



Australian Government
Department of Agriculture,
Water and the Environment

Delivering **Ag2030**

MAY 2021





Foreword



In 2018 when Australia's agriculture industry, led by the National Farmers' Federation, set the goal of boosting farm gate output to \$100 billion by 2030, perhaps some of the challenges along the road were foreseeable. The challenges farmers have always faced – of drought, flood and fire – have continued to test us and the industry has more than risen to these challenges.

The global COVID-19 pandemic however, was an unforeseeable black swan event that no one could have anticipated. It took the industry and broader Australian community by surprise, with unprecedented effects on every Australian's way of life and our economy.

It has been incredible to see Australia's agriculture industry – every farmer, fisher, forester and participant across the supply chains that make up the 1.6 million jobs involved in agriculture – respond with such determination and resilience since the pandemic began. The industry simply got on with the job, continuing to put food on Australian tables and delivering world-class produce to our trading partners overseas.

In so many ways, agriculture has been a shining light of the Australian economy since the COVID-19 pandemic began.

The figures tell the tale – according to projections, our agricultural industry will be worth \$71.2 billion in 2020–21, up from \$66.5 billion in 2019–20. The 2020–21 production value includes \$66.0 billion in farm-gate output alone, along with a \$5.3 billion contribution from our fishing and forestry sectors.

In the 2020 calendar year employment in agriculture also grew, signaling its strength as a reliable employer, particularly in rural and regional Australia. We have supported farming families and bolstered communities by providing support to recover from disaster and financial hardship, and to keep and create jobs during the COVID-19 pandemic. We put measures in place to help businesses access labour, even when state and national borders were closed.

Since industry launched its 2030 goal, the Australian Government has been laying the foundations and frameworks for farmers, fishers and foresters to take advantage of opportunities and be rewarded for their efforts. The government's work across the 7 themes of *Delivering Ag2030* continue to deliver better outcomes for farmers, and the measures announced through the recent 2021–22 Budget are no exception.



The specific measures and commitments outlined in this May 2021 edition of *Delivering Ag2030* build on the industry's successes and continue to lay the foundations for agriculture to grow into the future. The government is funding projects and programs that expand trade opportunities; further strengthen our biosecurity systems; reward farmers for the stewardship of their land; improve the competitiveness, resilience and innovative capacity of the industry; deliver the infrastructure our farmers and rural businesses need; and invest in our most precious asset – our people. These measures, along with broader support for businesses such as the extension of the instant asset write-off, will deliver significant dividends for the agricultural industry going forward.

The industry's goal to reach \$100 billion by 2030 is ambitious, and success in reaching it will require significant increases in the rate of industry growth. This will depend on many factors – some of which are outside our control – but industry has shown over the last 12 months that it is up to the task and will remain stoic in the face of the challenges this decade is sure to keep serving up.

The Australian Government will continue to back the industry to achieve its vision – boosting productivity, resilience, sustainability and profitability where we can, and getting out of the way where we need to.

Reaching this goal would see all Australians benefit from a stronger economy, with higher employment and thriving rural and regional communities. Our food supply would be even more secure, with enough produce to keep all Australians fed many times over.

Agriculture, already one of Australia's greatest assets, has reached new highs in 2021 and I am confident that it will continue to thrive as a key pillar of our nation's economy and society into the future.

The Hon. David Littleproud MP
Minister for Agriculture, Drought and Emergency Management



Introduction

Ag2030

The Australian Government is supporting the agriculture industry to reach its goal of \$100 billion in production by 2030 (Ag2030).

We have already taken significant action to help industry reach this goal at community, industry and national levels. We have reformed policy settings and frameworks, directed substantial funding to new initiatives to better support industry, and listened to what industry has told us it needs. We are committed to putting in place the right foundations for industry to thrive, and will continue to look at areas where more needs to be done.

The Australian agriculture industry

The agriculture industry is a strong contributor to the Australian economy. The agriculture industry – the farming, fishing and forestry sectors – is forecast to be valued at \$71.2 billion in 2020–21, made up of \$66.0 billion in farm gate value and \$5.3 billion from the fishery and forestry sectors. It is one of the only industries to grow in value despite the challenges of 2020, including bushfires, drought, COVID-19 and global trade disruptions.

The industry provides significant employment opportunities across regional and rural Australia both directly and indirectly. Over 334,000 people are employed in Australian agriculture and a further 243,000 employed in the food and beverage manufacturing sector. The whole Australian agriculture supply chain employs 1.6 million people.

Around 70% of Australia's agricultural produce is exported, providing a reliable source of food and fibre to our trading partners. Of the food consumed domestically, over 90% is produced in Australia, ensuring our food security.

Our agriculture industry feeds demand both at home and abroad helping agricultural businesses stay strong. With benefits flowing both ways, continued growth of the industry will benefit all Australians.

Despite consistent growth, reaching \$100 billion by 2030 remains a highly ambitious goal. For the farming sector alone to reach \$100 billion, the annual growth rate will need to more than double, which will only be possible if industry is successful in harnessing emerging opportunities and increasing efficiencies.

The challenge

Industry faces serious challenges in achieving the goal. While many challenges are out of the control of industry, they are known challenges that, in most cases, industry has faced in the past.

With 72% (in 2019–20) of Australian export revenue earned in Asia, capitalising on trade and export opportunities is going to be a major driver in delivering on the \$100 billion goal.

However, global market conditions are expected to make our agricultural exports more vulnerable to decreases in world prices in the future.

Agricultural exports have been significantly impacted by global trade disruptions. Markets, supply chains and our trade relationships have become, and will continue to be, more complex. They will require Australia to continue to be proactive in our responses.

