

Victorian
Farmers
Federation

VICTORIAN FARMERS FEDERATION

ANNUAL REPORT 2019/20



YOUR VFF

Victorian Farmers Federation (VFF) represents a farming community which creates a profitable, sustainable and socially responsible agriculture sector connecting with customers.

We have a proud history representing Victoria's farm businesses – primarily family farms that produce the eggs, grain, fruit and vegetables, meat, milk and flowers that help feed and support Victoria's six million people and global consumers every day.

For more than four decades we have demonstrated the resilience and commitment of our members riding through Nature's lows of droughts, bushfires and floods, and the buoyant years when local conditions and global markets align to provide great opportunities.

We strive to create an environment for our members, our farmers, to enable profitable, safe, sustainable production and to ensure an enduring social licence in a community that respects and values our sector.

Our purpose is to make Victorian farmers lives better and to enhance Victoria's future.

Our mission is to deliver a community of farmers, creating a profitable, sustainable and socially responsible agricultural industry connecting with all Victorians.



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President's Message

On behalf of the VFF board of directors, I am pleased to present my report for the 2019–2020 financial year. It has been one of the most challenging in our 41 year history, and with the covid-19 situation rolling forward, 2021 could possibly see continual challenges. I am pleased to be able to outline some of the outstanding work which has been delivered through these times.

Despite the positive season and favourable market conditions for many commodities, the Black Summer bushfires and COVID-19 pandemic had a significant impact on the activities of the Victorian farming community and the VFF.

The VFF response to the bushfires was a mammoth effort on the part of staff, representatives and the whole VFF community who donated fodder, machinery and time. I have spoken about it at every turn, that it really outlines to me the very heart of what the VFF is really about, our core values. It is something we should be very proud of as an organisation, demonstrating that we truly do have each other's backs when times are tough.

The VFF response included the VFF Fodder Drive that delivered 44,342 bales of hay and 113 tonnes of pellets to in excess of 500 impacted farmers, the VFF Disaster Relief Fund that disbursed \$798,000 in 266 grants to farmers for fencing, infrastructure, pasture regeneration and other purposes and the Gippsland Fencing Grant (administered on behalf of the Gippsland Emergency Relief Fund) that disbursed \$1.4m in 275 grants.

Our policy response included numerous submissions, ongoing representation on recovery and review taskforces and appearance before the Bushfires Royal Commission.

COVID-19 changed both the services required by our members and how the organisation had to operate. The VFF worked from home from March 2020, changing how staff, elected representatives and members interact with each other. Despite challenges, the transition to working from home was relatively smooth. There is no question however that we don't feel quite as connected to each other as we did before. As I write my report, we have just gone into the 'Circuit Breaker' Lockdown, at a time that we were discussing our return to the newly fitted out offices at Farrer House.



Despite the frustrations, this particular challenge definitely comes with new opportunities as we strategically consider the way that we 'do engagement' at the VFF. A zoom meeting can be a great option for busy farmers who previously may have had to travel overnight to attend, staff have proven they are just as productive at home as they are in the office, and we have saved a substantial amount of funds with the reduction of face to face meetings.

On the flip side, we miss each other! The energy of sharing ideas with our colleagues in person, the 'before the meeting' and 'after the meeting' side chats from which some brilliant ideas are sprouted, the wind down and personal connections forged socially are just as important as the content of the meetings themselves. In addition, poor connectivity means not everybody can participate remotely, demonstrating why the VFF needs to continue to advocate for investment in improved telecommunications infrastructure.

We have an opportunity to be savvy, both from the perspective of our office footprint and what we use it for, and our branch meetings, annual conferences and social events. The success of the VFF is all about engagement; leaning on our strong sense of purpose we will navigate the times we are living in.

Due to COVID-19, the support required by members changed as COVID-Safe business obligations rapidly changed and borders opened and closed. VFF engaged directly with the Victorian Government and through various stakeholder reference groups to ensure agriculture was recognised as an essential service and the impacts on regional communities were considered.

The government's response was not perfect, in some cases far from it. COVID-19 demonstrated that the role of the VFF is as important as ever in advocating on behalf of farmers. The strength of the VFF and its stakeholder relationships was integral in ensuring the impacts upon agriculture due the government response to COVID-19 were minimised.

Financially speaking, the VFF remains in a sound financial position with net assets at 30 September 2020 of \$37.1M. However, VFF operating activities for the year resulted in an operating deficit of \$445k in line with the budgeted deficit for FY20 of \$447k. Unforeseen impacts on VFF activities included the cancellation of the Melbourne International Flower and Garden Show rent relief provided to Farrer House tenants. Revenue from member levies and subscriptions remained steady from FY19 to FY20.

