

**National
Farmers
Federation**

October 2022-23 Pre-Budget Submission

NFF Member Organisations



The National Farmers' Federation (NFF) is the voice of Australian farmers.

The NFF was established in 1979 as the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and length of the sector.

Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF represents Australian agriculture on national and foreign policy issues including workplace relations, trade and natural resource management. Our members complement this work through the delivery of direct grass roots member services as well as state-based policy and commodity-specific interests.

Statistics on Australian Agriculture

Australian agriculture makes an important contribution to Australia's social, economic and environmental fabric.

Social >

There are approximately 85,000 farm businesses in Australia, the vast majority of which are family farms.

Economic >

In 2019-20, the agricultural sector, at farm-gate, contributed 1.9 per cent to Australia's total Gross Domestic Product (GDP). The gross value of Australian farm production is forecast to reach \$78 billion in 2021-2022.

Workplace >

In 2021, the agriculture, forestry and fishing sector employed approximately 313,700 people, including over 215,800 full time employees.

Seasonal conditions affect the sector's capacity to employ. Permanent employment is the main form of employment in the sector, but more than 26 per cent of the employed workforce is casual.

Environmental >

Australian farmers are environmental stewards, owning, managing and caring for 51 per cent of Australia's land mass. Farmers are at the frontline of delivering environmental outcomes on behalf of the Australian community, with 7.79 million hectares of agricultural land set aside by Australian farmers purely for conservation/protection purposes.

In 1989, the National Farmers' Federation together with the Australian Conservation Foundation was pivotal in ensuring that the emerging Landcare movement became a national programme with bipartisan support.

Contents

NFF Member Organisations	ii
Contents.....	4
Executive Summary.....	5
Overview: A \$100 billion industry by 2030	7
Pillar 1: Customers and the Value Chain.....	10
Pillar 2: Growing Sustainably	15
Pillar 3: Unlocking Innovation	17
Pillar 4: Capable People & Vibrant Communities	19
Pillar 5: Capital and Risk Management	23
Appendix: Details of Recommendations	24

Executive Summary

The National Farmers' Federation (NFF) has set an ambitious-but-achievable target for Australian agriculture to be a **\$100 billion industry by 2030** - a vision shared by industry and Government. To meet this target agriculture must work with the Federal Government to ensure public policy settings, investments and initiatives address the opportunities and challenges outlined in this vision.

The NFF continues to be guided by the [2030 Roadmap](#) - a plan that outlines the practical steps needed to achieve the \$100 billion target. The NFF Pre-Budget Submission recommendations have been summarised under the five pillars of the NFF's 2030 Roadmap, with detailed recommendations organised by Government portfolio within the appendix of the submission.

This submission is a revision of our 2022-23 submission, with any additions or amendments highlighted in yellow for your convenience.

Key Industry Priorities

1. Sustainably resourcing our biosecurity system is of critical importance to ensure we are best placed to respond to an increasingly complex risk environment. The impact of Varroa mite and the threat of Lumpy Skin Disease and Foot and Mouth Disease are but just a few of the myriad of pest and disease threats facing Australian agriculture. The recently released National Biosecurity Strategy outlined the vision and framework required to continually evolve our biosecurity system to ensure it remains strong. Critical to our ability to do this however will be the adequacy and sustainability of the resourcing of our biosecurity system both now and into the future.

Key recommendations to this issue include:

- Deliver on commitment to perpetually funding the biosecurity system through a long-term sustainable, renewable funding arrangement.
- Deliver the \$20.1 million over four years announced in the March 2022 budget to fund commodity groups to review and update their traceability systems consistent with the National Traceability Framework.

2. Measures to sustain our natural environment are critical to agriculture's future. As a nation we are yet to adequately recognise and value the contribution farming makes to environmental outcomes. The NFF is committed to continuing to work cooperatively with Government to develop opportunities to transition valuing natural capital back inside the farm gate. The sector supports an economy-wide aspiration of net zero emissions by 2050, provided it is economically sound and government policy is not detrimental to the industry. A diverse and sustainable farm sector will benefit from developing new methodologies and ensuring the carbon market is accessible to farmers across Australia.

Key recommendations to this issue include:

- \$2 billion over the next four years to support the continuation of pilot and expansion of initiatives such as the carbon, biodiversity and enhanced remnant vegetation programs. This

funding will also contribute to further development of natural capital systems, infrastructure markets and policies.

- \$2 billion over four years to support complementary measures in the Murray Darling Basin.

3. Response to significant disruptions to supply chains: Australian agriculture, and the under-repair economy more broadly, cannot afford the significant costs of Australia's inefficient and unproductive international freight supply chain. Similarly, the agriculture industry is seeking action on the severe disruptions to critical inputs, such as fertilisers and ag-vet chemicals, noting that the lack of availability of synthetic fertilisers could reduce crop yields by up to 30%.

Key recommendations to this issue include:

- \$140 million over four years to resource the establishment of shared services, guidelines, and good practice frameworks for heavy road vehicle access decisions made by local government, to ensure higher freight productivity from existing road infrastructure.

4. Securing Australia's farm workforce: Labour shortages are a handbrake on agriculture's growth. These shortages result in produce going uncultivated and unpicked, productivity being choked, and the viability of farm businesses challenged. Although the impact of COVID-19 related restrictions have amplified the extent and impact of shortages, this is a longstanding issue. The NFF has put forward a holistic workforce package to address this challenge.

Key recommendations to this issue include:

- reforming the Seasonal Workers Program to remove the upfront travel costs paid by farmers by January 2023. Budget neutral policy, costs to be recovered from workers through the tax system or uncollected DASP.
- \$30 million over four years to provide a holistic Vocational Educational and Training (VET) package of programs and incentives to attract students into agricultural vocations and develop an integrated curriculum for agriculture as a career choice.
- \$2 million over 3 years to support Farmsafe Australia in its campaigns around farm safety initiatives as well as the biennial Farmsafe Conference.

5. Support smarter growth for regional and rural Australia: The NFF is seeking a step-change in the approach to regionalisation. COVID-19 has changed the way we work and live, making regional Australia a viable place to work and live for all. Conversely, it has demonstrated the folly and risk of concentrating most of Australia's economic capacity in just two capital cities. Combined with the need for significant investment in regional and rural Australia to ensure positive outcomes for these communities from the transition to net-zero, there is an absolute need for a reinvigorated Regionalisation Agenda.

To this end, the NFF is seeking funding for the establishment of 20 place-based development precincts across regional Australia. Agriculture is a critical industry for any regional/rural economy,

and agriculture is reliant on successful regional centres to access economic and social infrastructure, and to a reliable and skilled workforce.

As a part of this agenda, the development of domestic capabilities for critical inputs and value-add processing will not only create new opportunities for regional Australia, but create a more resilient Australian economy that can withstand global supply chain shocks. This ask is consistent with the Federal Government's Reconstruction Fund, and the \$500 million set aside for food and fibre value-adding.

Key recommendations to this issue include:

- \$500 million of the National Reconstruction Fund be allocated to food, fibre and farm input initiatives, including shortening vulnerable supply chains and exploration of a domestic green fertiliser capability.
- Recommendation 15: \$375 million over four years to establish the Regional Development Precincts Initiative, that will provide a tripartite governmental approach to skills, housing and local infrastructure for regional Australia, including the selection of 20 Precincts.

Overview: A \$100 billion industry by 2030

The NFF has set a bold, but we believe entirely achievable vision for the agriculture industry to become a \$100 billion industry by 2030. This is a vision that has been endorsed and adopted by industry and the Federal Government. To meet this goal, industry and government must work together in establishing the policy pillars detailed in the NFF's [2030 Roadmap](#) document. The 2022-23 Federal Budget will need to leverage the significant opportunities and address challenges facing Australian agriculture to meet this \$100 billion target.

As an industry with a current annual output forecast to be \$78 billion in 2012-2022, there are a range of exciting opportunities that would further improve agriculture's already impressive contribution to Australia's economy. Burgeoning global populations and incomes - particularly on

our Asian doorstep - will fuel demand for food and fibre in years to come. Improved market access will position Australia to service that demand, amplifying our geographic advantage.

Digital and genetic technologies promise to unlock new waves of productivity growth across the sector. Automation will continue to improve the quality of life for farmers, while reshaping the sector's skill needs.

Agriculture in our reduced emissions future

The industry is facing several headwinds. Climate change will play a major role in Australian agriculture's next decade, exacerbating climate risk while creating diverse new income opportunities. Australia's policy response can position us as a global leader in low emissions agriculture. Done poorly, our policy response could burden farm businesses with additional costs and barriers in accessing international markets to sell our goods and to access finance.

Investment in research and development to provide a range of important decision support tools will be critical to the sector's success. These will be an important basis for the farm sector's engagement. Ongoing investment in innovation development such as better pathways to measuring and understanding the role of soil carbon, managing enteric fermentation emissions and enhancing, or developing new methodologies will remain important. A modernised and fit for purpose Emissions Reduction Fund will be critical and a review is required.

Supply chains

These supply chain risks go beyond impacts on getting farmgate output to international markets and is having significant impacts on the availability and cost of farm inputs. As an example, the cost of urea and phosphorus-based fertilisers has risen by two to three times in the space of six months, severely curtailing the viability of the farming sector. The importance of synthetic fertilisers should not be underestimated, with a lack of availability potentially contributing to an up to 30% drop in yields for broadacre cropping. To this end, the NFF continues to call for the Modern Manufacturing Strategy to focus on developing local supply chains for fertilisers and ag-vet chemical, along with food and fibre manufacturing.

The myriad of disruptions impacting agricultural trade necessitates the establishment of a comprehensive, long-term, cross-portfolio industry-government council on agricultural trade and exports. Industry along with relevant government portfolios must regularly agree on specific activities that work through a long-term strategy for trade. Including addressing significant risks emerging supply risk factors in global economies. While the NFF has put forward this proposition as an agricultural initiative, there is merit in having a cross-industry council.

The farm workforce

For many years, the labour and skills needs of agriculture have been addressed through a patchwork of programs: a number of different subsidies, tweaks to VET and tertiary education frameworks and various visa and migration programs. While the Government is right to insist that producers target Australians for jobs and farmers would always prefer to hire locally, the reality is that there is a gap between the skills and labor needs of the sector and Australians available for the work. The issue needs to be tackled globally and holistically. The Federal Government's development of a National

Agricultural Workforce Strategy was a first step in the right direction, but more is needed to achieve the goals which the strategy set.

Strengthening biosecurity

Australia's biosecurity system is fundamental to the success of our agriculture industries, the health of our natural environment and to our society and economy at large. Given this, it is imperative that Australia's biosecurity system is innovative, adequately resourced and operating effectively. Our vision of a \$100 billion-dollar agricultural industry by 2030 requires both innovation and ambition. This target is heavily reliant upon Australia maintaining a favourable biosecurity status, underpinning our domestic production and advantageous market access.

