

**National
Farmers
Federation**

2023-24 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 program with bipartisan support.

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Executive Summary

The National Farmers' Federation (NFF) has an ambitious target for Australian agriculture to be a **\$100 billion industry by 2030** - a vision shared by industry and government. The Australian Government must provide the policy settings, investments and initiatives to support industry take advantage of the opportunities and challenges to meet this \$100 billion target.

This Pre-Budget Submission (the submission) highlights the actions the Australian Government can take in 2023–24 to accelerate the growth and continued success of agriculture and regional communities across Australia. Clear alignment and support from the Australian Government will ensure agriculture can meet and beat its ambitious target.

The NFF's \$100 billion target is guided by the [2030 Roadmap](#)—a plan that outlines the practical steps needed to achieve the \$100 billion target. This submission is aligned with the Roadmap's five pillars to provide a clear outline of the impact each measure will have on Australian agriculture's growth and development. The submission also includes detailed recommendations organised by government portfolio within the appendix.

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 continuing to face Australian agriculture. The National Biosecurity Strategy released in 2022 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 and sustainable funding arrangement.
- Appropriate financial support being allocated for co-investment across all states and territories to assist with the implementation of a harmonised national electronic identification (eID) traceability system for sheep and goats.

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.
- \$10 million over four years to continue global leadership in agricultural sustainability including the implementation of the Australian Agricultural Sustainability Framework (AASF). Activities are a business case (governance and operations), market testing and piloting, verification, communication, and resolution of data requirements.
- \$40 million over four years to DAFF to enable the Department to collaborate with CSIRO and NFF to resolve the national data set requirements to verify Australian agriculture's sustainability performance against the principles and criteria of the AASF.

3. Response to urgent road and infrastructure needs: Australian agriculture and the economy more broadly cannot afford the significant costs of Australia's inefficient and unproductive international freight supply chain. Recent flooding, drought and bushfires has exacerbated supply chain issues, reduced farm production, and caused significant damage to infrastructure, such as severing local and arterial supply lines needed to move produce to customers. The Australian Government should provide funding for the repair and reconstruction of roads affected by flooding and seize this opportunity to enhance the resilience and robustness of key road and freight networks to withstand future climate change-induced stresses.

Key recommendations to this issue include:

- \$1 billion over four years regional road and infrastructure reconstruction for councils impacted by flooding and other natural disasters to ensure the rebuild is to a standard that is more resilient to future disaster events.
- An increase in recurrent Roads to Recovery funding from \$500 million to \$800 million annually.
- \$300 million per annum over four years for councils to improve freight productivity on their road networks to support the implementation of new Heavy Vehicle National Law Reforms.

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. This is a longstanding issue and the NFF has put forward a holistic workforce package to address this challenge.

Key recommendations to this issue include:

- \$2 million over three years to support Farmsafe Australia's campaign for farm safety as well as the biennial Farmsafe Conference.
- \$12 million over four years to establish small employer concierge service to support employers accessing and engaging with the PALM scheme.
- \$50 million over three years to enable a national roll-out of the farm-skills capability development framework, AgSkilled.
- Investigate proposals put forward by National Seniors Australia to increase pensioners participation in the workforce. Budget neutral at 8.3 per cent pensioner take up rate.

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 Australian Government's Reconstruction Fund, and the \$500 million set aside for food and fibre value-adding.

Key recommendations to this issue include:

- \$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 vision for agriculture to become a \$100 billion industry by 2030. It is a vision that has been endorsed and adopted by industry and the Australian Government. To meet this goal, industry and government must work together to provide the policy settings, investments and initiatives that underpin agriculture's success and long-term development.

The 2023–24 Federal Budget is an opportunity for the Australian Government to implement measures that will leverage the opportunities and address the challenges facing agriculture and regional Australia. Building on Australian agriculture's recent success, the government is provided a unique opportunity to support agriculture build on its growth, development and unparalleled contribution to Australia's economic success.

As an industry with an annual output of \$85 billion in 2022–23 there are a range of exciting opportunities that would further improve agriculture's already impressive contribution to Australia's economy. Despite recent success, Australian agriculture faces multiple headwinds. With targeted support and collaboration, the government can reduce the risk and impact of these headwinds, positioning agriculture for a strong, prosperous future to 2030 and beyond.

Agriculture in our reduced emissions future

Australian farmers are no strangers to variable climate. However, climate change will play a major role in 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, the government's 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

Access to international markets have underpinned the success and prosperity of Australian farmers for decades. Access to premium international markets and reducing the cost of inputs has increased the profitability of farms across the country. However, the COVID-19 pandemic highlighted the risk of disruption to these supply chains. Government must be aware of and proactively address these risks to ensure minimise the risk of disruption, volatility and associated costs.

Supply chain disruptions since 2020 have impacted agricultural businesses at all levels, significantly impacting 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 per cent drop in yields for broadacre cropping. To this end, the NFF continues to call for the National Reconstruction Fund 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 labour needs of the sector and Australians available for the work. The issue needs to be tackled globally and holistically. The Australian Government's development of a National Agricultural Workforce Strategy was a first step in the right direction. The establishment of a tripartite Agricultural Workforce Working Group following the Jobs & Skills Summit in September 2020 was another step forward, but more concrete outcomes are necessary to achieve the goals which the strategy set.

Strengthening biosecurity

Australia's biosecurity system is fundamental to the success of Australian agriculture, the health of our natural environment and to our society and economy at large. It is imperative that Australia's biosecurity system is innovative, adequately resourced and operates effectively. Our target of a \$100 billion 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, Australia's biosecurity system is under growing pressure from an increasingly complex risk environment. The NFF remains 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 to the Australian economy. The detection of Varroa mite at the Port of Newcastle in June 2022 caused even further concern for the sector, drawing significant resources to manage and threatening billions of dollars of pollination-dependent crops.

The National Biosecurity Strategy released in 2022 set out the vision and framework required to continually evolve Australia's biosecurity system to ensure it remains strong. The strategy lists clearly the key areas of focus and improvement. But the ability to implement these will be significantly hampered if the system is not resourced 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's \$100 billion target is guided by the [2030 Roadmap](#)—a plan that outlines the practical steps needed to achieve the \$100 billion target. This submission is aligned with the Roadmap's five pillars to provide a clear outline of the impact each measure will have on Australian agriculture's growth and development.

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

The submission also includes detailed recommendations organised by government portfolio within the appendix.

Pillar 1: Customers and the Value Chain

Global supply chains have underpinned the profitability of Australian farms for decades. These supply chains help farmers sell their produce into premium markets and access cheaper inputs. Recent turbulence in the global economy has disrupted many of these supply chains and highlighted risks facing producers and consumers across the economy. Clear, proactive government action is needed to address risks in agricultural supply chains and minimise the risk of disruption, volatility and associated costs as we transition to any '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 access to and share of premium markets depends on maintaining Australian agricultures, clean and green 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 and increasing costs for consumers and businesses across Australia.