There are domestic challenges too. Although farmers have long been resilient against extreme conditions, we are likely to experience more frequent and severe droughts in the years ahead. We also need to maintain our essential pest and disease free status in the face of rising global biosecurity threats, including in our region.

Agriculture Industry at a Glance



\$71.2b

in estimated value
in 2020–21

Top five:



\$13.8b

Cattle



\$8.5b

Wheat



\$6.1b

Fruit & nuts



\$4.7b

Sheep



\$4.2b

Milk



\$2.94b

Fishery sector



\$2.35b

Forestry sector

Over 90%

of the daily food consumed in Australia
is made by Australian farmers



Australian farmers
produce enough food for

80 million people



1.6m

people are employed
across the Australian
agriculture supply chain

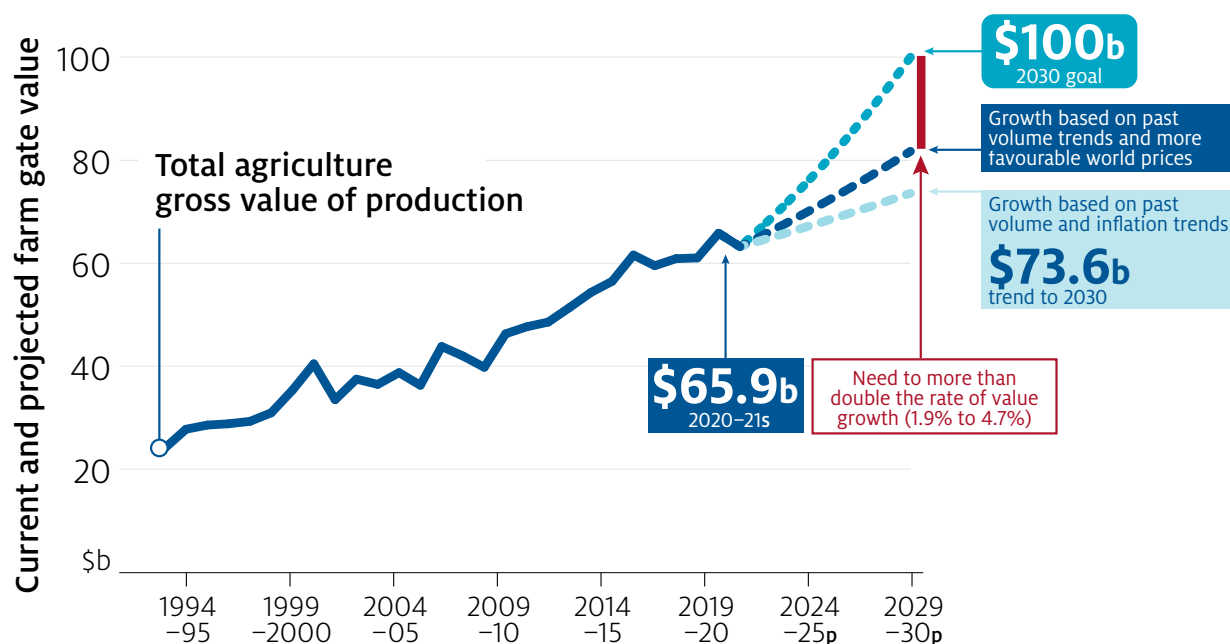
334k

people are employed in
the agriculture sector

243k

people are employed in
the food and beverage
manufacturing sectors

FIGURE 1 Ag2030: \$100 billion target a challenge



Source: ABARES. Note: **s** Estimate. **p** Projection.

Delivering Ag2030

While the Ag2030 goal is an industry goal and many of the challenges faced are for industry to overcome, it will not be achieved unless the government puts in place the right foundations for industry to harness emerging opportunities and increase efficiencies.

The government has 7 themes it is focusing on to support industry to reach its goal:

- ▶ **Trade and Exports:** We are strengthening agricultural ties with major and emerging export markets, and we are making it easier to do business. This will deliver new trade and market access for producers, while also reducing red tape.
- ▶ **Biosecurity:** We are safeguarding Australia from exotic pests and diseases and maintaining Australia's clean and green reputation, which is critical to our market access and means lower costs for our producers.
- ▶ **Stewardship:** We are ensuring Australian farmers are rewarded for their stewardship of land and water.
- ▶ **Supply Chains:** We are backing fair, strong and resilient supply chains and putting in place the frameworks so everyone is treated fairly and pays their share.
- ▶ **Water and Infrastructure:** We are supporting Australian farmers and rural and regional communities with infrastructure when and where it is needed.

- ▶ **Innovation and Research:** We are providing the right conditions to modernise Australia's agricultural innovation system, which will drive improvements in collaboration, commercialisation and uptake to grow agricultural productivity and competitiveness.
- ▶ **Human Capital:** We are making sure people and their communities, right across the agriculture industry and supply chain, have the support, infrastructure and skills to do their jobs.

The government's commitment to helping industry reach its goal by 2030 means we need to set up agriculture, and the broader Australian economy, to address these challenges and put in place a long-term strategy to diversify export destinations, improve supply chains and build domestic value-adding capabilities. We will continue initiatives that will create jobs, drive productivity through innovation, encourage private sector investment and leverage our competitive advantages to unlock trade and export opportunities.

The future is looking good, but success will require a sustained, collaborative effort across industry, government and communities to make sure the foundations are in place and industry has the best chance possible to achieve its goal.

Global Drivers and Trends



Premium supplier

Australian farmers enjoy price premiums due to our reputation as a producer of high quality produce. We must ensure we maintain this reputation taking into account changes in consumer preferences or international perceptions of our production systems.



Pest & disease status

Australia has an enviable pest and disease free status, which allows us to access more markets and attract premium prices. We must maintain this status.



