



Mr Tony Mahar,
President
National Farmers' Federation

Dear Mr Mahar

Thank you for the invitation to respond to the NFF's Agriculture: Growing Australia: 2019 Federal Election Priorities campaign.

Labor believes that Australia's agriculture sector needs a government willing and able to provide the strategic guidance necessary to put it on a path to sustainable profitability.

Australia's agriculture, fisheries and forestry sectors have played a key role in national economic development and have helped shape our cultural identity. Labor is determined to ensure it continues to do so.

Labor knows that agriculture, fisheries and forestry sectors are key drivers of economic activity in regional economies.

The agriculture sector has been overseen by a chaotic Government that has repeatedly changed leaders - and Ministers in key portfolios of interest to the sector. Amid this uncertainty, the sector has faced a number of challenges:

- Its productivity has been flat-lining for a decade.
- 80 per cent of its output by value comes from just 20 per cent of its farms.
- According to the Australian Bureau of Statistics, 59 per cent of farm businesses have a turnover of less than \$200,000 annually.
- It is losing global market share.
- Its natural resource base is in decline.
- Droughts are coming more regularly, they are lasting longer, and they are hotter.
- Weather events more generally – storms, dust storms and floods – are becoming less predictable.
- The sector can't secure the workforce it needs, and the existing workforce is ageing.
- Its performance on the innovation front is sub-optimal.
- It has heavy exposure to the vagaries of global commodity markets.

- Product development and production methods are falling behind consumer expectations and preferences.
- The sector's costs are high by international standards.
- A traditional competitive advantage – our proximity to Asia – is being diminished by falling freight costs.
- As a country of only 25 million people we don't have the capital to overcome these challenges.

After years of chaos and instability at the Federal level, the focus of a united Shorten Labor Government will rebuild cooperation and coordination with the States and Territories in order to secure an effective and uniform agriculture, fisheries and forestry policy.

Partnering with the NFF

The \$60 billion agriculture sector aspires to be a \$100 billion industry by 2030. A Shorten Labor Government will work with our farmers to reach that goal.

Most of what we eat is provided by our farmers. The cotton, wool, hemp and other products used to make our clothes is grown by a farmer.

Our farmers keep us fed and warm, they are the custodians of much of our land and water resources. They support us, and a Shorten Labor Government will support them.

Australia's reputation as a provider of clean, green, safe, high quality and ethically produced food makes us well placed to capitalise on the opportunities created by a growing and hungrier world. Protecting that reputation with strong biosecurity and traceability systems will be a priority for a Shorten Labor Government

Our fibre sector is also well placed both in high-value export markets and here at home.

But our food and fibre sectors face challenges too. In recent months rather than grow in value, they have been shrinking and the drought is taking its toll.

The first step to restoring growth on a sustainable basis is to focus on our natural resource: our soil health and the efficient allocation of our soil and water resources.

Reinvigorating our soil resources and securing water efficiency gains will also deliver productivity gains, something that's been missing in the sector for more than a decade.

Productivity growth has never been more important. Growing international competition is challenging us in some of our key export markets. Import competition is growing and challenging our local growers and producers.

In addition to lifting productivity, better caring for our landscapes can also provide farmers with income diversity and help them build defences to drought.

Innovation, technology and connectivity will be important to achieving our aspirations.

Labor is determined to ensure our research effort is world-best and that it leads to real results on-farm.

Of course, people are important too. Workforce shortages are holding the sector back and we have become too exposed to the vagaries of foreign worker schemes. While there may always be a need to supplement the local workforce, Labor wants to fill the needs of local growers and producers with local people who have enjoyed the benefits of good local education and training.

Good road, rail and ports infrastructure will also be an important driver of productivity and competitiveness. So too will voice and data connectivity. The former Labor Government invested heavily in all of these enablers. We have the runs on the board and will continue to invest in the projects which deliver results for our economy and our farmers.

Area 1: Customers and the value chain

Trade & Marketing

Labor believes that trade is important to Australia's prosperity because companies that export employ more people, pay higher wages and contribute more to our economy.

A Shorten Labor Government will help more businesses to export by prioritising the finalisation of trade agreements with the European Union and the United Kingdom as well as the Regional Comprehensive Economic Partnership.

The conclusion of a trade agreement with Indonesia is a high priority for a future Shorten Labor Government and Bill Shorten welcomed its signing in March this year. Like all trade agreements it will follow the normal parliamentary processes and be examined by the Joint Standing Committee for 20 joint sitting days before any legislation is introduced in the Parliament.

Labor believes that removing non-tariff barriers is one of the most important things we can do to help increase trade.

A Shorten Labor Government will set up a joint team made up of officers from the Department of Foreign Affairs and Trade (DFAT), Austrade, the Department of Agriculture and the Department of Industry to deal with these issues. The team will report to a Committee of Cabinet.

Food provenance is increasingly a source of competitive advantage but branding has not been an area of strength for Australia. Our neighbour's "100% Pure New Zealand" branding strategy has met with considerable success.

By contrast, Australia's effort has been fragmented, inconsistent and underwhelming. A Labor Government will work with industry to secure a strong branding message for global markets.

