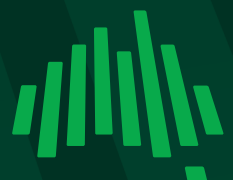


**National
Farmers
Federation**

Invest in Australian Agriculture. Invest in Australia's Future.

The National Farmers' Federation's 2024–25 Pre-Budget Submission



Message from the President

The Australian economy is facing a set of significant challenges. Stagnating productivity, increasing inflation and the challenge of transitioning to a net-zero economy all offer downside risks to Australia. However, in this era of evolving economic, demographic, and environmental challenges, the Australian agricultural sector is both a beacon of resilience and a catalyst for transformation.

Targeted, strategic investment in Australian agriculture offers reliable, well-paying job, increases productivity on-farm and across the economy and will play a key role meeting the challenge of producing more food in the face of a changing climate.

The 2023 Australian Government Intergenerational Report (IGR) offers a profound insight into the forces shaping our nation's future. It highlights the critical issues of an ageing population, technological transformation, climate change, and the imperative to provide quality care services to our citizens. In these challenges, however, lies a unique opportunity – the opportunity to harness the potential of agriculture as a cornerstone of prosperity, innovation, and sustainability.

Agriculture has been integral to Australia's identity and economic fabric for generations. It is not merely a sector; it is a way of life, a source of livelihood for countless families, and a driver of economic growth. Yet, it is also a dynamic and forward-looking industry that continuously adapts to meet the needs of a changing world.

In the face of the formidable challenges facing our economy, agriculture holds the key to a brighter future for our nation. This pre-budget submission outlines 17 crucial recommendations for government investment that can empower agriculture to overcome these challenges while boosting productivity across the entire economy.

Our recommendations encompass a spectrum of initiatives, from bolstering regional infrastructure to enhancing biosecurity, fostering innovation in agricultural data to preparing for droughts, supporting farm safety, and creating pathways for the next generation of farmers. These investments are not isolated; they form a strategic web that intertwines economic growth, environmental stewardship, social wellbeing, and regional resilience.

This pre-budget submission is more than a call for government investment; it is a vision for a prosperous, sustainable, and resilient Australia. It is a testament to the enduring spirit of Australian agriculture and its potential to shape our nation's future. Australian agriculture is a powerhouse of regional Australia and the broader economy. Investing in this industry provides dividends across employment, productivity, and sustainability.

Let us seize the opportunity to invest in agriculture, enabling it to continue its legacy as a cornerstone of our nation's prosperity. Together, we can unlock the potential of Australian agriculture to not only overcome the challenges of today but to chart a course towards a brighter, more resilient future for all Australians.

David Jochinke

President, National Farmers' Federation

17 Investments to Empower Australian Agriculture

1. \$1 billion over four years for regional infrastructure reconstruction focused on investing in productivity improvements in Australia's international freight supply chains.
2. \$50 million to accelerate the uptake of new on-farm infrastructure that increases drought preparedness on Australian farms.
3. \$110 million annually through implementing a container levy/charge on inbound freight to ensure risk creators pay their fair share to support Australia's biosecurity system.
4. \$2 million over two years for an industry-led campaign to reinforce best-practice farming and stewardship regarding the application, use and disposal of Agricultural and veterinary chemicals and medicines.
5. \$50 million over three years to enable a national rollout of the AgSkilled initiative.
6. \$3 million over two years to extend the Productivity Education and Training Fund to specifically support the farmers and the farming sector with more active advice and consultation roles on current and future workplace relations law and reforms
7. \$175 million over four years for a 'farmworker accommodation stimulus package' of taxation concessions and incentives to accelerate the construction and upkeep of farmworker accommodation.
8. \$2 million over three years to support Farmsafe's campaign to reduce the incidence of injury and fatality on Australian farms.
9. \$4.4 million over three years for the extension of AgCAREERSTART
10. \$2 billion over four years to support complementary measures in the Murray-Darling Basin.
11. \$50 million over four years for the implementation of National Water Reform, including support for further research into effective water planning and management in northern Australia.
12. \$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.
13. An additional \$50 million over four years in climate-related R&D that provides robust baseline information, drives innovation, builds resilience, and supports communication, adoption, and extension.
14. \$80 million over four years to establish an outreach facility to enable face-to-face interaction with farmers on the implementation of the EPBC Act.
15. \$19.2m over four years to support the Australian Veterinary Association Rural Placement Incentives Scheme.
16. \$30 million over four years for the long-term continuation of the ATMAC Program.
17. \$17 million over five years for a bold, national, agricultural industry-based intervention to grow farmers' wellbeing and prevent suicides across the sector.

Investment 1

\$1 billion over four years for regional infrastructure reconstruction focused on investing in productivity improvements in Australia’s international freight supply chains.