Free Trade Agreements

We have negotiated 15 FTAs with 26 countries, giving Australian industry access to a wide range of markets. However, the trade advantages from the FTAs could be eroded as competitor countries achieve agreements with our partners.



Trade barriers

Trade barriers can prevent exporters from getting premium prices. Globally, non-tariff measures have risen by 300% over 30 years, increasing costs to businesses. We need to continue our work to break down barriers and increase export opportunities.



World prices

Real prices of major Australian agricultural products have fallen dramatically since 1950. Although they have stabilised, they are unlikely to ever return to pre-1950 levels.



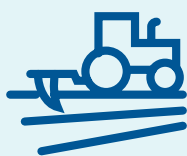
Climate

Australian farmers operate in one of the most variable environments in the world. Average rainfall across Australia's wheat/sheep zone has declined and become more variable, and extreme climate events are likely to become more common.

Theme 1

Trade and Exports

We are strengthening agricultural ties with major and emerging export markets, and we are making it easier to do business. This will deliver new trade and market access for producers, while also reducing red tape.



Australian farmers produce enough food to feed 80 million people



70% of the value of Australia's agricultural production is exported



Over 90% of food consumed in Australia is produced here

Getting our produce to the world

A continued focus on gaining, maintaining and expanding market access is essential to achieving the Ag2030 goal. In the 2020–21 Budget we committed to the transformative \$328.4 million Busting Congestion for Agricultural Exporters package. We have already delivered targeted improvements, such as increased efficiency in export audits by recognising specific food safety and state requirements and new product hygiene indicator reporting for meat establishments that supports them to address issues and maintain compliance.

The Agricultural Trade and Market Access Cooperation (ATMAC) program is supporting projects to help farmers improve and maintain access to overseas markets. We provided around \$1.5 million last year and expect to deliver over \$5.5 million this year.

We worked across government to help producers respond to and recover from trade disruptions in 2020. The government has invested \$781.8 million in the International Freight Assistance Mechanism (IFAM) since April 2020, to keep imports and exports flowing. IFAM kept international freight flights operating, preserving market share for agricultural commodities. IFAM will operate until the end of September 2021.

We also invested \$72.7 million from December 2020 to help Australian agribusinesses expand their markets as part of the Agri-Business Expansion Initiative (ABEI), by providing one-on-one support services and greater access to market intelligence.

Commencing in March 2021, we delivered the reformed *Export Control Act 2020* to the export control framework, making it easier for exporters to get their goods to market.

Bringing Australian barley to Mexico

In March 2021, 35,000 tonnes of Australian barley arrived in Mexico for Heineken Mexico, with more to follow. This marked the first time Australian barley was shipped to Mexico, which is the world's largest exporter of beer but has inadequate local supply of barley to meet demand.

Focused efforts by government supported industry to access this significant opportunity, including Australia's in-country representation, through our Agriculture Counsellor, Austrade and the Department of Foreign Affairs and Trade, confirming that in-transit and on-shore fumigation of barley are acceptable to Mexico. This work was supported by reductions to Mexico's barley import tariff under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, further demonstrating the benefits of Australia's FTA network for Australian exporters.

We will continue to work with industry to identify and develop the considerable opportunities for Australian agricultural commodities in Latin America.

Supporting Australia's trade future

In the 2021–22 Budget we committed over \$96.7 million to support trade and production in agricultural markets.

We are investing in gradual steps to transform the way we deliver agricultural export services.

Our Busting Congestion for Agricultural Exporters package will continue to modernise and streamline Australia's export system. It will lead to annual government fees and charges being over \$20 million lower than without our investment from 2023–24; and generate over \$200 million of other benefits to industry by 2030.

Digitisation of paper-based export services will be implemented over 2021, giving time back to exporters.

We are working closely with Austrade, the Department of Foreign Affairs and Trade, and industry to rapidly implement the ABEI. This includes finalising industry–government grant partnerships to support market diversification, and flexibly deploying short-term Agriculture Counsellors to priority markets.

We will complement these reforms with new measures to step up Australia's leadership in international agriculture policy discussions. This will include intensifying our efforts at the World Trade Organization (WTO) to defend and reform the rules that underpin global agricultural production and trade. We will also enhance engagement in global agricultural standard setting bodies. This will include a new agricultural envoy, dedicated to protecting and enhancing Australia's reputation for high quality agricultural produce, including Australia's strong track record on issues such as food safety, biosecurity and animal welfare, and embedding Australian technical experts in standard setting bodies.

We will also expand access to agricultural and veterinary chemicals for Australian farmers, to boost farm productivity and strengthen responses to pests and diseases.

These initiatives will provide a foundation for industry to leverage our competitive advantages to unlock trade and export opportunities.

The government is:

- ▶ providing **\$15 million** to **step up Australia's leadership in international agriculture and food policy discussions** shaping the global agricultural trade environment
- ▶ delivering **\$9 million** to support **expanded access to agricultural and veterinary chemicals**
- ▶ investing \$72.7 million through the Agri-Business Expansion Initiative, to support industry expand and diversify access to export markets
- ▶ supporting Australian exporters and business with a stronger overseas presence, sharing market intelligence about the challenges and opportunities of overseas markets, increasing our contribution to global efforts to reform the WTO, and enhancing Australia's advocacy and cooperation with international partners
- ▶ continuing progress towards the Simplified Trade System, to modernise and improve Australia's trade system, including reviewing regulatory processes and ICT systems that impact cross-border trade.





Theme 2

Biosecurity

We are safeguarding Australia from exotic pests and diseases and maintaining Australia’s clean and green reputation, which is critical to our market access and means lower costs for our producers.



