48 million sort of spent in other inputs and the first point was chemicals and fertilisers. One of the things that we've heard and across a number of submissions is that if this industry comes to the Northern Territory that the gas could be used to set up manufacture of fertiliser. So, you have fertiliser plants basically in the NT. Would you see that as a benefit or not?

Greg Owens: I'll take it. Gas is coming onshore to the Territory right now, it's right now across the harbour. We'd love to see some fertiliser plants. We have large phosphate deposits across the Barkly, all the potential is there, I don't think it needs another source of gas to actually generate that.

Hon. Justice Pepper: Fair enough.

Greg Owens: And as an old chemistry teacher I'd love to see the components come together to make a value-added product for the Territory that we can use and so on.

Hon. Justice Pepper: No, that's fair enough. That's fair enough.

Simon Smith: And as an old organic farmer I'd disagree, but there's the beauty of committees.

Hon. Justice Pepper: All right, well gentlemen you'll have to take it outside. Because we're going to have a break.

Simon Smith: I'll just make one brief comment on it.

Hon. Justice Pepper: Yeah, no, please.

Simon Smith: We've appeared before you quite some time ago, another, Tom Harris and myself, and one of the things we did discuss was if this hydraulic fracturing was to proceed that regional development should be something that was looked into. And that was around roads, all access roads, bridges, and those sorts of things. I'm sure it's again in the detail there which I haven't got too, but that's one of the things that we feel is there needs to be cognisance that's ... Whether it's important for our regional communities, it's important for cattle, it's important for infrastructure around communication, roads,



power to regions, however it's worked out where those opportunities therefore solar or clever renewable power to be based somewhere that could benefit our members as well as other communities.

Hon. Justice Pepper: Understand that. Thank you. Made a note of that. Thank you very much. Again, thank you very much for that very useful presentation.

Greg Owens: Thank you.