The Board resolved to undertake significant a strategic review of the use of financial resources at the VFF. We cannot rest on our laurels just because we have a good looking balance sheet. We cannot continue to budget for losses, we must be able to fund our own operations and our nest egg should be used for growth platforms, strategic investment and the betterment of our farming community.

Looking ahead, the VFF has a new leadership team in myself and CEO Jane Lovell, supported by the Board of directors, experienced commodity and committee representatives and of course our committed staff. We are excited to have received the 'baton' and believe this is a time of revitalisation and new beginnings, built on a strong sense of purpose and a 41 year legacy.

We will ensure we remain a sustainable and effective voice for our members, our industry and our community.

Happy Farming,



Emma Germano
President
Victorian Farmers Federation



2019/2020 Financial Year Review

Financial Overview

The Federation's operations for the year ended 30 September 2020 resulted in a deficit of \$445k. This is similar to last years deficit of \$448k, and in line with the budgeted deficit for FY20 of \$447k.

Achieving this result in the past year has required significant effort from the VFF Staff and Board as major variances occurred in our underlying operations as a result of the onset of Covid-19 in February 2020, including:

- Cancellation of the Melbourne International Flower and Garden Show, in which the Federation has a 50% interest, which impacted the Federation by around \$390k in costs and lost margins.
- Rent relief provided to Farrer House tenants who were also severely impacted in their activities, contributing to a shortfall in building income of \$372k from the budget for the year.

Offsetting these impacts, the Federation qualified for the Federal Government's JobKeeper program and other government stimulus measures totalling \$570k. The unfortunate reduction in face to face meetings also resulted in a reduction in meeting expenditure.

Revenue

Revenue from member levies and subscriptions, and from commercial arrangements was similar to the prior year at \$5.1 million. We have invested in new systems and processes to assist in membership retention and growth.

This however is a priority that we need our membership base to assist us in and we look forward to you all continuing to advocate membership to your non member colleagues.

Expenses

As mentioned previously, operating costs for the year included a financial contribution required to pay for previously incurred and unavoidable costs associated with the cancelled Flower Show in March 2020. These would normally be recovered by ticket sales. Offsetting cost savings were realised reflecting the reduction in activities including meetings, travel and occupancy costs following the impact of COVID-19.

Employee related expenditure increased to reflect the increase in project activity for which the Federation received external funding.

Projects

Project income was significantly higher than the prior year at \$5.3 million, compared to \$2.5 million in FY19.

The increase in Projects is due to the Fodder Drive in early 2020, following the devastating fires throughout Victoria as well as several new and extended Projects such as:

- Making our Farms Safer,
- Quad Bike Safety Program,
- Educating Kids about Agriculture,
- Farm Machinery Improvement Program,
- Farm Employment Exchange Program, and
- Developing Communities Understanding of Agriculture Project.

Projects operate on a cost recovery basis, and provide a great way to raise our profile throughout Victoria.

Investment Income

The Federation is supported in its activities by income from a portfolio of assets, which includes Farrer House and the investment portfolio of shares and other securities.

Prior to the onset of COVID-19, many of the leases in Farrer House were re-negotiated to current market rentals, following progressive upgrades to the tenancies. The impact of COVID-19 on tenants, and their requests for rent waivers, offset many of these gains. The overall impact is that building rental income for FY20 of \$1.8 million was 3% below the last year. We are reducing our footprint in the building to open up more space for external rentals.

The Investment portfolio includes funds contributed by the Grain Group and is subject to agreement between the Federation and the VFF Grains Group in 2002 (Deed Poll).

Fair value movement in financial assets

COVID-19 also caused large fluctuations in the value of our Investment portfolio over the year. One of the early impacts of COVID-19 was on equity markets in February and March 2020, where the value of our portfolio declined by \$1.5 million. Overall, the market movement in equities over the course of the financial year recovered those early losses and only declined in net terms by \$281k. This however compared to a gain in the prior year of \$631k.

We did not sell any of these investments during the year so this “loss” has not been realised.

Balance Sheet

The Federation remains in a sound financial position with Net Assets at 30 September 2020 of \$37.1 million.

Borrowings have increased by a net \$510k, mainly to finance building upgrades at Farrer House. This is necessary to ensure we remain an attractive option for tenants.

Budget for FY21

The Board has approved an operating budget deficit of \$755k for FY21. The increased deficit is largely as a result of the cancellation of the Flower and Garden show in March 2021 due to COVID-19, we no longer qualify for Job Keeper benefits, and the ongoing decline in rental and investment earnings.

We are also planning for the unrealised “losses” on our investment portfolio to be fully recovered.

Developing a Plan to recover these deficits and place the Federation in a strong ongoing financial position is a key focus of the Board.