On average 2.5 million containers, 19,000 commercial vessels and 60 million mail items arrive in Australia each year



Around 35,000 pest and disease border detections are recorded across regulated pathways each year



New 3D X-rays are more than 3 times as effective in identifying biosecurity risks as 2D X-rays

Protecting against rising global risks

A robust, effective biosecurity system is essential to keeping Australia safe from exotic pests and diseases, while allowing people and goods to flow across our border. Protecting our biosecurity status ensures market access and avoids unnecessary costs for our producers. The government has increased investment in biosecurity and export services by \$304.1 million since 2014–15 to a record expected total of \$910.1 million in 2020–21.

We have invested in innovative trials and projects, including new technology to enhance screening, detection and analytical capabilities. We have funded new frontline resources to defend Australia against hitchhiker pests and emerging threats in our region, to help safeguard the agriculture industry from exotic pests and diseases that if established would impact production levels and endanger export markets.

We have also appointed a Chief Environmental Biosecurity Officer to raise awareness and build capacity to manage biosecurity risks that impact the environment. We have collaborated with CSIRO to fund practical projects for management of invasive species and diseases, like carp and exotic invasive ants.

In 2020 alone, there were 154 incidents of khapra beetle intercepted in goods arriving in Australia, an increase from an average of under 4 annually from 2003 to 2019. If established in Australia, khapra beetle could cost our grain industry \$15.5 billion over 20 years and remove access to key markets. Our efforts have ensured Australia remains protected from threats like this.

Keeping Australia safe from African swine fever

African swine fever (ASF) is a serious and fatal disease that is a significant and evolving threat to Australia’s agriculture industry and our biosecurity status. There have been over 11,600 outbreaks of ASF in Asia since 2018. In addition to being present in countries such as Indonesia, Timor-Leste and Papua New Guinea, a new variant is also reportedly in the region.

In the event of an outbreak in Australia, the export of pork or pork products would be immediately impacted and eradication activities would commence. The cost of a small outbreak is estimated at up to \$877 million, while a large outbreak could cost \$2.0 billion over 5 years. The government responded to the international emergence of ASF in 2019 through a \$66.6 million ASF Response Package. This investment has helped keep ASF out of Australia, while also strengthening our ability to prevent other pest and disease risks.

A robust, agile and effective biosecurity system for Australia

In the 2021–22 Budget we committed over \$400 million in new funding to expand our investment in safeguarding Australian agriculture and the environment from exotic pests and diseases.

We want Australia's strong, globally recognised biosecurity system to continue to reduce the risks of exotic pests and diseases arriving in Australia, and support rapid and effective responses if they do.

While international travel has temporarily dipped due to COVID-19, mail and cargo volumes have grown. For example, there has been a 20% increase in document lodgments for imported food since May 2020. Each day a ship is delayed for biosecurity clearance at the border costs industry up to \$125,000.

We will continue to invest in frontline resources, including even more on-ground staff, and technical solutions. This includes 3D X-ray screening of international mail, goods and passenger baggage to increase accuracy in the detection of biosecurity risks. Auto-detection algorithms have doubled the rate of detections of biosecurity risk items at Melbourne airport and tripled detections at the Melbourne mail centre since 2019.

We will continue to strengthen our partnerships with industry to mitigate biosecurity risks offshore and streamline the entry of goods into Australia, reducing the burden of regulatory processes. Under the government's deregulation agenda we will design and deliver up to three pilots to test the ability to manage end-to-end biosecurity risks across importer supply chains.

Managing biosecurity risks offshore is more cost effective than dealing with an incursion or an established pest or weed. We will work with our near neighbours, including Papua New Guinea, Timor-Leste and those in the Pacific, to build local capacity to detect and manage threats, generating mutual benefits. We are also modernising our data and analytic capabilities and focusing on our own emergency preparedness and response planning.

Our direct investment in the Australian biosecurity system complements work underway across government towards digital transformation and simplifying trade.

Our ongoing commitment to biosecurity will give us confidence that we can continue to keep pest and disease threats offshore, and respond to those that reach Australia swiftly and effectively.

The government is:

- ▶ committing **\$235.1 million to strengthen partnerships** with importers, companies, producers and the community that will build our ability to detect and manage threats offshore and increase capacity to respond to incursions
- ▶ investing **\$80.9 million to build a modern, effective biosecurity system** that is underpinned by the right technology and analytical capabilities
- ▶ delivering **\$84.1 million for the frontline of our fight** to prevent pests and diseases coming to Australia from overseas, including **more on-the-ground resources** to target known and emerging threats, like African swine fever.



Theme 3

Stewardship

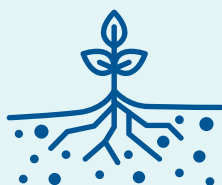
We are ensuring Australian farmers are rewarded for their stewardship of land and water.



Agricultural land managers are responsible for managing 58% of Australia's land mass



New stewardship market opportunities will pave the way for private sector investment and new income streams for farmers



Agricultural production could be increased by up to 58% through improved soil management

Encouraging stewardship of our land

Australia's agriculture industry depends on a biodiverse and well-managed natural resource base, and land managers play a key role in achieving environmental outcomes which benefit everyone. We recognise this and are providing industry with the tools to adapt to a changing climate and build a sustainable resource base for the future.

We are aiming to reduce emissions and contribute towards our emissions reduction target of 26% to 28% below 2005 levels by 2030. Our initial investment of \$34 million in the Agriculture Stewardship Package included the design of the Carbon + Biodiversity Pilot and Australian Farm Biodiversity Certification Scheme to reward farmers for their efforts in delivering biodiversity improvements.

We provided \$4 million to the National Farmers' Federation to develop and trial the Australian Agricultural Sustainability Framework.

We're also investing \$5 billion in a Future Drought Fund, which will provide \$100 million each year to build drought preparedness and resilience, including investing in natural resource management activities.