However, our system is under growing pressure from an increasingly complex risk environment. The NFF remains extremely concerned about the detection and ongoing spread of Lumpy Skin Disease and Foot and Mouth Disease (FMD) in our immediate region. The most contemporaneous estimate of the impact of a major FMD outbreak is \$80 billion. The detection of Varroa mite at the Port of Newcastle in June has caused even further concern for the sector. If not controlled, a major outbreak could potentially cost producers and consumers of pollination-dependent crops \$5.2 billion over the coming decades.

The National Biosecurity Strategy has set out the vision and framework required to continually evolve our biosecurity system to ensure it remains strong. The strategy lists clearly the key areas of focus and improvement. But our ability to implement these will be significantly hampered if we do not resource the system appropriately. The time is now to put in place the mechanisms to improve the sustainability of the funding and investment of the system that so much of our agricultural, environmental and economic prosperity relies on.

The NFF Pre-Budget Submission recommendations have been summarised under the five pillars of the NFF 2030 Roadmap, with detailed recommendations in the appendix of the submission. The 2030 Roadmap pillars include:

1. Customers and the Value Chain
2. Growing Sustainably
3. Unlocking Innovation
4. Capable People and Vibrant Communities
5. Capital and Risk Management

Pillar 1: Customers and the Value Chain

Agricultural supply chains stretch deep into global markets, enabling Australian farmers sell their produce to consumers throughout the world. Recent turbulence in the global economy has disrupted many of these supply chains, and government action is needed as we transition to the 'new normal' with respect to international trade and supply chains.

Potential disruptions to agricultural production and trade have been amplified by the increased risk of lumpy skin disease and foot and mouth outbreaks. The cost of these potential risks coming to fruition would run into the billions and demands priority attention by industry and government.

The price premium commanded by Australian agricultural products is a result of our reputation for quality and integrity. Maintaining our market share depends on maintaining this reputation, particularly in relation to our world-class traceability systems and our pest-and-disease-free status.

It is crucial that the returns generated by this market access are distributed fairly across the supply chain. Competition policy must ensure that farmers receive a reasonable share of the profit and are not unfairly disadvantaged by structural power imbalances.

Similarly, inefficient and unproductive international freight supply chains must be fixed. This inefficiency is eroding agriculture's international competitiveness.

To ensure that agricultural value chains are the enablers to achieving the \$100 billion industry target, the NFF seeks budgetary commitments that will:

- Expedite critical improvements to the productivity of Australia's international freight supply chains;
- commit the Federal Government to perpetually funding the biosecurity system through a long-term sustainable, renewable funding arrangement for biosecurity. Ensure regional and rural communities and industries get a fair go with respect to economic infrastructure, amenities and commercial negotiations.

International freight supply chain disruptions

Trade and market access are vitally important to Australian agriculture, with more than 70 per cent of total production exported.

International freight supply chains are fast becoming one of the most critical challenges not just to the agriculture industry, but to any industry or business that relies on exports or imports. Australia has always suffered from highly inefficient and unproductive international freight supply chains, with the OECD rating nearly all of Australia's ports and stevedoring services in the bottom quartile for productivity globally. As an example, it costs the same to transport a container of grain from South Australia to Indonesia, as it does from Canada to Indonesia, despite the journey being nearly 10,000km shorter.

Not all solutions to the freight problem requires billions of dollars in new investment in transport infrastructure. Improving the consistent road access of high productivity vehicles can improve the freight supply chain's productivity with relatively little investment.

The continuous wave of domestic and international supply chain disruptions must be addressed with a long-term strategy. Critical shortages of urea and phosphorous will not only impact farmers, but all

diesel machinery that rely on urea-based additives to operate. As a first step, the Federal Government's Reconstruction Fund should allocate resourcing on shortening and onshoring parts of the supply chains for critical inputs, such as urea and phosphorous, including the potential establishment of a domestic green fertiliser capability, leveraging investments in green hydrogen capacity. Similarly, there is no clear pathway for non-fossil fuel energy for farm machinery, making investment in clean farm machinery by farm businesses extremely risky. . the Fund should further explore the development of a viable roadmap for non-fossil fuel energy for farm machinery, in line with the industry's and Government's net-zero ambition.

With respect to international market access and trade diversification, the industry has seen significant benefits from the Agricultural Trade and Market Cooperation (ATMAC) program, which has put industry at the centre of this diversification work. The NFF seeks Government commit to funding this program in the long-term, with an additional \$30 million over four years being allocated to the ATMAC program.

Recommendation 1: \$2.5 billion over four years for an expedited Infrastructure Fund solely focussed on investing in productivity improvements in Australia's international freight supply chains (*see page 26*).

Recommendation 2: \$220 million over two years to provide a waiver on export certification fees, noting the significant eroding of Australia's international competitiveness due to spiralling international freight supply chain costs (*page 26*).

Recommendation 3: \$500 million of the National Reconstruction Fund be allocated to food, fibre and farm input initiatives, noting the global imperative to shorten supply chains due to unprecedented and ongoing supply chain disruptions, including the exploration of a domestic green fertiliser capacity, and the development of a viable roadmap for non-fossil fuel energy for farm machinery. (*page 27*).

Recommendation 4: \$140 million over four years to resource the establishment of shared services, guidelines, and good practice frameworks for heavy road vehicle road access decisions made by local government (*page 27*).

Recommendation 5: \$30 million over four years to ensure the continuation of the highly successful Agricultural Trade and Market Access Cooperation (ATMAC) program and develop a whole-of-industry strategy to build ties with India (*page 28*).

Recommendation 6: \$2 million over four years for the 'Telling Our Story' initiative to build community trust and confidence in Australian agriculture with respect to sustainability, food security and international trade (*page 28*).

Recommendation 7: Maintain and expand Australia's Agriculture Counsellors, including the Australian Special Representative on Agriculture, noting the significant international development on sustainability, climate and food security and their implications for agricultural market access (*page 29*).

Recommendation 8: \$2 million over four years for the Agricultural Supply Chain Engagement Program to demonstrate Australia's clean, green agricultural production and value-add to emerging leaders from Australia's key export partners (*page 29*).

Grow Trust in Australian agriculture

Maintaining and growing consumer trust is integral to Australian agriculture's ability to compete in global markets, particularly in leveraging our reputation for clean green produce to command premiums in export markets. Biosecurity, traceability, and the ability to manage weeds and pests are central to maintaining trust in the clean green image of Australian agriculture.

The NFF seeks a robust biosecurity system that protects Australia's agriculture industries, natural environment, community and economy from the damaging impacts of pests and diseases. The volume of incoming cargo, vessels and passengers continues to grow, heightening the risk of major biosecurity threats entering and establishing in Australia. The recent rapid global spread of COVID-19, with unprecedented economic and social consequences, serves to reinforce the critical importance of a strong biosecurity regime. The NFF is concerned that resourcing of the biosecurity system is not keeping pace with the growth of the biosecurity task and proposes new funding arrangements, which allows funding to keep pace with increases in container trade and increased threats.

Preventative measures have the highest rate of return for biosecurity investment, and resourcing of biosecurity functions at the border and pre-border should be a priority for the Australian Government. Once pests arrive in Australia, the costs amplify significantly. Recent studies found a major outbreak of foot and mouth disease in Australia could cost up to \$50 billion over ten years, while a major outbreak of African swine fever would cost more than \$2 billion over five years.

The cost of managing exotic species that have already breached the border and established in Australia are significant. While the exact economic cost of pest animals, weeds and other invasive species in Australia is unknown, researchers have conservatively estimated the combined cost to be more than \$13 billion a year. This does not include the cost of managing diseases or pathogens.

Australia remains free of many damaging pests and diseases found elsewhere in the world, which brings many benefits from a market access and trade perspective. Export markets demand high-quality, safe food and fibre, and market access often relies on being able to demonstrate freedom from certain pests and diseases.

Australia's biosecurity challenges were well articulated in the Inspector-General of Biosecurity's report "Adequacy of the department's operational model to effectively mitigate biosecurity risks in evolving risk and business environments", which identified "deep concerns" regarding the current adequacy of the department's operational model. Specifically, the report identified four reform priorities: regulatory maturity, risk pathway partnerships, frontline focus and a sustainable funding model. The NFF supports the recommendations raised in this report and encourages the Department to adopt these priorities to meet our shared vision of \$100 Billion.

Recommendation 9: Commit to delivering the \$20.1 million over four years announced in the March 2022 budget to fund commodity groups to review and update their traceability systems consistent with the National Traceability Framework, with a view to integrating all traceability frameworks (page 30).

Recommendation 10: The Federal Government commit to perpetually funding the biosecurity system through a long-term sustainable, renewable funding arrangement for biosecurity (page 30).

Recommendation 11: \$10 million per year for a five-year initiative for the Centre for Invasive Species Solutions to maintain momentum on national collaborative invasive animals and plants RD&E (page 31).

Recommendation 12: \$23.8m over 5 years to support the Australian Veterinary Association Rural Placement Incentives Scheme (page 31).

Recommendation 13: \$10.8 million over four years for the continuation of initiatives to improve access to agricultural and veterinary chemicals (page 32).

Recommendation 14: \$4 million over four years to provide long-term funding for an annual Lamb-Ex Forum – a key forum bringing together industry, researchers and service providers to enhance and promote the quality and quantum of sheep production in Australia domestically and abroad (page 33).

A ‘fair go’ for agriculture and rural communities

Our regional and rural communities have not been provided the policy focus to thrive socially and economically and have not been allocated their fair share of economic and social infrastructure to succeed. Despite the many natural advantages and amenities of Australia's regional and rural communities, these communities are not destinations to live, work and do business in, as compared to regional communities in other jurisdictions. As an example, 64.1% of Australians live in big cities, compared to just 30% of Canadians and New Zealanders.

The Regionalisation Agenda (see: <https://nff.org.au/regionalisation-agenda>) makes the case for placed-based regional development. These centres would be the heartbeat of the bush and provide a network of economic and social infrastructure reaching across Australia. Key features would include education and employment pathways; available and affordable housing; cultural and social amenity; digital connectivity and improved health services.

As a major industry in regional and rural Australia, agriculture can form a key economic pillar to the success of the regionalisation agenda.

Similarly, the agriculture industry demands a fair go for farmers in dealing with the might and power of large supply chain participants. The work of the Australian Competition and Consumer Commission (ACCC) and its Agriculture Unit is vitally important in ensuring fair commercial dealings for farmers in line with competitive markets.

For decades the chicken meat supply chain has needed a code of conduct to ensure a properly functioning market and supply chain, compliance and enforcement activities for other existing agricultural codes could be more stringent, and new competition issues (such as the right to repair for agricultural machinery) need to be scoped and implemented. The NFF also agrees with the ACCC for the need for wholesale reforms of competition laws governing mergers and acquisitions, to allow a more purposive assessment of what M&A might do in terms of market power, market dynamics, and misuse of this power now and into the future.

To amplify the work of the ACCC and the resources available for this important issue, the NFF proposes the establishment of the Office of the Perishable Agricultural Goods Advocate.

[Recommendation 15](#): \$375 million over four years to establish the Regional Development Precincts Initiative, including the selection of 20 Precincts (*page 33*).