Transport

Developed by Infrastructure Australia, Labor's National Land Freight Strategy and National Ports Strategy remain major initiatives that have helped identify and prioritise transport bottlenecks preventing the swift movement of goods to and from our nation's ports. Labor believes this work should be a starting point and a basis for planning in government.

Labor will also fund road projects in our cities and across our regions, boosting farm productivity and connectivity.

If elected, Labor will address the Liberals' backlog in transport infrastructure investment by boosting existing federal investment levels and bring more projects forward to the short-term, before the next election. Much of the Liberals' new spending is at least two elections away.

Too often grand announcements are made and then nothing happens. Indeed, the Liberals have invested over \$5 billion less than they promised in Budgets. That's a massive underspend, costing jobs and productivity. Last year, 127 projects around the country were running behind schedule.

The Liberals' poor planning, under-delivery and cuts must end.

Over the course of the federal election campaign, Labor will be making announcements that will lift overall investment and deliver real money for real projects that will make a real difference for Australians, including our farmers.

Labor will continue its history of real investments in routes such as the **Pacific, Bruce, Princes, Newell, Tonkin and Midland Highways** - major freight routes as well as regional passenger routes.

Labor supports, and previously funded, freight transport intermodals such as the **Moorebank Intermodal** in Sydney.

A Shorten Labor Government would duplicate the **Port Botany rail line**, boosting its capacity to send and receive containers by rail to and from intermodals in outer Sydney and also boost freight movement around Port Kembla by investing in the **Maldon-Dombarton rail project**.

We'll invest in Victoria's **Murray Basin Rail Project** and the **Gladstone Port Access Road** in Queensland.

Across regional Australia, Labor supports increased funding to **upgrade local roads, bridges, roadside rest stops and safety black spots**.

Some of the other road and bridge projects which Federal Labor will invest in, if elected, include:

- A new Nowra Bridge.
- A third Hawkesbury River Crossing in north-west Sydney.
- The Townsville, Rockhampton and Mackay Ring Roads.
- Duplication of the Brisbane North Coast Line - Beerburrum to Landsborough.
- Brisbane M1 Pacific Motorway projects.
- Perth Roads, including the Tonkin and Roe Highways.
- Adelaide South Road upgrades.
- New Bridgewater Bridge in Hobart.
- Barton Highway and Dunns Road (NSW/ACT).
- Strategic Roads in the Northern Territory.

A Shorten Labor Government would appoint an eminent Australian to conduct an independent, transparent inquiry into the integrity and efficacy of the route selection process and financing arrangements associated with delivery of the Inland Rail project.

Federal Labor supports Inland Rail. Indeed, the former Federal Labor Government invested \$900 million to upgrade sections of existing track that will eventually form part of the project and to advance early planning.

However, if public confidence in this multi-billion dollar project is to be maintained we must get the planning and financing arrangements right. Equally, affected communities should be treated with respect and properly consulted.

Unfortunately, communities across Central and North West New South Wales, as well as those on the southern Darling Downs of Queensland, have become increasingly concerned about the lack of transparency associated with the route selection process endorsed by the Government.

Labor will return expert advice and independence to the infrastructure pipeline by returning Infrastructure Australia to the centre of decision-making. A Shorten Labor Government will consult with the Opposition on appointments to the Infrastructure Australia Board.

Biosecurity

Australia's key competitive advantage in global food markets is our reputation as a producer of clean, green, safe and high quality product.

The preservation of a relatively pest and disease-free status is crucial to maintaining that reputation. There can be no more important job for the Australian Government than making sure our biosecurity system is as strong as it possibly can be.

When last in office, Labor reformed the laws which underpin our biosecurity system with a re-write of the more than 100-year-old Quarantine Act. The new Biosecurity Act has laid the foundation for a modern, risk-based approach.

More recently, a review of the Intergovernmental Agreement on Biosecurity examined the efficacy of existing strategies, funding models and Commonwealth-State cooperation. The ‘Craig Review’ made 42 recommendations and a Shorten Labor Government will implement them in full through a stronger Council of Australian Governments (COAG) process.

The Craig Review recommended a new and stable funding source should be secured through a new import levy on containers at our ports. The Morrison Government has made a mess of attempts to implement the recommendation and Labor will tidy up this mess.

Research and innovation is critical to Australia’s science-based approach to biosecurity. Well-designed national biosecurity research priorities are needed to focus investment. Improved coordination of biosecurity research is needed to drive cross-sectoral research, technological developments and behavioural change. Labor’s review of Australia’s agriculture research architecture will focus on this need.

A Labor Government will also work with industry to improve our traceability systems so that when something goes wrong the source of the problem can be quickly identified and dealt with.

Animal Welfare and Live Export

In the age of disruption nothing is changing more quickly than community interest in animal welfare. Increasingly, consumers expect our food to be produced in an ethical and sustainable way. In both domestic and export markets, buyers are demanding that our animals be protected from acts of cruelty.

Most farmers do the right thing but our markets won’t tolerate exceptions to the rule.

Labor’s Six Point Animal Welfare Plan will protect the sector’s reputation by enforcing the appropriate science-based standards.