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 Australian 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.

Freight supply chain disruptions

Trade and market access are vitally important to Australian agriculture, with more than 70 per cent of total production exported. Additionally, access to lower cost inputs is essential to the competitiveness and financial viability of Australian farms. As an open, trading economy, Australian industry must be able to export products with competitive freight in a timely manner. This offers opportunity for government to act to increase the competitiveness of Australian industry and lay the groundwork for ongoing growth and prosperity across the economy.

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 10,00 km shorter.

Inefficient freight has been compounded by the impact of natural disasters on Australia's physical infrastructure. 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.

Much of Australia continues to experience devastating drought, bushfire and flooding events. Over the past few months alone, devastating floods have swallowed crops and pastures and caused major infrastructure damage, creating heartache for farmers and food shortages in our supermarkets.

A recent survey of farmers in NSW found two in three were experiencing flooding for the second year running. These events have significantly reduced farm production and caused significant damage to infrastructure, severing local and arterial supply lines needed to move produce to customers. Regional and rural communities impacted by flooding and other natural disasters require urgent support to recover and reconstruct regional road and infrastructure.

The impact of these floods and subsequent rebuild offers a new opportunity for the Australian Government to create a more resilience and robust freight network for Australian farmers, exporters and people living in regional areas. The Australian Government should provide funding for the repair and reconstruction of roads affected by flooding and ensure this is done to a high standard to withstand future climate change-induced stresses on road and freight networks.

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 National 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 National Reconstruction 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.

Further, the NFF seeks government commit to a holistic analysis to identify and provide solutions to the myriad of risks and vulnerabilities that may prohibit our industry's ability to ensure Australia's long-term food supply, in the form of the 'Australian Agriculture Supply Chain Resilience Framework.' This is critical to ensuring Australia's food supply chain resilience and our industry's contribution to both domestic and global food security goals.

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. Additionally, Australia is currently the only developed nation in the world to have no domestic regulation either introduced or before parliament regarding the use of the term 'organic.'

Recommendation 1: \$1 billion over four years regional road and infrastructure reconstruction for councils impacted by flooding and other natural disasters to ensure the rebuild is to a standard that is more resilient to future disaster events.

Recommendation 2: An increase in recurrent Roads to Recovery funding from \$500 million to \$800 million annually.

Recommendation 3: \$300 million per annum over four years for councils to improve freight productivity on their road networks to support the implementation of new Heavy Vehicle National Law Reforms.

Recommendation 4: \$15 million over four years for an industry-led, holistic, agricultural supply chain resilience project, the 'Australian Agriculture Supply Chain Resilience Framework,' to identify and provide solutions to the myriad of risks and vulnerabilities that may prohibit our industry's ability to ensure Australia's long-term food supply.

Recommendation 5: \$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.

Recommendation 6: \$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.

Recommendation 7: \$30 million over four years to ensure the continuation of the highly successful Agricultural Trade and Market Access Cooperation (ATMAC) program.

Recommendation 8: \$5 million to develop and implement a whole-of-industry engagement strategy to build and solidify Australia's bilateral trade relationship with India.

Recommendation 9: \$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.

Recommendation 10: 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.

Recommendation 11: \$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.

Recommendation 12: \$2 million over the next budget period to enable domestic regulation of the Australian organic industry, including finalising the design features through a regulatory impact statement and commitment from the government to introduce domestic regulation legislation.

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 agricultural industries, natural environment, community and economy from the damaging impacts of pests and diseases. 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 has advocated for more sustainable funding arrangements.

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 \$80 billion, \$16 billion for Khapra beetle and \$5 billion for Varroa mite.

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 Government to adopt these priorities to meet our shared vision of \$100 Billion.

[Recommendation 13](#): The Australian Government commit to perpetually funding the biosecurity system through a long-term and sustainable funding arrangement.

[Recommendation 14](#): Appropriate financial support continues to be allocated for co-investment across all states and territories to assist with the implementation of a harmonised national electronic identification (eID) traceability system for sheep and goats.

[Recommendation 15](#): \$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.

[Recommendation 16](#): \$2 million over two years for an industry-led campaign to reinforce best practice farming and stewardship with regards to the application, use and disposal of agricultural and veterinary chemicals and medicines.

[Recommendation 17](#): \$19.2 million over four years to support the Australian Veterinary Association Rural Placement Incentives Scheme.

[Recommendation 18](#): \$10 million over four years for the continuation of initiatives to improve access to agricultural and veterinary chemicals.

Recommendation 19: Appropriate funding to extend the trial Horticultural Netting Program to support more horticulturalists to install protective netting to enhance crop resilience and climate adaptation including severe weather event and pest management pressures.

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 per cent of Australians live in big cities, compared to just 30 per cent of Canadians and New Zealanders.

The [NFF's Regionalisation Agenda](#) makes the case for place-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 mergers and acquisitions 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. This advocate can provide clear oversight of the highly concentrated supply chains agricultural producers must sell into and ensure there is no misuse of market concentration to the detriment of smaller agricultural businesses.

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

Recommendation 21: Commitment to funding and expanding the resourcing of the ACCC Agriculture Unit indefinitely.

Recommendation 22: \$40 million for four years to establish the Office of the Perishable Goods Advocate.

Recommendation 23: \$5.4 million to the Department of Agriculture, Fisheries and Forestry to continue and expand upon initiatives that support the improvement of market transparency in perishable agricultural goods industries.

Pillar 2: Growing Sustainably

Farmers manage 51 per cent 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 24](#): \$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 development of fit for purpose and transformable data sets that support benchmarking of indicators.

[Recommendation 25](#): \$10 million over four years to continue global leadership in agricultural sustainability including the implementation of the Australian Agricultural Sustainability Framework (AASF). Activities are a business case (governance and operations), market testing and piloting, verification, communication, and resolution of data requirements.

[Recommendation 26](#): \$40 million over four years to DAFF to enable the Department to collaborate with CSIRO and NFF to resolve the national data set requirements to verify Australian agriculture's sustainability performance against the principles and criteria of the AASF.

[Recommendation 27](#): \$2 billion over four years to support complementary measures in the Murray Darling Basin.

[Recommendation 28](#): \$100 million over four years to continue the Great Artesian Sustainability Initiative to cap and pipe bores.

[Recommendation 29](#): An additional \$50 million over four years to support further research into effective water planning and management in northern Australia.

[Recommendation 30](#): \$20 million over four years for the implementation of National Water Reform, including renewal of the National Water Initiative.