What is the issue?

Australian agriculture is heavily reliant on efficient transport networks to access global markets. However, current infrastructure is inefficient and hinders the seamless movement of goods across the country. This has been made worse by the significant flooding across eastern Australia from 2020 to 2023.

Why does it matter?

Investing in regional infrastructure is crucial for several reasons, including:

- *Global competitiveness:* Australia's ability to compete in global markets depends on efficient and reliable transportation networks. Delays or inefficiencies in supply chains can result in increased costs and a loss of market share.
- *Agricultural sector growth:* to ensure the continued growth of agriculture, farmers need improved access to international markets. Efficient supply chains reduce costs, increase market access, and enhance the competitiveness of Australian agricultural products.
- *Reduction in carbon emissions:* modernising infrastructure can lead to more efficient transportation methods, reducing fuel consumption and greenhouse gas emissions.
- *Resilience:* upgraded infrastructure can withstand natural disasters and other disruptions, ensuring a more resilient supply chain that can recover quickly from unforeseen events.

Additional information:

The \$1 billion investment should be strategically allocated to projects that enhance the international freight supply chain, including roads, railways and ports. Priority should be given to regions that are major agricultural production hubs and can potentially boost export volumes significantly. This should focus on redeveloping and repairing damaged infrastructure during the significant flooding across eastern Australia between 2020 and 2023.

Overall, this investment will improve the efficiency and competitiveness of Australia's international freight supply chains and contribute to the agricultural sector's long-term growth and sustainability, benefitting both rural and urban communities and the nation as a whole.

Investment 2

\$50 million to accelerate the uptake of new on-farm infrastructure that increases drought preparedness on Australian farms.

What is the issue?

Drought is a fundamental part of Australian agriculture. However, drought's increasing frequency and severity threaten the long-term productivity and profitability of farms across Australia. With drying conditions across much of eastern Australia, it is time to accelerate drought preparedness preparations for Australian farms to ensure their ongoing resilience in the face of drought.

Why does it matter?

This investment will support increased resilience across Australian agriculture, delivering benefits including:

- *Regional economic stability:* agriculture is a cornerstone of regional economies across the country. Drought-related losses can have a cascading effect across these communities, affecting farmers and downstream industries, employment, and economic growth.
- *Farm viability:* support for drought preparedness enables farmers to manage better the risks associated with drought, strengthening their ability to recover quickly and effectively following drought.
- *Environmental conservation:* adequate drought preparedness can help protect and preserve fragile ecosystems and natural resources by managing water usage and soil conservation.

Additional information:

The Future Drought Fund supports public good measures and long-term drought preparedness. However, the FDF does not support individual activities. As such, the government's investment should be strategically implemented to accelerate the uptake of new infrastructure that increases drought resilience.

The \$50 million investment should be strategically allocated to projects and initiatives that enhance drought preparedness across various aspects of agriculture and rural life. This could include:

- *Infrastructure:* upgrading and modernising on-farm water storage and distribution systems, including dams and irrigation infrastructure, to optimise water usage during periods of scarcity.
- *Education and training:* investing in farmer education programs and training on drought management, financial planning during droughts, and sustainable farming practices.

This investment will help mitigate the immediate impact of droughts and contribute to the long-term sustainability and resilience of Australia's agricultural sector and rural communities.

Investment 3

\$110 million annually through implementing a container levy/charge on inbound freight to ensure risk creators pay their fair share to support Australia's biosecurity system.

What is the issue?

Our target of a \$100 billion agricultural industry by 2030 is heavily reliant upon Australia maintaining a favourable biosecurity status, underpinning our domestic production and advantageous market access. Appropriate resourcing is central to protecting Australia's agriculture industries, natural environment, community and economy from the damaging impacts of pests and diseases.

The omission of such a levy in the 2023-24 budget should be rectified to protect Australia's biosecurity interests and ensure risk creators contribute commensurate with their risk profile.

Why does it matter?

Investing in biosecurity through a container levy is crucial for several reasons:

- *Protection of agriculture:* Australia's agriculture industries are vulnerable to pests and diseases that can devastate crops and livestock. A well-funded biosecurity system is vital to safeguard the country's food production and agricultural exports.
- *Environmental preservation:* invasive species can have catastrophic effects on Australia's unique ecosystems. Adequate funding for biosecurity ensures the protection of native flora and fauna.
- *Economic resilience:* a biosecurity breach can lead to trade disruptions and loss of market access, impacting the Australian economy. Investing in prevention and early detection minimises economic risks.

Additional information:

The impact of Varroa mite and the threat of Lumpy Skin Disease and Foot and Mouth Disease are just a few of the myriad of pest and disease threats facing Australian agriculture. The National Biosecurity Strategy released in 2022 outlined the vision and framework required to evolve our biosecurity system to ensure it remains strong continually.