A Shorten Labor Government will:

1. Establish an independent Inspector-General of Animal Welfare and Live Animal Exports

We will provide \$1 million a year to establish the Inspector-General of Animal Welfare as an independent statutory position operating from within the Department of Agriculture. The Inspector-General will be responsible for advising on the protection of animals in all Commonwealth-regulated activities and will report directly to the Minister of the day on issues concerning live exports, animal welfare standards and guidelines. The Inspector-General will also work with the states and territories to establish an independent Office of Animal Welfare to oversee animal protection and welfare activities nationally.

2. Re-establish state and territory cooperation on animal welfare matters

Under the former Labor Government, the Commonwealth, states and territories cooperated on animal welfare and primary industry issues through a range of official forums which have since been abolished by the Abbott-Turnbull-Morrison Government. Labor will re-establish

state and territory cooperation to ensure animal welfare matters receive the consistent national approach they deserve.

3. Renew the Australian Animal Welfare Strategy

Labor will work with state and territory governments, industry and animal welfare groups to update and renew the Australian Animal Welfare Strategy for the coming decade. We will draw on the best available research and evidence to develop a strategy that confirms Australia as a leader in our region for the care and protection of animals.

4. Review the Exporter Supply Chain Assurance System

The Exporter Supply Chain Assurance System plays a critical role in reassuring Australian agricultural producers, their customers and the broader community that animal welfare is being protected at every stage from the farm gate to the plate. A Shorten Labor Government will conduct a top-to-bottom review of the system to ensure it is working as effectively and efficiently as possible.

5. Provide more transparency and accountability

Under Labor, the Minister for Agriculture will provide quarterly reports to the Parliament on:

- New and emerging markets.
- The number of head exported.
- Any allegations of breaches of animal welfare standards and investigations undertaken.
- Any sanctions or other action taken for breaches of Australia's animal welfare standards.

6. Labor will immediately ban the northern summer live sheep trade and propose a plan which would phase out the live sheep trade within five years. The only way to ensure scientific animal welfare standards are met, community expectations on animal welfare are met and for certainty to be provided for our farmers is to ban the northern summer live sheep export trade and to implement an orderly phase out over a five year period.

Area 2: Growing sustainably

Across a range of areas, Labor will invest in new projects and programs that aim to strengthen the health of our ecosystems. This includes implementing an actual Climate Policy that creates opportunities for farmers, and fixing the Murray-Darling.

Murray-Darling

Labor has released a comprehensive policy to restore the Murray Darling Basin to health and get the Plan back on track. We are committed to working with the NFF on the future of the Basin should we form Government, and recognise that the NFF and the communities you represent are key stakeholders.

Our full policy is:

Ensuring more water for the Murray Darling Basin

- Labor will recommence water purchase rounds which have been all but abandoned by this Government and some Basin States.
- Labor will guarantee delivery of an additional 450 gigalitres (GL) of water for the environment and run on-farm infrastructure rounds to recover water.
- Labor will immediately start constraints removal negotiations.
- Labor will support no further extensions in Water Sharing Plans/Water Resource Plans beyond what is currently permitted by legislation.
- Labor will also restore the original socio-economic definition for delivering the 450GL to the system.
- Labor will strengthen the 2024 reconciliation process and buyback any water required if the projects that aim to deliver 605GL of environmental benefits fail to deliver the full amount of environmental benefits. If the shortfall in the 605GL projects requires purchases above the 1,500GL cap then this option is available because Labor has committed to remove the cap.
- Labor will consult and seek to secure A class licences to protect low flows in the Barwon Darling into the future, as recommended by the Vertessy report.
- Labor will reinstate the Native Fish Strategy with \$5 million and use improved monitoring and measurement data to update it.

Restoring Integrity

- Labor will establish a Commission of Inquiry into the 2017 purchase of certain water entitlements from Eastern Australia Agriculture Pty Ltd, under the Royal Commissions Act.

- Labor will commission an independent review, by the Australian Public Service Commission (APSC), into the governance and conduct of the Murray Darling Basin Authority (MDBA), to report to Government within six months.
- Labor will move the MDBA's compliance division in to the newly created Federal Environmental Protection Agency.

Future proofing the Basin Plan by updating the science, including the latest data on climate change and the most recent drought period.

- Labor will ensure reviews of the Basin Plan and its implementation include a fresh audit of the latest science and information, compared to what informed the Basin Plan. This will include the latest data on climate change, evaporation and inflows.
- Labor will commission CSIRO to re-run the Sustainable Yield study with a longer timeframe. The original Sustainable Yields study was to 2030, the new study would be to 2050 and will demonstrate what will happen to environmental health in the face of climate change. This work will inform reviews of the Basin Plan.
- Labor will allocate \$6 million to an independent study of how climate change is likely to affect the Basin and RAMSAR sites across the Basin. This will include the impact of sea level rise on the Coorong and lower lakes as well as other key sites like the Ovens, Menindee, Macquarie marshes and red gum forests.
- Provide \$20 million to expand research on the Murray-Darling Basin for better water and environmental management as well as examine how climate change will impact the Basin. This work will address gaps in our knowledge as recommended by the Academy of Science and Professor Vertessy.