[Recommendation 31](#): An additional \$20 million over four years for R&D to support innovation/investment in water efficiency research to support climate adaptation and resilience.

[Recommendation 32](#): Funding to establish an outreach facility to enable face-to-face interaction with farmers on the implementation of the EPBC Act.

[Recommendation 33](#): \$75 million over four years for a National Food Waste Tax Incentive.

[Recommendation 34](#): \$2 million over four years for R&D pathway for harvest, but yet to be marketed, consumable produce.

[Recommendation 35](#): \$25 million with state Government matching over four years for on-farm extension programs should be developed regarding the support of natural capital measurement and markets - as key facilitator of climate change mitigation. Support investment in education decision support tools and awareness programs to assist farmers' understanding of carbon emissions, sequestration, offsets, insetting and carbon markets.

[Recommendation 36](#): \$40 million over four years to Introduce a new Regional Investment Corporation (RIC) loan to assist farmers undertake emissions reduction activities.

[Recommendation 37](#): \$100 million to Prioritise development of ERF methodologies that encourage and provide ACCUs for adoption of methane reducing livestock feed technologies as soon as they are available. We recognise incentives in the Budget for this, but more needs to be done to support further innovation, methodology efficiency and adoption.

[Recommendation 38](#): \$10 million over four years to Ensure that the Climate Active certification system can keep pace with technology developments coming from industry and ensure that the

system rewards the work that producers have already done to make their land a valuable carbon sink.

[Recommendation 39](#): \$100 million over the next four years to reintroduce legislation that would see carbon and biodiversity income treated as primary production income.

[Recommendation 40](#): \$30 million over the next four years to establish mid-scale community and farmer 'informal REZs' (outside of declared REZs) which identify under-utilised hosting capacity in the network and encourage dispersed 1-5MW solar developments, making the electricity distribution work for farmers and regional communities.

[Recommendation 41](#): \$20 million over four years to provide refundable tax offsets on equipment which reduces emissions such as that use in zero till and controlled traffic systems.

[Recommendation 42](#): \$30 million to ensure a consistent approach to carbon accounting and measurement across agricultural sectors to enable accurate measurement and assist with calculating mitigation efforts and offsets, including through the National Soils Strategy.

[Recommendation 43](#): \$60 million to focus on innovation and investment in climate research and development that provides robust baseline information, drives innovation and builds resilience, and supports communication, adoption and extension. This should include developing a comprehensive strategy to address climate change which incorporates the AGMIN National Action Plan.

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. The ability to resolve Native Title disputes quickly and effectively will provide certainty and predictability to both Indigenous claimants and farm businesses. The uncertainty around rights and responsibilities with respect to Native Title claims means farmers are forced to defer business decisions that otherwise should have been made (for example not renewing or upgrading licences and leases over land).

[Recommendation 44](#): \$1 million (to be drawn down on a needs basis) to assist primary producers via their representatives to resolve Native Title issues.

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

Regional Australians, like their metropolitan counterparts, place the utmost importance on accessible, reliable, affordable and quality connectivity services. Such services are fundamental to everyday economic, social, health and educational outcomes, the importance of which is often heightened for those living in regional, rural and remote Australia.

While significant advances have been made in recent years, many regional Australians continue to face connectivity challenges. Service quality, reliability and accessibility issues remain, presenting ongoing primary connectivity barriers for regional Australians, farms businesses and workers. As the economic activity and service delivery continue to migrate online, such accessibility challenges must be addressed.

Moreover, improving connectivity in regional areas continues to present a fundamental opportunity to drive the competitiveness of the agricultural sector. Continued advancements in connectivity continue to be an essential requirement to support Australian agriculture's 2030 \$100 billion farm-gate revenue aspiration. Continually improving connectivity services are key to materialising the estimated \$20 billion AgTech opportunity.

Recent years have seen an acceleration in the importance of connectivity services, and changes to the connectivity landscape. The 2021 Regional Telecommunications Review identified a "step change in the demand for telecommunications" with a new paradigm in the essential nature of connectivity to everyday lives but also to underpin the opportunities that exist in the ever-digitising economy.

The NFF has welcomed largely bi-partisan commitments to investment programs over recent years. The Better Connectivity for Regional and Rural Australia Package funded in the October 2022 budget, along with ongoing investments in the NBN network have supported previous NFF calls for ongoing network expansion and improvements.

However, rural communities continue to face connectivity challenges that can directly impact their safety. Regional communities have experienced a range of natural disasters such as floods and bushfires in recent years. Not only have these put peoples' lives at risk, but they have had significant impacts on the ability of regional Australians to operate businesses and access health and education

services. This impact is felt not just during the events, but in many cases for an extended period following.

The NFF has previously welcomed network resilience initiatives such as the Strengthening Telecommunications Against Natural Disasters program rolled out following the 2019-20 bushfire season.

Given the ever-increasing reliance on connectivity services and the ongoing prevalence and impact of natural disasters, funding should be allocated for continued investment in network resilience initiatives. This should include funding for the extension of similar programs previously delivered as well as investigation of innovative means to improve the resilience of connectivity during times of natural disaster, such as satellite-delivered mobile connectivity.

Recommendation 45: Additional funding is allocated to network resilience and innovation programs to ensure that vital connectivity services are maintained during times of natural disaster.

Energy

The NFF has a goal for 50 per cent 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, 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.

The transition to renewable energy could mean thousands of kilometres of new transmission lines on agricultural lands. Such projects must work in a way that benefits agriculture, rather than creating new challenges and headaches for farmers. Importantly, they must not get in the way of food production and our responsibility to ensure food security. A critical measure of success for *Rewiring the Nation* will be whether landholders, especially farmers, are subjected to ineffective, sham consultation mechanisms with predetermined outcomes.

As our industry looks to actively engage in Australia's transition to renewable energy, the NFF calls for the development and implementation of an enforceable code as a matter of urgency to ensure future transmission lines on agricultural land are placed in the landscape with proper consultation, appropriate compensation and do not adversely impact existing land use.

[Recommendation 46](#): Consistent with the Australian 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.

[Recommendation 47](#): \$20 million over four years to develop and implement an enforceable code to ensure future transmission lines on agricultural land are placed in the landscape with proper consultation, appropriate compensation and do not adversely impact existing land use.

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 contributing 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, livestock capacity reduced, chokes productivity– and challenges the viability of farm businesses and their ability to compete on the global market. The impact of these shortages continues to be felt across the industry.