[Recommendation 16](#): Commitment to funding and expanding the resourcing of the ACCC Agriculture indefinitely (*page 34*).

[Recommendation 17](#): \$40 million for four years to establish the Office of the Perishable Goods Advocate (*page 34*).

Pillar 2: Growing Sustainably

Farmers manage 51% of the Australian landscape. The long-term success of the agriculture industry will be dependent on continued access to productive land and water. The NFF promotes the protection and sustainable management of agricultural land to underpin the sector's aspiration of becoming a \$100 billion farm-gate value industry by 2030. As our understanding of natural systems continue to improve, opportunities to realise the benefits of new markets are incumbent on enduring research under a coordinated national framework for the industry.

The development of natural capital markets will be integral to this aspiration, incentivising on-farm practice which protects and nurtures the natural capital base. Robust baseline climate information is a necessary precursor to this. Global, market-based systems for valuing natural capital are increasing in prominence as are demands demonstrating sustainable practices. This offers an opportunity to reshape environmental policy by recognising and incentivising best practice environmental stewardship. However, as a relatively new endeavour, Government support towards R&D and establishing the marketplace is required to develop a robust marketplace that participants can have confidence in.

The implementation of the Murray Darling Basin Plan continues to present difficulties for the sector and for Basin communities. The Government has committed funding to support reforms, but the implementation of these reforms remains vexed. Appropriate engagement with affected communities, respecting farmers rights, and developing collaborative and supported outcomes remain key tasks for the process.

Australia currently has a serious problem with food waste. Addressing this issue requires a proactive partnership with the agricultural value chain and a range of measures. The industry's ambition is to halve food waste by 2030.

Finally, a collaborative and evidence-based process is needed to deliver lasting resolution to disputes regarding water and land access. As a result, the operating environment for farmers will be more stable and predictable.

Natural resource management & the environment

Investment in research and development to provide a range of important decision support tools, like emissions baselines and carbon emissions calculators, will be an important basis for the farm sector's engagement. Ongoing investment in innovation development such as better pathways to measuring and understanding the role of soil carbon, managing enteric fermentation emissions and enhancing, or developing new methodologies under the Emissions Reduction Fund will remain important.

The Environmental Protection and Biodiversity Conservation (EPBC) Act is a critically important piece of legislation that affects the farm sector. Building on the recommendations of the Craik Review, the statutory Samuel Review has made recommendations for substantial reform. Those reforms, where appropriate, will require sufficient resourcing, and NFF will continue to engage closely in that context.

The Samuel Review confirmed recommendations from Dr Craik on the development of market-based mechanisms to support environmental reform. The development of a natural capital

marketplace will balance the ‘carrot and stick’ approach by providing compelling financial incentives for landowners to preserve Matters of National Environmental Significance. The 2009 Hawke Review of the EPBC Act also recommended developing a national biodiversity banking system which could then be used as part of project approvals

Recommendation 18: \$2 billion over the next four years to support the continuation of pilot and expansion of initiatives such as the carbon, biodiversity and enhanced remnant vegetation programs. This funding will also contribute to further development of natural capital systems, infrastructure markets and policies. Integral to this will be the develop of fit for purpose and transformable data sets that support benchmarking of indicators (*page 35*).

Recommendation 19: \$10 million to complete the market testing, verification, piloting and resolution of data requirements for the Australian Agricultural Sustainability Framework to be established as the authoritative source of information about Australian agricultural sustainability to markets (international and domestic), companies (supply chain, finance and investors), the community and governments (*page 36*).

Recommendation 20: \$2 billion over four years to support complementary measures in the Murray Darling Basin (*page 36*).

Recommendation 21: \$100 million over four years to re-establish the Great Artesian Sustainability Initiative to cap and pipe bores (*page 37*).

Recommendation 22: An additional \$50 million over four years to support further research into effective water planning and management in northern Australia (*page 37*).

Recommendation 23: \$20 million over four years for the implementation of National Water Reform, including renewal of the National Water Initiative (*page 37*).

Recommendation 24: An additional \$20 million over four years for R&D to support innovation/investment in water efficiency research to support climate adaptation and resilience (*page 38*).

Recommendation 25: Funding to establish an outreach facility to enable face-to-face interaction with farmers on the implementation of the EPBC Act (*page 38*).

Recommendation 26: \$75 million over four years for a National Food Waste Tax Incentive (*page 38*).

Recommendation 27: \$2 million over four years for R&D pathway for harvest, but yet to be marketed, consumable produce (*page 39*).

Native Title

The agriculture sector needs to be able to participate with equity in any legal process that relates to the resolution of Native Title

Recommendation 28: \$1 million set aside (to be drawn down on a needs basis) to assist primary producers via their representatives to resolve Native Title issues by equitable access to the Native Title Respondent Fund and related processes (*page 39*).

Pillar 3: Unlocking Innovation

To achieve a \$100 billion agricultural industry by 2030, the sector depends on public policy settings that foster growth and increase productivity, establish new market opportunities and champion innovation. This includes creating world-class connectivity to position farmers to capture the benefits of the next generation of farming technology.

A truly connected sector will assist Australian agriculture to compete and connect with global markets. State-of-the-art tools such as big data and fast internet have the potential to greatly

increase on-farm productivity by enabling farmers to digitally analyse critical information such as soil moisture, meteorological records and satellite imagery.

To unlock innovation and ensure that Australia is a world leader in cutting edge science and technology Government must prioritise the ongoing rollout of telecommunications infrastructure in the bush. Similarly, Australia's national energy policies must deliver affordable, reliable, secure and increasingly lower emission energy to households, businesses and industry.

Digital connectivity and telecommunications

Access to quality telecommunications services is an essential part of modern life, underpinning social connectivity and the delivery of many essential services. Digital connectivity is also central to economic growth and industry competitiveness. The funding recommendations in this submission is the bare minimum in terms of establishing a national digital connectivity agenda.

Full uptake of digital technologies could add an estimated \$20.3 billion to farm gate output. To realise this potential, the Federal Government should work with the sector to develop a digital strategy for agriculture with a focus on skills, data policy and regulation, innovation, telecommunications connectivity and adoption.

Access to quality, reliable, affordable telecommunications consistently ranks as one of the highest priorities for NFF's members. This includes basic voice connections as well as access to data services that meet the growing needs of families and businesses, including for the adoption of new digital technologies that build efficiency and unlock growth potential.

Expansion of mobile coverage is critical in regional and rural areas. Current and previous programs have resulted in further coverage. However, there remain premises, vital community hubs and high traffic areas that are at risk from having no mobile coverage. The NFF appreciates that funding has been committed for Round 5A and Round 6 of the Mobile Black Spots Program, but a long-term commitment to network expansion is needed, as is an adaptive and innovative approach to encouraging competition and ongoing participation from telecommunications providers.

Recommendation 29: Commit to funding the \$650m *Better Connectivity for Rural and Regional Australia* pre-election commitment, a request supported by the Rural, Regional and Remote Communications Coalition (*page 39*).

Recommendation 30: Commit to funding the pre-election commitment of \$6 million commitment to continue funding the Regional Tech Hub beyond the current one-year funding period. (*page 40*).

Energy

The NFF has a goal for 50% of farm energy sources to be renewable by 2030. Regional and rural communities, particularly rural landowners, are the definitive stakeholders for the transition towards renewable electricity generation. Agriculture is an important end-user in the electricity system, regional and rural communities are often the stakeholders who have been left behind in

terms of affordable and reliable electricity, and the transition to renewables will be solely housed on rural lands. Yet current political and policy processes that are making multi-generational and multi-billion-dollar decisions on the renewables transition have left regional and rural stakeholders off the decision-making table.

As an example, the AEMO Integrated Systems Plan has bold plans to install new transmission infrastructure across the entire length of the eastern seaboard states (all in regional and rural areas) and has identified vast areas of renewable energy zones in regional Australia. Yet the Plan was not consulted with regional and rural stakeholders as to the impacts of these activities. The ISP has an energy industry engagement panel, a consumer panel, but no landowner or regional/rural panel. Regional and rural Australians deserve better.

That is why the NFF recommends the establishment of the proposed Australian Local Power Agency (ALPA) that puts regional and rural stakeholders at the heart of decisions relating to the future of Australia's electricity systems. The ALPA will ensure that the renewables transition occurs in a way to benefit regional and rural stakeholders, not just leave them with the negative impacts and land-use conflicts of what is sometimes contentious infrastructure.

Recommendation 31: Consistent with the Federal Government's *Rewiring the Nation* and *National Reconstruction Fund*, provide \$250 million over four years to establish the proposed Australian Local Power Agency and the associated Local Power Fund (*page 40*).

Pillar 4: Capable People & Vibrant Communities

Australia's agricultural industry continues to be fettered by widespread labour challenges which many farmers fear threatens the viability of their businesses.

A major factor to farming's innovation success story has been the skills, knowledge and expertise of people either working the land or involved in an associated capacity. People are agriculture's greatest asset and are essential to the sector's growth.

All Australians deserve equitable access to appropriate health (including mental health), education and training services, regardless of their geographical location. Due to the nature of farming, the majority of farming families tend to be geographically isolated from many of the services that are readily available to those in rural centres or metropolitan cities. In many cases, this includes limited access to an education/health system appropriate for a child's needs.

Studies show that rural and regional school students have a far greater likelihood of experiencing developmental vulnerability compared to their city counterparts. These cohorts often have lower literacy and numeracy levels, smaller numbers going on to complete university, and a higher risk of disability, chronic mental health problems, unemployment, contact with the criminal justice system and homelessness.

To encourage more people to choose regional Australia to live, work, and start a family we need to ensure that there is high-quality access to the same services provided in metropolitan areas.

A capable and modern workforce

Labour shortages are significantly hampering the ability of the sector to reach its ambitious \$100 billion industry target. These shortages result in produce going uncultivated and unpicked, chokes productivity and challenges the viability of farm businesses. The impact of COVID-19 related restrictions and border closures has intensified the level and impact of these labour shortages, especially (but not exclusively) in horticulture.

These labour challenges are a driver of unlawful employment practices. A recent survey suggested that as many as 5000 workers in the Sunraysia region may be undocumented, while there are persistent stories of under-payments and mistreatment of employees. Industry is committed to stamping out this problem, but the commitment is undermined by mass labour shortages and solutions which rely on inherently vulnerable cohorts of workers.

One factor driving the agricultural workforce and workplace challenges is a lack of clarity, on the part of both growers and workers, as to how the issues may be addressed: which solution to a shortage best suits a grower; how to access willing, able workers; and what are the rights and responsibilities of the respective parties? A small but dedicated resource to assist both employers and employees with these issues would go a long way to addressing the agricultural labour challenges.

Another contributor to agricultural labour shortages is the lack of clear pathways for education and training for careers in the agriculture industry. The agricultural vocational education and training (“Ag VET”) system is not fit for purpose, in no small part because of many years of neglect, and the fact that it appears to be an afterthought in any VET planning and reform.