Stricter penalties, greater compliance, and more transparency to ensure the rivers' health

- Labor will introduce stricter penalties for non-compliance and water theft. Labor's policy will be "no meter no pump" across the entire Basin. Labor will consult with state governments on appropriate penalties.
- Labor will provide \$52 million to improve monitoring, metering and measurement of the health of the Basin in real time, and to upgrade Geoscience Australia's remote sensing technology. This funding will give river managers and the community the information they need to avoid ecological disasters like we saw in the Darling River this year, and to easily audit the health of the river system. Water flow rates are

reasonably well understood. Upgrading existing monitoring stations to be able to give data on key indicators such as temperature, water quality, oxygen levels and turbidity will significantly improve monitoring. Consistent and regular monitoring of environmental sites, including cameras to live-stream, and DNA analysis of water where possible, will also help improve transparency.

- Labor will reinstate the Sustainable Rivers Audit as part of the \$52 million investment.
- Labor will work to make the MDBA more transparent. We will give the public access to real time metering and monitoring, to federal modelling, details of supply projects and all relevant information as it becomes available. Improving transparency is critical for the public to regain confidence, to maintain integrity in the system and to show outcomes.
- Labor will audit floodplain harvesting and crack down on illegal structures that have been built in the Basin to divert water. This work will be informed by the work of the Northern Basin Commissioner and the reviews into fish kills in the Darling, south of Menindee.

Help fish recovery and linkages within the Basin

- Labor will provide \$10 million to help restock rivers and lakes with native fish species across the basin and establish new hatcheries in the northern basin to kick start fish recovery.
- Labor will allocate over \$5 million for the river connections and potential connections, for example the Warrego and Darling Rivers (as recommended by the Vertessy report) or the Lachlan and Murrumbidgee.

6. Increasing First Nations involvement in governance, planning and operations in the Murray Darling Basin and cultural water

- Labor will increase Aboriginal engagement in decision making and governance arrangements for the Murray Darling Basin including, in consultation with First Nations' peoples, supporting increasing Board membership.
- Labor will provide an additional \$50 million for cultural water (\$20 million in the forward estimates) and establish a National Indigenous Water Committee. This will build on the agreement Labor reached with the Government to allocate \$40 million for cultural water in the Murray Darling Basin from 2018.

These commitments are in addition to a number of Government-announced initiatives, which Labor supports:

- A new fishway at Menindee main weir and the removal of the Menindee old town weir to improve fish movement through the river system.
- Upgrades to two fishways and construction of a new fishway on the Lower Darling River below Menindee Lakes.
- Construction of a fishway between Frenchman's Creek and Lake Victoria to enable better fish passage along the Murray River.
- \$30 million jointly with New South Wales to replace Wilcannia Weir and include a fishway that improves connectivity along that stretch of the Barwon-Darling River.
- \$180 million for Queensland and New South Wales to implement the northern Basin's toolkit measures to improve environmental outcomes in the northern Basin including protection of environmental water and works that promote fish health.
- \$3 million for a research program on ecosystem functions in the Murray Darling Basin.
- \$10 million Murray Darling Basin Environmental Water Knowledge and Research Project with the Basin States to inform environmental water management decisions with improved understanding of ecological responses.

Climate change policy

A Shorten Labor Government will develop a national climate science capability plan with the assistance of a National Scientific Expert Panel and the National Climate Science Advisory Committee.

Labor will commit \$10 million over four years to boost the capabilities of the CSIRO Climate Centre. This investment will directly boost the CSIRO climate science capabilities in Hobart, Aspendale (Melbourne) and Black Mountain (Canberra), giving the CSIRO the ability to begin to address critical gaps and skills shortages in climate science.

The additional funding will allow the CSIRO to hire new staff to begin addressing critical gaps in climate science identified by the experts.

Labor's plan will tackle climate change on the land by working with the meat and livestock sector to deliver the sector's own commitment to be carbon neutral by 2030, and by re-invigorating the carbon farming initiative, so farmers can earn new income by sequestering or cutting carbon pollution.

Labor's approach is to work with the agricultural sector to lower carbon emissions, not impose penalties and costs.

Forestry

A Shorten Labor Government will deliver a positive plan for the future sustainable profitability and growth of the forestry and forests products industries.

There are huge opportunities to grow our fibre industries; timber, wood products, furniture, paper products manufacturing, as well as developing newer materials like carbon fibre, light-weight materials, bio-products and advanced polymers.

However, the industry will not meet its future growth potential if it cannot obtain the resources it needs.

Labor's \$20 million investment into the forestry and forest products industry will:

- Deliver a National Forestry Summit and a National Forestry Strategic Plan, to support the growth of a more sustainable and prosperous forestry industry.
- Prioritise the removal of the Carbon Farming Initiative (CFI) water rule, a policy vital for the sustainability of the forestry industry.
- Support growth in forest industries in regional Australia by investing \$13 million over four years for 13 Regional Forestry Hubs including the identified four trial Hubs already contracted by the Government.
- Reform the Forest Industry Advisory Council by broadening its membership to include broader industry and worker representation. Consistent with the Regional Forest Agreements Act, the Council will act as a forum where the Minister and stakeholders in the forest and wood products industry consult together and exchange advice and information.
- Restore proper Commonwealth and state relationships by re-establishing the COAG process for the Standing Council on Primary Industries. Labor will continue to support the side meetings of the Forestry Ministers at the Federal and State levels.
- Provide funding for forestry and forest products industry worker safety initiatives.
- Provide up to \$4 million over three years to address identified skill shortages in the forest and forest products industry.
- Continued support for Regional Forest Agreements, that are based on the best available science as it applies to the proper consideration of social, economic and environmental factors.
- Expand export opportunities by working with industry to improve trading opportunities for the wood and paper products sectors.