Decades of reviews have identified that risk creators, such as importers, have a clear responsibility to contribute commensurate with their risk profile.

The container levy policy proposal was the product of multiple reviews of Australia's biosecurity system. The merits of the policy were confirmed once again this year by Frontier Economics, who when assessing a range of biosecurity funding options against the criteria of efficiency, equity, adequacy & dependability, and simplicity, it found that it scored the highest possible result for all categories.

The omission of such a levy in the 2023-24 budget should be rectified to protect Australia's biosecurity interests. The \$110 million per year raised through the container levy should be dedicated to strengthening and expanding Australia's biosecurity system.

Investment 4

\$2 million over two years for an industry-led campaign to reinforce best-practice farming and stewardship regarding the application, use and disposal of Agricultural and veterinary chemicals and medicines.

What is the issue?

Agricultural and veterinary chemicals and medicines are key drivers of productivity in Australian agriculture. However, their misuse can have significant impacts on farmer and environmental health. While agricultural practices have evolved to prioritise safety and environmental sustainability, there is still a need to consistently promote best practices.

Why does it matter?

Investing in an industry-led campaign for best-practice farming and stewardship in chemical and medicine usage is essential for several reasons:

- *Environmental sustainability:* proper application, use, and disposal of chemicals and medicines help prevent unintended production impacts, preserving natural resources and protecting biodiversity.
- *Community trust and confidence:* demonstrating a commitment to sustainable and responsible practices enhances public trust in the agricultural sector. This trust is vital for maintaining community support.
- *Market access:* many international markets require strict adherence to chemical usage regulations. Ensuring compliance supports ongoing market access opportunities for Australian producers and upholds the nation's "clean and green" image.

Additional information:

The \$2 million investment will allow an industry-led program that focuses on the following aspects:

- *Education and outreach:* develop and disseminate educational materials and resources to farmers, providing practical guidance on the correct application, use, and disposal of agricultural and veterinary chemicals and medicines.
- *Stewardship promotion:* promote existing stewardship activities and programs developed by agricultural industries. Encourage farmers to participate in these programs to foster a culture of responsible chemical usage.
- *Technology adoption:* encourage the adoption of technology and innovations that improve the precision and efficiency of chemical and medicine usage, reducing waste and environmental impact.

This campaign will reinforce the importance of best management and stewardship practices, improve understanding among producers, and ultimately ensure the continued uptake of responsible practices. This investment is about maintaining public trust and securing Australia's position as a reliable and sustainable source of agricultural products in the global market.

Investment 5

\$50 million over three years to enable a national rollout of the AgSkilled initiative.

What is the issue?

The agriculture sector in Australia is facing evolving challenges and opportunities driven by technological advancements, changing consumer preferences, and the need for sustainability. To meet these challenges effectively, it is crucial to equip the existing agricultural workforce with the necessary skills and knowledge. However, access to relevant training and upskilling opportunities can be limited in rural and regional areas.

Why does it matter?

Investing in the national expansion of the AgSkilled initiative is essential for several reasons:

- *Skills gap:* many workers and farmers in the agriculture sector may lack the skills required to adapt to new technologies, sustainable farming practices, and changing market demands. Closing this skills gap is vital for the industry's long-term competitiveness.
- *Workforce resilience:* a skilled and adaptable workforce is more resilient in facing climate change, market fluctuations, and supply chain disruptions. Well-trained farmers and workers can better navigate these challenges.
- *Innovation and productivity:* upskilling the agricultural workforce fosters innovation and productivity. It enables the industry to adopt modern practices, technologies, and sustainable methods, ultimately leading to improved agricultural output.

Additional information:

The \$50 million investment should be allocated to support the national rollout of the AgSkilled initiative, ensuring it reaches farming communities across the country. Key components of this initiative should include:

- *Course development:* funding for developing short courses that address industry-specific skills gaps and align with the evolving needs of the agricultural sector.
- *Access and outreach:* establishing accessible training centres and online platforms to ensure that all farmers and workers, regardless of their location, can participate in the training programs.
- *Certification and recognition:* providing participants with recognised certifications and credentials that validate their newly acquired skills, making them more employable and valuable to the industry.

The national expansion of the AgSkilled initiative not only addresses immediate workforce development needs but strengthens the long-term sustainability and competitiveness of the Australian agriculture sector. This investment will contribute to the industry's ability to adapt, innovate, and thrive in an ever-changing landscape.

Investment 6

\$3 million over two years to extend the Productivity Education and Training Fund to specifically support the farmers and the farming sector with more active advice and consultation roles on current and future workplace relations law and reforms.

What is the issue?

