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# WAFARMERS

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## ANNUAL REPORT 2022





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# Introduction

Welcome to the 2022 Annual Report. This year won't be forgotten in a hurry, as not only has it provided Western Australia with a second record harvest that looks to end up being even bigger than 2021 but we have seen a change in the federal government and a change in the state Minister for Agriculture.

The two big disappointments for the year were the confirmation that the live export industry would be closed in the next term of this government, should they be re-elected, along with the lost income from the spread in local grain prices compared to export prices which for the second year in a row has hit grain growers in the pocket.

WAFarmers is the largest and most influential agricultural advocacy group in Western Australia and is continually working towards a more viable, profitable, and sustainable future for the State's agriculture industry.

As part of this pursuit, WAFarmers advocates to government for positive change, develops corporate alliances and partnerships, as well as communicates with the rural and metropolitan public on important issues.

With the federal government locking in their 43% emissions reduction target into legislation we are starting to look at what it means for farmers input costs and who will pay. Will the costs of carbon abatement be moved up or down the supply chain? Obviously WAFarmers will be making the case that the end consumer should be paying or at the very least, carbon calculators need to consider existing best practise and the cyclical nature of carbon methane emissions from livestock and grain.

It is in cases like this that the need for advocacy organisations becomes apparent. WAFarmers works closely with our various peak bodies; Grain Producers Australia, Sheep Producers Australia, Wool Producers Australia, Cattle Australia, and Dairy Australia along with the National Farmers Federation.

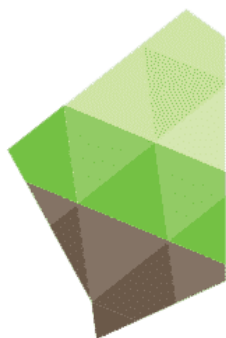
What we don't want to see is peak bodies outbidding each other on the speed and amount they can reduce emissions without understanding the full costs that industry will bear.

WAFarmers job is to engage with the government to help steer the ship of the state in a way that benefits the agricultural sector and not have farmers being the solution for Australia's carbon targets.

The 2022 Annual Report provides details of how our various sectors within the organisation Grains, Livestock, Dairy and General are addressing the carbon question along with all the other issues we represent the industry on behalf of our members.

Without your valued support we can't do the work that allows farmers to grow.

*Thank you for your continued support.*



# WAFARMERS



# President's Message

John Hassell



2022 marked the end of nearly a decade of the Federal Liberal-National Coalition government noting there were three different Prime Ministers but at least they were spread over 8.5 years versus the United Kingdom who went through three Prime Ministers in 8.5 weeks.

As Keating once said “when you change the government you change the country” and that’s certainly what has happened following the election of the Albanese Labor government who came in with their policy of ending the live sheep trade, legislating a 43% cut in carbon emissions by 2030, ending the Agricultural Visa and without any policy embarked on industrial relations changes that have taken the country back to the 1970s allowing pattern bargaining.

This new government certainly is changing Australia and our members are concerned where we will end up as wage pressures, inflationary pressures and labour shortages combine to add pressure to farmers bottom lines.

## STATE AND FEDERAL POLITICS

A new federal government saw a new Minister for Agriculture appointed with Senator the Hon Murray Watt taking the reins of the department that oversees live exports, animal welfare, biosecurity and agricultural chemicals plus supports the Department of Trade in market access negotiations.

Having sat around the kitchen table at the WAFarmers office within the first month of the Ministers’ appointment plus meeting with him in Canberra, I can say we have a federal Minister who we can work with. While he is charged with rolling out the end of the live sheep trade, all indications are he is not an enthusiastic proponent of the policy knowing that the activists will simply move onto the live cattle trade once we have lost sheep. While he is duty bound to abide by the policy of the federal government I have urged him to consider that behind closed doors he should be working furiously to save the live trade. Likewise as soon as the New Zealand government announced it was going to try to tax its farmers out of existence Minister Watt immediately stated his government was not going to do that to our farmers.

The appointment of a new state Minister for Agriculture has given us the opportunity to start afresh to get the relationship right. Pleasingly Hon Jackie Jarvis MLC accepted an invitation within a couple of days of her appointment to meet at the farm in Pingelly with Trevor Whittington and myself

A great well rounded discussion was had which included the need for the Minister to listen to her department and to follow the scientific approach rather than the religion of the reed warbler. She has also agreed to meet with us on a regular basis. I hold out some hope we are going to get better outcomes than in the past.

Both ministers fully understand the limitations of the supply chains we have and the negative impact this has been having on the pricing of our grain and thus the lowered returns to our producers.



John Hassell with Hon Jackie Jarvis MLC

## SEASON 2022

Back-to-back record grain production seasons must be one for the record books, but it has come with record backlogs of grain in storage that has not made its way onto a ship. Our Grains Council was deeply engaged with CBH and the state Minister for Transport to push through the Western Australian Grains Industry Supply Chain Improvement Strategy funding of \$200m and the Pathway to 2033 which will see an almost doubling of annual storage and handling spend for the next decade. The challenge for 2023 is to ensure the next round of state and federal funding is fast tracked to address bottle necks such as the rail link between Northam and Kwinana.

The season has also been outstanding for graziers in the southern half of the state. Wool pricing could be better and the threat of the closure of the live trade will exacerbate the 8-23% differential we already have with the eastern states. Cattle has been outstanding although the shine has just come off that and the dairy industry is finally getting the rewards it deserves.

## FMD AND LSD

The Lumpy skin disease outbreak in March and the Foot-and-mouth disease outbreak in May in Indonesia shocked the Australian biosecurity system into a massive shake up which has led to the States and Commonwealth commit to additional funding and instigated the compulsory roll out of electronic identification (EID) tags. Our Livestock Council worked closely with the sheep and wool peak bodies in Canberra along with the National Farmers Federation (NFF) to ensure funding was provided to cover the start up costs of the national EID system which is set to commence 1 January 2025.

## METHANE

Carbon farming and emissions from agriculture was a topical issue for most of the year with various organisations working on carbon calculators including Meat & Livestock Australia (MLA), CSIRO Farm Print, CSIRO LOOC-C, AFI Farm Gas, GAF Tools, DGAS, FulCam, Cool Farm Alliance Cool Farm Tool, University of Melbourne Sheep and Beef GHG Accounting Framework. To date there has been no agreement on which calculator is going to end up as the industry standard but with 2030 now a year closer there is a need to settle on a formula that works for Western Australian growers.

I have taken a strong interest in the lack of awareness of methane being part of the circular nature of the greenhouse equation when it comes to livestock. Having raised it repeatedly with the state Minister I finally got some recognition that we are net zero so long as we hold our livestock numbers at the same level year in and year out. Unfortunately, this message has not got through to the international bodies that are driving much of the debate on greenhouse emissions. Work continues at the NFF level on this.



# President's Message

Continued



## CONFERENCE

WAFarmers held its second conference at Muresk on 23–24 June 2022 which was well attended by industry and growers. Our theme “Fodder for Thought” covered the issues I have covered in this report and using the forum to announce the \$2b Pathway to 2033 project. Topical discussions were on which projects were going to be prioritised, something at the time of writing we were yet to get clarity on.

The highlight of the evening was the announcement of our newest Life Member, Max Watts from Wandering for his dedication to WAFarmers and the industry as a whole.



John Hassell and Max Watt



Hon Steve Martin MLC, Max Watt, John Hassell



Chris Antonio, Hon Mia Davies MLA, Max Watt, Virginia Watt and Rob Kelly

## SAFETY

Sixteen deaths in 18 months saw the WorkSafe Commissioner establish an enquiry to review the past five years of deaths to see if there is cause and effect to the incidents. We do know that there is a lack of good statistical information breaking down age, industry, cause, size of farm and type of farm. We are still waiting for the final report, but we do need to separate out the hobby farms and horticulture from broadacre and really understand who is at risk. The industrial manslaughter laws are a great cause for concern and WAFarmers is working on an app that will be easy to use and provide all the necessary tools to help get safety settings right.



Filming of farm safety videos on John Hassell's property

## HERITAGE LAWS

The introduction of the new heritage laws are something to be worried about. We have been working to make sure the regulations are not overly burdensome. If we are unable to keep some of these in check, mostly due to ignorance, we will have a whole new layer of bureaucracy to deal with every time we want to do anything on our farms.

## MEMBERSHIP AND FINANCES

I am happy to report that for the first time in many years we have held our membership numbers despite ongoing aggregation of around 3% a year which has seen farm numbers halve in the past 30 years. In addition, our financial position remains strong with no debt and a growing reserve fund as well as our office asset. We need to acknowledge our board and our staff for their prudent financial management in setting us up for a more financially sustainable future. Part of this has been the move into our new building which is ticking all the right boxes in helping to put us in a financially secure position.

I want to thank our staff, our board and all our loyal members many of whom put in large amounts of voluntary work for the benefit of the whole industry and look forward to working with them in 2023.



# Grain Report

Mark Fowler and Melanie Tolich



*Managing grains industry issues so our members can get on with the job.*

Over the last 12 months, WAFarmersGrains has worked hard to maximise returns for WA grain growers in what has been another challenging year. We continue to proactively influence government and industry bodies on core issues affecting our growers at both a national and a state level.

## MAJOR ISSUES

### 1. Input prices

The Australian farm sector was already experiencing high fertiliser and chemical prices prior to the Russian invasion of the Ukraine in February last year. This was mostly caused by high international grain prices increasing demand for those key crop inputs. It was also affected by the energy crisis in Europe, which was driving gas prices and therefore nitrogen prices up.

When the Ukraine conflict started, it dramatically amplified this problem. Not only are Russia and Belarus major global suppliers of fertiliser, but Russia also supplies the majority of the gas to the European market. As the Ukraine and Russia also supply an enormous proportion of exportable grain annually, this drove grain prices up even further, which compounded the problem. All of this occurred right at the time that Western Australian grain growers were about to plant their 2022 crop. It also occurred when WA growers had very poor access to labour as a result of Covid-19 restrictions (pushing up labour costs), fuel costs were going through the roof and interest rates were rising.

As a result, the prices paid for inputs in 2022 were the largest that we have ever seen, dramatically increasing risk for grain growing businesses. Thankfully 2022 was a high rainfall year with a soft finish and little or no frost. That led to high yields which masked a potential issue with terms of trade. Had we, instead, seen average or below average yields, we would likely have seen losses and significant financial pain. As we go into 2023, input prices remain high (although nitrogen has eased) so this will be a major challenge as growers try to make budgets for 2023 work.

Unfortunately, there is little that can be done by WAFarmersGrains about high fertiliser, chemical and energy prices. These are the product of international forces beyond our control. However, what we can do is lobby hard for changes to ensure growers achieve sale prices for their grain that, as much as possible, reflect international parity so that they can still make a profit.

And that has overwhelmingly been our focus in 2022.

### 2. Supply chain & grain prices

A record WA harvest in 2021 of 23 million tonnes exposed weaknesses in the grain supply chain, particularly in the up-country freight network. That resulted in delays in getting grain from up-country to port which, in turn, caused buyers to discount Australian grain compared to prices offered internationally.

That price discount can be attributed to:

- buyer uncertainty in a highly volatile market (particularly where there are insufficient shipping slots);
- additional shipping costs caused by a delayed shipping stem (demurrage, lay-time, etc);
- fear that a large carry-out could affect logistics and costs and undermine prices; and
- good old fashioned price gouging (taking advantage of grower fear and cashflow imperatives).

The risk of a large carry-out also threatened to affect harvest logistics for the 2022 crop and, most crucially, to subject growers to another year of grain prices significantly below international parity.