- Recognise the role of bio-energy and bio-mass in Australia’s renewable mix and work with the forestry industry to ensure bioenergy plays a responsible role in Australia’s future renewable energy economy. Labor will further discuss the role of bio-energy and bio-mass in Australia’s renewable mix in the context of climate change at the National Forestry Summit.

Food waste

As part of Labor’s Recycling and Waste Strategy, Labor will establish a National Waste Commissioner. A National Waste Commissioner will work with state and local government to help to educate the community on solutions to waste. The Commissioner will also be charged with working with industry on the expansion of schemes for the recycling of products when they are at the end of their use – the Product Stewardship Schemes. This will cost \$15 million over six years.

Area 3: Unlocking Innovation

Regional telecommunications and the NBN

A Shorten Labor Government will invest \$245 million to address mobile black spots, improve digital literacy and fund local projects to improve connectivity in regional communities.

This \$245 million commitment shows how committed Labor is to regional communications, as part of our broader commitment to support local productivity, jobs and enhanced connectivity in regional Australia.

Labor’s Plan for Better Regional Communications includes commitments to:

- **Fix more mobile black spots.** Labor will allocate \$160 million to deliver improved mobile coverage through two further rounds of the Mobile Black Spot Program.
- **Invest in local projects to address regional connectivity issues.** Labor will allocate \$60 million to local projects to address regional connectivity issues.
- **Improve data collection to support better decision-making.** Labor will work with industry and regulators to develop more accurate and comparable mobile coverage maps to support policy making. We will also empower the Australian Competition and Consumer Commission (ACCC) to track capital investment in regional mobile networks, including 5G, to support policy analysis, program design and decision making to benefit the regions.
- **Work with the states and territories to better co-ordinate investment:** Labor will work with the states and territories to maximise co-investment opportunities in mobile and other network infrastructure, ensure that Commonwealth investment in road and rail projects incorporates a communications coverage plan where feasible; and investigate co-building of mobile network infrastructure in areas of defined need such as transport routes, where public land can be leveraged in exchange for cooperation amongst mobile network operators.

Labor is also the only party with a plan to improve the NBN.

If elected, Labor will implement an NBN Service Guarantee that will set service standards for fault rectification timeframes. This will better safeguard businesses against excessive or unreasonable NBN downtime, and introduce disincentives for the buck-passing which often occurs when a fault arises.

Labor has also announced it will undertake a review of future funding and capacity requirements of the NBN fixed-wireless network, because we recognise that a better strategy is needed to manage congestion.

Research and development

Labor will lift research and development investment to 3 per cent of GDP per annum by 2030, to ensure Australia has the best scientific and research expertise available.

Consumer food preferences are rapidly evolving. Consumers are showing an increasing preference for healthier food and product produced by sustainable practices. Labor believes more of our research efforts could be directed to better understanding shifts in consumer preferences and the best strategies for adapting to them.

Labor will also work with industry to develop certification programs so that consumers know which products have been produced in a sustainable and ethical manner. Certification will also allow producers to secure premium prices.

International competitiveness

To compete in international markets with lower-cost countries we must keep our own costs, including regulatory costs, down.

Our agribusinesses are big consumers of energy and Labor's Energy Plan will put an end to investor uncertainty and drive electricity prices down.

Labor is developing a Strategic Meat Industry Plan which will focus on costs in the meat processing sector, one of Australia's largest manufacturing sectors.

Australia's Energy Transition and Electricity Prices

Energy consumption is a big cost for farmers. Labor's Energy Plan will restore investment certainty and put downward pressure on electricity prices.

On retail pricing, including for farmers, Labor will work with the states and territories to:

- Abolish outdated standing offers (which are not the same between retailers) and replace them with a new 'default' offer consistent across all retailers.
- Require retailers to reference any discounts to the new 'default' offer pricing, making it easier for consumers to genuinely compare offers and save money by finding the best deal for them.

The default price will be set independently in each jurisdiction, and the Australian Energy Regulator will be tasked with working with the states, the ACCC, agencies, industry and unions to deliver these reforms which will apply in non-price regulated National Electricity Market (NEM) jurisdictions – Victoria, New South Wales, South Australia and South East Queensland.

More broadly, Labor has a plan for more renewable energy and cheaper power, with a 10-year energy investment framework that delivers certainty for industry, lower power prices and more reliability.