The agriculture sector in Australia is subject to evolving workplace relations laws and reforms that can significantly impact farmers and the farming sector. However, farmers often face challenges in understanding and adapting to these complex regulations, which can result in compliance issues, inefficiencies, and increased administrative burdens.

Why does it matter?

The unique nature of agricultural work requires tailored guidance and consultation to ensure that workplace laws and reforms are practical and effective in this context. Investing in the extension of the PET Fund to support farmers and the farming sector is essential for several reasons:

- *Specific industry needs:* agriculture has distinct workplace requirements and challenges that generic workplace relations laws and reforms may not adequately address. Tailored advice and consultation are essential to ensure that these regulations align with the realities of farming.
- *Compliance and efficiency:* farmers must comply with various workplace laws, from employment contracts to health and safety regulations. Access to active advice and consultation can help farmers navigate these requirements efficiently and effectively.
- *Productivity and innovation:* supporting farmers with education and training initiatives related to workplace laws promotes productivity and innovation within the sector. It enables farmers to adopt best practices that drive growth and sustainability.

Additional information:

The \$3 million investment should be allocated to extend the PET Fund to the NFF, allowing them to take a more active role in advising and consulting on workplace relations law and reforms. Key components of this initiative should include:

- *Tailored guidance:* develop resources and advisory services specifically designed for farmers and the agricultural sector to help them understand and implement workplace regulations.
- *Education and training:* create educational programs and training initiatives that empower farmers and their workforce to engage effectively with workplace laws and reforms.

By extending the PET Fund to the NFF, this investment not only addresses the unique needs of the farming sector but also contributes to more effective, balanced, and practical workplace relations policies. It empowers farmers to navigate complex regulations, enhances compliance, and promotes Australian agriculture's long-term sustainability and growth.

Investment 7

\$175 million over four years for a ‘farmworker accommodation stimulus package’ of taxation concessions and incentives to accelerate the construction and upkeep of farmworker accommodation.

What is the issue?

Farmworker accommodations are essential for attracting and retaining agricultural labour, particularly in remote or rural areas. However, many farms lack adequate housing facilities for their workers, leading to labour shortages, workforce turnover, and substandard living conditions.

Why does it matter?

Investing in farmworker accommodations supports the sector's ability to attract and retain a skilled workforce, enhances productivity and safety, improves industry reputation, and contributes to the overall economic stability and growth of rural and regional communities. This policy promotes a fair and responsible approach to labour practices within the agricultural sector.

Investing in a 'farmworker accommodation stimulus package' is essential for several reasons:

- *Labour attraction and retention:* access to suitable and comfortable accommodations is key to attracting and retaining skilled agricultural workers.
- *Safety and health:* proper accommodations promote worker safety and health by providing hygienic and comfortable living spaces. This reduces the risk of accidents and illnesses associated with substandard housing.
- *Industry reputation:* a commitment to providing quality accommodations demonstrates the agricultural sector's responsibility and care for its workforce. This can improve the sector's public image and strengthen community support.

Additional information:

The \$175 million investment should be allocated to support the following aspects of the 'farmworker accommodation stimulus package':

- *Construction financing:* provide financial support through access to Farm Management Deposits (FMD) to assist farmers in financing the construction of worker accommodations.
- *Taxation concessions:* introduce taxation concessions that incentivise the development of worker accommodations, such as deductions or rebates related to construction costs.
- *FBT concessions:* offer Fringe Benefits Tax (FBT) concessions to reduce the financial burden on employers providing accommodations for farm workers.
- *Accelerated depreciation:* allow accelerated depreciation to maintain and improve farmworker accommodations to encourage upkeep and modernisation.

Investment 8

\$2 million over three years to support Farmsafe’s campaign to reduce the incidence of injury and fatality on Australian farms.

What is the issue?

Farm safety is a critical concern in the agricultural sector, with the industry continuing to be the most dangerous in Australia. Since 2020, Farmsafe’s revitalisation has supported the development and implementation of multiple national awareness campaigns, educational resources and engagement Initiatives that continue to grow in their reach and messaging effectiveness. However, this funding has ended and, without continued government support, risks reducing the options available for Farmsafe’s ongoing positive contribution to Australian agriculture.

Why does it matter?

Farms can be hazardous environments, with numerous risks associated with heavy machinery, livestock, chemicals, and an aging workforce. Many on-farm incidents are preventable through education, awareness, and improved safety practices. Investing in farm safety campaigns and Initiatives led by Farmsafe is essential for several reasons:

- *Lives saved:* promoting farm safety can save lives by reducing the incidence of life-altering Injuries and fatalities on farms. It ensures that those working in agriculture have the Information necessary to return home safely to their families daily.
- *Long-term cultural change:* by instilling safety practices and awareness from one generation to the next, we create a culture of safety that becomes ingrained in a farm's identity. This ensures that safe practices are passed down, learned, and internalised, making them a natural part of daily farm operations.
- *Health and well-being:* farm Injuries and fatalities can have long-lasting physical and psychological impacts on individuals and their families.
- *Workforce retention:* improving farm safety can make the agricultural sector attractive to potential workers, leading to a more stable workforce.