With the high input prices paid by growers, it was clear very early that this would be the biggest and most important challenge for WAFarmersGrains in 2022.

That is why WAFarmersGrains has been working hard all year, both alone and in collaboration with the Pastoralists & Graziers Association (PGA), the West Australian Grain Group (WAGG) and CBH, to identify, develop and lobby in relation to the short, medium and long term solutions to remove transport bottlenecks and increase the throughput capacity of our freight network generally to increase tonnes to port capacity.

Among other things, this resulted in an unprecedented joint statement by WAFarmersGrains, PGA, WAGG and CBH to government and other stakeholders communicating our collective support for the CBH Path-to-2033 strategy and the priorities identified in the State Government's Agricultural Supply Chain Improvement Scheme (ASCI). This alignment has been crucial to keep a disciplined focus on the core issues, the key metrics (namely tonnes to port capacity) and achieving the best return on investment, which is most likely to produce an investment outcome from Infrastructure Australia and government generally and therefore fix the network problems besetting our industry.

This alignment has also been the catalyst for further cooperation between WAFarmersGrains, PGA and WAGG. We have worked, and continue to work, together on other issues such as sustainability (ISCC), peak national representation and port competition. **There has been a clear recognition that, when we speak together, we represent the full spectrum of grower views, and that has a multiplier effect on the power of our advocacy.** We will continue working with PGA and WAGG wherever we have common ground for the benefit of WA grain growers.

### 3. Sustainability and accreditation (ISCC)

There is no doubt that, in today's world, where sustainability is increasingly required by both consumers and regulators, that grain growers not only need to be sustainable, they need to be able to demonstrate that via a credible sustainability accreditation system. To date, that has been done in Australia via the International Sustainability & Carbon Certification (ISCC) scheme.

While this commercial scheme has enabled Australian canola growers to access the premium paying European biofuels market, it has recently grown well beyond this into an internationally accepted brand for sustainability.

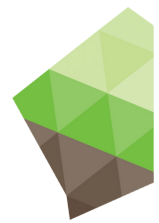
WAFarmersGrains has a lot of concerns about where this is going and the consequences for the Australian grain industry. In our view, the ISCC system is inappropriate for the Australian grains industry because:

- it is a system designed in Europe, by Europeans, for Europeans, without any input by Australia grain growers or the Australian people;
- it is based on European concepts of sustainability without regard to the differences here of weather, soils, topography, hydrology/run-off and proximity to population;
- chemical regulation in Europe is inherently subject to popular politics, unlike in Australia where the APVMA is independent of government with a rigorous science mandate;
- it covers areas already fully addressed by Australian law, which creates unnecessary compliance costs and red/green tape; and



# Grain Report

## Continued



- the sustainability credentials of the Australian grains industry are superior to Europe's and we are missing an opportunity to celebrate and monetise that advantage.

That is why WAFarmersGrains (who have led this debate nationally), in concert with Grain Producers Australia (GPA), PGA and WAGG, are calling for the Australian grains industry to develop and implement its own sustainability accreditation scheme to be administered by Grains Australia.

In the meantime, we are engaged with CBH, Sustainable Grains Australia and other state farming organisations in lobbying ISCC to interpret and adapt the ISCC scheme to suit Australian circumstances. We sit on (and I chair) the national working group providing feedback to the ISCC. However, the ISCC still do not maintain an office in Australia, we have no direct contact with ISCC and the Regional Stakeholder Group that we are part of covers all of SE Asia – not exactly appropriate considering that we farm in a very different way to our SE Asian friends.

We have also been trying to get recognition generally (particularly in the non-rural media) that ours is one of the most sustainable grain growing systems in the world.

#### 4. National representation

It is a reality that most of the key decisions affecting the grains industry are now made in Canberra. That is why WAFarmersGrains sits on the GPA policy council, along with all of the grains representatives of the other state farming organisations (SFOs). We attended 2 days of meetings in Melbourne last year (followed by the Australian Grains Industry Conference) and will be attending further meetings in March and July later this year. We have also attended numerous zoom meetings throughout the past year.

Through GPA, we have been involved in discussions and policy formation in relation to:

- the national grains biosecurity strategy (FMD, container trade not paying their share & khapra beetle);
- the results of the National Residue Survey;
- GRDC (supply chain economics, levy review, Grains Australia, IOC structure & 5 year RD&E plan);
- varieties & end-point-royalties;
- competition issues in the grains sector (fertiliser, Wheat Port Code, agricultural machinery & canola seed);

- whole of industry sustainability (Behind Australian Grain) and ISCC;
- supply chain and market issues (uber-negative basis);
- international trade issues (China barley lockout and WTO action); and
- farm labour/visa regulation.

We have also been a key player in the discussion about whether there should be consolidation of the peak representative bodies. At the moment, GPA has a comprehensive membership network (via the SFOs) and also holds many of the key statutory functions. On the other hand, Grain Growers Limited (GGL) has significant financial backing and shares the GRDC Representative Organisation (RO) role with GPA but, with no fee paying members and a more limited membership structure, cannot legitimately speak on behalf of grain growers.

GPA and GGL currently share the joint Representative Organisation role supervising the GRDC. We do not think that this joint arrangement is necessary or appropriate, and the relationship between GPA and GGL has become fraught in any case.

With no substantive difference in policies, the SFOs are united in the view that there needs to be consolidation in this space. In October, the SFOs met in Adelaide to progress this and are keen to see a respected industry figure appointed to mediate between the two organisations. We recognise that there may be history between these bodies but, if they truly put the interests of grain growers first, they will put that aside.

#### 5. Carbon regulation

The makeup of the current federal parliament means that carbon regulation is going to happen. The challenge for us though is to ensure that grain growing businesses are treated fairly under any new scheme, be it via direct regulation/taxation or a market driven mechanism. In particular, we are concerned that farmers are a soft target because we do not represent a lot of votes and we are not good at collective action (unlike the mining industry). Sadly, everyone wants to see change, but they seldom want to do the changing themselves. And for most city voters, farmers are out of sight, out of mind. If we are not careful, we will end up like the farmers in the Netherlands, New Zealand and Sri Lanka with unworkable systems that threaten the viability of their food production systems and, in some cases, their whole economy.

That is why WAFarmers wants the new government to take a fresh look at how carbon emissions are calculated in relation to grain – rather than just follow the European model. The problem lies in that plant and animal based carbon is stable atmospheric carbon that has been recycled through photosynthesis, and will keep recycling forever, whilst fossil fuel based carbon is new carbon that is being emitted into the atmosphere at an alarming rate. In our view, the two forms of carbon emissions should be treated differently.

It should also be remembered that grain is food and food is necessary for life. If any new regulation reduces the supply of food, or causes it to become unaffordable to the poorer people of the world, that will have profound social and security consequences for everyone.

WAFarmersGrains would like government to consider the concept of the "carbon wallet", which would allow farmers to baseline the carbon levels in their soils now, without having to climb over the bureaucratic threshold of registering a project with the Clean Energy Regulator or with one of the carbon aggregators with all of the complexity that that involves. Once farms are baselined, any carbon that is accrued from that time forward could be measured and accounted for at some time in the future. Ironically, it is the absence of this baseline that is holding people back from adopting some of the practices that could build soil carbon.

WAFarmers would also like the Federal Government to look more closely at developing a biofuels industry in this country. We believe that this would be a win-win strategy. Biofuels produce 78% less carbon emissions than fossil fuels, enabling the nation to achieve its targets faster, and we have a strong and vigorous grains sector that would benefit at the same time.



# Grain Report

## Continued



### 6. Labour & skill shortages

Regional Australia had an issue with attracting and retaining staff before Covid-19 struck. When Covid-19 shut down backpacker inflows and then the borders, this problem was amplified fivefold. However, grain growers were not going to sit on their hands. With incredible grit, determination and innovativeness they worked longer hours, asked their staff to work longer hours, called on family members young and old to assist and even used retired army veterans and out of work airline pilots to operate seeders and harvesters. But this was never going to be sustainable for long, especially with the record crops in 2021 and 2022. Our grain growers, their families and their staff are exhausted. And that is why, in our opinion, we saw so many farm fatalities in 2022 and why the older generation are over-represented in these statistics.

This is a structural issue that is limiting the growth of the Australian farm sector. Without reliable, repeatable and cost effective access to semi-skilled workers (not just farm managers and mechanics, but experienced operators of highly technical machinery), we will be unable to grow our industry to realise its full potential. That is why we met with the new Federal Agriculture Minister, the Hon Murray Watt, as soon as he was appointed and asked him to urgently develop a strategy to tackle issues associated with skilled labour migration, including the fast tracking of visas to provide workers for broadacre agriculture (not just horticulture, which is where the focus seems to have been to date). To avoid doubt, this means targeting workers from countries with similar farming systems to our own. While it may be politically expedient to target migrants from nearby Asian countries, people from these countries do not meet this need.

We recognise that immigration is not the only answer to this issue. We need to improve training and recognition of existing farming skills. To that end, WAFarmersGrains have been working with the State Government to develop an agricultural apprenticeship, to fill the massive training gap between a low level traineeship and the higher level diploma and bachelor degrees. It's no coincidence that our chronic skills gap is in exactly the area that in which we have no training options in WA.

We also need to address the other structural issues, such as the lack of accommodation for families in regional communities, and the systems support (including but not limited to training, health & safety, well-being & communication) to enable farmers to be better and more organised employers. At the end of the day, even the biggest farm businesses are still operated by a husband and wife team. They are not the same as a mining company (which sets and drives the regulatory context in this state) which will generally have a large and well resourced HR department.

### 7. Other issues

Other significant issues that WAFarmersGrains have been involved with include:

- changes to the method used to calculate the fire danger index and impacts for harvest bans and stubble burning permits;
- problems with the supply and allocation of hybrid canola seed; and
- whether there should be greater competition in the grain supply chain for accumulation and port services.

### DEMOCRATIC PROCESS & LEGITIMACY

The strength of WAFarmersGrains has always been its strong connection to the zones from which it draws its delegates. Each delegate is appointed by its zone, and it is their job to continually liaise with zone members, distill their views and represent these to the Grains Council. It also their job, using that understanding, to vote on behalf of their zone. This is a system of representative democracy not unlike our state and federal parliamentary systems.

So, if any member feels that WAFarmersGrains is not properly taking their views into account, they should contact their grains delegate to ensure that they are aware of their views. To improve communications between members and delegates, we have ensured that each zone runs a WhatsApp group for grains so that real-time discussions akin to a meeting can be had without the need to attend an in-person meeting (which many struggle to attend in these times). For the avoidance of doubt, this is intended to be in addition to, not substitution for, in-person meetings. This is also intended to engage the people who are actively running their farms who are least able to attend such meetings. We would encourage all members to engage with this medium as it is thorough, set out in writing and enables everyone to "hear" and be involved in the discussion.

However, once members have expressed their view to their delegate and the democratic process of the organisation has been applied to the matter, members should respect that outcome. Sadly, all too often, that does not occur and this weakens our organisation, our brand and our advocacy when it happens. It also deters people from joining up if they are not already members.

### CHANGING OF THE GUARD

After two years as WAFarmersGrains President, Mic Fels decided not to re-nominate as President, with Mark Fowler taking over as President following the AGM in June last year.

Mic has made a huge contribution to WAFarmersGrains and the wider WAFarmers membership over the past two years, addressing some of the biggest threats our industry has seen in the past decade including COVID-19, labour shortages, climate change and associated carbon issues and supply chain challenges.