This report is presented by

Andrew Dix

Finance & Audit Committee Chair /Independent Director



VFF Group of Companies

Victorian Farmers Federation and its controlled entities Statement of financial position As at 30 September 2020

	2020 (\$)	2019 (\$)
Assets		
Current assets		
Cash and cash equivalents	485,803	307,507
Trade and other receivables	604,746	2,763,444
Other financial assets	9,814,278	9,930,290
Other current assets	95,783	76,953
Total current assets	11,000,610	13,078,194
Non-current assets		
Other financial assets	516,180	516,180
Investment properties	30,288,555	29,992,070
Property, plant and equipment	6,583,633	5,423,542
Right-of-use assets	400,863	-
Total non-current assets	37,789,231	35,931,792
Total assets	48,789,841	49,009,986
Liabilities		
Current liabilities		
Trade and other payables	1,297,008	1,155,865
Contract liabilities	3,164,069	3,839,030
Borrowings	5,932,356	2,423,293
Lease liabilities	152,346	-
Provisions	512,758	375,878
Other current liabilities	367,004	379,095
Total current liabilities	11,425,541	8,173,161
Non-current liabilities		
Borrowings	-	2,998,872
Lease liabilities	252,753	-
Total non-current liabilities	252,753	2,998,872
Total liabilities	11,678,294	11,172,033
Net assets	37,111,547	37,837,953
Equity		
Reserves	13,412,202	13,412,202
Retained surpluses	23,699,345	24,425,751
Total equity	37,111,547	37,837,953

This is an extract from the full VFF Financial Report that can be viewed at the VFF website
<https://www.vff.org.au/wp-content/uploads/2021/02/Victorian-Farmers-Federation-Financial-Report-2020.pdf>

Victorian Farmers Federation and its controlled entities
Statement of profit or loss and other comprehensive income
For the year ended 30 September 2020

	2020 (\$)	2019 (\$)
Revenue	10,416,768	7,553,121
Other income	2,745,029	2,219,129
Expenses		
Employee expenses	(3,834,812)	(3,537,520)
Other expenses	(4,650,203)	(4,365,872)
Short-term and low-value lease expense	(12,000)	(12,000)
Grant expenditure	(4,329,900)	(1,684,074)
Depreciation and amortisation expense	(321,792)	(326,969)
Finance costs	(132,371)	(187,871)
Advertising	(64,560)	(40,004)
Net gains/(impairment losses) on financial assets	(194,221)	823
Auditors remuneration	(67,100)	(67,100)
Operating deficit before revaluation of financial assets	(445,162)	(448,337)
Net fair value gain/(loss) on revaluation of financial assets	(280,996)	630,919
Surplus/(deficit) before income tax expense	(726,158)	182,582
Income tax expense	(248)	-
Surplus/(deficit) after income tax expense for the year	(726,406)	182,582
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income/(loss) for the year	(726,406)	182,582

*This is an extract from the full VFF Financial Report that can be viewed at the VFF website
<https://www.vff.org.au/wp-content/uploads/2021/02/Victorian-Farmers-Federation-Financial-Report-2020.pdf>*

Independent Auditor's Report

To the Members of Victorian Farmers Federation and its controlled entities

Report on the audit of the financial report

Opinion

We have audited the financial report of Victorian Farmers Federation (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 September 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 September 2020 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 September 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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<https://www.vff.org.au/wp-content/uploads/2021/02/Victorian-Farmers-Federation-Financial-Report-2020.pdf>

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd
Chartered Accountants



A J Pititto
Partner – Audit & Assurance

Melbourne, 23 December 2020

Projects Report

The Victorian Farmers Federation (VFF) administers a range of projects that provide benefits to Victorian farmers and rural and regional communities. Projects run by the VFF are funded by both private organisations and government and cover a range of important topics including fire recovery, farm safety, mental health, employment, biosecurity and education.

In 2020, the VFF administered eleven projects across three business units – Membership Services, Livestock and Workplace Relations.

Gippsland Emergency Relief Fund (GERF)

Gippsland Fencing Grant (completed June 2020)

In total, 178 grants totalling \$1,400,000 were distributed to farmers in the East Gippsland shires whose properties were affected in the fires.

VFF Disaster Relief Fund – Fire Recovery Grant

(completed July 2020)

In total, 266 grants totalling \$798,000 were distributed to farmers whose properties were damaged in the fires, to purchase infrastructure items.

Farm Employment Exchange Pilot Project

(completed July 2020)

The VFF designed and developed a website that aimed to facilitate connections and employment exchange between farmers looking for additional work due to drought, and potential employers.

Quad Bike Safety Rebate Scheme

(completed September 2020)

Since the inception of the program in October 2016, over 6,500 farmers received rebates for the purchase of operator protective devices or an alternative vehicles, such as side by side vehicle.