The labour challenges are forcing many farmers to make difficult decisions to either reduce operations or continue while understaffed. This may contribute to negative impacts on animal welfare outcomes. It also potentially exposes farmers themselves to dangerous situations. It's exacerbating an already perilous state of affairs: statistically farms are amongst the most dangerous workplaces. But, despite workforce pressures, the rates of safety incidents over the past 24 months are improving. This is thanks in no small part to the good work Farmsafe Australia (**Farmsafe**) has done to change attitudes towards risk and drive a safety culture. At the core of our industry are our people. We want to ensure that their safety is the top consideration. That's why we are calling on the Government to provide funding for Farmsafe to enable it to continue its mission of making farms safer places to work.

Labour shortages may also help create an environment which 'normalises' illegitimate employment practices, such as a reliance on undocumented workers. There is no excuse for unlawful conduct and industry is committed to stamping out this problem. However, that commitment would be assisted by programs that address chronic labour shortages and provide solutions which do not 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?

Further funding must be allocated to ensure that the concerted efforts of the Australian Government to date actually move the needle on farm labour shortages. This funding should be utilised to support the NFF proposal for a concierge service dedicated to assisting both employers and employees with these issues. Such a service would assist small employers to understand their workforce needs and help them best use the options available to them, such as accessing the PALM scheme. It would go a long way to addressing the agricultural labour challenges.

We also continue to advocate for policy settings that enable pensioners participation in the workforce. Policy options such as the removal of punitive taxation measures currently in place or an incentive to delay taking the pension would encourage greater pensioner participation in the workforce.

Developing the domestic workforce requires a clear pathway for education and training for careers in agriculture. We are excited by the reform of the VET sector currently underway through the 'industry engagement' (formerly 'industry clusters') model. Where agriculture has previously been an afterthought in any VET planning and reform, the NFF stresses the importance of agriculture to be at the fore of this moving forward. These reforms should be supplemented by programs to develop the existing workforce. AgSkilled is a program originating in NSW which funds short courses that expand the capacity of existing workers/farmers and provide them with skills for which industry has an express need. It 'joins the dots' between the industry, VET and farm workers.

Recommendation 48: \$2 million over three years to support Farmsafe Australia's campaign for farm safety as well as the biennial Farmsafe Conference.

Recommendation 49: \$12 million over four years to establish small employer concierge service to support employers accessing and engaging with the PALM scheme.

Recommendation 50: \$50 million over three years to enable a national roll-out of the AgSkilled initiative.

Recommendation 51: Investigate proposals put forward by National Seniors Australia to increase pensioners participation in the workforce. Budget neutral at 8.3 per cent pensioner take up rate.

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 52:](#) \$15.5 million over five years to establish and deliver a national, agricultural-industry led approach to grow farmers' wellbeing and prevent suicides, via farmer-focused mental health education campaigns and an accessible 24/7 farmer-friendly helpline.

[Recommendation 53:](#) \$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.

[Recommendation 54:](#) \$36 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.

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 55](#): Maintain in perpetuity the fuel tax excise rebate for off-road use, including expansion to aviation use for pastoral purposes.

[Recommendation 56](#): 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.

[Recommendation 57](#): \$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.

[Recommendation 58](#): \$50 million over four years for a further round of the successful Emergency Water Infrastructure Scheme.

[Recommendation 59](#): \$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.

Appendix: Details of Recommendations

Recommendation 1: \$1 billion over four years regional road and infrastructure reconstruction for councils impacted by flooding and other natural disasters to ensure the rebuild is to a standard that is more resilient to future disaster events.

In recent months, thousands of kilometres of local roads across NSW, Victoria, South Australia and Queensland have been severely damaged by flooding, and in some cases have been washed away.

Local Government NSW has declared a state-wide Roads Emergency as successive floods and torrential rains events, coupled with chronic funding constraints have caused \$2.5B in damage and the collapse of the NSW local and regional road network. A further \$1.3B in similar damage has been estimated across both Victoria and Queensland. ALGA estimates that at least \$3.8B in road and related infrastructure damage has been caused by recent severe weather events across New South Wales, Queensland and Victoria alone, resulting in catastrophic damage cutting off communities and severely disrupting freight movements.

A recent NRMA report showed that across 2021–22, councils in NSW alone reported a maintenance backlog of over \$1.9 billion of which \$1.5 billion was attributed to councils in regional and rural areas. This is a pattern that is replicated across the country.

Councils in South Australia are still experiencing flooding from the River Murray while other States and Territory local governments are still rebuilding road infrastructure from flooding and cyclones.

Additional federal funding is urgently needed to supplement the emergency funding already allocated by State governments to help ensure that when the roads and related infrastructure are re-built, they will not just be reinstated but rebuilt stronger, better, and more able to withstand the challenge posed by future natural disasters.

The NFF recommends:

- A one-off injection of \$1 billion at \$250 million per annum over four years to bolster existing federal road and infrastructure funding that regional councils receive including from Roads to Recovery, Financial Assistance Grants and the Local Roads and Community Infrastructure Program.
- The funding would be directed to disaster-impacted councils (any council where a disaster has been declared in the past three years).

Recommendation 2: An increase in recurrent Roads to Recovery funding from \$500 million to \$800 million annually.

Following the recent severe flooding and torrential rains across the eastern seaboard states, the Roads to Recovery program needs to be enhanced as an ongoing preventative maintenance program. This is to ensure that the wider road networks unaffected by the recent spate of natural disasters are robust and resilient enough to withstand future climate change-induced stresses on the road network and thus avoid massive road reconstruction bills seen across NSW, Victoria and Queensland.

The Roads to Recovery Program has provided vital financial support to councils across the country to maintain and support the nation's local roads infrastructure assets. With close to 80 percent of Australia's road network owned and managed by local councils, it is critical that the program be

extended beyond June 2024, and additional funds are injected into the program to further assist councils in better maintaining their road network.

The NFF are seeking:

- An ongoing increase in the Roads to Recovery program of \$300M taking it from \$500M p/a to \$800M p/a and a continuation of the current funding model that distributes the funding according to a formula based on population and to the Northern Territory.
- Addressing the South Australian road funding anomaly by making the additional \$20M p/a to SA in 2021-22 and permanent in 2022-23.

An increase in the ongoing allocation of \$500M per annum to \$800M will help to address the widespread infrastructure backlog on local roads and enable councils to upgrade arterial and local supply lines, which farmers require to access consumers. It will curtail the under-investment in local roads and enable councils to maintain compromised roads and improve local roads, help boost road safety outcomes as well as allow councils to better forward-plan road maintenance and improvements.

Recommendation 3: \$300 million per annum over four years for councils to improve freight productivity on their road networks to support the implementation of new Heavy Vehicle National Law Reforms.