We will:

- Give businesses the policy certainty to invest in clean energy by implementing Labor's National Energy Plan. Labor will continue to pursue a bipartisan mechanism, such as a National Energy Guarantee.
- Double the original investment in the Clean Energy Finance Corporation (CEFC) by \$10 billion to support new generation and storage, concessional loans for household purchases of solar and battery systems, commercial community renewables projects and the transformation and growth of new and existing industries.
- Futureproof our energy networks by creating a \$5 billion independent Energy Security and Modernisation Fund. This will build and upgrade Australia's energy transmission and distribution systems, including transmission links to Renewable Energy Zones, to unlock the supply of cheaper, cleaner energy.
- Encourage the uptake of household solar and battery systems by setting a target of one million household battery systems by 2025 and providing a \$2,000 rebate for 100,000 households on incomes of less than \$180,000 per year to purchase and install battery systems, as well as low-cost loans for households.
- Establish a Neighbourhood Renewables Program to ensure renters and social housing residents can benefit from cheaper and cleaner renewable energy. Labor will establish Community Power Hubs to support the development of projects in local communities – such as solar gardens on apartment rooftops, community wind farms and energy efficiency upgrades for social housing.
- Develop a Bioenergy Strategy with a \$2 million investment to boost the development of this important industry in Australia. Bioenergy has significant potential to help Australia meet its emission reduction goals and reduce waste, improve energy security and boost regional development.
- Establish the Solar Schools Program to cut school electricity bills by allocating up to \$1 billion from our expanded Clean Energy Finance Corporation capital to establish the program - supporting the creation of virtual power plants through virtually linked solar and battery systems installed at schools, to deliver electricity and other services to the electricity system.

Respect for Science

Labor will end the war on science and research by resetting the relationship between the Australian Government and Australia's science and research community.

A Shorten Labor Government will:

- Develop a charter with the Australian science and research community to establish the reciprocal roles and responsibilities of government and researchers.
- Establish a Prime Minister's Science and Innovation Council, supported by a National Scientific Expert Panel.
- Review and strengthen the National Science and Research priorities, giving the priorities a central role in guiding government investments in innovation, science and research

The Charter with the Australian Science and Research Community will be a compact between the government and the research community, in which the expectations of scientists and their obligations to the Australian people are clearly established, and the commitment and reciprocal responsibilities of scientists and government will be established.

Labor will establish a top level Prime Minister's Council for Science and Innovation. The current Commonwealth Science Council has met infrequently, has been ineffective and ignored by the Liberal Government.

Under Labor, the Prime Minister's Council will be responsible for providing advice to the Prime Minister and other ministers on the implications of science, research, engineering and technology issues in the Australian context. It will advise a Shorten Labor Government on a strategic, whole-of-government approach to all aspects of science, technology, engineering, mathematics and innovation.

Membership of the Council will be the Prime Minister (Chair), a Cabinet-level Minister with responsibility for Science (deputy Chair), the Minister for Education and Training, the Minister for Health, Australia's Chief Scientist (Executive Officer), five eminent and practicing scientists, social scientists or science educators (including at least one with a humanities or social sciences background), and four eminent business representatives.

The Prime Minister's Council will be supported by a National Scientific Expert Panel that will provide policy advice on topics affecting the lives of Australians in the present and in the decade ahead. Labor will work with the learned academies, led by the Australian Academy of Science, to shape the form and function of this council.

Labor will review, refresh and properly monitor the National Science and Research Priorities.

Area 4: Capable People, Vibrant Communities

Jobs and Skills

Labor believes people are our most valuable asset. A well trained and well paid workforce is crucial to the success of our food and fibre sectors. Australia's agribusinesses have struggled in recent years to secure the workforce they need. Both skilled and unskilled labour has been too hard to find.

To provide the agriculture sector with the workforce it needs we need to focus on education and training in our regions. When governments cut education funding as the Morrison Government has done, it hits our regional communities disproportionately.

Labor will invest \$14 billion in public schools and fully reverse the Government's cuts. Labor will also provide regional children with greater opportunities to attend pre-school.

Labor will also invest \$1 billion to boost TAFE, apprenticeships and skills including, scrapping upfront fees for 100,000 TAFE students who choose to learn the skills that Australia needs to become a modern advanced economy.

Labor will implement a Local Projects, Local Jobs plan, that will see more government procurement and investment in major projects spent on local businesses and local jobs.

Primary Industries Education

A Shorten Labor Government will secure the future of Primary Industries Education Foundation Australia (PIEFA).

The funding to PIEFA will be for continued membership at \$100,000 per annum over a four-year period (\$400,000 ex GST in total).

For 10 Years PIEFA has been working with our schools to ensure our kids know where their food and fibre comes from, how it is produced and how important the sector is to our economy.

The Foundation also alerts young Australians to the many career opportunities in the agriculture sector and its vision is for "An Australian Community that understands and values its primary industries sector."

- Labor will continue to support the work of PIEFA to ensure that the approximately 3.6 million students enrolled in Australian schools have access to food and fibre specific curriculum content.
- Labor understands and values Australia's primary industries sector and seeks to decrease the disconnect Australian school students have as to knowing where and how food and fibre is produced.

Area 5: Capital and Risk Management

Tax

Labor will encourage business to invest through the Australian Investment Guarantee (AIG), with local businesses benefiting from a new accelerated depreciation scheme for new capital assets.

Annual business investment in Australia as a proportion of the economy is at a quarter century low. When firms aren't investing, they're not expanding and they're not diffusing cutting edge technologies that make them produce more with less.