There needs to be a better awareness of the opportunities a career in agriculture can provide, and an agricultural lens must be applied to school and tertiary education curricula. The NFF is targeting a doubling of tertiary and vocational agriculture graduates by 2030.

Further funding must be allocated to ensure that the concerted efforts of the Federal Government to date move the needle on farm labour shortages. This funding could be utilised to establish a nationwide workforce advice counselling service for the farm sector, removing the barrier of upfront travel costs for farmers participating in the PALM scheme, and improve the training and education pathways for the agriculture industry.

Recommendation 32: Reform of the Seasonal Workers Program to remove the upfront travel costs paid by farmers by January 2023. Budget neutral policy, costs to be recovered from workers through the tax system or uncollected DASP (page 41).

Recommendation 33: \$30 million over four years to provide a holistic Vocational Educational and Training (VET) package of programs and incentives to attract students into agricultural vocations and develop an integrated curriculum for agriculture as a career choice (page 42).

Recommendation 34: \$12 million over four years to establish regional workforce counselling services to support farms with migration & local workforce solutions, training options & incentives (page 43).

Recommendation 35: \$4.8 million over four years to re-establish the Education and Training Advisors network for the rural sector (page 44).

Recommendation 36: \$2 million over 3 years to support Farmsafe Australia in its campaigns around farm safety initiatives as well as the biennial Farmsafe Conference (*page 45*).

Healthy rural communities

A notable factor in farming's innovation success story has been the skills, knowledge and expertise of people working the land or involved in an associated industries and communities. Appropriate access to essential services, such as health, mental health and education is fundamental to the ongoing wellbeing successes of regional and rural communities. The remoteness of some of our farming families and communities means they miss out on these essential services that most Australians take for granted.

There are significant disparities in health and education outcomes between Australians living in rural, regional and remote areas of Australia and those in urban areas. Those that live in rural and remote areas have less access to adequate educational opportunities and health services than their metropolitan counterparts.

The NFF asserts that all Australians should have equitable access to appropriate services, regardless of their geographical location. As such, funding models for rural health and education should ensure equity of access to professionals and recognise the higher costs of operating in regional, rural and remote areas.

Recommendation 37: \$40 million over four years to fund mental health awareness and early intervention programs in rural, regional, and remote communities through a series of grants aimed towards regionally focused rural mental health organisations to produce and conduct in-person education, early intervention and prevention programs (*page 46*).

Recommendation 38: \$27 million over four years to provide a Distance Education Teaching Allowance (DETA) to the value of \$6,000 dollars per family as financial recognition of the essential work a distance education tutor performs. This is in line with recommendations made by the Isolated Children's Parents' Association (*page 46*).

Pillar 5: Capital and Risk Management

The future of the farming sector in Australia depends on farm businesses having access to the full range of tools to help them: structure their businesses for maximum profitability and long-term viability; manage risk; and plan for the future. Farm businesses need to be investment-ready and able to access new capital pools in Australia and overseas. They need to strengthen their partnerships with providers of debt finance and have firm succession plans or alternative ownership models in place. Farmers need government policy to support these objectives.

Well-target tax incentives and concessional loans are two of the most effective policy instruments for achieving these goals. Existing instruments are useful, but adjustment is needed to ensure they are fit-for-purpose.

The intersection of taxation policy, climate policies, government drought and resilience measures, and the development of nascent market for environmental services that farmers will operate in, requires wholesale reform of taxation policy (including things like the definition of a primary producer) to ensure these policies work coherently to improve on farm risk management.

[Recommendation 39](#): Maintain in perpetuity the fuel tax excise rebate for off-road use, including expansion to aviation use for pastoral purposes (*page 47*).

[Recommendation 40](#): Holistic review and reform of taxation as it applies to the primary producer and in incentivising good risk management practices, including the better utilisation of the Farm Management Deposit Scheme (*page 47*).

[Recommendation 41](#): \$360 million over four years to extend accelerated depreciation provisions to horticultural netting and ensure Regional Investment Corporation loans can be used for a broader set of risk management and resilience activities, including the purchase horticultural netting (*page 48*).

[Recommendation 42](#): \$50 million over four years for a further round of the successful Emergency Water Infrastructure Scheme (*page 48*).

[Recommendation 43](#): \$5 million over four years to the Australian Bureau of Statistics and the Australian Bureau of Agricultural Research and Economic Sciences to trial enhancements to agricultural data collection, removing one of the key barriers to investment in agriculture (*page 48*).

Appendix: Details of Recommendations

Recommendation 1 (Pillar 1): \$2.5 billion over four years for an expedited Infrastructure Fund focussed on investing in productivity improvements in Australia's international freight supply chains

The NFF recommends that a \$2.5 billion International Supply Chains Infrastructure Fund be established to expedite investment in productivity and efficiency improving activities for Australia's international freight supply chains.

According to the OECD, Australia's ports and stevedoring services are in the bottom quartile in terms of productivity, and Australian exporters pay some of the world's highest prices for international freight services. A 2020 LEK Consulting study into container freight noted that it cost the same to transport a container of grain from a South Australian farm-gate to Indonesia, as it did from Canada to Indonesia, despite a distance difference of nearly 10,000km. Australian grain growers are paying three times as much as Canadian growers per km of a freight journey.

The recent significant disruptions to international freight supply chains, has put a spotlight on just how unproductive Australian ports have become. International shipping lines have been bypassing Australian ports due to chronic congestion, rolling industrial relations disruptions, and the slow turn around of ships. In the alternate, international shipping lines have placed up to \$USD500 congestion levies per container on Australian freight users due to the absolute unproductivity of our ports sector.

The proposed fund would provide expedited funding for any productivity improving investment, including ICT systems and landside infrastructure.

Recommendation 2 (Pillar 1): \$220 million over two years to provide a waiver on export certification fees, noting the significant eroding of Australia's international competitiveness due to spiralling international freight supply chain costs.

Exporters' international competitiveness has been significantly eroded due to the disproportionately high cost of Australia's international freight supply chains, and increased parochialism globally on issues of trade.

As an example, it costs the same to ship a container of grain from South Australia to Indonesia as it does from Canada to Indonesia despite the journey being some 10,000 km shorter. Since the COVID-19 pandemic, already high costs have increased six to seven-fold, through a combination of domestic and international factors. These cost increases disproportionately impact agriculture, with most commodities being low value by weight.

Noting these significant trade disruptions and headwinds, measures to reduce the cost of trade should be the priority, and the Australian Government should not be imposing further costs on agricultural exporters, particularly noting that competitors do not place similar imposts on their farm exports.

Recommendation 3 (Pillar 1): \$500 million of the National Reconstruction Fund be allocated to exploring food, fibre and critical farm inputs projects, including the potential for green fertilisers and a viable roadmap for non-fossil fuel energy for farm machinery.

Supply chain and trade disruptions have demonstrated the over-reliance of Australian commodities on unreliable international supply chains for inputs, and overseas processing and value-adding capabilities.

Local processing and value-adding will provide market diversification for many agricultural commodities. As an example, the overwhelming majority of Australian log exports were destined for processing in China, with limited domestic capability to process these logs. Noting the low value by weight of this commodity, and the fact that other regional players are net exporters of logs, without domestic processing and value-adding capabilities there is no natural market for these logs.

The lack of supply of critical inputs, such as ag-vet chemicals and fertilisers, has the potential to derail the short-term and long-term viability of Australia's agriculture industry. Projects and initiatives that can shorten international supply chains must be a priority of the Federal Government under these initiatives. As an example, the lack of availability of synthetic fertilisers, and substitution with domestically available organic fertilisers, will reduce crop yields by 30%. With the establishment of the nascent green hydrogen industry, there is a significant opportunity to develop a domestic green fertiliser capability.

Noting the Agriculture Industry's and the Federal Government's net-zero ambitions a viable pathway needs to be developed for non-fossil fuel energy for farm machinery. This includes a viable regional and rural supply chain, and commitments around the energy source and technology, so farmers can make investments on farm now for the net-zero future without fear of backing the wrong technology.

Recommendation 4 (Pillar 1): \$140 million over four years to resource the establishment of good practice frameworks and services for heavy road vehicle road access decisions made by local government

The cost and reliability of freight is a challenge to the international competitiveness of Australian exporters, particularly the agricultural sector, where more than 70% of farmgate output is exported. While issues at our waterfront and with international shipping have preoccupied media headlines and policy responses, the first and last mile of the freight journey has always been a critical challenge in Australia.

From an agricultural perspective, the main issue is the inability to effectively utilise high productivity vehicles for the agricultural freight task due to inappropriate, ad-hoc and inconsistent local road access.

Road managers within local governments often have limited resources to dedicate to road access issues, are over risk averse to any perceived notion that access may cause, noting the financial impost of road maintenance for local councils.

Feedback from NFF members suggest road access for HPVs on local roads are ad-hoc, inconsistent over time and local government jurisdiction, and assessments on road wear and tear skewed to minimising access.

The NFF recommends that the Federal Government provide \$140 million over four years to promote consistent road access arrangement by resourcing and incentivising local road managers to make

consistent good practice decisions on heavy vehicle access through the funding and development of guidelines, establishment of a shared services model for road management, and advice lines that could be administered through local government associations.

This recommendation is part of a broader proposal with respect to heavy vehicle road access, including:

1. The ability to use historical permit applications to gazette frequently permitted roads.
2. Provision of axle load tolerance of up to 10% for fluid dynamic loads, where overall mass is within limit.
3. Allowing for documentation to be carried electronically.
4. Establishing and enforcing timeframes for decisions on permits and access applications.
5. Provide resources within the NHVR to develop, vary and revoke guidelines and codes of practice at the request of industry, provide regular industry briefs on key issues and changes to regulation, and be the 'one stop shop' for access advice.

Recommendation 5 (Pillar 1): \$30 million over four years for the long-term continuation of the ATMAC Program.

The Federal Government's Agribusiness Expansion Initiative, launched in 2020, has been hugely successful in creating a pathway to greater export diversification for the agriculture industry.

Industry stakeholders have identified the ATMAC program as hugely influencing in facilitating the export agenda and will be critical in supporting cooperative activities and projects that help Australia's agricultural sector to open, improve and maintain access to overseas markets. To this end, the NFF recommends that the ATMAC program be extended over the forward estimates period.

Recommendation 6 (Pillar 1): \$2 million over four years for a 'Telling Our Story' campaign for Australian Agriculture with respect to sustainability and international trade

The international environment is changing significantly, with issues of food security, sustainability, climate change, and animal welfare potentially creating new barriers to market access, trade and even international markets for capital.

It is incumbent on Australia to demonstrate its bona fides on these issues to an international audience, including:

- Communications and representations to international institutions and forums;
- The governments of our major trading partners; and
- Consumers in our major markets.

The NFF believes that its *Telling our Story* campaign (aimed at a domestic audience) could be replicated and utilised for this purpose to an international audience. The domestically focused *Telling our Story* campaign can be found [here](#).