Rewarding farmers for biodiversity improvements

The Carbon + Biodiversity Pilot is trialling arrangements to reward farmers for improving on-farm biodiversity with the government's Emissions Reduction Fund (ERF), which already provides opportunities for farmers to participate in emissions reduction and carbon sequestration projects. The pilot is being developed with the Australian National University (ANU).

Under the pilot, farmers who plant diverse native trees – in line with a biodiversity protocol developed by the ANU – can receive payments for biodiversity outcomes over the course of the project. These payments will be in addition to earnings received for carbon abatement under the ERF. Plantings will also benefit farmers by providing shelter for livestock, improving soil moisture and reducing erosion, which will improve productivity and resilience.

Examples of projects could include planting and looking after vegetation, or regenerating gullies, waterways and degraded hillsides, with all plantings to be protected and maintained for at least 25 years.

The Carbon + Biodiversity Pilot is being run in six Natural Resource Management regions in Queensland, New South Wales, Victoria, Tasmania, South Australia and Western Australia. Applications for the Pilot opened in April 2021.

Supporting farmers to deliver environmental outcomes

In the 2021–22 Budget we committed over \$246 million to expand support for agriculture stewardship and create market opportunities for farmers who improve biodiversity, including through improved management of soils.

A market approach to biodiversity improvements will be trialled to pay farmers for improved management of existing high value remnant vegetation. This will encourage better land management, build resilience against climate challenges and support trade access – all while increasing biodiversity and delivering new income opportunities.

We are also implementing the Australian Farm Biodiversity Certification Scheme, to reward farmers for biodiversity efforts and support market access.

We are establishing a Biodiversity Trading Platform to connect farmers with business looking to buy these environmental services, including from the Carbon + Biodiversity methodology.

In the 2021–22 Budget, we announced the next suite of programs under the Future Drought Fund, committing \$170.5 million to continue to provide farmers and regional communities the tools they need to build drought resilience.

International evidence shows agricultural production could be increased by 58% through improved sustainable soil management. We will deliver the National Soils Strategy and commence work on major initiatives to implement this strategy, including a Soil Science Challenge grants program and working with Soil Science Australia and the Cooperative Research Centre for High Performance Soils to establish and trial a new soil practitioner accreditation.

A pilot soil testing program will improve business decision making, unlock significant agricultural productivity gains and provide data to guide investments in soil health across Australia.

We will also deliver the Food Waste for Healthy Soils Fund to divert organic waste from landfill to productive use on agricultural soils. Diverting 80% of organic waste to farms would save more than 2 million tonnes of carbon, equivalent to planting more than 3 million trees or taking nearly 500,000 cars off the road each year.

We will continue to work with industry to maintain healthy ecosystems, which are of critical importance to future production, the environment, regional communities and the broader economy.

The government is:

- ▶ providing **\$22.3 million** to conduct scientifically robust on-ground trials to test methods to reward farmers for improving native vegetation through the **Enhancing Remnant Vegetation Pilot**
- ▶ providing **\$5.4 million** to implement the **Australian Farm Biodiversity Certification Scheme**, to provide a credible, independent assessment of how farmers are protecting biodiversity
- ▶ providing **\$4.4 million** for the development of a biodiversity trading platform
- ▶ committing **\$214.9 million** to implement the **National Soil Strategy** and associated measures, including piloting the **National Soil Monitoring and Incentives Pilot program**, establishing a **National Soil Science Challenge grants program** to address gaps in soil knowledge, developing a new education accreditation in soil science and establishing the **Food Waste for Healthy Soils Fund**
- ▶ providing **\$1.2 billion** over ten years to **create a technology co-investment facility** to support the development of priority technologies, including regional hydrogen hubs, carbon capture, use and storage technologies, very low cost soil carbon measurement and new agricultural feed technologies.



Theme 4

Supply Chains

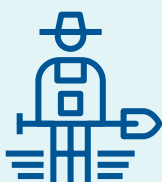
We are backing fair, strong and resilient supply chains and putting in place the frameworks so everyone is treated fairly and pays their share.



Australian agriculture accounts for 2.6% of national employment, and over 1.6 million people are employed across the broader supply chains



Over 243,000 people are employed in the food and beverage manufacturing sectors alone



Agricultural employment growth has been spurred by Australia's participation in global value chains

Investing to strengthen supply chains

Robust and transparent domestic supply chains underpin a strong, effective Australian agriculture industry and are essential to achieving industry's 2030 goal.

We are committed to improving competition and fairness across supply chains. Codes of conduct have been established for the Dairy, Wheat, Port, Sugar and Horticulture industries, to address egregious behaviour and keep dealings clear and transparent.

The government continued its efforts to address market imbalances across domestic fresh food supply chains, directing the ACCC to undertake an inquiry into the harmful imbalance of bargaining power between farmers, intermediaries and retailers.

In December 2020, the ACCC released the findings of their inquiry. The government is progressing a number of initiatives in response to their recommendations in order to address bargaining power imbalances in domestic supply chains.

Ensuring fair and transparent conduct throughout the supply chains

At the beginning of 2020, the government implemented clear and enforceable rules about the conduct of business relationships between dairy farmers and processors, through the mandatory Dairy Code of Conduct. These changes help rebalance bargaining power and improve transparency in transactions.

Since the Code's initial operation, there have been a number of positive developments including increased competition among processors of raw milk prices, and increased transparency as farmers were able to access price information. A review of the Code will be conducted in second half 2021 to examine its effectiveness and impact.

Supply chain resilience underpins production

In the 2021–22 Budget we committed \$5.4 million to improve market transparency for more fair agricultural supply chains, in response to recommendations of the December 2020 ACCC Perishable Agricultural Goods Inquiry.