Additional information:

The \$2 million investment should be allocated to support the implementation of Farmsafe's National Farm Safety Education Fund Strategy in the following ways:

- *Education and awareness:* develop and disseminate educational materials and resources to farmers, farm workers, owners and Industry stakeholders, highlighting key safety practices and information.
- *National campaigns:* launch extensive national awareness campaigns across various media channels, including digital, print, and social media, to reach a broad audience and promote a culture of farm safety.
- *Community engagement:* collaborate with and facilitate conversations between, farming families, rural and regional communities, agricultural associations, industry stakeholders, and government to ensure a coordinated effort to improve farm safety through consistent messaging.

Farmsafe's national awareness campaigns are crucial in reducing the risk of injuries and fatalities on Australian farms. This investment is not just about financial support; it's about fostering a safety culture, raising awareness, and empowering individuals in the agricultural sector to prioritise their well-being and the well-being of their fellow workers.

Investment 9

\$4.4 million over three years for the extension of AgCAREERSTART

What is the issue?

AgCAREERSTART is a gap-year in agriculture program that connects school leavers and young Australians with rewarding careers in agriculture. Since its launch in 2021, AgCAREERSTART has introduced more than 100 young Australians to agriculture. However, existing funding is ending, and without additional funding, this program may cease to operate.

Why does it matter?

Ongoing delivery of AgCAREERSTART is essential for several reasons:

- *Workforce development:* AgCAREERSTART plays a crucial role in attracting and nurturing talent in the agricultural sector. It helps address the labour shortage by connecting young individuals with rewarding career opportunities in agriculture.
- *Skill development:* the program provides young people with valuable skills, knowledge, and experience, equipping them for a successful career in agriculture and related industries.
- *Youth engagement:* engaging young people in agriculture through a clear pathway benefits the sector and offers young individuals meaningful and fulfilling career prospects.
- *Diversity and inclusion:* tailoring support and creating clear pathways for First Nations people and people with disabilities therefore advancing industry as an employer of choice and accessible to all.

Additional information:

The \$4 million investment allows AgCAREERSTART to continue to support young Australians to enter the agricultural workforce through:

- *Pastoral support and mentoring:* provide critical support to young Australians from diverse backgrounds seeking to enter agriculture, ensuring high retention, improved safety outcomes and overall satisfaction.
- *Skills development:* offer training programs and workshops to equip young individuals with the practical skills and knowledge required for careers in agriculture, including technology and innovation skills.
- *Career guidance:* develop career guidance programs to help young people navigate career pathways in agriculture and make informed decisions.
- *Industry engagement:* foster collaboration between AgCAREERSTART and agricultural organisations, businesses, and educational institutions to create a seamless transition from education to employment.
- *Farmer upskilling:* provide farmers training opportunities to assist and encourage employing young Australians from diverse backgrounds, such as cultural awareness training and disability awareness training.

Supporting AgCAREERSTART ensures that the agricultural sector can attract, train, and retain the talent needed to thrive in the future.

Investment 10

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

What is the issue?

Complementary measures are projects that do not provide water offsets – they are non-flow measures that improve environmental outcomes. This may include:

- installation of fishways
- fish diversion screens
- addressing cold water pollution
- managing carp
- supporting riparian vegetation

Why does it matter?

Complementary measures in the Murray-Darling Basin are essential for several compelling reasons:

- *Holistic environmental approach:* while water flow is a significant factor, true ecological health requires a multi-pronged strategy. Implementing these measures helps ensure the Basin's overall environmental vitality.
- *Enhanced ecological outcomes:* by addressing factors like cold water pollution, fish diversion, and carp management, we can achieve better environmental results that aren't solely reliant on water flow adjustments.
- *Community benefits:* these measures don't just help the environment; they directly impact Basin communities by fostering a healthier ecosystem, which in turn supports socio-economic activities.
- *Filling the gaps:* the current Basin Plan, while impactful, has areas that have been largely overlooked. By investing in these complementary measures, we can create a more comprehensive and effective strategy.

Additional information:

The Murray-Darling Basin is a crucial ecosystem that plays a vital role in sustaining regional communities, driving agricultural production and supporting diverse environmental habitats. 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 restoring and maintaining adequate water flow is undeniably essential, relying solely on this approach overlooks the multifaceted nature of ecological health and community welfare. 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.