To ensure a smooth transition, Mic remains on Grains Council as the Immediate Past President. On behalf of WAFarmersGrains, we thank you Mic for your time and dedication to WAFarmers and we hope that you continue to be involved.



Grain Producers AGM in Melbourne



# Livestock Report

Geoff Pearson and Melanie Tolich



**This year has certainly brought an interesting dynamic to the livestock sector. Record high prices achieved in sheep and cattle, industry representation restructures, along with disease outbreaks in neighboring countries has kept the Livestock Council busy over the past 12 months as it continues to develop and drive key policy areas at both a state and national level. Below are the highlighted key policy areas the council has been working on throughout 2022.**

## ANIMAL WELFARE

WAFarmers Livestock Council acknowledges that the Livestock Industry is only sustainable if animal welfare standards are maintained at acceptable levels collaboratively throughout the livestock Industry supply chain. Therefore, development of consistent policies both at a State and National level on animal welfare best practice has been an area of focus for the council throughout 2022.

In February the McGowan Government established an Animal Welfare Advisory Committee. Their role will cover the provision of advice on animal welfare policy, legislation, regulations and standards, community education, and importantly for the livestock sector they will have significant input into the training standards for animal welfare inspectors.

The Livestock Council met with Professor Clive Phillips, Chair, of the new Western Australian Animal Welfare Advisory Committee (AWAC) in June, opening the doors of communication between our organisation and AWAC to allow WAFarmers to engage with the group on matters relating to livestock as and when they arise.

Development of policies for best practice in animal welfare around the use of pain relief has been ongoing. WAFarmers Livestock Council recognises the advances of effective and practical anaesthetic and analgesic treatments for livestock in alleviating the pain and distress associated with invasive procedures. Acknowledging this, the Livestock Council is committed to promoting the use of livestock analgesia for invasive procedures and urges Western Australian producers to follow this approach in delivering on industry animal welfare best practice.

## BIOSECURITY AND TRACEABILITY

Biosecurity has been a hot topic for the council in 2022 with the presence of foot-and-mouth disease (FMD) and Lumpy Skin Disease (LSD) in Indonesia sending panic through Australia's livestock industry. Currently we have two highly contagious diseases very active in one of our closest trading partners with a potential cost of \$80b to the Australian economy.

FMD was reported in Indonesia by Department of Agriculture, Fisheries and Forestry (DAFF) on 9 May 2022. FMD affects cattle, sheep, goats and pigs and has severe consequences for both animal health, and Australia's ability to trade globally. LSD was reported in Indonesia in early March, with original findings showing that it had been confirmed in 31 villages in Sumatra.

In light of the heightened risk of diseases reaching our shores, there is a renewed focus on increasing traceability in all livestock. Increased focus on the electronic National Vendor Declaration (eNVD) systems, Electronic Identification (EIDs) for sheep and goats, health declarations, auditing and improved National Livestock Identification System (NLIS) platforms.

NLIS systems for tracing cattle movements have been in place for some time, however, a meeting of Federal and State Agriculture Ministers in July 2022, resulted in industry being advised that EID's for sheep and goats will become mandatory by January 2025. The decision was reached on the basis that EID's will improve traceability required for managing, controlling and eradicating biosecurity threats.

WAFarmers Livestock Council is currently represented on taskforces at both a State and National level to work through implementation processes associated with EIDs for sheep and goats, to ensure the best outcomes for industry and our producers. WAFarmers surveyed its members in November to gain vital feedback for consideration during deliberations on appropriate implementation of the EIDs in Western Australia.

Given the increased threats to biosecurity, WAFarmers continues to advocate for increased biosecurity funding to ensure we are adequately resourced to manage these threats.



## LIVE EXPORTS

Live Export has remained topical for the WAFarmers Livestock Council particularly in the lead up to and in the weeks following the federal election in May this year.

WAFarmers Livestock President, Geoff Pearson met with both Senator the Hon Murray Watt, Minister for Agriculture, Fisheries and Forestry and Shadow Minister for Agriculture, Hon David Littleproud MP shortly after the Labor Government came to power to discuss the importance of Live Export to the Western Australian livestock industry. After these meetings the Federal Labor Government defined their position on the trade and have assured the sector that it will not be moving to phase out the live export of sheep for the next three years.

WAFarmers continues to oppose any phase out of the trade. The trade provides Western Australia with a vital outlet for large numbers of livestock through periods of drought and is also one of the strongest external market pressures to maintain the value of the sheep and cattle markets against the supermarket and domestic slaughter trade.

WAFarmers will continue to work closely with Live Exporters through membership to Western Australian Livestock Exporters' Association (WALEA) in Western Australia and engagement with the Department of Agriculture, Fisheries and Forestry to ensure the continuation of the Live Export trade.



# Livestock Report

## Continued



### CARBON EMISSIONS

The carbon discussion continues, along with the complex nature of the methodologies. Recently the New Zealand Government announced a tax on agricultural emissions. We welcome the position from our new Agriculture Minister, Senator the Hon Murray Watt that his government is not considering similar tax measures and they continue to support and work with the livestock industry on reaching the 2030 red meat carbon neutral target.

The Australian red meat industry is utilising innovation and technology to combat carbon emissions, however further work needs to be done to fix issues surrounding calculating and accounting for emissions for livestock.



Geoff Pearson, David Littleproud MP, John Hassell and Peter Rundell MLA



Geoff Pearson, Peter Rundell MLA, David Littleproud MP, John Hassell



FMD Workshop in Mt Barker

### AUSTRALIA-UNITED KINGDOM FREE TRADE AGREEMENT (A-UKFTA)

To markets and marketing now, and we have seen the virtual signing of the A-UKFTA which will support Australian farmers by eliminating tariffs and removing red tape for the UK market.

#### Beef

- Beef is Australia's largest global agricultural goods export, worth \$9.6b in 2020.
- Under our current trade arrangement Australian beef exports to the UK face duties as high as 12% + 254GBP/100kg.
- Under the A-UKFTA we will see immediate access to a duty-free quota of 35,000 tonnes, rising to 110,000 tonnes by year 10.
- In the subsequent 5 years (years 11-15 after entry into force) a product specific safeguard will be applied on beef imports exceeding a further volume threshold rising in equal instalments to 170,000 tonnes, levying a safeguard duty of 20% for the rest of the calendar year.
- Out-of-quota tariffs will remain at 'most favoured nation' until year 10 and will then be eliminated.

#### Sheep

For sheep the key A-UKFTA market access outcomes include:

- Immediate access to a duty-free quota of 25,000 tonnes, rising in equal instalments to 75,000 tonnes in year 10 for Australian sheep meat.
- In the subsequent 5 years (years 11-15 after entry into force) a product specific safeguard will be applied on sheep meat imports exceeding a further volume threshold rising in equal instalments to 125,000 tonnes, levying a safeguard duty of 20% for the rest of the calendar year.
- Out-of-quota tariffs will remain at 'most favoured nation' until year 10 and will then be eliminated.



### KEY POLICY AREAS FOR THE WAFARMERS LIVESTOCK SECTION INTO 2022 INCLUDE:

- Working with partners across the industry to improve traceability and biosecurity outcomes;
- Ensuring animal welfare standards meet best practices across the supply chain advocating for continued industry-specific Research and Development (R&D) funding;
- Information gathering, accounting and long-term planning for a sustainable industry;
- Development of nationally consistent policies on animal health and welfare best practice;
- Understanding consumer demand and ensuring research and development is fit for purpose;
- Developing a sheep industry environmental sustainability measurement management system; and
- Maintaining market access and international demand.



Geoff Pearson  
Fodder for Thought

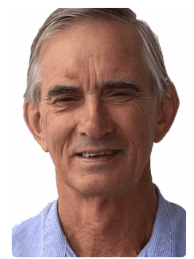


Geoff Pearson and Melanie Tolich  
Fodder for Thought



# Dairy Report

Ian Noakes and Laura Stocker



## INTRODUCTION

The WAFarmers Dairy Council is the peak advocacy group for the dairy industry in Western Australia. We aim to ensure the dairy industry is sustainable: profitable for farmers; safe for the environment and our animals; and valued by the community. We want to ensure our consumers are supplied with safe, wholesome and nutritious dairy products. The Dairy Council works in the policy field to ensure our industry is involved in shaping the regulations and laws under which dairy businesses operate. We contribute to strong leadership and nationally coordinated policy and advocacy work so the dairy industry can continue to grow and prosper.

## THE YEAR IN REVIEW

### Western Australian Season

Western Australia has had a reasonable year weatherwise, especially compared to the east coast. In more southerly areas the rain continued well into October.

### Milk Prices

Farmgate milk prices have headed in the right direction this year but input costs such as fertiliser have also spiralled upwards. The net result is that over the next year or two, Western Australian dairy farmers may increase their profit margins by a small amount enabling farmers to catch up a little, but not enough to reverse the flow of exits from the industry which are ongoing.

### Western Australian Dairy Industry Five Year Development Plan

The Western Australian Dairy Industry Working Group (WADIWG) completed the Western Australian Dairy Industry Five Year Development Plan (the Plan). WADIWG is made up of representatives from: WAFarmers Dairy Council, Western Dairy, Dairy Australia, Department of Primary Industries and Regional Development (DPIRD), Lactalis, Brownes and Bega. WADIWG is convened by Consultant Brad Weir and the Plan is owned by the whole Western Australian dairy industry. Our vision is: The Western Australian dairy industry has a reputation for best practice, innovation and sustainability, enabling growth and building confidence in our industry to ensure its long term viability.



### Dairy Council Regional Roundabout

We had a very successful Regional Roundabout from 5 - 7 April 2022. Ian Noakes, Michael Partridge and Laura Stocker visited Albany, Northcliffe, Margaret River and Wokalup over three days. We shared some of our recent advocacy actions; presented and sought feedback on the Five Year Plan; and had a guest speaker from Carbon Farming Foundation. Thanks to our sponsors Nutrien and WAFarmers First.

### Centenary of Group Settlement

The Southwest celebrated the Centenary of Group Settlement on 26 March 2022. The Margaret River and Districts Historical Society had a street parade and fair where the Dairy Council had a Marquee with historical and sustainability information and products. We attracted a lot of interest, until the skies opened at midday. We thank Brownes and Harvey Fresh for supplying products to give away. WAFarmersFirst sponsored Main Street banners.



Dairy Stall, Centenary of Group Settlement

### WAFarmers Dairy Conference

Our Conference was held on 22 July 2022 in Busselton and was opened by Hon Alannah MacTiernan MLC who officially launched the Plan, on behalf of WADIWG.

During his President's address, Ian Noakes presented Michael Partridge with the prestigious Milk Bottle Award for his major long-term contribution to the dairy industry.

We had inspiring speakers across a range of topics from interstate and Western Australia. We also had a panel discussion on the Plan. Thanks to Phil Depiazzi for MCing the event. We gratefully acknowledge our sponsors who make the Conference possible: Dairy Australia & Western Dairy, Milne Feeds, Bega, Achmea, DPIRD, Bunnings, Harvey Water, Brownes, Summit Fertilizers, Farm West, Prime Super, and WAFarmersFirst. The venue Abbey Resort and AV team Totally Sound did an excellent job.



Ashlee Hammond (Dairy Australia), Colin Thompson and David Nation (CEO Dairy Australia) Dairy Conference



Ian Noakes presenting Michael Partridge with Milk Bottle Award



Gemma Longford (Western Dairy) and Laura Stocker Dairy Pavilion, Perth Royal Show



# Dairy Report

## Continued



### Dairy Pavilion, Perth Royal Show

The Dairy Pavilion was very successful after a break during COVID-19. We were delighted to have had all three major processors and many smaller manufacturers selling quality dairy and dairy-related products. There was also a Café, show bags for sale, cheese toasties and the farmyard, where families could interact with farm animals.