We will address findings of the Productivity Commission's Review into Vulnerable Supply Chains. The review is examining risks to the functioning of the Australian economy and Australians' wellbeing from disruptions to global supply chains, including intermediate goods such as fertiliser, agrochemicals and seeds, manufactured goods and other inputs. It is expected to include a framework for identifying supply chains that are vulnerable to disruption and possible approaches to managing them.

We are working with the Office of Supply Chain Resilience (OSCR) to monitor supply chain vulnerabilities. OSCR is working with whole-of-Government partners, industry and academia to improve Australia's access to essential goods, including for the agriculture industry.

We will also continue to progress the Modern Manufacturing Strategy, including building scale in our onshore processing and packaging capability and encouraging the adoption of smart technologies.

We will also strengthen protection against the risk of devastating pests and diseases to ensure robust domestic supply chain production.

The government's \$5 billion investment in freight and regional roads will also strengthen domestic agricultural supply chains, with additional funding for upgrades to the Great Western Highway in NSW, the Bruce Highway in QLD and METRONET in WA.

The government is:

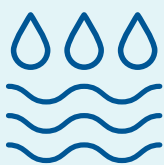
- ▶ committing **\$5.4 million** to improve market transparency by taking action on the **ACCC Perishable Agricultural Goods Inquiry**
- ▶ continuing to implement the \$1.5 billion Modern Manufacturing Strategy, with the Food and Beverage Road Map released in March 2021 – one of six National Manufacturing Priority road maps now published – with Round 1 Food and Beverage priority grants to be allocated
- ▶ investing \$107.2 million in the Supply Chain Resilience Initiative to address vulnerabilities in critical supply chains as part of the Modern Manufacturing Strategy
- ▶ improving supply chain competition and fairness through codes of conduct for Dairy, Wheat Port, Sugar and Horticulture
- ▶ adopting a whole-of-Government framework for identifying and mitigating critical supply chain risks
- ▶ strengthening unfair contract term protections in Australian Consumer Law, including making unfair contract terms unlawful, and expanding the definition of small business to increase eligibility.



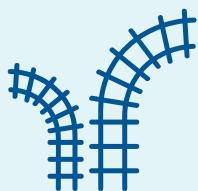
Theme 5

Water and Infrastructure

We are supporting Australian farmers and rural and regional communities with infrastructure when and where it is needed.



The Murray–Darling Basin accounts for two thirds of agricultural water use in Australia



By 2030, the 1,700 kilometre Inland Rail project will support 2.32 million tonnes of freight between Melbourne and Brisbane



Irrigated crops make up 30% of the value of Australia's agricultural production

Increasing infrastructure's reach for all

Investment in regional infrastructure and transport, digital connectivity and water security projects creates and supports local jobs and rural and regional communities, and improves the efficiency of the agriculture industry.

The delivery of the National Water Infrastructure Development Fund is helping to identify and build new water infrastructure, contributing to regional Australia's long-term economic growth and development.

Farmers who install on-farm water infrastructure also benefit from the On-farm Emergency Water Infrastructure Rebate that will reduce their infrastructure costs. We have also committed to the Murray–Darling Communities Investment Package, which puts communities and jobs at the heart of achieving a sustainable and certain future for the Basin.

As technology progresses, so too do the ways in which regional communities and farmers communicate and manage their businesses. To improve regional communication, the government has committed \$90.3 million for 81 'place-based' telecommunications infrastructure projects across regional Australia to ensure that our infrastructure keeps pace with technology. We continue to provide additional investment through the Regional Connectivity Package to support recovery and growth in priority investment regions. We are also continuing to invest in the NBN to improve rural and regional Australia's access.

New storage improves water access for iconic wine region

In 2020, the McLaren Vale Treated Water Storage Project established the McLaren Vale Water Storage Facility at Seaford Heights in South Australia. Jointly funded by the Australian Government (\$2.5 million) and industry partners (\$4.9 million), the facility stores water from the Christies Beach Waste Water Treatment Plant and helps to meet irrigation demand for wine grapes produced in the iconic McLaren Vale wine region. Construction included a new 600 megalitre water storage dam and a supply connection to the existing Quarry Road pump station. The recycled water will augment groundwater drawn from aquifers across the region.

The project has boosted water security and economic resilience for local industry and the broader region. It can supply up to 750 megalitres of treated water for irrigation and enable vineyard expansion by up to 500 hectares. This will increase premium grape production by up to 3,750 tonnes, worth \$5.5 million in grape production for McLaren Vale, making the premium wine production worth around \$33.75 million annually. The improvements have also reduced wastewater discharge into the Gulf Saint Vincent, improving water quality and sustainability. The project supports approximately 170 ongoing new winery and vineyard farm jobs in the McLaren Vale, Willunga and Sellicks regions.

Keeping water and goods moving

In the 2021–22 Budget, the Australian Government committed an additional \$15.2 billion in new funding for infrastructure projects, which will support an estimated 30,000 jobs across Australia, including rural and regional Australia.

As part of this investment, we are making sure we have the right infrastructure in place to support agricultural communities and efficient production. Across government we have introduced a range of measures that support regional Australia's sustainability, resilience and job creation.

We are ensuring Australia's water resources are managed well, now and in the future. We are working with the Murray–Darling Basin Authority to help manage the water in the Murray–Darling Basin. This includes the Murray–Darling Basin Integrated River Modelling Uplift Program, which will improve day-to-day operations, and help future planning.

The government has identified measures in response to the ACCC inquiry into the Murray–Darling Basin water markets. An expert panel will be established to consult with the Australian Government, Murray–Darling Basin states, industry and other stakeholders to build a phased Road Map for improving transparency and accessibility of water information.

We are also continuing to fund National Water Grid projects.