The proposed \$2 billion investment over four years will be instrumental in propelling the Murray-Darling Basin towards a sustainable future. By endorsing and financing these complementary measures, we not only address the gaps in the current Basin Plan but also champion a holistic approach that promises enhanced ecological outcomes and fortified community resilience. This strategic investment will ensure the long-term vitality of the Murray-Darling Basin and the communities it nurtures.

Investment 11

\$50 million over four years for the implementation of National Water Reform, including support for further research into effective water planning and management in northern Australia.

What is the issue?

The National Water Reform is at a crucial juncture. Robust water policy is fundamental to sustain agriculture and river communities. Climate change poses an imminent threat to water security, accentuating the urgency for the renewal of the National Water Initiative.

Why does it matter?

The implementation and renewal of the National Water Reform are essential for various compelling reasons:

- *Agricultural stability:* water security is foundational for agriculture, a sector that heavily depends on consistent water availability for sustained productivity.
- *Ecological and economic health:* the vitality of river communities, both from an ecological and economic standpoint, is intricately tied to effective water policies.
- *Climate change challenges:* as climate change progresses, the threat to water security becomes more pronounced. Adaptive strategies and updated policies are imperative to mitigate these challenges and safeguard resources.
- *Northern Australia development:* Northern Australia possesses significant agricultural potential. Realising this potential hinges on a nuanced understanding of water management in the region, ensuring not just growth but also the wellbeing of its communities.

Additional information:

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.

The NFF is aligned with the Government's vision for the development of northern Australia. While foundational research, such as the CSIRO Northern Australia Water Resource Assessment, has shed light on the region's agricultural capacities, the intricacies of water management remain less explored. Recognising the value of cultural assets in the north, understanding their interplay with water resources, and ensuring that any developmental activities are harmonious with these values is a priority.

The industry's experience with the Murray-Darling Basin has reinforced the importance of robust water governance frameworks. Such structures are pivotal in facilitating regional growth and ensuring economic prosperity in northern territories. However, the road to development must be treaded with caution, ensuring that the frameworks in place are comprehensive, well-informed, and considerate of both environmental and social implications.

Investment 12

\$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.

What is the issue?

Natural capital markets are in their infancy and lack adequate structures and incentives for effective environmental stewardship. Current market systems overlook the value of natural capital, leaving no direct motivation for conservation efforts. The development and reinforcement of natural capital markets are vital for several compelling reasons:

- *Farm business resilience:* climate change has eroded farmers' profits significantly, introducing greater market volatility and uncertainties. Robust natural capital markets can provide stability and support for these businesses.
- *Global market alignment:* with a global shift towards sustainable models influenced by Sustainable Development Goals and ESG objectives, Australia needs to align its practices to remain competitive.
- *Incentives for sustainability:* by developing these markets, farmers receive tangible financial incentives to adopt and maintain sustainable practices, promoting long-term environmental stewardship.
- *Positioning in global markets:* beyond domestic benefits, the evolution of our natural capital markets will position Australia favourably in international markets that prioritise sustainability and environmental conservation.

Why does it matter?

Climate change and its detrimental impacts have already eroded farmers' profits significantly over the past two decades. With mounting market volatility and increasing uncertainties stemming from environmental changes, farm businesses are under immense strain. Global markets are pivoting towards sustainable models, influenced by Sustainable Development Goals, ESG objectives, and other global initiatives. To remain competitive and resilient, the Australian agricultural sector needs robust natural capital markets. The development of these markets will not only provide farmers with the financial incentives to adopt sustainable practices but will also position Australia favourably in global markets that prioritise sustainability.

Additional information:

Several initiatives, like the government's Agriculture Stewardship Package which includes the Biodiversity Trading Platform, the Carbon + Biodiversity Pilot program, and the Enhancing Remnant Vegetation Pilot, are pioneering efforts in the realm of natural capital markets. However, for these to realise their full potential, the creation of an open and transparent market, akin to a stock exchange, is paramount.

One of the primary challenges in this venture is the quantification and valuation of natural capital. While there are concerted research efforts backed by both the government and the private sector, more investment is crucial for market development and validation. Past reviews of the EPBC Act, such as the Hawke review and the Samuel review, have consistently highlighted the potential of market-based mechanisms in driving environmental conservation. For instance, the recommendation of a national biodiversity banking system can integrate seamlessly with project approvals.

Investment 13

An additional \$50 million over four years in climate-related R&D that provides robust baseline information, drives innovation, builds resilience, and supports communication, adoption, and extension.

What is the issue?

The agricultural sector faces significant challenges in managing emissions and transitioning towards net-zero targets. Effective climate action within agriculture requires a comprehensive understanding of current baseline emissions and the development of innovative technologies and practices. This includes advancements in livestock feed, enhancing farm resilience, and adapting to new technologies. Additionally, there is a need for resources to align farm accounting systems with emerging climate-related financial disclosure policies and to ensure farmers are equipped to meet these requirements.