This is why Labor will invest in a new Australian Investment Guarantee. Under Labor's Australian Investment Guarantee, all businesses in Australia will be able to immediately deduct 20 per cent of any new eligible asset worth more than \$20,000, with the balance depreciated in line with normal depreciation schedules from the first year.

Labor's Australian Investment Guarantee is permanent – that means businesses can continue to take advantage of the immediate tax deductibility whenever they make a new investment in an eligible asset.

Labor supports the reduction in the company tax rate to 25 per cent for businesses with turnover of less than \$50 million and extending the instant asset write off for small and medium businesses making investments less than \$30,000. In addition, Labor's Australian Investment Guarantee will allow all companies to accelerate their depreciation expenses on all new investments.

The new Australian Investment Guarantee features the following scope and key design elements:

- Eligible assets will include tangible machinery, plant and equipment for both upgrades and new purchases (for example, farm tractors and food processing machinery).
- Depreciable intangible assets (often referred to as 'knowledge assets') which make up an increasingly large component of non-mining investment will also be eligible (for example, patents and copyrights).
- Investments in structures and buildings are excluded, consistent with previous accelerated depreciation policies used in Australia.
- It will not apply to otherwise eligible expenditure currently claimed under the existing research and development tax concession.
- It will not apply to passenger motor vehicles, but it will apply to non-passenger motor vehicles such as lorries, vans, utes and trucks that are used to support trade businesses. It would also apply to battery-powered electric vehicles.
- It will only apply to eligible investments valued at over \$20,000 (with no pooling of assets allowed) to ensure it is well-targeted at productivity-enhancing investments.

The Australian Investment Guarantee is a pro-growth, pro-jobs reform that rewards businesses making new investments in Australia. It will be a permanent feature of the tax system, so all companies have the confidence to invest for the long term.

Labor's announced change to the taxation of discretionary trusts will not apply to farm trusts.

Labor has no plans to remove fuel tax credits.

Competition Policy

In contrast to a divided Coalition Cabinet, Labor is united and releasing tangible policies including strengthening Australia's frontline defence of competition and consumer issues, the Australian Competition and Consumer Commission.

Labor is focussed on ensuring competition law works to reduce inequality, and level the playing field for small businesses and consumers.

Labor will:

- Raise the maximum dollar penalty for companies that break competition laws and rip off consumers from \$10 million to \$50 million per offence.
- Adopt the European Union's penalty system for anti-competitive conduct, which is based on 30 per cent of the annual sales of the relevant product or service, multiplied by the number of years the infringement took place, capped at 10 per cent of annual turnover.
- Use some of the revenues from increased penalties to increase the ACCC's litigation budget from its current level of \$24.5 million to a maximum of twice that level (\$49 million).
- Amend the Competition and Consumer Act (CCA) to give a market studies function to the ACCC to explore public interest issues such as pricing discrepancies and increased market concentration.
- Require the competition watchdog to learn from its track record on approving mergers by conducting post-merger reviews, allowing the regulator to test the claims that were made at the time the merger was approved. These independent and transparent reviews – to be carried out twice in the decade following the merger – will consider the impact of mergers on economic outcomes such as productivity, prices, employment and wages.

Major consumer and small business advocacy groups will be empowered to make 'supercomplaints' about consumer rip-offs.

Under Labor, selected peak consumer and small business groups would be empowered to make a supercomplaint to the ACCC. This might involve issues such as energy pricing, credit card surcharges, misleading labelling or unfair terms in small business contracts. A supercomplaint will require an investigation and public response from the watchdog, with a

limited response time allowing advocates to maintain pressure for action. In the United Kingdom, the competition watchdog must respond to supercomplaints within 90 days.

A Shorten Labor Government will protect small businesses by making unfair contract terms illegal and punishable with significant fines of up to \$10 million.

Australia's current laws aren't tough enough. While contract terms that unfairly exploit a power imbalance between the two parties can be voided by a court, there's no punishment for the entity exploiting its market power. This means there's nothing discouraging the big end of town from pushing smaller, dependent firms to sign on to unfair arrangements.

A Shorten Labor Government will ensure that the top end of town can't get away with putting dodgy clauses into their contracts by:

- Making unfair contract terms illegal.
- Introducing penalties for contracts that contain unfair contract terms.
- Expanding the definition of small businesses eligible for protection from such contract terms.

Labor has also committed to specific action around competition matters in the dairy industry.

Under Labor's Dairy Policy, a Shorten Labor Government will:

- Establish a Mandatory Code of Conduct to address market power balance between dairy farmers and processors. Labor will make a Mandatory Code a priority.
- Pursue the implementation of Minimum Farm Gate Milk Price for farmers.

A Shorten Labor Government will task the ACCC to test, assess and shape our minimum farm gate milk price proposal.

Most Australians are protected by a minimum wage and our dairy farmers should be too. A minimum farm gate price will provide that protection.

The Minimum Farm Gate Milk Price will be different in every dairy region because every region is different. Once the independent and expert body assesses the average cost of producing milk in a given region, it will declare the minimum price farmers can be paid. Farmers will continue to bargain for the highest price they can secure. But they can budget ahead knowing that their revenue will be at least the floor price. That guaranteed income should in turn deliver the certainty and confidence needed to plan and to invest in productivity-lifting innovation and infrastructure.