We have a shared interest in current and new infrastructure projects and proposals. This includes investing in road and rail across every Australian state and territory to improve the movement of people and goods, and delivering initiatives under the National Freight and Supply Chain Strategy.

The government is also supporting the continued delivery of Inland Rail by 2025, which will boost future access into domestic and international markets for many farmers and farming communities, and help capture broader commercial and employment opportunities.

The government is investing in the Digital Economy Strategy, to support Australia to be a leading digital economy and ensure businesses across all sectors are able to lift productivity and be globally competitive. This is complemented by funding for infrastructure projects to provide people and businesses in regional Australia access to improved broadband services and data, delivering fast, affordable and reliable connectivity.

The government is:

- ▶ providing **\$1.5 billion** to continue efforts to achieve a sustainable and certain future for the **Murray–Darling Basin**
- ▶ providing **\$348 million** to **support regional Australia's sustainability, resilience and job creation** including investment in community infrastructure and support the delivery of reliable, affordable and innovative digital services
- ▶ investing **\$3.5 million** for an **expert panel** to **develop a phased Road Map for water market reform**
- ▶ extending the \$100 million On-farm Emergency Water Infrastructure Rebate Scheme to 30 June 2022
- ▶ investing \$3.5 billion in water infrastructure through the National Water Grid Fund
- ▶ investing over **\$5 billion** in **freight and regional roads** across every state and territory
- ▶ providing an **additional \$28.6 million** to deliver initiatives as part of the **National Freight and Supply Chain Strategy**
- ▶ delivering on its commitment of \$380 million to the **Mobile Black Spot Program** with Round 6 expected to open shortly
- ▶ providing **\$189.6 million** to support the next **Five-Year Plan for Northern Australia**
- ▶ investing in our digital economy, including opportunities for regional Australia and agricultural businesses, by providing **\$1.2 billion** for the **Digital Economy Strategy**.



Theme 6

Innovation and Research

We are providing the right conditions to modernise Australia's agricultural innovation system, which will drive improvements in collaboration, commercialisation and uptake to grow agricultural productivity and competitiveness.



Fully implementing digital agriculture could lift the gross value of production by \$20.3 billion annually



Small agricultural businesses contribute 75% of the value added by agriculture



Digital tools can save small businesses 10 hours per week and boost revenue by 27%

Evolving industry through innovation

Australia's agriculture industry has a strong tradition of developing and adopting innovative solutions to new challenges. Investment in, and adoption of, innovation drives down input costs and increases outputs, and is critical to achieving the industry's ambitious goal by 2030. This is why we committed to the National Agricultural Innovation Agenda.

Under this Agenda, we supported the establishment of Agricultural Innovation Australia (AIA) by investing \$1.3 million to drive a cross-industry approach to innovation, in collaboration with the 15 Rural Research and Development Corporations.

As part of the government's \$117.3 million Drought Resilience Research and Adoption Program, we've leveraged \$114 million in co-contributions with 143 partner organisations to establish 8 Drought Resilience Adoption and Innovation Hubs in over 40 locations, delivered through the Future Drought Fund. The regional Hubs will connect farmers, industry, agribusiness and communities with drought resilience expertise, and contribute to the development and adoption of innovative practices.

We have also launched growAg to help connect research and development outcomes to Australians and the world.

Each year, producers invest more than \$500 million in research and development levies to support research and development activities. Building on this, the government invests over \$300 million annually in additional matched funding to further improve the profitability, productivity, competitiveness and long-term sustainability of Australia's primary industries.

New platform for innovation and research

growAG is a new online platform that showcases innovative agricultural research, technologies, and commercialisation opportunities in one central location. The platform was launched in April 2021 and is the result of an ongoing collaboration between government and Australia's 15 Rural Research and Development Corporations. Currently, growAG showcases 2002 research projects, 22 commercial opportunities and 90 agricultural organisations, which will grow as the platform develops and expands.

growAG allows easy access to research projects across different commodities. This increased visibility will accelerate commercialisation, leverage global expertise and enhance transparency for levy payers and the community. growAG will also improve collaboration and reduce duplication, so investments are targeted to activities that will maximise productivity and ensure the long-term prosperity of the Australian agriculture industry.

New technology helping Australia stay competitive

In the 2021–22 Budget we committed over \$34 million to further support Australia's agricultural innovation. We are positioning Australian agriculture to easily adopt innovation and technologies, delivering value to industry and community, and commercial returns to the innovation community.

As part of the National Agricultural Innovation Agenda, we are developing a National Agricultural Innovation Policy Statement to focus investment in national challenges and outline how we are creating a world-leading agricultural innovation system. This includes four new National Agricultural Innovation Priorities (missions). Through the 2021–22 Budget, we are providing an additional \$1.5 million for AIA to develop investment strategies for these missions.

We are also developing the Digital Foundations for Agriculture Strategy that sets clear, long-term goals to encourage uptake of digital technologies.

Under the government's Deregulation Agenda, we are providing \$20 million to Commonwealth fisheries for data integration, monitoring and artificial intelligence, to reduce regulatory burden, increase productivity, and improve environmental outcomes.

The government is investing in new technologies identified in the Technology Investment Roadmap and Low Emissions Technology Statements to reduce emissions in the land sector. This includes \$36.7 million for a national soil carbon innovation challenge, to help reduce the cost of soil carbon measurement to under \$3 per hectare per year.

It also includes \$23 million to help develop and trial technologies to deliver methane inhibiting feed supplements to grazing livestock, which represent around 95% of the national herd. This builds on \$6 million already committed to support the development of feed supplements and forage feeds that reduce emissions and deliver productivity gains.