Why does it matter?

Agriculture is a key sector in the pursuit of national net-zero emissions by 2050, yet it stands at a crossroads due to the inherent difficulties in managing its emissions. The sector requires targeted research and development (R&D) to forge a clear path towards emission reduction while maintaining productivity. The importance of enhancing climate-related R&D in agriculture is multi-faceted:

- *Path to net-zero:* agriculture is pivotal in achieving national net-zero emissions by 2050. Targeted R&D is crucial to navigate the sector's unique emission challenges while ensuring continued productivity.
- *Climate impact mitigation:* as the effects of climate change intensify, the agricultural sector needs innovative solutions to adapt and remain resilient, making R&D ever more imperative.
- *Sustainability and productivity:* the twin goals of sustainability and productivity can be harmonised through effective R&D, ensuring Australian farmers remain competitive in a changing climate.
- *Methodologies and carbon markets:* to enable Australian farmers to participate meaningfully in climate action, the development of new methodologies and accessible carbon markets is essential.

Additional information:

The NFF recognises that climate change is already affecting the agricultural industry and emphasises the necessity of constructive policy support for transition and adaptation. The proposed additional investment of \$50 million over four years is aimed at enhancing climate-related R&D in agriculture. This funding would support the development of robust baseline information, drive innovation in farming practices and technologies, build resilience against climate impacts, and assist in the communication, adoption, and extension of these advancements.

Such investment is crucial for ensuring that Australian agriculture not only adapts to the challenges posed by climate change but also plays a pivotal role in the nation's broader climate goals. This approach aligns with the need for economically sound and fit-for-purpose government policies that support the sector's transition without imposing undue financial burdens.

Investment 14

\$80 million over four years to establish an outreach facility to enable face-to-face interaction with farmers on the implementation of the EPBC Act.

What is the issue?

The EPBC Act is a significant piece of legislation that impacts on landholders across Australia. The encompassing scope of the EPBC Act, coupled with ambiguous legislative provisions and often convoluted state responsibilities, has created misunderstanding of how landholders must navigate their obligations under the law.

Why does it matter?

Effective collaboration between regulatory departments and industry stakeholders is vital for policy development, implementation, and overall sector growth. The establishment of an outreach facility to improve the understanding of the EPBC Act is critical for several reasons:

- *Enhancing collaboration:* effective collaboration between regulatory departments and industry stakeholders is essential for policy development, implementation, and sector growth.
- *Building trust:* misunderstandings and a perceived disconnect between the DCCEEW and the agricultural sector can erode trust and hinder effective communication, leading to potential challenges for farmers.
- *Preserving department credibility:* without open channels of communication and understanding, the Department risks diminishing its credibility and effectiveness in enacting positive change within the sector.
- *Mutual benefit:* an engaged relationship between the Department and farmers is vital for the wellbeing and growth of both parties and the broader agricultural sector.

Additional information:

There exists a prevalent perception that the DCCEEW is out of touch with stakeholders within the agricultural sector. To bridge this disconnect, targeted outreach and education initiatives focused on direct, face-to-face interactions could be instrumental. The recommendations from the Craik Review provide a blueprint for enhancing this relationship, suggesting several strategies that warrant consideration:

- Evaluate the current collaborative dynamics between the Department and the New South Wales Local Land Services. If the collaboration is deemed effective and beneficial, consider scaling this model to other states and territories.
- Deploy DCCEEW personnel to fieldwork, ensuring they are directly immersed in on-ground agricultural activities and challenges.
- Engage and contract locally-based agricultural experts who have established trust within the community to act as intermediaries between the Department and the agricultural sector.

These strategies, when implemented and regularly assessed for effectiveness, can foster a more collaborative, transparent, and productive relationship between the DCCEEW and the agricultural community.

Investment 15

\$19.2m over four years to support the Australian Veterinary Association Rural Placement Incentives Scheme.

What is the issue?

There is a concerning decline in the number of production animal veterinarians in rural and regional areas, a trend that has persisted for decades. A significant proportion of veterinarians stationed in regional areas opt to leave the profession within five years post-graduation. Furthermore, the current demographic of regional production animal vets indicates an aging workforce, with nearly 20% more likely to be above the average working age for veterinarians nationally compared to their city-based peers.

Why does it matter?

Veterinarians play a multi-faceted role that extends beyond providing primary animal health services. The presence and role of veterinarians in rural and regional areas are crucial for multiple reasons:

- *Biosecurity defence:* veterinarians act as the frontline in Australia's biosecurity system, ensuring timely surveillance, detection, and defence against biosecurity threats.
- *Agricultural health:* these professionals are paramount to maintaining the health and productivity of the nation's agricultural sector, sustainability and animal welfare.
- *Economic impact:* veterinarians contribute to the sustainability and growth of the agricultural economy, supporting sustainable livestock production.