Farm Machinery Improvement Grant

(completed December 2020)

In total, 80 grants totalling over \$726,000 were distributed to farmers in the Millewa to maintain essential on-farm machinery and equipment.

Engaging Farmers in Biosecurity and Animal Welfare (completed December 2020)

The project aimed to build understanding of agriculture in Victoria and support farmers to demonstrate their animal welfare and biosecurity performance and respond to impacts on that performance.

Cattle Underpass Scheme (extended)

The VFF has administered fifty Cattle Underpass rebates since the inception of the project. In November 2020, the Department issued a contract extension and a number of successful applicants who had not completed works within twelve months, were granted an extension to complete works by January 2022.

Developing Community Understanding of Agriculture (extended)

Phase one (social research report) was completed by Kantar. Phase two (communications campaign) is currently being delivered by Cox Inall. It is expected to launch in the first half of 2021, and be delivered over a four month period. The project has been extended to June 2021.

Look Over the Farm Gate (extension pending)

Project delivery was significantly impacted by COVID-19 due to an inability to support/facilitate physical gatherings. The VFF is currently awaiting advice from the Department regarding an extension.

Educating Kids About Agriculture – Victorian School Kids to Farms (closes June 2022)

This project is a Commonwealth funded initiative that the VFF is delivering in partnership with the Primary Industry Education Foundation Australia (PIEFA). The expected outcome of the project is to provide students with a hands-on, practical experience which provides a greater understanding of the role of agriculture and the breadth of career opportunities available in the agricultural sector.

Making our Farms Safer (closes June 2023)

As part of the Victoria's Smarter, Safer Farms program and election commitment, the Victorian Government has provided funding under the Making our Farms Safer initiative to enable the VFF to assist farmers in making their workplaces safer. The VFF offers a range of farm safety services which are available for all Victorian farmers.

Commodity Groups

Chicken Meat, Eggs & Pigs Report

Biosecurity & Disease Outbreak

There were several outbreak strains of Avian Influenza (AI) in Victoria during 2020, most likely spread by migrating birds. Currently AI is rampant throughout Europe and Asia and is a disease we need to exercise vigilance in. VFF Intensives has worked with Agriculture Victoria throughout the year on the outbreak response and continues to do so now on improved preparedness processes for industry, in particular early notification systems.

Salmonella Enteritidis (SE) remained a concern in the egg industry and was an ongoing agenda item with the Egg Committee. The high demand for on-selling spent hens to the public to keep as backyard hens can be a way of spreading diseases, including notifiable diseases that can have significant impact to the industry and human health. The Egg Committee strongly discouraged this practice however in the event it occurred it must become paramount traceable records are kept of the sale.

African Swine Fever (ASF) continues to be a threat to Australia especially through parcelled goods. Industry webinar forums were held throughout the year on ASF preparedness for pig producers. These sessions took the format of webinars with guest speakers providing practical advice on ASF preparedness and biosecurity.

Unfair Contract Bargaining Practices

There were ongoing issues with processor contracts particularly in relation to grower fees. VFF Intensives made a submission to the ACCC's Perishable Agricultural Goods Inquiry which arose from unfair bargaining practices for farmers in regards to dealing with parties in the supply chain such as processors and supermarkets. The chicken meat industry has been subjected to unfair contract terms and we welcome a Code of Practice that will protect farmers. We also support the introduction of an economy wide unfair trading practice prohibition to address conduct that causes significant harm to businesses.

Intensives Policy & Issues Update

- National Poultry Welfare Standards and Guidelines are due for release where VFF intensives opposed the banning of caged eggs for industry.
- The new Victorian Animal Welfare Act is being developed.
- National Pig Standards and Guidelines Working Group is resuming its work.
- Ongoing work with EPA around biosecurity issues resulting from the disposal of morts and landfill. Intensives is finalising a paper on protocols.
- Planning and residential issues around broiler farms zoned in green wedge and the conflict of intensive farming not being a permissible use in the green wedge zone.
- VFF Pig Committee lobbied for the reopening of the Pig Services Centre and for producers to be included on the priority flu vaccine list.
- Webinar forums held throughout the year on biosecurity, disease preparedness and preventing COVID-19 in the workplace.
- Ongoing contract negotiations and issues with chicken meat processor branch contracts, which extended to legal advice.
- Intensives Co-ops – ongoing co-ordination of the Rural Industries Co-operative Limited (RICL) and research into a wholesale bulk buying co-op for feed.
- Progressing the development of an app for farmer responsibilities with accreditation and approved farming schemes with chicken meat growers initially.



Livestock Report

Bushfire Response

The start of 2020 saw the Livestock Group at the forefront of the VFF's biggest bushfire emergency fodder relief effort in response to the bushfires that affected 1,561,000 hectares across North East Victoria and East Gippsland communities. Our commodity leaders and staff swung into action and began making arrangements to deliver much need fodder to impacted producers.