The government is:

- ▶ building on the National Agricultural Innovation Agenda by developing a National Agricultural Innovation Policy Statement, with an initial **\$1.5 million to develop investment strategies**
- ▶ providing **\$11.9 million to support innovation in the forestry sector**, including extending the existing nine Regional Forestry Hubs and creating two new Hubs
- ▶ committing **\$20.1 million towards fisheries deregulation** through technological innovation to boost productivity and competitiveness.



Theme 7

Human Capital

We are making sure people and their communities, right across the agriculture industry and supply chain, have the support, infrastructure and skills to do their jobs.



334,000 people are employed across agriculture sectors



By 2030, 1 in 3 new jobs created in the agriculture industry will be technology related



82% of the agriculture workforce live in rural and regional areas

Ensuring skilled labour access for industry

The success of the agriculture industry relies on the strength, resilience and wellbeing of its human workforce and the communities that support them.

In response to labour challenges encountered in 2020, the government restarted the Pacific Labour mobility schemes, introduced the Agriculture Workers' Code to make sure state border closures do not impede access to seasonal workers from around Australia, and changed visa arrangements to permit backpackers and seasonal workers in Australia to continue working in agriculture. We also introduced AgMove, which supported over 1,400 people move to rural and regional areas for short-term agricultural work between November 2020 and April 2021.

We're also supporting farmers and farm businesses through the Rural Financial Counselling Service, with more than 12,000 farmers across Australia helped by the last round of funding alone.

The government also boosted education and training, and encouraged more hiring of, and uptake of jobs by young Australians. In 2021, we funded 50,000 places across 400 short courses in priority fields including agriculture. We also introduced the Job-Ready Graduates Package of reforms for higher education, which will create up to 30,000 additional university places in 2021. This complements the JobTrainer Fund which provides free training in areas of needed skills. The reforms have already reduced student contributions for agricultural courses by 59% and seen a 5% increase in enrolments for 2021 compared to 2020.

To further encourage young people to enter the workforce, we also amended Youth Allowance and ABSTUDY eligibility to include people working in agriculture in regional Australia.

Labour assistance helps during challenging year

Over 5,000 Pacific and Timorese workers have arrived in Australia since the Pacific Labour mobility schemes were restarted in August 2020, to help meet shortages in agriculture, including mangoes, citrus, berries, apples, carrots, cauliflower, almonds and meat processing.

We have also helped facilitate over 10,000 redeployments of Pacific and Timorese workers already in Australia (with their agreement). For example, a group of ni-Vanuatu PLS tourism and hospitality workers were redeployed to work in the horticulture sector to pick mandarins, lemons and limes in Monduran, south-east Queensland. These redeployments have helped meet workforce demands across critical industries in rural and regional Australia, including in agriculture.

Building the agriculture workforce of the future

In the 2021–22 Budget we committed over \$29.8 million to improve employment opportunities and conditions in the agriculture sector.

The government released a Road Map in March 2021, in response to the National Agricultural Workforce Strategy, outlining our vision for the agriculture industry and next steps. We are introducing initiatives to bolster industry's capacity to build and train its workforce, address systemic barriers and meet increasing labour needs into the future. We will also support more regional businesses attract and retain women returning to work after a career break.

Across government, we are delivering measures to support rural communities recover from the challenges of 2020, including increasing funding for the Rural Financial Counselling Service, extending the Drought Communities Small Business Pilot Program and waiving Business Income Reconciliation Debts accrued under the Farm Household Allowance.

We are delivering Plantation Development Concessional Loans through existing Regional Investment Corporation loan funds to encourage new plantation developments and the replanting of bushfire-damaged plantations.

The government is also expanding access to mental and primary health care services for regional Australians, who make up the bulk of the agricultural workforce. Digital health services will be expanded to ensure easier access and we will support the delivery of primary care and a skilled health workforce in rural and remote Australia.

The government's deregulation agenda will continue to make it easier for businesses to get people into jobs and interact with government.

The government is:

- ▶ providing **\$25.2 million in new funding for AgATTRACT**, to shift perceptions of modern agriculture and recognise its diverse career opportunities, including:
 - ▶ piloting **AgCAREERSTART** to give school leavers a way to experience working in agriculture
 - ▶ providing more opportunities for upskilling and career progression with **AgUP** grants
- ▶ committing **\$4.6 million to AgFAIR** to improve workforce management and planning, and to create attractive, fair and safe working conditions
- ▶ providing **\$2.6 million to expand the Career Revive** program to support more medium to large regional businesses attract and retain women returning to work after a career break
- ▶ committing **\$26.1 million to assist 5,000 additional short course places** in 2021
- ▶ helping eligible job seekers temporarily relocate for agricultural work under AgMove
- ▶ supporting a fair and attractive workforce by helping small businesses meet modern award obligations through Employment Contract Tools and the Employer Advisory Service
- ▶ amending the Migration Act to strengthen protections for workers against exploitation
- ▶ enhancing primary care, health workforce and mental health services, including digital mental health services, to support small business owners and regional Australians
- ▶ supporting primary producers and small businesses affected by disasters, under Disaster Recovery Funding Arrangements
- ▶ waiving farm business income reconciliation debts incurred by the Farm Household Allowance up to 2019–20
- ▶ extending the instant asset write-off to June 2023 to allow farmers to immediately deduct the full cost of eligible depreciable assets.





Future Steps

The Australian Government is setting the right foundations across the 7 Ag2030 themes to give industry what it needs for success in the future, and to have the best environment possible to reach the industry's Ag2030 goal.

Measures outlined in this booklet build on those announced in previous budgets. Our focus going forward will remain on delivering on our commitments so that agriculture remains a profitable, productive and innovative industry that drives growth and job creation in rural and regional Australia.

Delivering Ag2030 will be updated annually to reflect future initiatives.

To stay up to date visit awe.gov.au/ag2030.





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