Additional information:

In light of the above challenges, the NFF backs the Australian Veterinary Association's (AVA) recommendation for the Australian Government to allocate funding for a Rural Placement Incentives Scheme. This initiative aims to encourage early-career veterinarians to practice in rural and regional areas.

Key features of the proposed scheme include:

- Eligibility restricted to Australian citizens or permanent residents who are registered to practice within the country.
- Participation mandates employment with a veterinary practice predominantly focused on production animals.
- Prospective employment locations must qualify as Rural or Remote based on the Australian Government's Rural, Remote, and Metropolitan Areas Classification.
- The scheme is open to all veterinary graduates within five years of their graduation.

The proposed financial support of \$19.2 million over a span of four years would underpin this scheme, facilitating HECS fee forgiveness for participating veterinarians. For a detailed breakdown of the scheme's costing, the AVA pre-budget submission can be consulted.

Investment 16

\$30 million over four years for the long-term continuation of the ATMAC Program.

What is the issue?

The Australian Government's Agricultural Trade and Market Access Cooperation program, launched in 2020, has been instrumental in creating a pathway for greater export diversification in the agriculture industry. The ATMAC program, a significant component of this initiative, is approaching its end, and there are concerns about the continuity of the benefits it brings.

Why does it matter?

The ATMAC program is pivotal for the Australian agricultural sector for several reasons:

- *Export promotion:* the program actively champions Australia's agricultural exports, helping the nation to tap into new markets and solidify its position in existing ones. A consistent promotional effort is crucial to stay ahead in the competitive global market.
- *Overseas market access:* in a world with rapidly evolving trade dynamics, any interruption to the program could create challenges in sustaining and expanding market access. The program's efforts ensure that Australian agricultural products remain in demand and reach global consumers efficiently.
- *Support for cooperative activities:* beyond just export promotion, the ATMAC program provides a platform for industry stakeholders to collaborate. This collective effort amplifies the impact of individual initiatives, leading to more significant outcomes for the sector.
- *Improved market access:* the program's continuation ensures that Australian agricultural products not only reach overseas markets but do so with improved terms, leading to better profitability and growth prospects for the industry.

Additional information:

The ATMAC program has had a significant influence on facilitating the export agenda, as acknowledged by industry stakeholders. It plays a vital role in supporting cooperative activities and projects that aid Australia's agricultural sector in accessing, improving, and maintaining overseas markets. Recognising its importance, the NFF recommends extending the ATMAC program over the forward estimates period.

Investment 17

\$17 million over five years for a bold, national, agricultural industry-based intervention to grow farmers' wellbeing and prevent suicides across the sector.

What is the issue?

Farmers die of suicide at twice the rate of other working Australians. This equates to 1 farmer taking their own life every ten days. Farmers are also half as likely as other rural people to have seen a mental health professional in the past 12 months. 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.

The recent National Farmer Wellbeing Report, delivered in partnership between dairy cooperative Norco and the NFF, found that close to half of Australian farmers (45%) have had thoughts of self-harm or suicide, while 30% have attempted to harm themselves or take their own lives. In terms of causes, the report confirmed that the weather, including natural disasters, was a lead contributor to mental health issues, followed by financial stress.

Why does it matter?

Suicide in Australian farmers is a crisis. Not only is it a social crisis, but an economic one. On average, one suicide costs almost \$2 million through lost productivity of that individual alone.

Based on this figure, if this intervention were to save only three farmers from dying of suicide each year over the next five years, there would be a net economic benefit based on productivity. This is on top of the broader savings for the health system from early intervention and the immeasurable broader social benefits of preventing loss of life from suicide.

With drought an increasing reality across parts of Australia and government policies increasing uncertainty on farm businesses, farmers will experience greater hardship and financial strain in their businesses, commodities and regions. Buttressing the mental health and wellbeing of the farming community has never been more important.

Additional information:

Given the significant implications of poor wellbeing for the industry, there is a need for a targeted, five-year multi-modal campaign to support cultural shifts across the agricultural industry to address this.

There are multiple barriers to farmers engaging with mainstream mental health services and helplines. Without a coordinated, bespoke, industry-based approach, many opportunities for farmers to optimise their wellbeing and decision-making, improve productivity and prevent suicide will remain unrealised in this at-risk group.

Strategies such as television advertisements, ambassador programs and the inclusion of educational content in industry-based publications, wellbeing-limiting assumptions will be challenged, social norms will be shifted, and a culture of openness will be promoted that permits farmers to invest time in their wellbeing, to support each other and to reach out for professional help, if necessary.

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