Advocacy is important too and it may be that a Dairy Commissioner could play an important role. A Shorten Labor Government will ask the ACCC to assess the merits of a Dairy Commissioner as part of the terms of reference for its inquiry into the effectiveness of a Minimum Farm Gate Milk Price.

Drought

A Shorten Labor Government will implement a \$400 million Farm Productivity and Sustainable Profitability Plan.

- The climate is growing more challenging for our farmers and drought can no longer be viewed as an exceptional event. Rather, a hotter and drier environment should be considered the new normal.
- Labor believes there is a role for government in helping farmers adapt to changing weather patterns. This means that in addition to in-drought policy responses, government must lead a resilience and productivity agenda.
- Policy development must be evidence-based, be guided by the known science, and should focus on a whole-of-industry productivity and resilience-building agenda. In other words, the policy strives to help not only those who can no longer achieve profitability in times of drought but rather, lift productivity and sustainable profitability across all farm businesses.
- Policies with too great a focus on those farm businesses which are least viable in the hottest and driest of periods risk being most defined by resource misallocation and policy failure.
- Labor will take early decisions on spending measures and we will design policy initiatives for the whole sector based on expert advice.
- Labor will establish a Panel of Guardians for the Program, to advise government on policy design and implementation strategies.
- A Shorten Labor Government will establish the Panel within the first 60 days of office and put it immediately to work.
- The Panel of Guardians will include:
 - A representative of a national farm leadership group.
 - A leading soils and environmental science expert.
 - A water projects and water efficiency expert.
 - A leading economist.
 - The Soils Advocate.
 - The Chair or CEO of the Council of RDCs.
 - The Secretary of the relevant COAG Committee.
- The Panel will report to the Minister for Agriculture and will be asked to provide a detailed plan within 12 months.

Unlike the Liberals and Nationals, our plan will assist our farmers without spending less on road and rail projects. Our annual investment will come from the Budget and we have a plan to spend it sooner and more effectively.

In addition to our Farm Productivity and Sustainable Profitability Plan, a Shorten Labor Government will also resurrect the COAG Committee for Primary Industries to rejuvenate Commonwealth-State cooperation, a crucial ingredient in any successful drought strategy.

A Shorten Labor Government will dispatch Australia's agriculture-based Research and Development Corporations (RDCs) to help farmers build defences against the impacts of an increasingly variable climate such as protracted drought, severe storms, frost, pests and diseases.

Labor will ask the Council of RDCs to lead the development of an Agricultural Climate Response Plan (ACRP) to dramatically increase the uptake of drought mitigation, best practice and sustainable farming methods. Many farmers are already building resilience and adopting best land management practices which help them defend against drought and we need to help others do the same.

It is time for a new approach, one founded on science-based facts that the climate is becoming more challenging and one delivering long term strategies to deal with current and future challenges.

Banks

Labor will also take action on banks.

Issues with banks' conduct towards farmers featured prominently in the Royal Commission into Financial Institutions. The Liberals were dragged kicking and screaming to calling a Royal Commission – having voted against it 26 times.

A Shorten Labor Government will overhaul compensation for victims of banking misconduct, ensuring they get a fair chance to pursue compensation.

Labor will boost compensation caps at the Australian Financial Complaints Authority (AFCA), establish an independent retrospective compensation scheme to give past victims of financial services misconduct a chance to pursue justice, and establish a compensation scheme of last resort in financial services.

The stories of bank victims highlight the horrific effect that bank misconduct has had on their lives and they deserve fair compensation.

The current AFCA compensation caps are inadequate. Too many consumers miss out on fair compensation.

Labor's Plan includes:

- **Fairer compensation caps.** A Shorten Labor Government will quadruple the compensation caps at AFCA for consumers from \$500,000 to \$2 million, double the compensation cap for small businesses to \$2 million, and double the cap for farmers to \$4 million.

For the first time, Labor will ensure that victims can get fair compensation for the effect of misconduct on their lives by removing the \$5,000 AFCA sub-cap on non-financial loss. When Australians have their lives turned upside down by bank misconduct, they should be able to pursue fair compensation through AFCA.

- **A retrospective compensation scheme.** Labor will establish a retrospective compensation scheme so that past victims of bank misconduct can have one last chance to pursue justice. This scheme will be independent of AFCA and victims of

misconduct dating back to 1 January 2008 will be able to apply to have their case heard.

Under Labor, victims will also be able to access compensation with higher AFCA compensation caps through the retrospective compensation scheme.

- **A prospective compensation scheme of last resort.** Labor will establish a prospective compensation scheme of last resort within AFCA. This scheme will be funded by industry and will be used to pay compensation awarded by AFCA where a financial service provider goes bust. Currently, if a victim wins at AFCA but the financial service provider doesn't pay, they are left with nowhere to go. This is not fair. Labor's compensation scheme of last resort will ensure that these victims get the compensation they deserve.

After over five years of inaction by the Liberals and Nationals, a Shorten Labor Government will provide our farmers with the assistance they need.

Labor's united team is ready to partner with our farmers to grow Australian agriculture and provide new opportunity for our vital farming communities.

Yours sincerely

Australian Labor Campaign Headquarters

www.alp.org.au

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