The Livestock Group was active on the ground with staff stationed in the East Gippsland Incident Control Centre and working closely with Agriculture Victoria and the Australian Defence Force (ADF) to reach isolated farmers and delivering donated VFF fodder via ADF helicopters.

Over 80,000 animals were delivered feed including 61,390 head of cattle, by the VFF program. We wish to thank all members, transporters and representatives who contributed to the relief effort.

COVID-19

The Livestock Group has continued worked tirelessly on behalf of farmers in the face of COVID-19 to ensure that livestock producers and the livestock supply chain continued to operate as usual in a safe environment.

River Frontage Access

The issue of camping on river frontage property is a significant concern to livestock licensee holders. We have lobbied the state government, with livestock biosecurity, human and animal welfare and bushfire risk among some of our key concerns. The Livestock Group along with the wider VFF will continue to engage with members on this issue and be active in the upcoming consultations.

Loading Ramp Standards

2020 saw the progression of the National Standards for Loading Ramps and Forcing Yards developed by Standards Australia. We ensured that we had active representation on the steering group and continue to seek feedback from our members via communication channels to ensure that the standards developed were a safe and practical approach for the industry to strengthen farmer health and welfare in livestock yards.

Invasive Animal Management

Wild dogs and kangaroo management have remained a priority. 2020 saw the Livestock Group active in consultations with the Victorian Government to ensure that the Wild Dog and Fox Bounty program continued, express our concerns regarding the disbandment of the Victorian Wild Dog Ministerial Advisory Committee, lobby for increased funding for wild dog management and aerial baiting and lobby for increased harvest quotas for overabundant populations of kangaroos.

The end of 2020 involved us being active in the proposed management plan for the Greater Gariwerd landscape. This proposed plan for the Grampians National Park proposes the reintroduction of dingoes to the area and we will continue to lobby against any such proposal throughout 2021, highlighting the concerns from livestock members.

Biosecurity

We remained committed to protecting our livestock members against biosecurity threats and ensure all levels of government and industry undertake critical preparedness activities. This has included lobbying for truck wash facilities to prevent disease spread, involvement in industry consultations such as the National Wool Declaration review and NLIS traceability reforms. The VFF also received the go ahead to renew our highly successful animal health and biosecurity extension program, Stock Sense, which we will relaunch in 2021.

Animal Welfare

The Livestock Group continues to work towards the best animal welfare outcomes for both our livestock and the producer. The Livestock Group has been at the forefront of a number of industry consultations to ensure that any changes or introductions to animal welfare legislation is practical for the producer and does not lead to perverse outcomes for the livestock industry. The development of a new animal welfare act for Victoria involved extensive policy work and engagement with the wider livestock industry in 2020. The Livestock Group will continue to lead the discussion in 2021 on this legislative change.



Grains Report

Murray Basin Rail Project

An efficient and competitive rail freight network is vital for transporting freight to port. The VFF have strongly advocated for the revitalisation of Victoria's rail freight network including the critical Murray Basin Rail Project.

In late 2020 The State and Federal Governments have announced joint funding proposals to advance this project. Unfortunately this does not yet include standardisation of the Sea Lake and Manangatang lines.

VFF continues to advocate to all stakeholders that only a single gauge state-wide network will deliver full economic, safety and environmental benefits.

Trader Payment Terms

VFF continues to advocate for shorter payment terms to minimise risks of defaulting grain payments. Across over 40 traders average harvest payment terms are now down to 12 days, with over 85% paying within 3 weeks.

VFF also continues to monitor trader solvency issues.

ISCC Sustainability Certification

In response to member concerns, the VFF is working with key industry stakeholders to explore ways to improve communication and streamline the ISCC or other appropriate scheme to reduce administrative burden for growers.

Cross border access for critical harvest workers and cross border communities

The VFF strongly advocated for the implementation of the Agricultural Workers' Code has worked to ensure cross-border access for critical harvest workers and farmers.

High Productivity Freight Vehicle (HPFV) Access

The VFF is working to increase HPFV access in Victoria. Permanent routes in the Mallee are now included in the National Roadtrain Network and the VFF worked with the Mildura Rural City Council to gazette local road access of the road trains.

Local B-double road access

The VFF continuing to work with farmers and local councils across the State to increase local road access for b-double road access

Fuel security

The events of COVID have highlighted the vulnerability of Australia's fuel supply chain networks. The VFF has called on the State and Federal Governments to develop financial support package to protect Victoria's domestic refining capacity.

Consumer protections for purchasers of agricultural machinery

The VFF has participated in the ACCC's Review of the Agricultural Machinery After Sales Market and the Productivity Commission's review of the Right to Repair to improve consumer protections for purchasers of agricultural machinery and access to spare parts.



