

Hon Tim Pallas MP
Treasurer of Victoria
Level 4, 1 Treasury Place
EAST MELBOURNE, VIC 3002



8 September 2020

Dear Treasurer,

RE: VFF SUPPLEMENTARY SUBMISSION TO THE 2020-21 VICTORIAN STATE BUDGET

The Victorian Farmers Federation (VFF) is pleased to provide this supplementary budget submission. Since February when we provided you our 2020/21 budget submission, Victoria has confronted the greatest challenge of our modern history, the COVID-19 pandemic.

In June, Rabobank found that heightened concerns about the economy and falling commodity prices as a result of COVID-19 had undermined Victorian farm confidence.

Farmers have continued to produce food throughout the pandemic but restrictions on how we do business, including border restrictions and limitations on the meat processing industry, have had an economic impact. Producers who supplied the hospitality marketplace have been hard hit, wool markets have tumbled below 1000c/kg from recent highs of 2000c/kg and the lamb market has slipped considerably.

China's imposition of an 80.5% tariff on Australian barley and the initiation of an anti-dumping investigation into Australian wine has injected further volatility and risk into commodity markets. Many of our farming regions are also still in the early days of recovering from drought and bushfires.

While good rainfall and catchment inflows in 2020 have provided positive environmental conditions across most of Victoria the VFF is concerned that weakened farm confidence will inhibit on-farm infrastructure investment, limiting agriculture's ability to support economic activity in rural and regional communities and contribute to the recovery of the Victorian economy.

We encourage government investment in the regional infrastructure that helps farmers produce food and fibre, get their produce to market and make rural and regional Victoria an attractive place to live. Noting the Premier's commitment to invest in \$10 billion of infrastructure to help pull the economy out of the COVID-19 downturn, we request rural and regional communities be allocated their fair share of this investment.

Victorian farmers are ready to do their bit to power the recovery of the Victorian economy. The VFF seeks the Victorian Government's support in this endeavour.

Supplementary to our attached 2020/2021 budget submission, the VFF would like to make the following additional recommendations.

PRE-BUDGET ALLOCATIONS

The VFF seeks urgent investment to support shovel ready on-farm infrastructure projects that have been put on hold due to the exhaustion of funds and delay in the 2020-21 Victorian State Budget. The VFF recommends the Government make pre-budget allocations to these programs to encourage regional economic activity and private on-farm infrastructure investment.

Recommendation: That the Victorian Government commits \$30 million to extend the Agriculture Energy Investment Plan to support existing shovel ready applications and an additional round of applications.

Recommendation: That the Victorian Government commits \$10 million to continue the On-Farm Emergency Water Infrastructure Rebate Scheme to encourage investment in drought proofing stock and domestic water infrastructure. This investment would complement the Victorian Government's investment in the South West Loddon, Mitiamo and East Grampians stock and domestic pipeline projects.

**Note that the VFF have also requested Federal Government investment in the continuation of this program.*

BUDGET ALLOCATIONS

Recommendation: That the Victorian Government commit funding towards the full Murray Basin Rail Project, including the standardisation of the Sea Lake and Manangatang Lines.

Recommendation: That the Victorian Government commit funding to diversify and grow Victoria's agricultural export markets to protect against new trade barriers.

Recommendation: That the Victorian Government:

- Continue to fund the full cost of TAFE for all Certificate II-IV Agriculture, Certificate III in Agriculture (Dairy Production) and Certificate III in Horticulture courses;
- Fund the full cost of Certificate IV in Production Horticulture; and
- Assist private Registered Training Organisations to deliver all Certificate level Agriculture and Horticulture courses.

Recommendation: That the Victorian Government remove the higher qualification trigger that excludes many diploma and degree holding farmers accessing subsidised opportunities to upskill.

Recommendation: That the Victorian Government support the upskilling of farmers and farm workers by subsidising the acquisition of important courses and licences. Including first aid, truck and machinery operation licences, and business skills.

Recommendation: That the Victorian Government commit funding to allow the Victorian Skills Commissioner to conduct skills audits for all regional Victorian areas within 12 months.

Recommendation: That the Victorian Government expand the provision of certificate agriculture courses by private providers where no government TAFE provider is offering the certificate within 50km. The Victorian Government should fund 80 percent of the certificate cost.

Recommendation: That in the absence of the Wild Dog Advisory Committee: the Victorian Government establish a Vertebrae Management Advisory Committee. A committee must include extensive landholder representation.

Recommendation: That the Victorian Government commit funding to extend the Quad Bike Rebate Program until 30 June 2021.

Also, please note that the VFF would like to withdraw its request for funding for the Hinterland Environmental Watering Project as we understand the Federal Government has funded this feasibility study.

Thank you for taking the time to consider these requests of the VFF and I make myself available to discuss them with you.

Yours sincerely,



David Jochinke
VFF President