The cost and reliability of freight is a challenge to the international competitiveness of Australian exporters, particularly the agricultural sector, where more than 70 per cent 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 Australian Government provide \$300M per annum over four years for councils to improve freight productivity on their road networks to support the implementation of new Heavy Vehicle National Law Reforms, including to:

- Support councils to implement a new national heavy vehicle automated access system including network pilot projects in 2023/24
- Provide route and asset assessment support to councils to better understand the condition of infrastructure to enable better-informed access decisions.

- Provide capability building and data collection support to councils to enable them to align with national data standards and prepare their systems to integrate with the automated national heavy vehicle access system.
- Support fixing, upgrading and maintaining key freight route infrastructure identified by councils and the freight sector to support increased productivity on first and last-mile council freight networks.

Existing funding schemes that could be rolled into this funding include the Strategic Local Government Asset Assessment Project (SLGAAP) and the Heavy Vehicle Safety and Productivity Program (HVSPP).

This funding will ensure that pavement quality, bridges and culverts can support freight movements by better assessing their capacity, and through pre-approved online permits, without the need for manual assessments, ensuring that freight moves freely and unimpeded across local road networks.

Recommendation 4 (Pillar 1): \$15 million over four years for an industry-led, holistic, agricultural supply chain resilience project, the 'Australian Agriculture Supply Chain Resilience Framework.'

Australian farms collectively ensure that Australia is one of the most food secure nations in the world, with affordable access to a consistent supply of safe, healthy and nutritional foods. Australian agriculture also makes an invaluable contribution to global food security as leading exporter of safe and sustainable produce, producing enough food to feed around 77 million people. However, food production is increasingly challenged by a range of factors including extreme weather events, the availability and increasing cost of critical inputs, labour shortages, threats of disease and both pre- and post-farmgate supply chain disruptions and inefficiencies.

Perpetuated by the global pandemic, geopolitical tensions and extreme weather events, the past two years have seen many of these factors reach boiling point. The resulting pressure on Australian production systems and supply chains has translated to significant price volatility at supermarket shelves, with 83% of Australian's now concerned about the cost of food and groceries.

The NFF highlighted the need for an Australian Agriculture Supply Chain Resilience Framework in our submission to the House Standing Committee on Agriculture's recent inquiry into food security in Australia.

Farmers are ultimately responsible Australia's continued and sustainable food security. Without viable and profitable farm businesses, Australia's food production capacity would collapse. This body of work is essential to identify and provide robust and long-term solutions to the myriad of risks and vulnerabilities that may prohibit our industry's ability to ensure Australia's long-term food supply.

The framework should incorporate and consolidate the substantial work already done in this space and include analysis of risks across relevant input and post-farmgate supply chains. The NFF envisages the framework be industry led, with the support of the Australian Government. This risk mitigation and resilience framework is not only essential to safeguarding Australia's food supply, but will advance the strength, sustainability, and future prosperity of Australian agriculture toward our \$100 billion by 2030 goal.

Recommendation 5 (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 6 (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 7 (Pillar 1): \$30 million over four years for the long-term continuation of the ATMAC Program.

The Australian 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 8 (Pillar 1): \$5 million to develop and implement a whole-of-industry engagement strategy to build and solidify Australia's bilateral trade relationship with India.

Trust, knowledge, and understanding must be fostered over time, through consistent and repeated engagement between bilateral trade stakeholders across the breadth of our agricultural export supply chains. The NFF highlights the critical need for adequate resourcing of industry-led international engagement activities to deepen our diplomatic relationship with India. This is fundamental to ensuring the success and durability of any FTA outcomes.

Recommendation 9 (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
- 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 focussed *Telling our Story* campaign can be found [here](#).

Recommendation 10 (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 per cent of all it produces, the lack of this international network would be an existential threat to the industry.

Recommendation 11 (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 12: \$2 million over the next budget period to enable domestic regulation of the Australian organic industry, including finalising the design features through a regulatory impact statement and commitment from the government to introduce domestic regulation legislation.

Australia is currently the only developed nation in the world to have no domestic regulation of our organic industry either introduced or before parliament. As Australia continues to lag behind on domestic regulation, our nation will continue to lose opportunities as other nations invest in their organic farming programs and Australian organic producers have more technical barriers to trade than those who are non-organic.

Prior to the 2022 election, a consultation regulatory impact statement was completed on different options for domestic regulation of the organic industry. From stakeholder feedback and submissions, questions about the design features of domestic regulation are all that remain to be answered before an instrument for domestic regulation can be introduced. This would require a final regulatory impact statement.

Recommendation 13 (Pillar 1): The Australian Government commit to perpetually funding the biosecurity system through a long-term and sustainable funding arrangement.

The NFF welcomed additional funding in the October 2022 budget for biosecurity activities and the commencement of consultation on delivering sustainable funding for Australia's biosecurity system.

The NFF continues to seek 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.

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 charge' proposed under the 2017 Craik review of the Inter-government Agreement on Biosecurity. We participated in processes to implement such mechanisms and support this principle being reinvestigated.

Recommendation 14 (Pillar 1): Appropriate financial support continues to be allocated for co-investment across all states and territories to assist with the implementation of a harmonised national electronic identification (eID) traceability system for sheep and goats.

The NFF welcomed the \$46.7 million funding committed to supporting the implementation of eID for sheep and goats. This included \$26.6 million to support the upgrade of the National Livestock Identification System database and \$20.1 million for co-investment across all states and territories to assist with the implementation.

Commonwealth, States, and Territories continue to develop funding arrangements to support producers and supply chains to adopt the required systems and infrastructure to transition to a national eID system. Once final costing are determined, it is imperative that reasonable and proportionate Commonwealth contributions of the final amount are made to ensure an effective transition to a national harmonised system.

Doing so will be integral in upholding Australia's biosecurity (particularly in the event of an emergency animal disease outbreak), continuing to support international market access, and providing the option for producers to improve farm efficiencies through secondary benefits of the technology. Combined, these factors will further support the agricultural sector's contribution to the economy and its ambition to become a \$100 billion industry by 2030.

Recommendation 15 (Pillar 1): \$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.

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 16 (Pillar 1): \$2 million over 2 years for an industry-led campaign to reinforce best practice farming and stewardship with regards to the application, use and disposal of Agricultural and veterinary chemicals and medicines.

The Agricultural sector has over many decades undertaken efforts to examine, promote and demonstrate best operational practices to drive continuous operational and sustainability outcomes. Agricultural industries have developed a range of stewardship activities and programs ranging from prevention of anti-microbial resistance, the management of waste, the proper application of chemicals to minimise resistance and trespass and to promote biodiversity outcomes.

Beyond supporting operational and sustainability outcomes, such activities are critical to maintaining community trust and confidence in Australian agriculture and the food and fibre it produces. It is critically important that Australian producers demonstrate to consumers a genuine commitment to operating in a sustainable and responsible manner.