Several dairy farmers attended to talk about dairying and demonstrate milking. WAFarmers and Western Dairy co-hosted a stall with information about careers and sustainability in the dairy industry.

Thank you to Dairy Australia for the educational merchandise, the video screen and the footage. The Dairy Pavilion was sponsored by WAFarmersFirst and organised by Louise Cashmore. The Café was staffed mostly by Louise's family and Scotch and PLC students, whom we gratefully acknowledge.

### Southwest FoodBowl Education Days, 13-14 October, Nannup

This event was for school students in the Southwest to show them where their food comes from and what careers there may be in agriculture. WAFarmers, Western Dairy and Farmer Damian teamed up to show how cows are milked, promote understanding of dairy farming in Western Australia, and encourage students to take up careers in the dairy industry. AgAcademy funded Farmer Damian and Brownes provided dairy products for the students' lunches.



South West FoodBowl.



Gemma Longford, Laura Stocker, Farmer Damian and Barbara Dunnnett (Chair Southwest Foodbowl) South West FoodBowl

### Advocacy

In Western Australia, the Dairy Council has been involved in advocacy relating to the impact on the dairy industry of FMD and other biosecurity factors, animal welfare policy, the regulation of Acts of Veterinary Medicine, and the reform of Schedule 1 of the Environmental Protection Regulation.

The Dairy Council has also been actively engaged with our peak dairy body, Australian Dairy Farmers (ADF) to support national advocacy on issues such as FMD and to bring a Western Australian perspective to national issues. The Dairy Council is also represented on the Policy Advisory Groups (PAGs) of ADF.

Ian Noakes is our representative on the Farm Operations PAG. This year, matters for discussion included: climate change, the global methane pledge and adaptation strategies; animal welfare; biosecurity including traceability, LSD and FMD; the Murray Darling Basin Plan; a review of the Dairy Moving Forward Strategy; and energy.

Michael Partridge represents the Dairy Council at the Australian Dairy Farmers Economics and Trade PAG. Matters for discussion included: competition reform and price transparency; the Dairy Australia trade and supply chain program; nutrition and labelling; and flood recovery support for the eastern states.

Nicola Parker represented the Dairy Council at the People and Communities PAG. Matters for discussion included: the Dairy Australia workforce attraction program; workforce shortage policy prioritisation; the National Seniors Australia 'mobilizing pensioners' proposal; regional mental health support; and Family and Domestic Violence leave.

### Looking forward

Our main concerns are about ongoing exits from the dairy industry and falling milk production.

The lack of labour and rising input prices contribute to these issues. The rise of fake milk is also a concern. Managing the ongoing risk of FMD/LSD is another concern. We are looking forward to addressing these issues nationally with ADF and at a state level by implementing the Plan and improving the dairy industry in Western Australia.



Ieraci Bailing Time



Cows leaving shed



Michael Partridge presenting WAFarmers Agriculture Ambassador Scholarship to Millah Gray, Harvey Ag



Armstrong calf



# General Report

Trevor Whittington



## WAFARMERS BIOSECURITY REVIEW SUBMISSION

Biosecurity risks are increasing for a range of reasons, including the expansion in movement of humans, livestock populations, animal and plant products, increased geographic distribution of plant species production and changing patterns of human activity impacting on ecosystems.

The suitability of Western Australia's climate for many pests and diseases, its proximity to northern neighbours and extensive coastline means it will continue to be a front-line state for dealing with biosecurity threats.

Resources are under pressure at the same time, there is increasing competition for resources within government and increasing pressure on businesses and the community. This is highlighting that it is imperative to make wise investments with the resources available to tackle biosecurity challenges. We will need to mine a complex world to find solutions.

On the positive side, there are emerging opportunities to devise new solutions to tackle biosecurity threats more effectively and at lower cost. These solutions lie in two directions - there are better ways of tapping into the practical knowledge and creativity of all those who share responsibility for biosecurity and there are a multitude of new technologies which can be applied, and information sources which can be analysed to improve the way we detect, manage and eradicate new biosecurity threats. Navigating an increasingly complex world to access these opportunities will be an increasing challenge.

Western Australia's biosecurity system is critical to the agriculture industry and to the environment.

The primary industry sector is a critical part of the nation's biosecurity continuum, contributing in-kind and financially to the national system through their own activities, levies and other fees that support emergency response arrangements, research, development, extension and adoption (RDE&A).

Western Australia's geographic isolation partnered with appropriate biosecurity practices along the pre-border, border and post-border, has ensured we remain free of many damaging invasive species found elsewhere in the world.

## Resourcing

Budget funding in 2022-23 is \$95m but only rising to \$96m in forward estimates. Given Consumer Price Index (CPI) forecast to be 2.5% over the next three years, this means a reduction of over 7% in the biosecurity budget over this period unless additional resources are found.

Another issue is the skills training within the Department of Primary Industries and Regional Development (DPIRD) and also across industry within respect to incident response, monitoring and best practice biosecurity.

The potential for a special land holders tax similar to the Emergency Services Levy to cover the costs of doubling the funding available to \$200m should be explored to provide a sustainable resource base to meet current and future biosecurity challenges.

## Industry Funding

If industry is to pay more it should be matched by government funding and provide a greater degree of influence on how funds are spent.

There are significant concerns regarding industry funding for biosecurity issues such as European Wasp and Eucalypt Rust which have significant public good benefit.

A more efficient contribution and levy system that recognises inequities of risk, beneficiaries and those that pay is critical.

There also needs to be transparency around the benefits to industry and how the costs are apportioned to industry and government.

For example, for primary producers in the horticulture sector there are currently many options to bring in overseas labour for seasonal and longer term purposes including visas 407, 489, 494, 187 and 491 plus the new Australian Agriculture Visa to be altered by the new government and placed under the Federal Pacific Australian Mobility (PALM) scheme, the Working Holiday visa, and labour agreements including a Horticulture Industry Labour Agreement which has been negotiated nationally, and various designated area labour agreements that cover horticulture. At present none of the above, with exception to the Working Holiday visa, are effectively addressing the needs of broad acre farming in Australia and particularly Western Australia.

A key reason for this is the scale and technical capacity required for labourers to work on broad acre farms is a different skill set than those required for horticulture, where the current migration pathways for skills shortages are focused. And the fact that seasonal work does not require full time staffing and the migration visa system does not cater for seasonal workers.

The National Farmers Federation (NFF) have been lobbying for an Ag Visa since 2012 and their policy position is that an agricultural visa is required that encompasses all sectors of agriculture including more highly skilled operators needed in broadacre farming. The visa should not be limited to the Pacific or Association of Southeast Asian Nations (ASEAN) but expand into Eastern Europe and South and Central America offering a simple pathway over multiple years for workers to come to Australia for seasonal work.

## VISITORS

### PLEASE RESPECT FARM BIOSECURITY

Please phone or visit the office before entering



**Do not enter property without prior approval**  
Vehicles, people and equipment can carry weed seeds, pests and diseases



## AG VISA GRAINS SUBMISSION

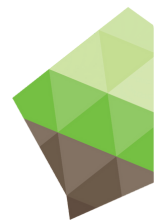
WAFarmers worked with NFIC Services to develop a submission calling for a review of the Australian visa system to address workforce shortages in the regions.

Governments have tried to establish pathways to address labour shortages for industries such as horticulture, yet these measures are not applicable for the needs of the grains industry.



# General Report

## Continued



### FIREARMS

In March 2022 the State Government announced that they were rewriting the Firearms Act 1973 with the aim of improving community safety.

WAFarmers engaged closely with the both the police and the Minister for Police to ensure farmers were not unduly impacted from the changes

In our submission we put forward proposals for:

- A junior firearms license be incorporated for 16+ to cater for competition shooters and workers on farm properties.
- A valid license without needing to have a firearm attached to remove the existing gap in the laws and allow farmers to instruct a farm worker who has been trained to use a firearm with confidence of their legal standing.
- A primary producers license be established to cater for the particularities of the states 7000 primary producers (defined under the tax act.)
- Non resident holders to be able to access a firearms license but not to have ownership of a firearm (Farmers sometimes need international workers to access a license to use the farmers firearm.)
- Existing firearms owner licensing system should be reviewed and a complete seamless electronic system designed and implemented to include world best practice electronic database management that allows paperless real time transactions.
- Minimum mandatory penalties for theft of firearms from farm properties.
- Clubs and dealers to have (limited) access to the electronic database to improve checks of new license applicants and buyers of ammunition for pre approval.
- Grandfathering of existing firearms license holders from training requirements if they can show active use of firearms.
- Property letters to be linked to the database and to Landgate to ensure only current owners allow access holders to be reviewed.
- Inter-family transfers of like for like firearms to be made seamless.
- Register shooting rangers so they don't impact farm property neighbours.

WAFarmers will be liaising closely with the government when the new draft legislation and regulations come up for debate in 2023.



### SAFETY

Following 14 deaths in 18 months the Worksafe Commissioner Darren Kavanagh called an inquiry into the reasons behind the high number of fatalities.

The inquiry aims to establish how to make changes in safety in the industry, along with recommendations on investigations and enforcement for consideration by the State Government.

Former Industrial Relations Commissioner and Chief Industrial Relations Commissioner Pam Scott was appointed as an independent inquirer to assist.

It comes at a time where farm safety has been thrust into the spotlight, with employers facing 20 years in jail and \$10m in fines if found responsible for a workplace death under the new Work Health and Safety Act.

WAFarmers made both a submission and attended one of the regional workshops putting forward the proposal that the State Government treat farm safety as a public health problem similar to road safety and invest resources in a new agency similar to the Road Safety Commission which would engage in ongoing education and awareness engagement.

An important part of the process of understanding the risks was recognising that there was a vast difference between commercial scale broadacre farming operations, other sectors like horticulture and viticulture and hobby farms.

Issues such as quad bikes, motor bikes, horses and part time small farms with old unsafe machinery needed to be addressed differently to large scale commercial broadacre farms.

We await the final report due 2023.

### SAFETY SYSTEMS REVIEW

The ongoing pressure on farm businesses to ensure they have a working farm safety system has had WAFarmers engage Dave Gossage from Preplan and Wes Laurence from Axistech to review the various electronic safety systems that are available and work with WorkSafe to identify what is needed as a minimum to ensure farms are compliant.

Across Australia there is a vast array of safety material available in the form of example checklists, policies and procedures with every state government plus national bodies like Agri Futures, Farm Safe Australia, and the University of Sydney providing free material on their websites.

In addition, private businesses like iAuditor, Safe Ag Systems, Safety Revolution, Safe Farms WA, WHS Systems and ProcessWorx offer various electronic platforms that make it easy for farmers to incorporate a safety system into their daily operations.

Because of the array of providers and the flood of information available, it is difficult for farmers to know who provides what and what will work for their business.

Having a qualified safety trainer (Preplan) and expertise in farms systems data management working together will help break down what's available in the market with the aim of providing recommendations to members of the pros and cons of the various market options by early 2023 in time for the release of the WorkSafe Agricultural Industry Inquiry.



Media release

### WorkSafe investigates death on farm



# General Report

## Continued



### CAPITAL GAINS TAX SUBMISSION

The largest owner of farmland in Australia is the Australian family. WAFarmers want to preserve this position for the benefit of all Australians and retain the benefits of family farming for all consumers. In this thought piece WAFarmers identify reasons to change the current Capital Gains Tax (CGT) law to reflect the reality of modern-day farming. Current CGT concessions available for small businesses are unfavourable for farmers. The restrictive nature of the present CGT concessions affects the smooth transfer of farms between generations.