Recommendation 7 (Pillar 1): Maintain and expand Australia's Agriculture Counsellors, including the Australian Special Representative on Agriculture, noting the significant international development on sustainability, climate and food security and their implications for agricultural market access.

The future success of the Agriculture Industry is increasingly tied to international developments around trade, market access and rules and frameworks on sustainability and climate. There is a real threat that, without active Australian participation, these rules and frameworks will not take the Australian context into consideration, and impose highly prescriptive mandates on Australian farmers, as opposed to an outcomes-based approach to matters such as climate and sustainability. An example of this was the United Nations Food Systems Summit that recommended the phasing out of all animal proteins.

The international network of agricultural counsellors and the Australian Special Representative on Agriculture, provides the Australian Government and industry a direct voice in many of these international forums and institutions. For an industry that exports 75% of all it produces, the lack of this international network would be an existential threat to the industry.

Recommendation 8 (Pillar 1): \$2 million over four years for the Agricultural Supply Chain Engagement Program to demonstrate Australia’s clean, green agricultural production and value-add to emerging leaders from Australia’s key export partners.

As an open, market-based economy, Australia relies on strong trade to underpin the success and ongoing profitability of agricultural industries. The success of trade relationships are built on common understanding of production techniques and conditions within agriculture. This understanding is underpinned by close people-to-people relationships between Australian agriculture and industry in trade markets.

The NFF seeks to establish an annual Agricultural Supply Chain Engagement Program to engage with emerging leaders studying in Australia to provide direct experience in Australian agricultural production. This will provide firsthand experience in Australia’s clean, green production and Australian farmers commitment to environmental sustainability, animal welfare and food quality and safety.

This program will facilitate deeper engagement with key trade markets, supporting market diversification and expanding access to new and existing markets. Additionally, it will forge long-term partnerships with leaders in trade markets supporting positive sentiment toward Australian agriculture across the world.

Recommendation 9 (Pillar 1): Commit to delivering the \$20.1 million over four years announced in the March 2022 budget to fund commodity groups to review and update their traceability systems consistent with the National Traceability Framework, with a view to integrating all traceability frameworks.

Effective traceability systems are critical for accessing export markets and managing our biosecurity systems. They underpin our export certification processes and support improved access arrangements and offering traceback capability during biosecurity incursions. Our trading partners are also imposing increasingly complex requirements on imports. Chief among these are sanitary and phytosanitary (SPS) measures, which typically require some level of traceability. Any perception that the traceability systems underpinning Australia’s export certification processes are not delivering expected outcomes could undermine preferential market access arrangements and risk greater increases in importing country requirements and attendant compliance costs.

Robust traceability systems are also important in protecting producers and consumers against food fraud. And the ability to manage biosecurity incursions and food safety incidents is contingent upon the ability to track produce through the supply chain. Accurate tracing can reduce costly consequences by targeting pests and disease responses and limiting product recalls. Consumers are demanding more information about food safety, quality, provenance and sustainability of production.

Recommendation 10 (Pillar 1): The Federal Government commit to perpetually funding the biosecurity system through a long-term sustainable, reviewable funding arrangement for biosecurity.

The NFF has welcomed recent budget announcements of approximately \$100 million per annum to support biosecurity resourcing. This must be maintained at a minimum, including the additional \$170 million over the forward estimates in the March 2022 budget.

However, the NFF seeks a strong, well-resourced, efficient and innovative biosecurity system that protects Australia's agriculture industries, natural environment, community and economy from the damaging impacts of pests and diseases beyond the current budget period. To achieve this, industry relies on continuous protection from the increasing and continually evolving risk profile.

The volume of incoming cargo, vessels and passengers continues to grow, heightening the risk of major biosecurity threats entering and establishing in Australia. The NFF remains concerned that the resourcing of the biosecurity system is not keeping pace with the growth of the biosecurity task.

Australia remains free of many damaging pests and diseases found elsewhere in the world, which brings many benefits. Not only does this status protect the environment, community and agricultural industries from the direct damaging impacts of these pests and diseases - it also provides a competitive advantage when marketing our produce overseas.

Export markets demand high-quality, safe food and fibre, and market access often relies on being able to demonstrate freedom from certain pests and diseases. It follows that Australia's favourable pest and disease status contributes to our produce being both highly competitive and sought-after on the world market. Maintaining this status is central to industry growth ambitions.

NFF believes there remains scope for a levy-raising scheme similar to the 'container levy' proposed under the 2017 Craik review of the Inter-Government Agreement on Biosecurity. We participated in processes to implement such mechanisms and would support this principle being reinvestigated.

Recommendation 11 (Pillar 1): \$10 million a year over 5 years (2022-2027) to the Centre for Invasive Species Solutions to maintain momentum on national collaborative invasive animals and plants RD&E.

This investment provides an opportunity to overcome Australia's huge invasive species problem and help achieve the nation's 2030 goals of building a \$100 billion agricultural industry as well as protecting our globally important threatened species and biodiversity. The Centre for Invasive Species Solutions plays the leading role in key technology areas fundamental to capturing this opportunity.

The Centre for Invasive Species Solutions is a national collaborative research, development and extension organisation, formed to tackle the ongoing threat from invasive species. The Centre brings

together government, industry and research partners to develop coordinated and collaborative RD&E portfolios and innovation pipelines that meet national invasive species challenges

The cost of managing exotic species that have already breached the border and established in Australia are significant. The Centre provides an innovation pipeline of new biocontrol agents, toxins and detection tools which is vital to putting better and cheaper solutions into the hands of farmers, other land managers and communities.

The Invasive Species Solutions 2030 initiative aims to strengthen the National Biosecurity System through developing better solutions for established pests and weeds, and to overcome environmental and community biosecurity threats that undermines the nation's 2030 goals to both build a \$100 billion agricultural industry.

The work of the Centre will be central part of our national biosecurity system. This work is more pertinent today than ever given the role invasive animals in particular can play in harboring and acting as a vector for a range of diseases, many of which would have significant impacts on the agricultural sector.

Recommendation 12: \$23.8m over 5 years to support the Australian Veterinary Association Rural Placement Incentives Scheme.

Declining numbers of production animal veterinarians in rural and regional areas has been a serious issue for Australian agriculture over many decades. Significant numbers of veterinarians in regional areas leave the profession after 5 years post-graduation, with the average regional production animal vets nearly 20% more likely to be above the average working age of vets nationally compared to their metropolitan counterparts. The impacts of COVID-19 and the disruption this has caused to the movement of veterinarians around the country and internationally has further exacerbated this problem.

In addition to providing primary animal health services, veterinarians play a critical role in Australia's biosecurity system. Not only are they at the forefront in responding to incursion events, they also play a very important role in threat surveillance and detection. Against a backdrop of Australia's increasingly complex biosecurity threat environment, the NFF sees it as crucial that efforts are made to increase the number of rural and regional veterinarians.

Given this, the NFF supports the Australian Veterinary Association's (AVA) recommendation for the Commonwealth to fund a *Rural Placement Incentives Scheme* to promote early-career veterinarians practicing in regional and rural areas.

The proposed scheme would provide Higher Education Contribution Scheme (HECS) fee forgiveness for veterinarians who work in regional and rural areas. Some key elements of the proposed scheme include:

- Participants must be an Australian citizen or permanent resident, registered to practice in Australia;
- Employment must be with a practice that has a majority focus on production animals;
- Employment must be in a Rural or a Remote area (using the [Australian Government's Rural, Remote and Metropolitan Areas Classification](#)); and
- Available to all graduates (up to 5 years after graduation).

Further details, including specific costing, can be obtained in the AVA pre-budget submission.

Recommendation 13 (Pillar 1): \$10.8 million over four years for the continuation of initiatives to improve access to agricultural and veterinary chemicals.

The task of feeding a growing global population can only be achieved by embracing technological advancements. It is critical that the way new technologies (including agricultural and veterinary chemicals and biotechnology) are assessed and approved is scientifically independent and rigorous. The NFF strongly supports the independence and rigour of our national regulator for agricultural and veterinary chemicals – the Australian Pesticides and Veterinary Medicines Authority (APVMA) – and for gene technology – the Office of the Gene Technology Regulator (OGTR). The NFF stresses the importance of ongoing support for these institutions as well as for ongoing efforts to streamline and modernise the regulatory frameworks for which they are responsible.

Access to technologies depends not only on the right regulatory framework, but also on the investment environment. Australian farmers can have difficulties accessing particular ag-vet chemicals or uses that are available to overseas competitors, due to the small size of the Australian market. This is a particular issue for smaller industries and for emerging pests and diseases. The Australian Government's improved access to agricultural and veterinary chemicals initiative has been valuable to Australian producers, supporting improved access to a range of ag-vet chemicals and minor uses.

The NFF acknowledged and welcomed the one-year funding of \$2.2 million provided to this issue in 2021, and the March expansion of the patent box regime and concessional tax treatments to encourage research and innovations pertaining to Australian agricultural and veterinary chemical products, as well as Plant Breeders Rights. These should be maintained in the October budget.

Recommendation 14 (Pillar 1): \$4 million over four years to provide long-term funding for an annual Lamb-Ex Forum – a key forum bringing together industry, researchers and service providers to enhance and promote the quality and quantum of sheep production in Australia domestically and abroad.

Engagement between producers, researchers, service providers and supply chain partners is essential to the progression and development of an industry. There is a clear benefit to be gained from industry specific conferences supported by Government, which can be seen from the ongoing success of Beef Week. LambEx advances the sheep industry through education in global R&D and providing a forum for significant engagement through the industry to enhance the quality and profile of sheep production and red meat in both domestic and international markets.

The NFF are supporting Sheep Producers Australia recommendation for the Australian Government to provide sustainable funding to re-establish LambEx as Australia's premier sheep and lamb conference.

Recommendation 15 (Pillar 1): \$375 million over four years be provided to establish 20 place-based regional development precincts to kick-start the regionalisation agenda.

Regional Development Precincts should be established through agreement between all three tiers of government to promote place-based development, facilitate infrastructure investments, undertake expedited master planning, and facilitate further public and private investment in our regional

precincts. This will ensure a top-down and bottom-up approach to regional development that will ensure best outcomes for any level of investment or intervention.

\$375 million should be provided over the forward estimates to provide the resources to establish governance and reporting frameworks for each precinct, and build capacity within local stakeholders, particularly local government. This includes resourcing the Regional Australia Institute to coordinate and develop the data and insights required for evidence-based decision-making on regional development.

The intention is that the funds be distributed based on opportunity and need. Some proposed precincts have significant regional development capacity and resources due to current and previous state and federal regional development programs and hence would not require the same level of resources as other less equipped precincts.

To this end, the NFF is also supportive of Australian Local Government Association calls to provide long-term commitment to Financial Assistance Grants, allowing local regional government to invest in capacity building for the long-term.

Recommendation 16 (Pillar 1): Continued resourcing of the Australian Competition and Consumer Commission (ACCC) Agriculture Unit.