As outlined in the recently completed AgriFutures-led Community Trust in Rural Industries program, *'the [establishment of] trust in, and acceptance of, rural industries...represents a foundation for which to build deeper, more constructive relationship with the Australian community'....Year three modelling shows that environmental responsibility and industry responsiveness are the chief drivers of trust in rural industries'*

Moreover such actions also supports ongoing market access opportunities for Australian producers, underpinning confidence in our 'clean and green' image which is critical to our international competitiveness both now and into the future.

Given this, the NFF is purposing \$2 million over 2 years be allocated to an industry-led program aimed at reinforcing to producers the importance of such programs, improving their understanding of what programs are available and ultimately supporting continued uptake of best management and stewardship practices.

Recommendation 17 (Pillar 1): \$19.2m over four 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 per cent 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 on-farm and throughout the supply chain, 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](#))
- 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 18 (Pillar 1): \$10 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.

Recommendation 19: Appropriate funding to extend the trial Horticultural Netting Program to support more horticulturalists to install protective netting to enhance crop resilience and climate adaption including severe weather event and pest management pressures.

Further Commonwealth funding to extend the Horticultural Netting Program – Trial Program should be allocated to assist more horticulturalists purchase and install netting to protect their crops from pests and severe weather events, thereby improving overall productivity and supporting production that contributes not only towards Australian agriculture achieving its goal of being a \$100 billion, the the economy more broadly.

Through the current program, which will operate until 30 June 2024 (or until all funds are committed), the Australian Government has co-invested with state and territory governments who deliver the program. The program allows growers to apply for a grant of up to 50 per cent of the cost to purchase and install new netting, or upgrade existing protective netting.

There has been strong interest from growers across the country in applying for the program. New South Wales saw an oversubscription which required applications to be closed to the public within one week of opening. This demonstrates that there is strong demand from growers unable to be filled by the current program, and supports extension through Commonwealth funding being made available for ongoing co-investment with the jurisdictions.

An initial \$25.9 million was committed by the Commonwealth in the 2019-20 MYEFO for the program assisting growers of horticultural crops including apples and pears in Queensland, Victoria and Western Australia, and apples, pears, avocados, grapes, cherries, and citrus in South Australia. Responding to this uptake, the Commonwealth committed an additional \$35 million in the 2021-22 MYEFO to extend the program to more horticultural commodities and jurisdictions.

Funding extension of the program will continue to help horticulturalists and their communities develop resilience and adapt to Australia's ever-changing climate, particularly as they recover from ongoing severe weather events. Australia's horticultural industry is an important contributor to many rural and regional economies and plays a significant role in ensuring the nation's food security. Research shows that properly installed protective netting can significantly improve the quality and quantity of fresh food crops, whilst reducing water usage by up to 30% and providing an effective barrier from many pests.

Recommendation 20 (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 21 (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 22 (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
- 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 23 (Pillar 1): \$5.4 million to the Department of Agriculture, Fisheries and Forestry to continue and expand upon initiatives that support the improvement of market transparency in perishable agricultural goods industries.

Agriculture relies upon open and transparent marketplaces that promote competition within agricultural supply chains, enabling farmers to access requisite inputs and sell their produce at a competitive price.

The imbalance in the agricultural supply chain leaves farmers vulnerable to exploitation. Existing competition laws and regulations allow supermarkets, processors, input providers and other firms to leverage their market power to the detriment of farmers. Australian agriculture has little influence on the price of produce in the market. This leaves many farm businesses economically vulnerable. This vulnerability and the broader imbalance between farmers and other concentrated players in the supply chain is perpetuated by additional factors such as global supply disruptions, fluctuations in input costs, limitations in infrastructure, and the perishable nature of produce.

The ACCC Perishable Agricultural Goods Inquiry (November 2020) recommended that the Australian Government and industries explore measures to foster price transparency to increase competition in perishable agricultural goods industries. The NFF seeks the continuation and expansion of DAFF's standing initiative, to continue to address the competition issues in Australia's PAG industries.

Recommendation 24 (Pillar 2): \$2 billion over 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 25 (Pillar 2): \$10 million over four years to continue global leadership in agricultural sustainability including the implementation of the Australian Agricultural Sustainability Framework (AASF). Activities are a business case (governance and operations), market testing and piloting, verification, communication, and resolution of data requirements.

This will ensure AASF is the authoritative source of information about whole of Australian agricultural sustainability for industry and government to use in sustainability-related trade and market access negotiations, meeting company ESG requirements (supply chain, finance and investors) and informing the community.

- \$3 million to evaluate, progress and confirm AASF including governance and operational arrangements so that is maintained as 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.
- \$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 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.
- \$500k to complete a whole-of-sector materiality assessment to test that the AASF is aligned with stakeholder, industry, supply chain and finance sector expectations and captures all material ESG areas that stakeholders would expect.

- \$1 million to expand the AASF Community of Practice to build a network of sustainability framework knowledge and expertise to resolve shared challenges around consistency, alignment and data.
- \$1.5 million for communications, outreach and education activities to continue to build awareness and engagement in sustainability (including the AASF) by farmers to encourage the adoption of sustainable land-based actions, including carbon and nature-positive farming practices.
- \$1 million for NFF to work with CSIRO to complete identification of the AASF principle and criteria data requirements and to advise DAFF on data platform and interoperability requirements. This investment will inform the larger DAFF investment in sustainability data.

Recommendation 26 (Pillar 2): \$40 million over four years to DAFF to enable the Department of Agriculture, Fisheries and Forestry to collaborate with CSIRO and NFF to resolve the national data set requirements to verify Australian agriculture's sustainability performance against the principles and criteria of the AASF.

This includes:

- Identifying data sets, transformation of existing data and identify data gaps
- Addressing data governance and ownership requirements
- Interoperability between AASF data, industry data sources and relevant government data sources (i.e. traceability)
- Alignment with related government data sources including traceability, Climate Services for Agriculture, National Soils Strategy, Biodiversity trading platform and various natural capital accounting activities
- Development of a AASF data platform or its integration on an appropriate existing platform
- Ongoing provision for maintenance, review and updating of data sets

Recommendation 27 (Pillar 2): \$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 28 (Pillar 2): \$100 million over four years to continue 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). 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 continue to invest in sustainability initiatives to align with and support state efforts in improving the GAB.

Recommendation 29 (Pillar 2): 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 30 (Pillar 2): \$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 31 (Pillar 2): 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 32 (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 Department of Climate Change, Energy, the Environment and Water 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 Climate Change, Energy, the Environment and Water staff to field work
- contracting suitably qualified locally based and trusted agricultural experts

Recommendation 33 (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 34 (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.