WAFarmers in partnership with farm accounting firm Dry Kirkness jointly developed a detailed submission given to the Federal Government

The paper examined the current trends in agriculture, the current CGT concessions and how the lack of concessions affect the way farmers go about selling land and what changes should be implemented to ensure farmers are supported accordingly. Without a better tax concession regime, corporate investors and larger corporate farmers will be allowed to take over the agricultural industry and farming families will be unable to pass down farm ownership to future generations.

CGT applies to the transfer of assets between families. There is no specific exemption for intergenerational transfer of wealth and assets, unless it occurs on death of the owner. The law treats the sale, transfer, or gifting of property to family or friends as subject to CGT. The market value substitution rule will tax the seller as if they received market value for the disposal. Because many broadacre farms in Western Australia now (or in the future) will exceed the current CGT thresholds, WAFarmers believe the current tax law applying to the disposal of land needs to be changed to encourage the tax-free transfer of farmland between generations within the same family group. Farmers should be supported to retain the business within the same family group, with the consequential retention of the detailed knowledge of the land, soil and microclimate within the farm.

The current legislation imposes tax on farmers passing down their land from generation to generation outside of death.

WAFarmers believe that a tax concession will give this industry the greatest chance of survival in the long-term. Tax concessions are used to give incentives and assistance to business owners engaging in responsible commercial activities. However, given the rise in land prices and income derived in this industry, the incentive for a farm to perform, expand or even pass down to the next generation is dwindling.

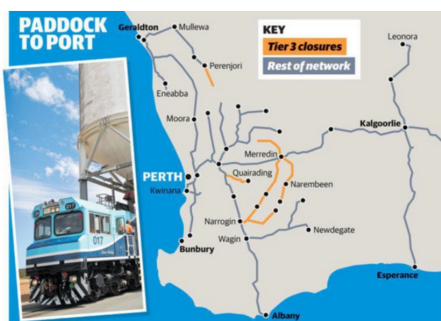
In addition to this, the only parties likely to benefit from there being no action undertaken is larger farmers and private investors. Unless changes are made to the current legislation, the agriculture industry will become subject to a concentration of ownership within large corporate ownership. The price of land will continue to rise and only the larger entities will be able to afford to purchase, run and manage farms whilst being able to satisfy tax liabilities as the fall due.

### TRANSPORT / GRAINS

Ongoing confusion over the responsibility for grain freight between General Sections Transport Committee and the Grains Section was resolved in a two step process during 2022. In May a formal position was put and agreed that no policy position would be formulated on rail freight without the agreement of both the Grains and Transport sections.

But the rapidly moving debate around supply chain issues as the backlog of grain left unshipped grew and the announcement by the State Government on the long awaited \$200m grain supply chain projects eventually saw a formal move to allocate all grain supply chain policy, including Tier 3 rail lines, across to Grains Council.

This move is part of the streamlining of WAFarmers decision making processes with the move to online meetings and rapid turnaround of decision making processes.



### NEW FEDERAL MINISTER

Following the federal election the WAFarmers President John Hassell and Vice President Steve McGuire along with the President of the Pastoralist and Graziers met with the newly appointed National Minister for Agriculture, Senator the Hon Murray Watt.

The meeting was an initial meet and greet but WAFarmers took the opportunity to urge the federal governments policy to end the live sheep export trade to be reconsidered along with handing over copies of the submissions on CGT and labour shortages.



Tony Seabrook, Minister Murray Watt and John Hassell

### FEDERAL ELECTION

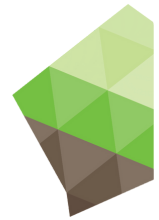
WAFarmers supported the NFF election platform *TimetoThrive* which included five key platforms:

- \$4.1b for the establishment of 20 Regional Development Precincts;
- A \$2b fund to reward land managers who improve the health of their landscape;
- A \$5b Rural Telecommunications Fund to improve connectivity for remote Australians;
- The fast-tracking of discussions to lock in 10 Ag Visa partner countries; and
- Reform to competition law to protect farmers from unfair practices.



# General Report

## Continued



### WATER FIGHT

Twenty five years after the last attempt by the Department of Water to take control of farm water property rights we were back again fending off a push by the Department to place limits on the extraction rights of farmers in the South West corner of the state.

In 2021 the State Government announced that they were looking to license farm spring water and place annual limits on the amount of water farmers could use. Initially the proposal is for Warren Donnelly catchments but there was no doubt this was the start of a push to expand the licensing regime across the state to take control of farmers ground water assets.

WAFarmers supported an industry meeting in Manjimup on 2 April 2022 attended by over 100 growers and embarked on a campaign to draw a line on property boundaries of how far the state could go. At the very least any restriction on water usage from farmers' dams would have to be paid for as part of a compensation package.

A follow up meeting was held in October chaired by WAFarmers President John Hassell to review the governments proposal which included walking away from the proposed dam at Record Brook instead offering \$40m for water infrastructure projects in the latest round of the Building our Regions fund.

A new reference group was established and chaired by Ian Longson, former Director General of the Department of Agriculture and Food. Expert advice will be made available to support the group through briefings on technical, policy and engineering investigations.

The challenge for 2023 is to head off the proposed spring water rights restrictions and work with the reference group to ensure any state and federal funding for irrigated water efficiency projects are directed at projects that will benefit not just irrigation farmers, but also broadacre farms.



### CONNECTIVITY

WAFarmers prioritised connectivity as part of its Federal Election pitch and was pleased to see the following policies become part of their platform.

- **Boost NBN speeds on NBN fixed wireless** – \$480m to provide all 755,000 fixed-wireless users with access to speeds of between 100 to 250mb per second.
- **Increase NBN satellite data allowances** – to 90gb per month, and unmetering Skymuster usage between midnight and 4pm.
- **Expand world-class fibre access in the regions** – invest to expand full-fibre access to a further 660,000 homes and businesses in the regions currently relying on copper wire.
- **Conduct a national audit of mobile coverage** – Labor will undertake an independent audit of mobile coverage to better identify black spots and guide investment priorities.
- **Boost mobile coverage on roads** – investing \$400m to provide multi-carrier mobile coverage on roads with coverage black spots, and in regional communities.
- **Solve local connectivity problems** – \$200m towards place-based regional telecommunications projects, such as mobile or targeted fibre, to meet community needs.
- **Boosting on farm connectivity** – \$30m program to enable more farmers to extend connectivity in their fields and take advantage of connected machinery and sensor technology.

Australia has fallen well behind similar countries on broadband speeds and this is having a big impact in regional, rural and remote areas.

What we did not see is commitments to fund future black spots programs with a need to lock in another \$875m over the next six programs to match the funding for the last six, which since 2015 have seen 1296 sites co-funded by government.

What we don't need is what the State Government has done over the last 5 years and focus on small scale regional networks which don't expand the mobile coverage across whole farms.

WAFarmers will be pushing for a continuation of the old national blackspots program with its focus on mobile towers.



Boyd Brown, Regional Telstra Manager WA

### ANNUAL GENERAL MEETING (AGM)

The WAFarmers AGM was held at Aloft Perth followed by a dinner. The guest speaker was Stuart Nicholl, Chief Executive Officer of Strike Energy who spoke of their \$3b gas to urea project at Geraldton which will help improve local fertilizer supplies.

With the price of urea hitting a record of \$1300 per tonne in 2022 and forecast to be even higher in 2023 there was strong interest in any means of increasing local production and utilising the domestic gas reserve price scheme to ensure a supply of urea below global prices of imported product.

The challenge now is to ensure that the state bans on fracking, the high cost of construction labour, the environmental restrictions and the growing economic uncertainty do not impact this or the Karratha Perdaman \$4.5b plant with is threatened federal government intervention in support of local heritage issues.

### FARM WEEKLY

For the fourth year we have filled a full page in the Farm Weekly with commentary from Chief Executive Officer Trevor Whittington and President John Hassell covering everything from budget funding of DPIRD to the Federal Election.

Our engagement with the broader industry through the Farm Weekly continues to be an important part of the work we do to raise awareness and push policy positions.



At the end of 2022 WAFarmers wrapped up our Educating Kids about Agriculture program which was funded by the Federal Government.

The target was primary school aged children, most specifically Year 6 students to focus in on learning about agriculture via activities within the existing curriculum.

For marketing purposes, the project committee named our Kids to Farm project as the "AG Academy".

The objectives of the AG Academy were:

- Highlight agriculture as an integral part of everyday society;
- Demonstrate its relevancy comparative to other industries;
- Explain farming in clear terms that students can understand;
- Show the different types of careers and jobs that can be done in agriculture; and
- Communicate what a farming lifestyle is and how students can get involved if they choose agriculture as a career path.

The project identified large gaps in the knowledge of primary school aged children as to where their food came from, how it is grown, the different sectors of agriculture and the complex processes of producing grains, livestock and produce.

The project was an important part of helping to maintain the social license that farmers needed to continue to produce \$70b of food as well as raising awareness of the potential jobs on offer in the industry.

Key findings include:

- A lack of quality classroom teaching material available for teachers that fits into the school curriculum;
- The need for age specific education material that has been peer reviewed and workshop tested in schools;
- A strong interest in teachers having access to curriculum material;
- The difficulty, costs, risks and reluctance of schools to take kids out of the school grounds to do on farm engagement;
- The need for hands on education to touch, smell and taste the activities that come with farming.
- The need to address upfront hard questions on animal welfare and chemicals and the environmental impacts of agriculture;
- The difficulty of finding farmers with the time, skills, interest, qualifications, and expertise to do engagement and extension with primary school aged children;
- Teaching focus involving agriculture is disjointed and focused on specific high school subjects in a limited number of schools often with an ag link;
- Parents are interested and looking for out of school time experiences to take their children; and
- Technology can be used to help raise awareness eg. Augmented reality.

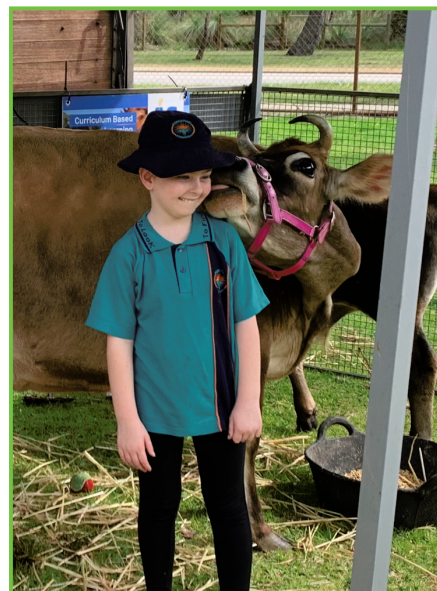
Due to COVID the project moved from being a on farm experience to engaging kids through a range of programs that could be used by teachers or rolled out post COVID.

Over the two years we developed new and innovative curriculum material through Edith Cowan University (ECU) which teachers could use in the classroom, we took dairy cows and farming engagement programs to schools, worked with the Royal Show to run an engagement program at the show, developed a meet a farmer virtual reality avatar for mobile phones and developed a Food you could Trust sustainability program.

Farmer Damian continued to bring the farm to the whole of school via incursions. Students had the opportunity to talk to and ask questions about daily activities. To date Farmer Damian has visited over 100 schools plus over a dozen community events with his farm animals.