Horticulture Report

The Victorian Horticulture industry is diverse thanks to the varied Victorian climate which supports a large variety of fruit and vegetable crops. Victoria accounts for 32% of horticulture production in Australia and nearly 50% of horticulture exports. The Victorian horticulture industry is worth an estimated \$8.5 billion, with \$3.1 billion from produce and \$5.4 billion from processing. We are the largest Australian producer of broccoli, mushrooms and asparagus (95% of Australia's national Asparagus crop).

Labour remains the single biggest issue for Victorian Horticulture producers. Victorian Horticulture employs around 50,000 people, a number which swells to 100,000 during the peak harvest periods. Access to a legal and reliable workforce is critical to the sustainability and growth of Australian agriculture.

Existing labour issues have been exasperated with reduced temporary migrant numbers due to COVID and a significant reliance on Seasonal Workers Program and Holiday Makers have left many businesses struggling to find harvest labour. This has resulted in significant crop losses in some areas, with the Australian Lost Crop Register currently showing over \$45 million in lost produce.

This has only renewed grower's calls for an Ag Visa, in an attempt to reduce their reliance on more generic labour sources outside of their control.

Growers are also becoming increasingly frustrated with the significant levels of compliance associated with multiple overlapping certifications. The acceptance of Freshcare as meeting international standards (Global Food Safety Initiative) and expansion of HARPS (Harmonised Australian Retailer Produce Scheme) provides an opportunity to push for greater consolidation.

Other topics which will be important during the coming 12 months will be the AWU application for a floor price for piece rate, country of origin labelling for cut flowers, effectiveness of Horticulture Industry Labour Agreement Visa program, the Victorian Governments full implementation of contract licensing laws, the implementation of a new AgVet Chemical framework and rising supply chain and production costs.



UDV Report

In a year like no other, the United Dairyfarmers of Victoria (UDV) was still able to achieve some excellent results for the Victorian dairy industry, remaining a crucial player and valued voice in the key events affecting our dairy farmers.

Australian Dairy Plan

After more than 18 months of work the Australian Dairy Plan (ADP) was released in September 2020. UDV provided extensive feedback and farmer consultation on the ADP and lobbied to ensure a greater focus was given to on-farm profitability. The five ADP commitments will form the basis of the next five year strategic plan for the Australian dairy industry, designed to increase profitability, confidence and unity across the industry.

Black Summer Bushfires

Following disastrous bushfires which devastated areas of East Gippsland and the Upper Murray, UDV assisted in providing relief to those affected. UDV worked with the VFF to establish and run a fodder drive which saw 44,342 bales of fodder transported to affected areas from over 30 companies and individuals. Reaching over 500 affected farmers this was the largest fodder drive run by the VFF in recent memory.

COVID-19

With COVID-19 dominating headlines within 2020, UDV was called upon in numerous forums to ensure the voice of dairy farmers were heard. After working with the VFF to secure agriculture as an essential service in the Victorian response, UDV was also called upon to provide input into the dairy industry Rapid Response Team which looked into issues pertaining to the dairy industry and COVID-19 and how solutions could be achieved.

Tyre use on farms

UDV has worked closely with Dairy Australia to educate the Environmental Protection Authority (EPA) on the importance of tyre use on farm for silage stacks and lobby for red tape reduction on tyre regulations in Victoria. Farmers in Victoria can only legally keep 5,000 average car tyres on their farm without a licence and UDV has been lobbying to ensure farmers can continue to use tyres, along with educating farmers about safe storage of tyres on farms.

Live export

In 2020 the UDV provided comment into the Primary Industries (Customs) Charges Amendment (Dairy Cattle Export Charge) Bill 2020. The UDV supported a proposal to amend the Primary Industries Levy on the provision that the dairy industry be consulted on how the money is spent moving forward. This will ensure the levy is utilised in a way that is fit for purpose for dairy farmers and the dairy industry can maintain access to important export markets for cattle.

Energy Grants

Lobbying from the UDV and ADF lead to the establishment of the Federal Governments Energy Efficient Communities Program. This program saw dairy farmer's access grants of up to \$20,000 for simple energy system upgrades on farm. Whilst allowing farmers to create more energy efficient systems the program also focused on reducing emissions and provided the required funds to enable dairy farmers access emissions reduction technologies.

Animal Welfare Legislation

In late 2020 the Victorian Government began consultation on reform to animal welfare legislation. UDV worked with VFF Livestock and VFF Intensive commodities to provide feedback to proposed changes. One of the key proposals was including sentience into the new Act, an area that is relatively new in animal welfare legislation. UDV worked with the other commodities to ensure the views of animal agriculture were represented.