Recommendations 35 - 43 (Pillar 2): The NFF supports the following recommendations to further Australian agriculture's climate change priorities.

The Australian agricultural sector has already reduced its net emissions more than any other sector and remains at the forefront of climate adaptation and action in Australia. Australia's climate policies must recognise producers for the role they play in managing Australia's landscapes, their contribution

to food security, and must provide a pathway for a profitable, productive and sustainable agricultural sector into the future.

The NFF supports Australia's efforts to address climate change. The agricultural sector is focused on ensuring we are contributing to a significant downward trajectory. The agriculture sector understands and expects other sectors across the economy will play their part in reducing emissions rather than expecting agriculture to be the source of significant offsets.

The NFF supports an economy-wide aspiration of net zero emissions by 2050 provided that:

- there are identifiable and economically viable pathways to net neutrality, including impacts from inputs such as energy;
- Commonwealth and State legislation is effective, equitable and advantageous to deliver on ground programs that benefit agricultural interests and do not provide unnecessary regulatory impediment;
- No sector specific targets are imposed; and
- Global food security is considered in conjunction with overarching goals, not separately.

The NFF supports the following recommendations to further our industry's climate change priorities:

- **Recommendation 35:** \$25 million with state Government matching over four years for on-farm extension programs should be developed regarding the support of natural capital measurement and markets - as key facilitator of climate change mitigation. Support investment in education decision support tools and awareness programs to assist farmers' understanding of carbon emissions, sequestration, offsets, insetting and carbon markets.
- **Recommendation 36:** \$40 million over four years to Introduce a new Regional Investment Corporation (RIC) loan to assist farmers undertake emissions reduction activities.
- **Recommendation 37:** \$100 million to Prioritise development of ERF methodologies that encourage and provide ACCUs for adoption of methane reducing livestock feed technologies as soon as they are available. We recognise incentives in the Budget for this, but more needs to be done to support further innovation, methodology efficiency and adoption.
- **Recommendation 38:** \$10 million over four years to Ensure that the Climate Active certification system can keep pace with technology developments coming from industry and ensure that the system rewards the work that producers have already done to make their land a valuable carbon sink.
- **Recommendation 39:** \$100 million over the next four years to reintroduce legislation that would see carbon and biodiversity income treated as primary production income (*page X*).
- **Recommendation 40:** \$30 million over the next four years to establish mid-scale community and farmer 'informal REZs' (outside of declared REZs) which identify under-utilised hosting capacity in the network and encourage dispersed 1-5MW solar developments, making the electricity distribution work for farmers and regional communities.
- **Recommendation 41:** \$20 million over four years to provide refundable tax offsets on equipment which reduces emissions such as that use in zero till and controlled traffic systems.
- **Recommendation 42:** \$30 million to ensure a consistent approach to carbon accounting and measurement across agricultural sectors to enable accurate measurement and assist with calculating mitigation efforts and offsets, including through the National Soils Strategy.
- **Recommendation 43:** \$60 million to focus on innovation and investment in climate research and development that provides robust baseline information, drives innovation and builds resilience, and supports communication, adoption and extension. This should include

developing a comprehensive strategy to address climate change which incorporates the AGMIN National Action Plan.

Recommendation 44: \$1 million (to be drawn down on a needs basis) to assist primary producers via their representatives to resolve Native Title issues.

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 45 (Pillar 3): Additional funding allocated to network resilience and innovation programs to ensure that vital connectivity services are maintained during times of natural disaster.

Like all Australians, regional communities have experienced a range of natural disasters such as floods and bushfires in recent years. Not only have these put peoples' lives at risk, but they have had significant impacts on the ability of regional Australians to operate businesses and access health and education services. This impact is felt not just during the events, but in many cases for an extended period following.

The NFF has previously welcomed network resilience initiatives such as the Strengthening Telecommunications Against Natural Disasters program rolled out following the 2019-20 bushfire season.

Given the ever-increasing reliance on connectivity services and the ongoing prevalence and impact of natural disasters, funding should be allocated for continued investment in network resistance initiatives. This should include funding for the extension of similar programs previously delivered as well as investigation of innovative means to improve the resilience of connectivity during times of natural disaster, such as satellite-delivered mobile connectivity.

Recommendation 46 (Pillar 3): Consistent with the Australian 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 Australian Government's *Rewiring the Nation* plan and *the National Reconstruction Fund*.

Recent Australian 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 47: \$20m over four years to develop and implement an enforceable code to ensure future transmission lines on agricultural land are placed in the landscape with proper consultation, appropriate compensation and do not adversely impact existing land use.

The transition to renewable energy could mean thousands of kilometres of new transmission lines on agricultural lands. Such projects must work in a way that benefits agriculture, rather than creating new challenges and headaches for farmers. Importantly, they must not get in the way of food production and our responsibility to ensure food security. A critical measure of success for *Rewiring the Nation* will be whether landholders, especially farmers, are subjected ineffective, sham consultation mechanisms with predetermined outcomes.

As our industry looks to actively engage in Australia's transition to renewable energy, the NFF recommends the development and implementation of an enforceable code as a matter of urgency to ensure future transmission lines on agricultural land are placed in the landscape with proper consultation, appropriate compensation and do not adversely impact existing land use.

Recommendation 48 (Pillar 4): \$2 million over three years to support Farmsafe Australia's campaign for farm safety as well as the biennial Farmsafe Conference.

Farms continue to be amongst the most dangerous worksites in 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. According to the Farmsafe Australia 2022 Safer Farms Report, 12 fewer farmers died on Australian farms in 2021 compared to 2020 and 2019. The report stresses that while this is a significant step forward, 46 farmer deaths in 2021 is a tragedy. Farmsafe Australia remains committed to reaching 0 fatalities and reducing incidents on farms by advocating for safer practices,

leading a social movement towards behaviour change, informing our audience on changes to the WHS environment and educating as many farmers and farm workers as we can.

We must continue 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 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, 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
- 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 Farmsafe works toward increasing corporate sponsorship, funding is required for Farmsafe to develop and meaningfully continue its safety role. The NFF is calling on the Australian Government to commit to budgetary measures which will demonstrate its support for this invaluable institution.

Recommendation 49 (Pillar 4): \$12 million over four years to establish small employer concierge service to support employers accessing and engaging with the PALM scheme¹.

Employers face several challenges accessing the PALM scheme, upfront costs play a part in this, however there are other barriers to participation that can be addressed. This includes administration associated with the responsibilities stated in the deed, healthcare, pastoral care, accommodation and ensuring compliance across a number of intersecting requirements. Large growers with dedicated HR

¹ The costing of this proposal is based on 15 PALM concierge officers across the country at an EL1 level salary at DAFF. The total cost per adviser would be \$180,000. This equates to \$2.7 million per year plus set up costs. This includes associated expenses such as internal management costs, accommodation and services, supplies and equipment, phone, data and internet and travel.

resources do not encounter the same difficulty navigating these challenges compared to smaller growers.