Farmer Damian at Rossmyrne Primary School



Warriapeni Primary School



Midvale Primary School



Midvale Primary School



Winner of Esperance Escape photo competition at Perth Royal Show

# Membership & Events

Melanie Tolich



**For the first time in a very long time, WAFarmers recorded a growth in both membership numbers and revenue in 2022. WAFarmers welcomed 32 new farm businesses with 80 new individual members.**

This is a great result for the WAFarmers team who work diligently to deliver and communicate our relevance as a member-driven farm advocacy body. WAFarmers Executive continues to drive relevance through our media streams with delivery of a weekly page in the Farm Weekly featuring commentary on time sensitive policy issues that have ability to affect on farm sustainability and profitability. In addition, our team have developed a value statement brochure, that succinctly outlines the benefits and potential financial savings attributed to the vital advocacy work we complete on behalf of the Western Australian farming community. These membership driving tools have been proven very useful in attracting and retaining membership through demonstrated growth in membership.

AgConnectWA's membership remains at approximately 5% of our overall membership base in 2022. President, Josh Fuchsbichler and his committee, have worked diligently to evolve the offering of AgConnectWA membership beyond networking with the additions such as professional development opportunities. It is important for WAFarmers to keep engaging with the younger generation of farmers through AgConnectWA, allowing a strong future for WAFarmers and Western Australian agriculture.

WAFarmers is continuing its adoption of improved technologies for membership engagement. During 2022 we have been working towards installing a member section on the WAFarmers website. Through this section members will be able to login and update and pay their membership directly online and additionally provides the ability for potential members to immediately join and pay online, completely digitalising and streamlining the membership application process.

Members and our grassroots policy formation are critical to our advocacy efforts and for delivering valuable return on investment back to our loyal and strong membership base. In recognising this, it is important to note that the technology driving the members section on the website can be expanded to allow for direct policy engagement with the membership, allowing for agile member interaction on time sensitive policy decision making.

The WAFarmers Board and Management is continually looking to evolve our interaction and communication process to endeavour to meet the changing needs for our membership demographic. Engagement across numerous age and gender demographics is a challenge and requires the right balance to ensure that inclusivity is demonstrated across all demographics.

Management, under the guidance of the WAFarmers Board, continues to work on the process of developing a new streamlined version of the constitution for the organisation. This work commenced in late 2021 and continued through 2022. It is envisaged that the working draft will be circulated to zones and councils for comment prior the AGM in March 2023.

I would like to take this opportunity to thank you, our members, for your continued support. Any membership organisation is only as strong as the members that support it. If you have any issues that you wish to raise, please do not hesitate to pick up the phone or send us an email, and we will do our best to find a resolution. I hope that the 2022 season was productive for you as we now look forward to a successful 2023 farming season.

## EVENTS

The first major event for 2022 was the WAFarmers and General Section AGM's, attracting an audience of 54 members and industry stakeholders to the Westin Hotel in Perth on Friday 18 March. The free event featured a shortened program running from 3.00pm to 5.30pm and was followed by a member's dinner at the conclusion of the formalities. The program covered the constitutional requirements of the WAFarmers AGM while the General Section AGM passed a number of motions dealing with: Capital Gains Tax, Trust Deeming Dates, Transport Supply Chain Infrastructure, Vermin Control and Bushfire policy.

The Grains and Livestock section AGM's were held during "Fodder for Thought" – Grains and Livestock Forum 2022 held at the Muresk Institute on the 23 and 24 June. This event was very well supported with 140 attendees including members, non-members and industry stakeholders. The event commenced on the afternoon of 23 June with an AgTech theme promoted by WAFarmers corporate partner, Telstra with speakers and panel experts presenting on solutions to issues being experienced with on farm connectivity.

Day 2 commenced with both the WAFarmers Livestock and Grains Sections AGM's providing attendees with an update as to policy business that each council has been working on during the preceding 12 months.

The Grains Section AGM saw a changing of the guard with Mic Fels standing down from his role of President and handing over the reins to Mark Fowler of Williams. During the Livestock AGM, Geoff Pearson of Australind and David Slade of Mt Barker were re-elected unopposed in the positions of WAFarmers Livestock Section President and Vice President respectively. The remainder of day 2 featured speaker and panel presentations covering: Pasture and Feed Technologies, Livestock and Grain Supply Chain and Input Costs affecting on farm profitability.

The Dairy Section AGM and Conference held at the Abbey Beach Resort on Thursday 21 July was the final large event for the organisation in 2022. Again, the event was well attended attracting over 105 dairy farmers and industry stakeholders. As in past years the day commenced with the Western Dairy breakfast featuring presentations from Dairy Australia and Western Dairy on advocacy issues being faced by the Dairy industry at both a national and state level.

The WAFarmers Dairy AGM and Conference was opened by Hon Alannah MacTiernan MLC, former Minister for Agriculture and Food. The Five Year Dairy Industry Plan was launched with the Minister taking a very keen interest in the future of the Western Australian Dairy Industry. Other policy issues that the full day programme covered included: Carbon Farming, Supply Chain and Input Costs, Milk v's Plant Based Milk Nutrition and Animal Welfare.

Due to budgetary and return on investment concerns, WAFarmers took a new approach to field days in 2022, only committing to tent activations at Wagin Woolorama and Dowerin Field Days. However, this became only one tent activation due to Wagin Woolorama being cancelled just a few weeks out, due to the ongoing COVID pandemic.



# Membership & Events

Continued



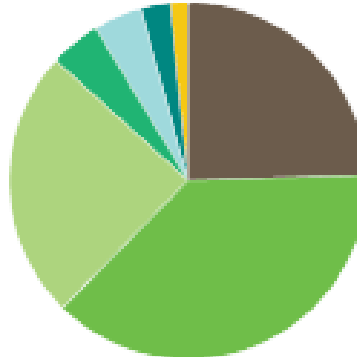
Although not pitching a tent at all four field days, WAFarmers still had a presence at all field days with staff being in attendance and engaging with farmers and industry participants. The field days are an avenue for networking and engagement with both members and non-member farmers, and with our industry counterparts.

WAFarmers cannot hold or participate in the above outlined events without the support of our corporate partners – Bailiwick Legal, Bunnings Trade, CBH Group, Dry Kirkness, Prime Super, Telstra and Western Power.

I would like to take this opportunity to thank our partners for their ongoing support in helping us to run these member events that are a great avenue for information on factors affecting on farm profitability but additionally provide opportunities for networking and engagement.

We hope to see you at our events in 2023!

## OUR MEMBERSHIP GREW IN 2022



• Medium	37.9%
• Retired	4.6%
• Life Member	2.7%
• Other	1.6%
• Small	24.5%
• Large	24.4%
• AgConnectWA	4.4%



980 Farm Businesses  
3215 Individual Members

## MEMBER INTERESTS

Grains



70%

Meat



64%

Wool



63%

Dairy



4%

## WHAT IS WAFARMERS WORTH TO YOU?

- No access to GM crop \_\_\_\_\_ \$
- Loss of Diesel fuel rebate \_\_\_\_\_ \$
- Lamb aging dentition \_\_\_\_\_ \$
- Removal of tax losses being carried forward \_\_\_\_\_ \$
- Loss of Farm Management Deposits \_\_\_\_\_ \$
- Loss of Averaging Farm Income \_\_\_\_\_ \$
- ADVMA protection of key chemistry e.g. Glyphosate \_\_\_\_\_ \$
- Loss of Live Exports \_\_\_\_\_ \$
- Loss of Intergenerational Farm Stamp Duty Rebates \_\_\_\_\_ \$
- Loss of the regional black spots mobile program \_\_\_\_\_ \$
- Concessional license for On-Farm Machinery \_\_\_\_\_ \$
- Oversize pilot license \_\_\_\_\_ \$
- Animal Welfare Bill Amendments \_\_\_\_\_ \$
- Harvest Mass Management \_\_\_\_\_ \$
- Non rav. road access \_\_\_\_\_ \$
- Renewable energy for dairy \_\_\_\_\_ \$
- A seat at the National table \_\_\_\_\_ \$
- \_\_\_\_\_ \$
- \_\_\_\_\_ \$
- \_\_\_\_\_ \$
- \_\_\_\_\_ \$
- \_\_\_\_\_ \$

WE GET YOU ROUND THE TABLE:

TOTAL = \$



**WAFARMERS**  
Shaping the Future of Agriculture

5806890

# High Court Decision Contract vs Employee

By **TREVOR WHITTINGTON**  
CEO WAFarmers



## We did it guys

**SIX MISSED CARBON IDEAS  
WANT TO OWN A TUG BOAT?**

**DPIRD'S  
declining  
carbon  
footprint**

## Our forgotten country towns Net zero targets won't last long

**Farm property rights to water again under threat**

**Time for Minister to allow Dept to Planfarm**

**Regional high schools failing ATAR students**

## OVERDUE CORRESPONDENCE



**Time to investigate stand alone power systems**

**The State's Best Liberal Treasurer  
FMD is far more important than festivals**

**YOUR VANISHING FARM PROPERTY RIGHTS**



**Live exports are not  
dead horses**

**MacTiernan falling off a fiscal and political cliff  
Lumpy skin disease needs a new approach**

## WA the State of ~~Excitement~~ Emergency

**Where is Costello when you need him? Europe running out of Gas and Urea**

## Clarity needed on DPIRD's budget numbers

**Are we getting the best bang for our buck**

**The Dutch Disease**

**Australian labour shortage here to stay**

**THE FORGOTTEN PEOPLE**



## THERE WILL NEVER BE ANOTHER ALANNAH

**Award wage rates are no benchmark**

**Farm Fuel Theft Warning**

LAND TAX SLUG			
	2020-21 Base land tax	Foreign surcharge	Total Foreign land tax
<b>QUEENSLAND</b>			
\$1 million	\$75,000	2% on all rural and residential properties	\$90,000
\$50 million	\$400,000		\$480,000
\$100 million	\$750,000		\$900,000
\$200 million	\$1,500,000		\$1,800,000
\$500 million	\$3,750,000		\$4,500,000
\$1 billion	\$7,500,000		\$9,000,000
<b>VICTORIA</b>			
\$1 million	\$75,000	2% on residential land only	\$90,000
\$50 million	\$400,000	2% on residential land only	\$480,000
\$100 million	\$750,000	2% on residential land only	\$900,000
\$200 million	\$1,500,000	2% on residential land only	\$1,800,000
\$500 million	\$3,750,000	2% on residential land only	\$4,500,000
\$1 billion	\$7,500,000	2% on residential land only	\$9,000,000
<b>TASMANIA &amp; WA</b>			
\$1 million	\$75,000	2.4% per cent on trusts where beneficiaries are not the trust	\$90,000
\$50 million	\$400,000	2.4% per cent on trusts where beneficiaries are not the trust	\$480,000
\$100 million	\$750,000	2.4% per cent on trusts where beneficiaries are not the trust	\$900,000
\$200 million	\$1,500,000	2.4% per cent on trusts where beneficiaries are not the trust	\$1,800,000
\$500 million	\$3,750,000	2.4% per cent on trusts where beneficiaries are not the trust	\$4,500,000
\$1 billion	\$7,500,000	2.4% per cent on trusts where beneficiaries are not the trust	\$9,000,000

**Coming up to speed on farm connectivity**

**AG MECHANIC TRAINING TIME TO RETHINK**

**MacTiernan and Johnston failing in farm safety**

**Let country people bet on their town future**



**Time to review the Universal Service Obligations of Connectivity**

By **JOHN HASSELL**  
WAFarmers President



**Anyone seen  
the Titanic?  
\$440m fantasy  
research building**

**JD debate risks farmers' confidence  
in DPIRD's consultation processes**

**Farm Safety - it has not gone away  
A PROGRESSIVE TURN TO THE LEFT**

**The Minister for Agriculture has Resigned**

**When Green Idealism Fails to Yield  
Subsidising fertiliser is not smart**

**DPIRD's electric vehicles won't come cheap  
Russian farmers running out of spare parts**

**What's your  
farm unloading  
safety regime**

**DON'T PANIC PERENJORI  
What cost keeping our youth safe**



**WAFarmersGrains supports CBH's Path-to-2033**

**New DPIRD Director General Welcome to Country has its limits**

**We can't afford not to tax fuel  
Maiden speeches sometimes say something  
The stricken ship HMAS DPIRD**



# WAFarmersFirst

Michael Tarling



WAFarmersFirst was created by WAFarmers to help secure the future of farming in Western Australia. The brand offers consumers both Milk and Free Range Eggs. Beyond paying the farmer, every sale contributes towards the agricultural industry to fund education, training, advocacy, and projects.