Quad bikes

The Federal Government has made it mandatory for quad bikes to be fitted with operator protection devices (OPDs) after October 2021 to address safety concerns. With many of the major manufacturers announcing they will leave the Australian market, it has been evident from the UDV membership that there are great concerns around this course of action. This lead VFF Policy Council to adapt their policy position in order to develop a proposal that may achieve both safety and access to quad bikes.



Stakeholder, Policy and Advocacy

Farm Business and Regional Development Committee

The Farm Business and Regional Development (FBRD) began reviewing VFF policies including in the areas of local government rates, animal activism, drought and energy. Following the disastrous 2019/20 bushfire season a working group was also convened to help review VFF policy to ensure effective advocacy in the areas of bushfire prevention, response and recovery.

Local Government rating continues to be a key priority of the FBRD Committee. The VFF wrote to all rural and regional Local Government Councils setting our expectations for their rating strategies in 2020. Pleasingly, most council's kept farm rate rises to below 2 per cent. We campaigned strongly

against councils that had proposed unreasonable rate increases through the media. The VFF also hosted online forums in the Southern Grampians and Wellington Shires to keep members informed and to help plan local campaigns.

In December the Victorian Government's committed to introduce a valuation averaging mechanism as part of the rating system. This was one of our key recommendations to the Local Government Rating System Review and will help reduce the 'rates shock' many farmers face year after year. The policy change is a win for farmers and the VFF has committed to assisting the government in implementing the policy by 2022.



Land Management

A busy year in the land management and planning policy area following the Black Summer bushfires and a number of important Victorian and Federal Government processes.

Emergency management is becoming an increasingly important issue in land management. The past 2017-2020 fire seasons have demonstrated a decreasing understanding of agriculture in government emergency managers. A focus on protecting towns or dwellings has led to institutional failure to consider impacts on farms despite 'property' including the "Protection of assets supporting individual livelihoods and economic production that supports individual and community financial sustainability"

Not properly understanding the impact of decisions on fences, crops, livestock, machinery and infrastructure means agencies are not planning to protect this type of property, factoring in the impact of control options on all types of property or assisting in recovery. Some members are still getting native vegetation permits to allow them to reinstate boundary fences on livestock properties – another whole year of lost production and stress.

VFF has been working with agencies to assist these members while looking at documenting where system improvements could minimise these types of impacts happening in the future by ensuring prompt recovery processes. VFF advocacy in this area included appearance before the Natural Disaster Royal Commission and a 'understanding farming' presentation to the DELWP Land and Fire Forum.

Proposals to reintroduce dingoes into parks to legislative change to allow unregistered camping on riparian land are but two high profile examples where bureaucrats have failed to consult with landholders. These issues demonstrate that we continue to struggle to get the government (particularly the bureaucracy) to understand and value the important role of farmers in land management.

Another important policy process in 2020 was the Planning for Melbourne's green wedges and agricultural land work. Not yet finalised at the time of writing this work demonstrates a perception of farming land being a blank canvas just waiting for the next form of development. Through this process and others we continue to argue that the economic value of agriculture must be better recognised in Victoria's planning system.

VFF is continuing to not only challenge the government in these areas but to actively promote the social, economic and environmental benefits of agriculture and the professionalism of our members who every day negotiate a complex set of regulatory and market systems to produce food and fibre. Campaigns to improve knowledge of farming and farming practices will help ensure that the government understands the type of support and regulatory systems agriculture needs to thrive, not just survive.

2020 should have been the year that the new EPA Act was enacted. Although far from 'perfect' the EPA should be recognised for attempting to understand agriculture. An agricultural reference group was established after the legislation was passed. This has helped industry challenge thinking based on EPA experience.

Water Council

The VFF has continued its strong advocacy on issues concerning the Murray Darling Basin Plan. We have consistently called on the Commonwealth and Basin State Governments to amend the plan in order to give farming communities confidence and certainty, including through the scrapping of the 450GL up-water target, no further buybacks of water and no flooding of private property to deliver environmental flows.

The VFF has also taken part in a number of consultations including the ACCC Inquiry into Water Markets in the Murray Darling Basin, the Victorian Water Market Transparency Options Paper and the Latrobe Valley Regional Rehabilitation Strategy. All submissions are published on the VFF website.

On the National Farmers Federation Water Taskforce the VFF continues to be the lone dedicated voice for Victorian irrigators. Both on this Taskforce and in direct engagement with the Federal Government, the VFF continues to advocate strongly to ensure Southern Basin and Victorian issues are appropriately considered.