Agriculture relies upon open and transparent markets that promote competition within agricultural supply chains. The farming sector is fragmented and made up of small to medium sized businesses that are often located in remote areas. Fluctuations in input costs, limitations in infrastructure and the perishable nature of produce leave some farmers in an economically vulnerable position. This can lead to imbalances between farmers and other players in the supply chain. This includes both upstream suppliers (such as telecommunications companies, energy networks, financiers and chemical and biotechnology companies) and downstream customers (including transport and logistics companies, food processors and retailers).

The Australian Competition and Consumer Commission (ACCC) Agricultural Enforcement and Engagement Unit plays a critical role in monitoring and enforcing appropriate competition in Australia's agricultural markets. To ensure the Agriculture Unit has maximum impact, the NFF seeks a commitment from the Australian Government to continue dedicated funding for the Unit and increase resources that raise awareness of the Agriculture Unit's information and services.

Recommendation 17 (Pillar 1): \$40 million over four years to establish the Office of the Perishable Goods Advocate

The NFF recommends the establishment of the Office of the Perishable Agricultural Goods Advocate, modelled on the Australian Small Business Ombudsman, to:

- oversee the functioning of various existing and proposed codes of conduct within relevant supply chains;
- act as a source of advice on competition issues for primary producers; and
- run test cases on competition policy issue that is of high relevance to perishable agricultural goods.

The ACCC 2020 Perishable Agricultural Goods Inquiry demonstrated the significant competition issues present in most supply chains for perishable agricultural goods. These include issues to do

with uneven bargaining power, behaviours that could be deemed unconscionable or at least unfair, and explicit contravention of competition laws. Despite multiple competition reviews within these supply chains, these problems persist.

The NFF is a strong supporter of the ACCC Agricultural Unit, however, this Unit must cover a broad set of responsibilities (including market reviews, policy analysis, compliance and enforcement etc.) with limited resources. The proposed Advocate model could be modelled on the Australian Small Business Ombudsman, and provide focusses enforcement, compliance and advocacy work with respect to perishable agricultural supply chains.

Recommendation 18 (Pillar 2): \$2 billion over the next four years to support the continuation of pilot and expansion of initiatives such as the carbon, biodiversity and enhanced remnant vegetation programs. This funding to also contribute to further development of natural capital systems, infrastructure markets and policies. Integral to this will be the development of fit for purpose and transformable data sets that supports benchmarking of indicators.

Natural capital markets are crucial to support farm productivity and sustainable agriculture. Climate change has already cost farmers on average of tens of thousands of dollars per year in lost profits over the last 20 years and increasing variability and market volatility is increasing uncertainty and pressure on farm businesses. Existing markets do not value natural capital means that there is no direct incentive to support environmental stewardship.

Global markets are increasingly seeking to support and finance natural capital, driven by Sustainable Development Goals, ESG aspirations, capital risk and consumer and market demand for sustainable agriculture demonstration. There are emerging sustainability regulatory risks for certain markets as governments consider regulatory approaches to drive environmental impacts.

While sustainability has always been a key concern for the agricultural industry, natural capital markets are nascent and require further investment to support. The Government's Agriculture Stewardship Package through the Biodiversity Trading Platform, the Carbon + Biodiversity Pilot program, and Enhancing Remnant Vegetation Pilot are key programs supporting the development of natural capital markets.

Alignment with requirements and obligations as a consequence of the engagement with the Taskforce to Nature Related Disclosure will require consideration and engagement especially of the private land management and agricultural sector

One key issue in developing natural capital markets is measuring and valuing natural capital. Significant research supported by the government and the private sector is underway to support this, but further government investment is required to develop and prove the market.

Currently, the command-and-control approach of the Environmental Protection and Biodiversity Conservation Act (EPBC) Act is largely punitive and has proven inefficient and inadequate in protecting matters of national environmental significance (MNES).

Several reports highlight the need to develop markets to support the delivery of environmental outcomes. In the first review of the EPBC Act, Hawke recommended the development of a national biodiversity banking system which could then be used as part of project approvals.

The Samuel review also confirmed recommendations from Dr Craik on the development of market-based mechanisms to support environmental reform. The development of a natural capital

marketplace will balance the ‘carrot and stick’ approach by providing compelling financial incentives for landowners to preserve Matters of National Environmental Significance.

NFF is seeking \$500 million per annum over the next decade to support the development of natural capital markets.

Recommendation 19 (Pillar 2): \$10 million to complete the market testing, verification, piloting and resolution of data requirements in order for the Australian Agricultural Sustainability Framework to be established as the authoritative source of information about Australian agricultural sustainability to markets (international and domestic), companies (supply chain, finance and investors), the community and governments.

There are three areas of proposed activity:

1. \$2 million to evaluate and confirm AASF and associated governance and operational arrangements so that is maintained as the current and authoritative source of information about Australian agricultural sustainability on an ongoing basis. This includes being responsive to evolving sustainability requirements in trade and market access, community and consumer trends, industry needs and government requirements and sharing that intelligence with industry programs, frameworks and schemes.
2. \$3 million for market testing, piloting and verification of the use of the AASF by engaging with private sector companies and retailers in end-to-end supply chains to better understand consumer demand for sustainability attributes in food, beverages and fibre and to assess the value of the AASF in a commercial context. This includes AASF assisting with the integration of emerging environmental services markets such as in Natural Capital and Carbon and Biodiversity into broader sustainability objectives.
3. \$5 million to resolve the sourcing of national data sets to verify Australian agriculture’s performance against the Principles of the AASF. This includes design and build of an AASF data platform, identifying data sets, addressing key data gaps and addressing data governance requirements. To ensure alignment this activity will leverage existing investments such as the Climate Services for Agriculture, National Soils Strategy and various natural capital accounting activities.

Recommendation 20 (Pillar 2): Australian Government to commit \$2 billion over four years to support complementary measures in the Murray-Darling Basin

Complementary measures are projects that do not provide water offsets – they are non-flow measures that improve environmental outcomes - which can include installation of fishways, fish diversion screens, addressing cold water pollution, managing carp, supporting riparian vegetation and more.

In 2017, the Murray-Darling Basin Authority commissioned CSIRO to assess the relative benefits of complementary measures in the Murray-Darling Basin. The report provides a useful framework to guide development of these measures.

The current Murray-Darling Basin Plan (Basin Plan) disproportionately focuses on water recovery to support environmental outcomes. The purpose of the Basin Plan is to support a sustainable Murray-Darling Basin as well as Basin communities which requires more than just ‘flow’. While flow is important, they are insufficient without a more holistic approach towards natural resource

management. There is significant scope to improve environmental outcomes through complementary measures that have largely been neglected in the Basin Plan which would provide a valuable investment for Basin communities.

Recommendation 21 (Pillar 2): The Australian Government commit \$100 million over four years to re-establish the Great Artesian Sustainability Initiative to cap and pipe bores.

This builds on the pre-existing Great Artesian Basin Sustainability Initiative (GABSI) to cap and pipe bores in the Great Artesian Basin (GAB). While funding for GABSI concluded in 2017, there is more work to be done to support and align with state initiatives, noting that the Commonwealth had matched state funds. The Queensland Government in particular continues to improve water use efficiency in the GAB through the Great Artesian rehabilitation program that aims to make the GAB watertight by 2027. The Government should re-establish the program to align with and support state efforts in improving the GAB.

Recommendation 22 (Pillar 2): Australian Government commits an additional \$50 million over four years to support further research into effective water planning and management in northern Australia

NFF supports the development of northern Australia, building on the Government's agenda. Significant research has already been done to assess the capability of agriculture in the north, including the CSIRO Northern Australia Water Resource Assessment. However, there remains an important gap in water research to understand what constitutes effective water planning, for example, understanding the value of cultural assets in northern Australia.

Industry recognises the importance of strong water governance frameworks, building on the lessons of the Murray-Darling Basin, to support regional development and economic growth in the north. While industry strongly supports development of agriculture in northern Australia, more research is required to provide farmers confidence in the water planning framework to ensure that there are no adverse impacts to communities.

Recommendation 23 (Pillar 2): The Australian Government commit \$20 million over four years for the implementation of National Water Reform, including renewal of the National Water Initiative.

In 2021, the Productivity Commission published their report on National Water Reform. The report builds on a number of reports in the Murray-Darling basin that reflect the importance of water policy in supporting agriculture and river communities. Climate change presents a real risk to water security, and the renewal of the National Water Initiative is timely and necessary to address emerging issues such as climate change and prepare communities for a drier climate. Governments must ensure that appropriate funding is allocated to ensure these reforms can be implemented.

Recommendation 24 (Pillar 2): Australian Government commits an additional \$20 million over four years in R&D to support innovation/investment in water efficiency research to support climate adaptation and resilience.

Climate change is expected to reduce water availability in Australia, especially in major agricultural regions such as the Murray-Darling. While the agriculture sector has made significant strides in improving water research over the past 30 years, there is more work to be done.

There is currently no dedicated R&DE organisation dedicated to supporting water efficiency and productivity in agriculture. This research is usually conducted by commodity-specific R&D organisations, but there is value in cross-commodity research that focuses on agriculture on the whole. NFF believes that Agriculture Innovation Australia is well-placed to conduct this research.

Recommendation 25 (Pillar 2): Funding to establish an outreach facility to enable face-to-face interaction with farmers on the implementation of the EPBC Act.

There is a perception that the Commonwealth Department of Agriculture, Water and the Environment is disconnected from stakeholders within the agricultural sector. The scope of the EPBC Act, lack of clarity within the legislation, and often overlapping state responsibilities continues to foster this disconnect, creating uncertainty for farmers and diminishes the Department's ability to be a responsive and collaborative regulator.

Targeted outreach and education efforts towards on-ground, face-to-face engagement is one means to improve outcomes for farmers. Consistent with the Craik Review recommendations, options (which should be monitored and evaluated) for establishing this facility include:

- assessing the effectiveness of current collaboration between the Department of the Environment and Energy and New South Wales Local Land Services and considering further expansion of this model in other states and territories if the benefits are found to outweigh the costs;
- out-posting Department of Agriculture, Water and the Environment staff to field work; and
- contracting suitably qualified locally based and trusted agricultural experts.

Recommendation 26 (Pillar 2): \$75 million over four years for a National Food Waste Tax Incentive

To address these issues, we recommend a tax policy be developed to optimise Australia's food donation incentives. A new incentive would support primary producers, processors, manufacturers, the logistics and transport industry, as well as other service providers who are committed to the alleviation of food waste and insecurity in Australia.

Globally, food waste tax incentives have been introduced in a number of key global jurisdictions including the United States, the United Kingdom, France, Canada and the Netherlands.

Further information on the National Food Waste Tax Incentive is available [here](#).

Recommendation 27 (Pillar 2): \$2 million over four years for R&D pathway for harvest, but yet to be marketed, consumable produce.

The NFF has a goal to halve food waste by 2030, which has been supported by the Government's National Food Waste Strategy. One important aspect of reducing food waste is by supporting the development of pathways of farm produce that is harvested but not marketed due to strict guidelines on how foods must 'look'. The benefit of R&DE is twofold in that it supports farm diversification and profitability while reducing food waste.