Given the increasingly competitive retail environment, it has been important to increase the awareness of the WAFarmersFirst brands. This has been a focus in 2022, with marketing activity being directed towards radio, social media and instore point of sale.

WAFarmersFirst milk is an initiative aimed at investing funds back into the state's dairy industry. We market two different varieties of milk, Full Cream and Hilo which are sold in 2 litre bottles in Coles Supermarkets.

Input costs for dairy farmers have risen sharply during 2022, with part of these increased costs being reflected in retail milk pricing. This has resulted in the premium required for WAFarmersFirst milk increasing as opposed to Housebrand milk. It is therefore as important as ever to convey the message to consumers that proceeds from the sale of WAFarmersFirst milk flows back to the farming community.



## CHOOSE WA FARMERS FIRST



**40 CENTS FROM EVERY 2L BOTTLE OF MILK AND 12PACK OF EGGS GOES BACK INTO SUPPORTING FARMERS**



WAFarmersFirst Eggs are sold as free range dozen and half dozen cartons to Woolworths and independent retailers. As with the milk, \$0.40 from the sale of the dozen pack eggs goes towards supporting farming industries in Western Australia, in particular the egg industry through our partnership with the Commercial Egg Producer Association of Western Australia (CEPA).

A reduction in stocking density during 2022 of 1500 hens per hectare has been well received by consumers.

# AgConnect Report

Josh Fuchsbichler, President



## THE YEAR THAT WAS

This year AgConnect had a slow start to the year with some COVID-19 restrictions still in place. This meant we didn't have our annual forum/AGM and cocktail party at the start of the year. We did circulate nomination forms for positions on the new committee which was extended for an extra week. The new committee was announced in late May and we managed to form a committee, with a couple of people joining to the committee later.

After the committee was formed, we did our Instagram take overs for everyone to get to know the new committee.



AgConnect Committee

Jamie Spence, Tiarna Kanny, Amber Foster, President:  
Josh Fuchsbichler, Sophie Wooldridge, Amber Balfour-  
Cunningham  
Absent: Amy Bowden

## OUR 2022 EVENTS

Our first event of the year was in late June in Northam after the WAFarmers Livestock and Grains Forum. It was held at the Riverside Hotel with guest speakers Andrew Whitelaw and Matthew Dalgleish from Thomas Elder Markets talking to us about how they got into agriculture and providing a marketing up date. The event was well attended with Trevor Whittington, CEO WAFarmers in attendance as well.

Our next event for the year was in the northern Wheatbelt at Walkaway Tavern. This event was well attended, with up to 50 people attending. Our guest speaker Tony Rosser talked about his journey into agriculture and how it has changed over the decades. David Cullam spoke about the future of nitrogen, how it has changed over the years and what to look for in years to come.

Following the Walkaway event, we held our annual Perth sundowner at the Windsor Hotel in South Perth. We had a theme of *Anyone can Ag*, which was about people who have or had come into the agricultural sector from a non agriculture background. The speakers at this event were Justin Lyn from Nutrien Ag, Alan Meldrum from Grain Growers and Kellie Todman from CBH Group. They all spoke about how their pathway into agriculture without any previous knowledge of agriculture.

The event was again well attended with a lot of people traveling to Perth.

The last in person event for the year was held in Merredin in early October before harvest got under way. With harvest approaching it was time to think about Skeleton weed and when the next drought could be. Gregory Spark from the Skeleton Weed Local Action Group provided information on early detection and action against the weed. Tanya Kilminster from Grower Group Alliance talked to the group about what we can do to prepare for the next drought.

We also had a Virtual workshop program and have completed two workshops. The first workshop was with Lavinia Wehr from AGSocial about developing and using LinkedIn. The second workshop was with Simon Andrews from Elders who gave us HR insights and what employers are looking for. There will be more virtual workshops in the future.

We have also been having a Flash Back Friday of past events which has shown what has been happening over the years.

We attended the Curtin Agriculture Association Agribusiness *Careers into the Future* night which was a good insight into what the next generation of people in agriculture are looking at and what the future holds.

I have also been having chats on the Triple M Rural Focus program throughout the year promoting future events and what we have been doing throughout the year. I'll be hoping to keep this going with the events we have planned for early next year.

## ONWARDS AND UPWARDS!

AgConnect will be celebrating its 10th anniversary in 2023. We are hoping to get most of the first committee back together for our forum in February 2023 to celebrate the occasion.

I'm also hoping to get an exchange program with Young Farmer in the UK up and running in 2023. This has been on hold due to travel restrictions from COVID-19. This exchange was done in the past when Rural Youth was still going.

I would like to thank the committee for their hard work throughout the year. We have managed to achieve a lot over the short year we have had. We have seen a growth of AgConnect members and people wanting to be part of the committee. I hope we can achieve the same next year, if not more.

Nominations for the next committee will be coming out soon.



Gregory Spark, Josh Fuchsbichler and  
Tanya Kilminster, Merredin



Northam Sundowner



Perth Sundowner



Alan Meldrum, Kellie Todman, Justin Lyn



# NFF Report

John Hassell



The National Farmers Federation (NFF) continues to play a key role in national advocacy, with a staff of twenty they oversee the:

- Economic Policy and Farm Business Committee;
- Farming Systems Committee;
- Sustainable Development and Climate Change Committee;
- Telecommunications and Social Policy Committee;
- Trade Committee;
- Water Committee; and
- Workforce Committee.

Each committee has representatives from each state who work to develop national policy on behalf of Australia's 85,000 farm businesses. The NFF has 32 member organisations who collectively cover all the various farming sectors or state-based farming organisations in Australia.

High on the NFF's priority list for 2022 was their election policy platform that called for better support for mobile communications and the retention of the Coalitions Agricultural Visa scheme to help address the labour shortfall that has come to be a permanent part of the rural and regional economy.

Road and rail were also high on the list, particularly following the wet year over East and the large crop in the West. The NFF called for a larger share of the fuel tax to be directed towards regional transport infrastructure.

Ongoing strikes on the wharfs and the new industrial relations bill have opened the door to pattern bargaining in 2023 and made its way past the cross bench despite the NFF pointing out that this would unduly impact agriculture as abattoirs and the ports would be high on the list of the unions as sectors to drive up wage costs. WAFarmers has been instrumental in getting NFF to bring this issue to the fore in its policy making.

The federal governments emission target will see thousands of kilometres of heavy power lines built across farmland plus a growing number of windfarms constructed impacting farming amenity but doing little to reduce the growing cost of power. Concerns were expressed that farmers property rights would be unduly impacted by the rush to build more renewables.

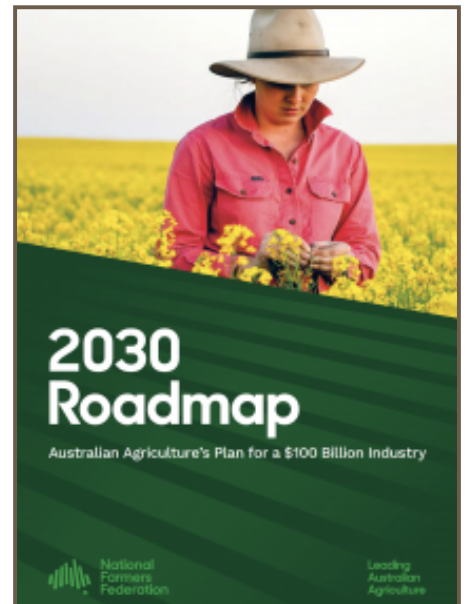
The NFF released its latest report card on the \$100b target with the industry hitting \$82b this year putting us well on the way to achieving the 2030 target. The one challenge is to ensure that the next drought does not set the industry back by too much.

The NFF attended the United Nations Framework Convention on Climate Change (COP27) meeting in Egypt to ensure that the Europeans and Americans did not unduly load their targets onto Australian farmers. Already we are seeing push back from New Zealand, Canadian and Dutch farmers who have seen targets as high as 30% cuts proposed to livestock numbers. Work continues on this through the sustainable development and climate change committee.

Specific concerns were expressed when Australia joined 122 other countries who pledged action on methane. The NFF got commitments that there would be no new taxes or regulation on livestock methane.

The Federal budget announced more funding for biosecurity in response to the Foot-and-mouth disease (FMD) outbreak in Indonesia which also led to the release of the review into Australia's biosecurity system.

In the four-week project, the Joint Interagency Taskforce: Exotic Animal Disease (EAD) Preparedness stress tested the complex biosecurity system through a cross jurisdiction and industry lens to ensure a coordinated national approach in the event of a FMD or Lumpy skin disease incursion.



## NFF MEMBERS



NFF Cocktail Event in National Portrait Gallery, Canberra



Steve McGuire, Tony York, Melanie Tolich and John Hassell at the NFF Cocktail Event

# Financial Report

Melanie Tolich



## FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

### EXECUTIVE SUMMARY

The 2022 Financial Report has been completed with WAFarmers recording an audited operating surplus of \$194,251 for the year ended 31st December 2022. WAFarmers Board are pleased to record another year of surplus assisting to replenish depleted cash reserves as a result of the new office purchase and refurbishment in FY21.

Total revenue for FY22 declined for FY21 by \$159k to \$1.7m with the major contributors of this being reduce income from grant funding and rental income. The grant funding related to the Educating Kids About Agriculture (Ag Academy) project with the project experiencing reduced income due to the project completion during FY22. The reduction in revenue on rental income was in direct relation to reduced office space in the new office premises diminishing the capacity to sublease office space.

In managing the decrease in revenue, management worked diligently to monitor expenses throughout 2022, streamlining office resources while ensuring that service to members was maintained at a high level. Total expenditure for FY22 was \$1.5m decreasing from \$1.8m in FY21. The major attributors in reduced expenses were premises/office running expenses, personnel expenses, and grant expenditure.

Pleasing to note the WAFarmers membership for the first time in a very long-time slightly grew in numbers while also increasing in dollar value back to the organisation. Revenue from membership subscriptions rose to \$1.09m and was derived from just under 1,000 farm business enterprises. The growth in membership is reflective of the positive feedback that we are receiving from members on our media profile that has resulted in significant relevance building for the organisation.

Attracting corporate farm membership remains a strategic focus for the Board in 2023, although proving difficult. Many corporates believe they have the ear of the government without the assistance of WAFarmers, however in the meantime they continue to reap the benefits of the advocacy work paid for by our members.

WAFarmers Board is confident that management can continue to build on the pleasing financial results from the past four years while further cementing WAFarmers' position as Western Australia's number one membership based, broadacre advocacy group.