Workplace Relations Report

Chair: Robyn Gulline

Committee: David Jochinke, Emma Germano, Sylvia Vagg, Alan Bowman, Meg Parkinson

COVID-19

The 2020 year was marred by the outbreak of the pandemic, COVID-19. Employers and employees were constantly having to make hourly, daily, weekly, monthly changes on how to operate in the new covid safe environment. Many businesses had to quickly operate from home, learn to adapt to the constant change. Closing of borders internationally and frequent state border closures brought many members' issues to the fore, with labour shortages a constant problem and is still trying to be addressed.

Recent legislation introduced

During the year, there was several new laws that came into effect. One of these was the introduction into the OHS laws of a new criminal offence of **workplace manslaughter**.

The offence applies to negligent conduct by an employer or other duty holders, or an officer of an organisation, which breaches certain duties under the Occupational Health and Safety Act 2004 (OHS Act) and causes the death of another person who was owed the duty.

The workplace manslaughter provisions will not operate retrospectively. This means that a death that occurs after 1 July 2020 will be considered.

The new law aims to prevent workplace death, provide a stronger deterrent for duty holders to comply with their occupational health and safety obligations.

The changes do not create additional duties on duty holders, instead they introduced tougher penalties, including maximum fines of approx. \$16.5 million for employers and jail terms of up to 25 years. The VFF lobbied the Government calling for various amendments on this legislation but the Government had no appetite for amendments. The VFF Farm Safety team ran a webinar on Industrial Manslaughter in November for farmers.

The Victorian Government passed the **Wage Theft Act** on 16 June 2020. The Act establishes new civil and criminal offences targeting employers who deliberately withhold (whether directly or indirectly) employee entitlements from employees and employers who falsify and/or fail to keep employee entitlement records.

The VFF fought against the Act as the legislation establishes yet another level of bureaucracy. It also duplicates the Fair Work Ombudsman's duties but with tougher enforcement laws. The Act commences into force when proclaimed or if not proclaimed earlier, by 1 July 2021.

National Wage Case

Usually in July each year the decision of increases to minimum award wages operates after The Fair Work Commission makes a decision. Due to the COVID-19 situation and the economic effects of the coronavirus pandemic the Fair Work Commission set differential start dates between July 2020 and February 2021.

The Fair Work Commission's minimum wage panel has increased all modern award rates of pay by 1.75%.

The new weekly minimum wage will be \$753.80 – or \$19.84 an hour – up \$13 per week. The new minimum wage will have three operative dates based on the impacts of the pandemic on each sector.

Workers covered by "group one" awards, such as frontline healthcare and social assistance workers, teachers and childcare workers and other essential services, will receive their increase from July 1.

Workers covered by "group two" awards, which is the Pastoral and Horticultural wards and in construction, manufacturing, will receive the increase from November 1.

And those in "group three", in accommodation/food services, arts/recreation, aviation, retail and tourism, will have to wait until February 1.

There was a split decision in the panel where the minority decision favouring a wage freeze. ACTU sought a 4% increase. NFF sought no increase and argued in our submission to the Review that, given the wide array of pressures facing the agriculture industry, no change should be made to the existing minimum wage.

Modern award review- Horticultural Award and the Pastoral Award

4 Yearly Review of Awards

The Review into all modern Awards is now completed for most awards. During the current COVID-19 pandemic, the Fair Work Commission has varied 99 modern awards, including the Pastoral and Horticultural Awards, inserting unpaid pandemic leave and annual leave flexibility clauses into these awards.

Submissions throughout the year

The VFFIA made the following submissions in the following areas during the year:

Industrial Relations

- VFF submission on the Consultation Paper-Wage Theft Bill 2020, March 2020

Education and Training

- VFF Submission Skills For Victorian Growing Economy June 2020
- VFF Submission on the Review into VCAL and Pathways in Senior Secondary Schooling April 2020

Workers Compensation

- VFF submission into Independent Review Into Agent Model and Complex Claims, September 2020
- VFF Submission into Agent Model and Complex Claims Further Options, January 2021
- VFF Submission into Review of Prohibition notices January 2021

Occupational Health and Safety

- VFF submission into Independent Review of the Dangerous Goods Act 1985 and Regulations
- VFF Submission into Review of Prohibition notices January 2021

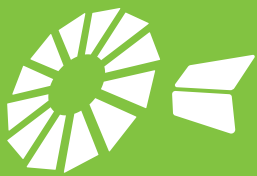
Making Our Farms Safer Project

The Victorian Farmers Federation (VFF) has been awarded a grant of up to \$3 million (*Making our Farms Safer*) grant to employ two farm safety officers and deliver new occupational health and safety resources.

Serving farmers across Victoria, the farm safety officers will provide information and advice on improving farm safety, via on-farm safety walks designed to help farmers identify risks and the changes they can make to improve the safety of their farms.

The VFF will also use the funds to develop an online platform with a range of farm safety resources for Victoria's farmers that help them to adopt better farm safety and health practices.





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