We need to encourage and assist smaller employers' engagement to maximize the PALMs potential. To address this, the NFF is proposing a concierge service to be established in each state and territory. The service would have a heightened focus on support for new employers *seeking to enter* the scheme, some possible functions include:

- providing advice on eligibility requirements
- guiding employers through the application process toward becoming an approved employer
- assisting in sourcing accommodation solutions
- providing cultural awareness support
- linking potential employers interested in sharing short-term workers under the employer-initiated portability model.

The staffing would be proportionate to the number of potential Approved Employers in each state, with the assumption that the demand for workers can be extrapolated from the current usage². We would suggest that the staffing provision be as follows: WA 2, SA 2, NT 2, QLD 3, NSW 2, VIC 2, TAS 2. This would total 15 PALM concierge officers across the country.

The role should be focused exclusively on agriculture, with an emphasis on the short-term SWP scheme where the demand for a seasonal, flexible workforce remains. WA's Labour Scheme Facilitator performed a similar function, however this has since concluded. We suggest parameters on accessing the service, whether that be with number of employees seeking to hire or business turnover.

This service will have increasing relevance moving forward when the currently negotiated employer-initiated portability model is implemented. The concierge service in this case would be linking employers and coordinating the sharing of workers in the SWP.

Recommendation 50 (Pillar 4): \$50 million over three years to enable a national roll-out of the AgSkilled initiative.

An effective initiative seeking to bolster the quality and relevance of capability development for the agriculture workforce is the NSW Government's AgSkilled initiative. AgSkilled was first established in 2017 as an industry led initiative for the plant-based sector, with the goal of developing an education and training system which 'joins the dots' between the farm industry, VET and workers. In its current iteration, AgSkilled 2.0, it offers \$15m over 3 years to 2023. Funding is available to existing on-farm staff and industry professionals to undertake short-course training by an approved Registered Training Organisation (RTO) against a list of priorities agreed with industry. The specific competencies and short courses are determined by a steering committee made up of the industry representatives, with the Department of Primary Industries and industry Training Advisory Bodies as observers.

Training responds to the needs of industry and workers, and funding is tailored to demonstrated requirements and can be adjusted to suit students with a range of skills and experience. It is offered

² <https://www.palmscheme.gov.au/sites/default/files/2022-10/Expanding%20and%20improving%20PALM%20scheme%20-%20September%202022.pdf>

in areas as diverse as precision agriculture, emerging technologies, business management, farm machinery operation and maintenance, and soils and nutrition.

The National Agricultural Workforce Strategy spoke to the success of the program, and in response recommended that the government: "Establish multiparty ag labour advisory committees to lead development of demand- driven capability programs across the sector."

As publicly funded vocational training is a joint commitment by the Australian and State Governments, a targeted funding allocation specifically to develop and retain the Agriculture workforce to be managed by each jurisdiction in close consultation with, and oversight by, industry should be prioritised.

Recommendation 51 (Pillar 4): Investigate proposals put forward by National Seniors Australia to increase pensioners participation in the workforce. Budget neutral at 8.3 per cent pensioner take up rate.

The NFF is supportive of measures that will enable pensioners to increase participation in the workforce. If our participation rate (66.5 per cent) was equivalent to that of New Zealand (71.7 per cent), the rate of pension poverty would halve, tax receipts would be boosted by tens of billions annually, and the 500,000 job vacancies would largely be filled.

The NFF acknowledges the Government's one-off increase to the work bonus to assist pensioners in the short-term, however this falls short of the reform that is required. The NFF calls for a reduction in the government payment income test taper rates to 32.5c in the dollar for all payment recipients, including Age Pension, Disability Pension, Youth Allowance and JobSeeker. Furthermore, the NFF supports the policy options proposed by National Seniors Australia to give effect to this change. It would boost workforce participation throughout life (including later life). It will also help address poverty by reducing barrier inherent in government payment income test taper rates, which are unfairly penalizing people who need to work.

The fiscal risks could be reduced if the policy was targeted at key sectors – especially those that skew higher in terms of worker age, such as agriculture. Deloitte's costing of this proposal estimate it to be [cost] neutral if 8.3 per cent of pensioners take up the opportunity to go back to work (174,000) or work more (5,000)." After that the policy is revenue positive.

The NFF are also open to consultation with the Government on a number of other policy options that would seek to provide pensioners with an incentive to remain in the workforce such as deferred pension incentives for aged pensioners. These policies will enable workers to mobilise and support low-income and low-wealth Australians to build savings to enable a better and more equitable retirement in the lead up to the Federal Budget.

Recommendation 52 (Pillar 4): \$15.5 million over five years to establish and deliver a national, agricultural-industry led approach to grow farmers' wellbeing and prevent suicides, via farmer-focused mental health education campaigns and an accessible 24/7 farmer-friendly helpline.

A key feature of capable people and vibrant communities is good mental health. Farmers die of suicide at twice the rate of other working Australians. They are also half as likely to have seen a mental health professional in the past 12 months, compared to other rural people.

Research has consistently shown that farmers will only access mental health-related help if they feel that the person offering support understands their way of life. Based upon our own knowledge of the farming population and advice from farmer mental health and suicide prevention experts, we believe that the most meaningful way in which we can address this issue on a national scale over the next five years, is to use trusted agricultural industry organisations, targeted TV and radio advertisements and an accessible farmer-friendly helpline, to change attitudes towards help-seeking, increase wellbeing-promoting behaviour and reduce suicide risk. Similar farmer mental health campaigns exist in New Zealand, where the suicide rate among farmers is significantly lower.

If this strategy prevented 3 deaths by suicide each year of the campaign, there would be a net economic benefit to the Australian economy. The farmer-friendly helpline would not replicate existing support, instead, provide the opportunity for farmers who are known to not engage with existing services, to seek appropriate help.

This approach aligns with the Australian Government's commitment to develop safer and more productive agricultural workplaces, would support current natural disaster responses (the mental health effects from which may not be fully felt for some time), and would strengthen efforts to prepare for future potential challenges, such as a biosecurity emergency, which would have devastating consequences for Australian farmers' mental health.

Recommendation 53 (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 54 (Pillar 4): \$36 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 55 (Pillar 5): Maintain in perpetuity the fuel tax excise rebate for off-road use, including expansion to aviation use for pastoral purposes.

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 56 (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 57 (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 58 (Pillar 5): \$50 million over four years for a further round of the successful Emergency Water Infrastructure Scheme

The NFF recommends that the Australian 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 59 (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.



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