### INCOME REPORTING 2022 – SUMMARY NOTES

Income for the year decreased by 9% from \$1.86m in FY21 to \$1.71m in FY22 despite a growth in membership income of \$67k. Notable contributors to the decrease in revenue were grant funding decreasing by \$67k from \$323k in FY21. Additionally sublease income decreased by 65% to \$27k reflective of the diminished amount of office rental space in the new premises.

Sponsorship and events income decreased by \$23k in FY22 to \$134k and \$15k under budget for the year. WAFarmersFirst products once again resulted in a sound source of commercial income to the organisation. The royalty on sales figures produced total income of \$224k for the organisation with \$40k from this income being added to the Dairy Project Milk Fund resulting in a total accrual on the Balance Sheet of \$89,699 as at 31st December 2022.

All other areas of revenue income were slightly down on FY21 but not significant to note.

### EXPENSES REPORT 2021 – SUMMARY NOTES

The Board and Management have worked hard to ensure expenses were tightly managed under a financial management strategy to rebuild cash reserves that were expended on the office purchase and refurbishment in FY21.

Expenses decreased in FY22 by 16% to \$1.51m from \$1.81m in FY21 and significantly under budget. The purchase of the office facility resulted in savings on office expenses of \$176k from FY21 to FY22. Additionally decreased expenditure was attributed to the streamlining of staff resources with a total expenditure for FY22 of \$457k resulting in a decrease of \$113k from FY21. Although the office resources have been streamlined, management has been very aware that the level of service to members must be maintained.

### BALANCE SHEET AND CASH POSITION

The Board and Management in FY22 strategically focused on replenishing cash reserves. To this end, we note:

·Total cash held by the organisation is \$1,140,218 with \$283,226 of these funds being restricted to specific projects and activities.

·Members' funds increased to \$1,035,157 between December 2021 and December 2022.

·Total Assets increased by \$84,323 by 31st December 2022, to \$2,067,056.

·The total liabilities of WAFarmers decreased by \$109,926 over the reporting year to \$1,116,222.

In summary, FY22 has been a successful year for WAFarmers financially, building on the previous surplus in FY21. The Board, the CEO and staff are continually committed to ensuring the long-term financial strength of your organisation.



Front of office at  
14 Brodie-Hall Drive, Bentley



# Income & Expenditure Statement



For the year ended 31 December 2022

	2022	2022	2021
	Actual	Budget	Actual
	\$	\$	\$
<b>INCOME</b>			
Members subscriptions	1,009,641	1,024,875	941,154
WAFarmers First Royalties	224,612	205,960	233,451
Sponsorship/Events	134,313	145,136	157,837
AgConnectWA	7,711	7,500	8,549
Interest	3,232	500	320
Commodity Income	31,129	22,000	40,718
Zone Income	1,200	0	0
Rental Income	27,002	42,180	80,696
Building Fund	0	0	52,259
Sundry Income	12,784	10,000	20,937
Invest Fund Trust	2,511	0	10,065
Ag Academy	256,203	256,203	323,300
<b>TOTAL INCOME</b>	<b>1,710,338</b>	<b>1,714,354</b>	<b>1,869,288</b>
<b>LESS EXPENDITURE</b>			
<b>Affiliation Fees</b>			
National Farmers	44,140	44,000	44,000
Cattle Council	25,000	23,000	25,000
Sheepmeat Council	13,351	15,000	13,019
Grains Expense Account	9,000	40,000	9,000
WoolProducers	21,252	25,000	16,367
Australian Honey Bee	0	2,300	0
Australian Dairy Farmers	21,581	23,000	21,754
<b>Sub Total</b>	<b>134,323</b>	<b>172,300</b>	<b>129,139</b>
General Section	6,316	16,000	12,762
Board Expenses	7,611	25,000	14,264
President's Allowance	47,232	52,000	55,540
President's Expense	21,014	10,000	7,694
President Election	0	0	3,067
Motor Vehicle Expense	8,618	10,000	4,512
Events Expense	67,066	62,200	84,916
AgConnectWA Expense	5,341	7,500	13,937
Trust in Ag Expense	0	0	767
WAFarmersFirst Expenses	18,264	50,000	37,011
Dairy Industry Milk Trust	39,946	44,490	49,982
Commodity Expenses	36,927	62,250	34,031
Commodity Allowances	12,500	12,500	7,500
Zone Expenses	6,822	5,000	782
Investment Fund Expense	52,466	0	9,232
Contingency Expense	0	0	0
<b>Sub Total</b>	<b>330,125</b>	<b>356,940</b>	<b>335,997</b>
<b>TOTAL EXEC EXPENSES</b>	<b>464,448</b>	<b>529,240</b>	<b>465,136</b>

	2022	2022	2021
	Actual	Budget	Actual
	\$	\$	\$
<b>COMMUNICATIONS</b>			
Newsletter Ag E News	1,314	1,500	1,016
Farm Weekly/Countryman	21,640	23,000	20,981
News Research	0	0	0
<b>Sub Total</b>	<b>22,954</b>	<b>24,500</b>	<b>21,997</b>
<b>MARKETING &amp; PROMOTION</b>			
Membership Activity	6,006	7,000	3,860
Marketing Promotion	10,163	10,000	5,083
Sponsorship/Awards	1,540	15,000	1,060
Field Days & Shows	19,535	20,000	22,677
Website Development	591	2,000	1,244
Database Upgrade	41,027	13,000	4,778
Hosting Associated Costs	1,214	1,000	553
<b>Sub Total</b>	<b>80,076</b>	<b>68,000</b>	<b>39,254</b>
<b>PERSONNEL</b>			
Salaries & Wages	343,848	453,634	442,131
Contract Services/Expenses	37,609	35,000	9,838
Superannuation	35,757	43,168	41,054
Consultants	0	0	45,417
Zone Coordinators Wages	5,123	15,000	5,230
Zone Coordinators Expenses	161	2,000	135
Payroll Tax	0	0	0
Fringe Benefits Tax	859	2,000	572
Recruitment & Training	7,311	10,500	7,419
Workers Compensation	2,426	3,932	3,690
Staff Travel	24,576	18,500	14,860
<b>Sub Total</b>	<b>457,670</b>	<b>583,734</b>	<b>570,347</b>
<b>OFFICE SERVICES</b>			
Make Good Belmont	49,701	0	123,714
Strata and Services Office	47,878	80,504	
Office Move	0	0	105,135
Electricity	6,344	14,400	18,285
Office Operating Expenses	24,410	37,500	35,343
Repairs & Maintenance	1,096	5,000	11,493
General Expenses	11,858	20,480	18,151
Minor Assets	1,349	2,000	1,426
Periodicals & Publications	8,974	7,008	6,757
<b>Sub Total</b>	<b>151,608</b>	<b>166,892</b>	<b>320,305</b>
<b>FINANCIAL SERVICES</b>			
Bank Fees & Stamp Duty	3,052	3,500	3,508
Interest Payable TH Peterson Loan	8,800	0	0
Insurance	10,428	10,000	8,532
Audit Fees	10,440	13,000	12,255
Accounting Fees	2,549	5,040	4,099
Legal Expenses	5,045	5,000	3,720
Asset Replacement Fund	20,000	0	163
Depreciation	22,823	40,000	42,234
<b>Sub Total</b>	<b>83,137</b>	<b>76,540</b>	<b>74,512</b>
<b>AG ACADEMY</b>			
Project Expenses	256,194	256,203	323,300
<b>TOTAL ADMIN. EXPENSES</b>	<b>1,051,640</b>	<b>1,175,869</b>	<b>1,349,715</b>
<b>TOTAL EXEC EXPENSESE</b>	<b>464,448</b>	<b>529,240</b>	<b>465,136</b>
<b>TOTAL EXPENDITURE</b>	<b>1,516,088</b>	<b>1,705,109</b>	<b>1,814,851</b>
<b>SURPLUS/DEFICIT</b>	<b>194,251</b>	<b>9,245</b>	<b>54,437</b>

# Balance Sheet



## For the year ended 31 December 2022

BALANCE SHEET-DECEMBER 2022		
	DEC 2022	DEC 2021
<b>Bank Accounts</b>		
Bank - Operating Account	226,552	276,167
Westpac Cash Reserve	481,291	303,523
Petty Cash	250	250
Zone Bank Accounts	114,571	116,057
AgConnectWA Account	19,031	17,214
<b>Total Bank Funds - Unrestricted</b>	<b>841,695</b>	<b>713,212</b>
<b>Restricted Funds</b>		
Donations Account	28,608	27,608
WAFF Invest Fund	128,393	178,348
Fundraising live Export	11,654	11,654
<b>Total Restricted Funds</b>	<b>168,655</b>	<b>217,611</b>
<b>Current Assets</b>		
Accounts Receivable	51,662	72,510
Prepayments	48,029	46,649
Sundry Debtors	30,178	20,858
	<b>129,869</b>	<b>140,018</b>
<b>Total Current Assets</b>	<b>1,140,219</b>	<b>1,070,840</b>
<b>Non-Current Assets</b>		
Property - Brodie Hall Drive Bentley	905,343	911,760
Furniture & Fittings	14,913	16,375
Motor Vehicles	59,338	11,357
Plant & Machinery	17,700	12,728
Telephone System	82	103
Computer Hardware	9,424	10,440
Computer - Software	301	175
Investment - Westralian Farmers	2,716	2,716
Investment - Trust Fund WAFF	10	10
Investment - Farmwide	1,334	1,334
<b>Total Non-Current Assets</b>	<b>1,011,160</b>	<b>966,997</b>
<b>Total Assets</b>	<b>2,151,379</b>	<b>2,037,837</b>

BALANCE SHEET-DECEMBER 2022 - Cont.....		
	DEC 2022	DEC 2021
<b>Current Liabilities</b>		
Accounts Payable	12,793	11,098
Accruals	33,650	33,766
<b>Payroll Liabilities</b>		
Payroll Liabilities-Group Tax/Super	15,385	11,469
<b>Payroll Provisions</b>		
Provision for Holiday Pay	64,073	66,199
Prov for Employee Long Service Leave	28,171	25,216
<b>Corporate Cards</b>	<b>7,271</b>	<b>8,286</b>
<b>Donations Payable</b>		
Fundraising Account Prov	11,752	11,752
Building Fund	39,083	25,083
<b>WAFarmersFirst Provisions</b>		
Provision for Dairy Projects	89,699	92,902
<b>Other Current Liabilities</b>		
Provision Asset Replacement	20,000	0
WAHDRG Bees Project	3,200	3,200
Food Alliance Projects	2,509	2,509
Dairy Farmer Project Events	304	304
		44,586
Make Good Belmont Premise		
<b>GST Liabilities</b>	<b>-882</b>	<b>-3629.1</b>
<b>Total Current Liabilities</b>	<b>327,008</b>	<b>332,741</b>
<b>Non-Current Liabilities</b>		
Perth NRM Bond		5,000
TH Peterson Trust Loan	440,000	440,000
Subs Received in Advance	316,922	243,864
Other Income in Advance	32,292	204,543
<b>Total Non Current Liabilities</b>	<b>789,214</b>	<b>893,407</b>
<b>Total Liabilities</b>	<b>1,116,222</b>	<b>1,226,148</b>
<b>NET ASSETS</b>	<b>1,035,157</b>	<b>811,688</b>
<b>EQUITY</b>		
Retained Surplus	840,907	786,470
Current Surplus	194,250	54,437
<b>TOTAL EQUITY</b>	<b>1,035,157</b>	<b>840,907</b>



# WAFarmers Corporate Sponsors

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## WAFarmers Supporters