Recommendation 28 (Pillar 2): \$1 million set aside (to be drawn down on a needs basis) to assist primary producers via their representatives to resolve Native Title issues by equitable access to the Native Title Respondent Fund and related processes.

The native title system is complex and requires expert legal experience to fully consider the implications of any proposed changes. These are neither skills nor resources that the NFF or its members have at its disposal. In order to adequately engage in the native title reform process, the NFF is seeking funding to engage legal expertise to ensure reforms impacting pastoralists do not result in unintended consequences.

Recommendation 29 (Pillar 3): Commit into funding the \$650m *Better Connectivity for Rural and Regional Australia* pre-election commitment, a request supported by the Rural, Regional and Remote Communications Coalition.

Access to quality, reliable, affordable telecommunications consistently ranks as one of the highest priorities of the NFF's members. This includes basic voice connections as well as access to data services that meet the growing needs of farm families and businesses, including the adoption of new digital technologies that build efficiency and unlock growth potential.

Quality telecommunications services are an essential part of modern life, underpinning social connectivity and the delivery of many essential services. Digital connectivity is also central to economic growth and industry competitiveness. There is much to be gained by improving and expanding connectivity in regional Australia – both for agricultural businesses and for the regional communities they are part of.

Recognising that telecommunications is an issue that is central not only to agriculture but also to other businesses operating in regional areas, and to the delivery of health and education services and social connectivity, the NFF became a founding member of the Rural, Regional and Remote Communications Coalition (RRRCC). The RRCC campaigns alongside advocacy, representative and volunteer organisations for quality, reliable, affordable telecommunications services in regional Australia.

The rollout of the National Broadband Network (NBN) and the Mobile Black Spot Program (MBSP) have improved telecommunications in rural and regional Australia. However, there are still gaps in regional Australia in terms of coverage, data speeds and competition between different telecommunication carriers.

The NFF welcomed the pre-election *Better Connectivity for Rural and Regional Australia* commitment by the Labour Government. \$400 million to fund expand multi-carrier mobile coverage along roads, as well as for regional homes and businesses is welcome. The \$200 million to continue investing in place-based connectivity projects, should build on the success of the early Regional Connectivity Programs. Other initiatives, such as the \$30 million to help expand on-farm connectivity, \$20 million to undertake an independent national audit of mobile coverage and \$6 million in additional funding to the Regional Tech Hub (RTH funding addressed in recommendation 33) are all welcome and must be funded accordingly.

Recommendation 30 (Pillar 3): Commit into funding the pre-election commitment of \$6 million commitment to continue funding the Regional Tech Hub beyond the current one-year funding period.

Digital technology and telecommunications offer significant benefits for Australian society and the economy and is expected to contribute \$20 billion to the rural economy by 2030. However, it can be

harder to access these benefits in regional Australia. To realise these benefits, consumers and businesses need independent, trustworthy technical support to get connected and stay connected.

The Regional Tech Hub provides free, independent advice for rural, regional, and remote Australians about the choice of digital technologies and applications available to them, and to help them build the skills and confidence to utilise them. This will help regional Australians to get connected, stay connected and better use an existing connection. This is a critical tool to help bridge the digital divide and assist regional Australians to build their understanding and awareness of communications options available and the skills and ability to use and troubleshoot telecommunications issues.

The Regional Tech Hub has been specifically developed to meet the needs of regional Australians. Regional Tech Hub staff are regionally located and specially trained to understanding the unique elements of regional telecommunications. Further, the Regional Tech Hub has aspirations to build specialist capability to offer advice around digital agriculture, home education and rural health connectivity. To continue the benefit of the Regional Tech Hub and to continue to build on its success, funding is required beyond the current funding period.

Recommendation 31 (Pillar 3): Consistent with the Federal Government's *Rewiring the Nation* and *National Reconstruction Fund*, provide \$250 million over four years to establish the proposed Australian Local Power Agency and the associated Local Power Fund.

The NFF supports the establishment of the proposed Australian Local Power Agency (ALPA) and associated Local Power Fund, and believes it is entirely consistent with the intent of the Federal Government's *Rewiring the Nation* plan and the *National Reconstruction Fund*.

Recent Federal Government investments in energy and electricity generation and transmission networks are supporting the infrastructure required to form the backbone of the electricity network and address challenges in the transition to a more decentralised electricity system.

However, city-centric policy development and regulation have created significant challenges for remote, rural and regional communities. The lived experiences by regulators and policymaker means that central authorities are typically unaware of regional/rural community preferences and attitudes, neglecting regional/rural stakeholder buy-in and benefit creation.

As an example, the Australian Energy Market Operator has undertaken extensive consultations in developing the Integrated Systems Plan (ISP) that will dictate the location of multibillion dollar investments in transmission lines and electricity generation. The energy industry and consumers have had panels established to ensure the ISP maximises benefits and addresses their specific concerns.

Landowners and local governments have not been afforded the same seat at the table for the ISP, despite this infrastructure being wholly housed in these communities. Decisions about the ISP will be made with urban consumers and the energy industry in mind, yet the impacts (positive and negative) plus challenges to rural communities and industries are only considered during the implementation phase. This unfortunately is too late in the process as most decisions on the plan have already been made.

The proposed ALPA would address these crucial gaps by empowering regional communities and regional stakeholders to be involved in the decision-making process rather than central authorities.

The NFF supports the role of the ALPA to offer financial assistance and provide technical expertise in the development of community energy projects, especially small and mid-scale projects. It is a crucial step to support regional development that recognises the difficulties in deriving relevant expertise, especially in smaller communities.

There are untapped economic opportunities in the bush. The NFF believes that the ALPA can leverage this energy transition to transform regional and rural economies, and ensure that this transition is an economic boon for regional Australia, not a source of conflict and economic loss.

Recommendation 36 (Pillar 4): Reform of the PALM to remove the upfront travel costs paid by farmers by January 2023. Budget neutral policy, costs to be recovered from workers through the tax system or uncollected DASP.

A major barrier to uptake of the Pacific Australia Labour Mobility (PALM) scheme — is the perceived upfront costs to both businesses and employees. While employer contributions have reduced, the fact remains that the upfront costs to businesses are much greater than the \$300 per worker ultimately required to be paid. An approved employer must pay upfront the full return international airfare and domestic transfer costs for workers from their port of departure in the participating country through to the location of employment, in addition to the cost of health insurance and accommodation in Australia. They will also be responsible for providing initial spending money and other *ad hoc* expenses, such as costs associated with buying appropriate clothing and incidentals.

These costs require a leap of faith from a price-taking sector which is traditionally risk adverse and cost conscious. For Pacific Island and East Timorese employees, the cost of travel to Australia is likely to be significant relative to their income at home. It also requires the employer to bear the risk if the employee must return home — because they didn't work out, are unwell, or are otherwise unable or unwilling to work — before the costs are recouped through authorised deductions. Overcoming the perceived costs barrier is important if the PALM is to grow to its full potential.

While the COVID-19 pandemic greatly increased these costs, with farm businesses being required to pay for the cost of quarantining workers (approximately \$3000 per worker) it also gave the program greater exposure, given that closure of international borders meant that it was the only source of migrant farm workers. This force growers to engage with the programs and, hopeful, discover the benefits of a committed and dedicated workforce. However, uptake was ultimately not as great as it could have been, and the fear is that as borders open growers will drift back to using backpackers and other source of itinerant workers, because the productivity advantage does not counterbalance the cost and administrative burden of the program. This would be a disappointing step backwards.

The NFF supports the Labor Government's election commitment to reform the PALM which will see Government meet PALM workers international and domestic travel costs upfront (less the \$300 to be met by approved employers). The Government can recover the travel costs through either an increase of the withholding tax rate or deductions from the Departing Australia Superannuation Payment (DASP). Therefore, making this measure budget neutral. We are fully supportive of this measure and would like to see this commence from January 2023. This arrangement would have the added benefit of being a central, government managed program for administering up-front payments and reimbursements, thereby limiting scope for allegations of or actual abuse and claims of employers making improper or egregious deductions.

Recommendation 33 (Pillar 4): \$30 million over four years to provide a holistic Vocational Educational and Training (VET) package of programs and incentives to attract students into agricultural vocations and develop an integrated curriculum for agriculture as a career choice.

Despite varied efforts by industry to attract local workers to careers in agriculture, there has been limited uptake of jobs in agriculture by domestic workers. While there are multiple factors which might explain this, including the often-isolated location of farms and perceptions that the industry does not provide long-term career paths, it is clear that there are inadequate incentives attracting local workers to the industry. Meanwhile, every year a mass of “backpackers” undertakes three months of agricultural work in regional Australia. These workers are almost all entirely motivated by the incentive of a second-year visa to stay and work in Australia. They have no real interest in the farm work and often consider it a burden and the requirement to be grossly unjust. Their productivity and reliability — not to mention commentary on the experience — usually reflects this fact.

With the right incentives, young Australian residents will also go to regional areas to work in agriculture. Youth unemployment in many regions of Australia is too high. Research suggests that young (under 30) single unemployed persons or those looking for work have a strong willingness to relocate for work, but that they often lack the skills and experience that employer’s need.

The Government can boost participation of young Australians in the agriculture workforce by targeting policy settings to incentivise the uptake of both vocational education and training (VET) and regional agricultural work. This aligns the two key policy needs: giving workers the skills and experience they need and providing a willing domestic labour source for farm businesses in regional Australia. The important distinction between a program of this nature and one that imposes a requirement to undertake work-like activities is that uptake depends on individual choice – that is, those applying for work actually want it.

Specifically, the government should promote agriculture as a career of choice by developing an agricultural curriculum program which to ensure integration with other programs, with a greater focus on agricultural courses.

Furthermore, the Government should consider implementing a new industry supported initiative that could offer discounted course fees or Trade Support Loan offsets for VET students who work in agriculture for at least 3 months of the year. As part of an appropriately established program, course fee discounts would be available on upfront payments or through reduced VET-FEE HELP repayment liability. Alternatively, Trade Support Loans could be reduced by 25 per cent for each 3 months of regional agricultural work in a year, up to the maximum of \$20,000.

To supplement these programs, the Government should commit to \$1.2 million to re-establish the Education and Training Advisers network for the rural sector; see below at recommendation 25.

Recommendation 34 (Pillar 4): \$12 million over four years to establish regional workforce counselling services to support farms with migration and local workforce solutions, training options and incentives.

A significant part of the labour challenge — both in terms of labour shortages, skills gaps, and exploitation and mistreatment of workers — is a lack of understanding of Australian farm work. The vast majority of farms are micro businesses, employing at most one or two casual staff on a permanent basis. Most farmers, who manage the business in addition to undertaking the farming activities, have neither the time nor the resources to develop a human resources and industrial

relations capacity to the level of sophistication and professionalism necessary to adequately address that challenge.

A nationwide workforce counselling service would go a long way to addressing this issue - a coordinated resource which is 'on the ground' and can reach out to individual farms to:

- explain the myriad of programs which are available to support them — including the various iterations of the pacific labour schemes; the working holiday maker programs; local workforce solutions, VET training incentives; the Harvest Trail Service, and industry labour agreements;
- analyse their particular workforce need and describe for them the programs which best answers that need, together with the associated obligations and restrictions.
- design a workforce solution which is best suited to the needs of their business, while helping them to understand and meet their obligations.

Recommendation 35 (Pillar 4): \$4.8 million over four years to re-establish the Education and Training Advisors network for the rural sector.

Up until the 2014-15 financial year, the Commonwealth Government supported a network of Education and Training Advisers (ETAs), who were engaged by Rural Skills Australia to work with various stakeholders to promote and encourage workforce development activities and increase rural and related industry involvement in relevant government programs and initiatives.

Across jurisdictions, the ETAs informed and increased awareness and understanding of the training system by utilising a variety of communication strategies tailored to meet local requirements, and furnished information and advice to key stakeholders through a variety of mediums. ETA activities included the following initiatives:

- The promotion at Annual Conferences, Agricultural Field Days and related events of customised State/Territory Employer Guides to Australian Apprenticeships;
- The distribution by post of these guides and related products including RSA's Training Package information booklets and promotional material;
- Follow up calls and personal client visits made in response to enquiries received personally, or via a 1800 free call, web inquiry facilities, email and/or written correspondence;
- Participating on various formal advisory panels and committee structures, and industry forums and events e.g. member body Annual Conferences, National Agricultural and Horticultural Training Providers Conferences, State and Territory advisory body meetings and related events;
- Manned displays at selective and strategic Careers and Employment Markets/Days to directly promote rural and related Australian Apprenticeships opportunities including school-based options to students, teachers and the wider community;
- Provided materials to various organisations and individuals for use at local and school career and employment expos and related events; and
- Updated state/territory sections of the RSA website - www.ruralskills.com.au - and through the conduct of various presentations delivered to industry groups and other stakeholders.

On occasions individual ETAs would refer clients to other bodies or individuals, including Commonwealth and state departments for high level policy, technical and specialist support in

relation to training package content, deficiencies and processes and complex award or industrial matters.

On occasion, clients that had been helped by ETAs in the past to navigate the training system would return to seek further advice and updated information. They routinely maintained longer term client relationships with individuals within industry associations and bodies, Australian Apprenticeships Centres (AACs), Registered Training Organisations (RTOs), and Group Training Organisations (GTOs). Individual ETAs also maintained frequent contact with relevant NFF and State Farming Organisation Workplace Relations personnel on a wide range of matters and looked to assist where possible state industrial party representatives expand their understanding of training system developments, training system implementation issues and systemic impediments.

ETAs across jurisdictions expanded and maintained links with appropriate personnel in state and Australian Government departments, AACs, RTOs, GTOs and other agencies involved in the delivery and development of policy in respect of rural and related industry training and employment arrangements. They worked to ensure where possible that the policies and approaches of various agencies were appropriately informed and guided by the needs of rural and related industries.

In 2014-15 this exceedingly useful and successful program was terminated. Given the increased focus on the VET sector as a solution to the industry's labour shortages, the Government should consider reintroducing the program. We estimate that funding of approximately \$1.2 million per annum would be required to re-create a network of ETAs for each jurisdiction.

Recommendation 36 (Pillar 4): \$2 million over 3 years to support Farmsafe Australia in its campaigns around farm safety initiatives as well as the biennial Farmsafe Conference.

Farms continue to be amongst the most dangerous worksites in Australia. According to current statistics held by Safe Work Australia "on average, the [farming] industry ranked second in terms of fatality rate and accounted for the highest number of fatalities over the last five years. The industry was ranked third for the frequency rate of serious claims" and "worker fatality rates are high with 14.6 fatalities per 100,000 workers and apart from some year-on-year volatility there has been no dramatic improvement over the last 10 years."

More must be done to address this alarming situation, but the NFF believes that responsibility rests principally with individual farmers, farm families, and farm workers. They are the people with the closest connection to the farm and its activities, plant and equipment; they work and typically live within its gates; so they are best placed to identify and address risks to health and safety which the farm and farming business creates. However, farms can better carry out that responsibility when provided with appropriate support in the form of information and guidance on health and safety issues, including information that identifies the critical risks they can control. The agricultural industry, the rural community, and state and federal governments and their agencies (including research and development corporations) each have important roles to play in providing that support.

Consistent with this belief, the NFF supports Farmsafe Australia, a not-for-profit 'umbrella' body of organisations (including the NFF) which share a common interest in agricultural health and safety. Its membership consists of bodies representing the farming industry, health and safety practitioners, regional communities, and government. With its broad membership and connections with the farms, farming business, and rural communities, Farmsafe is well placed to:

- Maintain an acute awareness of health and safety concerns which are emerging from farming businesses and communities and at the 'grass roots';
- Develop a coordinated health and safety messages which is informed, not just by theory, statistical data, and an academic understanding, but by the practice of farming and the rural experience; and
- Disseminate that message throughout the industry, up and down supply chains, throughout the farming community, and directly to farms and farming business themselves.

In addition to maintaining a profile in the farming community, Farmsafe strives to achieve this goal by holding the biennial Farm Safe Conference, the annual Farm Safety Week, through its website, and various promotional and media activities. The previous Federal funding of Farmsafe is due to expire in 2023, whilst we work toward increasing corporate sponsorship, funding is required for Farm safe to develop and meaningfully continue its safety role. The NFF is calling on the Federal Government to commit to budgetary measures which will demonstrate its support for this invaluable institution.

Recommendation 37 (Pillar 4): \$40 million over four years to fund mental health awareness and early intervention programs in rural, regional, and remote communities through a series of grants aimed towards regionally focused rural mental health organisations to produce and conduct in-person education, early intervention and prevention programs.

Mental health is a key issue facing rural and regional communities. According to the Centre for Rural and Remote Mental Health (CRRMH), while the rate of mental illness does not vary greatly between rural and urban areas, the rate of suicide increases with remoteness. While there are various causes at play, the CRRMH contends that distance from services and resources contributes to this trend, as well as the lesser likelihood that people in rural and remote areas recognise signs and symptoms of mental illness.

Recommendation 38 (Pillar 4): \$27 million over four years to provide a Distance Education Teaching Allowance (DETA) to the value of \$6,000 dollars per family as financial recognition of the essential work a distance education tutor performs. This is in line with recommendations made by the Isolated Children's Parents' Association.

There are approximately 1,500 families in geographically isolated areas for whom distance education is the only means to educate their children. Each family is encouraged to provide a home tutor as part of their remote education learning system and these families are largely outside current support measures received for school education.

The Australian Government should particularly support a Distance Education Teaching Allowance (DETA) to the value of \$6,000 dollars per family as financial recognition of the essential work a distance education tutor performs.

Recommendation 39 (Pillar 5): Re-affirmation of the need to maintain and expand the fuel tax excise rebate for off-road use in the long-term

The fuel tax excise rebate was provided in recognition that the fuel excise was hypothecated to road infrastructure maintenance and development, noting that it acts as a good proxy for actual road use. As such, the NFF recommends that a commitment be provided that the fuel tax credit remain in

place for the long-term, and be extended to other purposes, such as fuel used for aviation crop spraying.

It would be wholly inappropriate to remove this credit on the grounds that it will hasten the transition away from liquid fuels towards renewables. Any such move would simply increase costs to heavily trade exposed industries, with little benefits in terms of transition. For an orderly transition within the agricultural sector, non-liquid fuel infrastructure and supply chains must be set up, repairer networks established for electric and hydrogen fuelled machinery, and time is required for the current stock of combustion engine machinery to reach the end of their useful life. This process will take years, if not decades.

Recommendation 40 (Pillar 5): Holistic review and reform of taxation as it applies to the primary producer and in incentivising good risk management practices, including the better utilisation of the Farm Management Deposit Scheme.

The taxation treatment of primary producers and its intersection with drought, resilience and preparedness, and nascent markets for environmental services will require wholesale reforms to ensure that the tax system promotes good farm business risk management and environmental outcomes.

The definition of a primary producer for the purposes of taxation and drought measures could rule many farmers out of any support or favourable tax treatment if they begin to earn too much off-farm income from new activities such as the provision of environmental services (Biodiversity offsets, soil carbon improvements etc.). This would be a perverse outcome from a risk management and resilience perspective, where off-farm income is a key strategy to mitigate drought risk, and would act as a barrier to the establishment of markets for environmental services – a key government priority.

Similarly, the caps on the Farm Management Deposit Scheme seems at odds with promoting good on-farm risk management. The 2021 Department of Agriculture review found that changes in the cap for the deposit scheme made only marginal changes to the amount and number of FMD accounts held. This demonstrates that farm businesses are using FMDs as a legitimate risk management tool and not simply a tax minimisation strategy. As such, we do not believe there is a need to cap the amount of held in FMDs, as this will disincentivise farm businesses who may want to further leverage the FMD scheme as a legitimate risk management tool.

Recommendation 41 (Pillar 5): \$360 million over four years to extend accelerated depreciation provisions to horticultural netting and ensure Regional Investment Corporation loans can be used to purchase horticultural netting.

Netting is an important component of successful horticulture in Australia. It can reduce water requirements by up to 20 per cent, protect against extreme weather conditions such as hail, frost and sunburn, minimise damage from bird and flying fox infestations, and improve the quality of yields for export markets.

The NFF seeks a commitment from the Australia Government to extend the accelerated depreciation provisions to horticultural netting and ensure that the Regional Investment Corporation's Farm Investment Loans are available to farmers who wish to purchase netting.

If this funding is administered through loans, the budgetary impact will be neutral in the long-term.

Recommendation 42 (Pillar 5): \$50 million over four years for a further round of the successful Emergency Water Infrastructure Scheme

The NFF recommends that the Federal Government allocate a further \$50 million to the highly successful Emergency Water Infrastructure Scheme (EWIS) and seek matching funding from state and territory governments.

The EWIS has been overwhelmingly successful in building physical resilience to drought for farmers, and the initial program and subsequent extensions have all been oversubscribed.

Recommendation 43 (Pillar 5): \$5 million over four years to the Australian Bureau of Statistics and the Australian Bureau of Agricultural Research and Economic Sciences, to enable them to enhance their data collection using an institutional quality methodology, thereby removing one of the key barriers to investment in agriculture.

To achieve the industry's goal of \$100 billion by 2030, average annual net investment in Australian agriculture must increase from \$1.2 billion to \$8.7 billion. With access to debt finance constrained, this will require the sector to seek new sources of equity capital, both domestically and overseas.

Several factors currently deter investment. Prominent among these is the difficulty of accessing quality, timely information and industry performance benchmarks to a standard required by institutional investors. Data from the Australian Bureau of Agricultural Research and Economic Sciences (ABARES) is not compiled using an institutional quality methodology.

The NFF recommends that \$5 million be allocated to scoping work to determine what reforms are needed to adequately raise the standard of this data.



Leading
Australian
Agriculture