

The NSW Government recognises the important role the dairy industry plays for the community and more broadly economically, as NSW's eighth largest agricultural industry. Despite challenging conditions including drought, bushfires and floods, the NSW dairy industry had an output of \$647 million in 2019-20, up 9% year on the previous year. This is a positive result for industry and speaks to the underlying resilience of the State's dairy farmers.

The NSW Government has supported the dairy industry through recent hard times. By 2020, the NSW Government had committed close to \$4 billion to drought support and water security measures. The total commitment to the Farm Innovation Fund is \$1 billion and there has been strong engagement with the dairy industry in this program. To further support the NSW dairy industry, the NSW Government is committed to working alongside industry to address the issues raised and opportunities identified in the Action Plan. The Action Plan makes 28 recommendations across the themes of: Research, Development and Extension; Confidence; Skills and Business Resilience; and Stronger Futures. The NSW Government has responded to each of these recommendations (see Attachment A).

Research, development and extension

The NSW Government remains committed to investing in the future of the dairy industry in NSW. Research, development and extension is a critical element of this investment. In line with this commitment, the NSW Government and Commonwealth Government have contributed \$6 million to the Dairy Research Foundation's (DRF) Research, Development and Extension Program called Dairy UP. The DRF has long been a leader in this field, and its collaborations across industry and the scientific community are invaluable. The NSW Department of Primary Industries (DPI) also maintains a portfolio of \$100 million annually of research and development projects, many of which are beneficial to the dairy industry, in areas such as pasture improvement, biosecurity, animal health and technology innovation.

Confidence

To give industry confidence that its voice has been heard, the NSW Government supports the establishment of a Dairy Action Plan Implementation Panel. The Panel will be chaired by the NSW Fresh Milk and Dairy Advocate. The role of this Panel will be to oversee the delivery of the recommended actions, as per the draft work plan developed as Appendix C of the Action Plan. The DPI will undertake the secretariat role of the Panel and will convene a meeting with stakeholders in due course.

The NSW Government remains committed to supporting the dairy industry to retain community confidence in the industry's operation and practices. As noted in the Action Plan, key elements of this are land use planning settings and environmental management. In 2019, the Government released updated planning guidelines for intensive livestock agriculture development. These guidelines are intended to assist both the applicants and the planning authorities involved with intensive agricultural developments by providing straightforward advice about the process. The NSW Government also intends to review the environmental management guidelines for the dairy industry and will consult industry when this occurs.

Skills and Business Resilience

The NSW Government is focussed on supporting skills, training and development in the dairy industry to empower farmers to build strong, resilient businesses. Dairy farmers can access training through existing programs and learning pathways, such as TAFE NSW or Tocal College. There is a range of courses available, from technical dairy training to business management and farm planning. The NSW Government has subsidised many courses through the Smart and Skilled

Program and the low cost or fee free Jobtrainer short courses. These are opportunities for both established dairy farmers and their employees, as well as people considering a career in the dairy industry, to upskill in a range of areas.

The DPI also delivers a number of programs aimed at connecting farmers and providing opportunities to build business skills. The Young Farmer Business Program has been running since 2017, and delivers a range of activities including workshops, resources and coaching to support young farmers aged 18-35 at various stages in their running their businesses. This is a successful program that has reached many people through a range of activities and social media, and several young dairy farmers have been showcased through the blogs and case studies developed by the Program. Other initiatives aimed at increasing rural resilience also work to build regional networks and connect farmers with capacity building programs and assistance.

To provide further support to the dairy industry, in 2020 the NSW Government established the Dairy Business Advisory Unit in the NSW Department of Primary Industries and appointed a dedicated Development Officer to oversee the delivery of tailored support directly to dairy farmers. The role of the Dairy Business Advisory Unit is to help farmers undertake business analysis and develop business plans that address risk and build resilience. This includes monitoring physical and financial performance of dairy farms across the State, running workshops and discussion groups and providing one-to-one support. The Unit also works closely with the dairy industry, including Dairy Australia and its Regional Development Programs.

NSW DPI will also partner with the Federal Government in the Future Drought Fund to deliver the 'Farm Business Resilience Program' in 2021-2022. This program will develop business tools and resources, as well as make business coaching available to dairy farm businesses to enhance business resilience.

Stronger Futures

Supporting the NSW dairy industry into the future requires strategic decision making now. Land use planning is important in accommodating the diversity of the dairy industry, recognising both intensive and extensive production systems and different planning requirements. As well as the revised intensive livestock agriculture development planning guidelines, the NSW Agriculture Commissioner is currently consulting with industry and stakeholders about how agricultural land use planning can be improved to support the sustainable growth of agriculture while reducing red tape and minimising land use conflict. The Commissioner will provide recommendations to the NSW Government in mid 2021 and the NSW dairy industry is encouraged to engage with the Commissioner to make its specific concerns heard.

The NSW Government is committed to ongoing engagement with communities and businesses regarding improved access to water. The NSW Government is developing regional water strategies across NSW, including strategies for the Far North Coast, North Coast and South Coast regions. These strategies identify the current and future risks to water resources - and the impacts these will have on industries, towns, the environment and Aboriginal People.

The dairy industry has a bright future in NSW, one that will be bolstered by continued collaboration between industry and government. Future growth and profitability of the dairy industry in NSW will contribute to the NSW Government's goal to grow the Gross Value of Production to \$19.3 billion by 2023. The dairy industry will continue to benefit communities by providing jobs and business opportunities but also fresh nutritious food. Therefore, the delivery and implementation of this Action Plan is strongly supported by the NSW Government.

Attachment A

#	Recommendation	Government Response
1	<p>To instill confidence that the Dairy Industry Action Plan is being delivered, the Panel has identified that the NSW Government should partner with the NSW dairy industry, and other organisations responsible for implementing the Plan, to establish a group that will oversee the implementation of the Action Plan. This group should:</p> <ul style="list-style-type: none"> • be called the Dairy Action Plan Implementation Panel (DAPIP) • consist of a mix of industry stakeholders (to oversee implementation and provide expert advice) and representatives of organisations and groups responsible for implementing actions under the Plan (to enable coordination and reporting) • develop an implementation and reporting framework based on the draft work plan developed by the Panel at Appendix C • be charged with publishing regular progress reports, as required, on the NSW DPI website. 	<p>Supported</p> <p>The NSW Government supports the establishment of a Dairy Action Plan Implementation Panel to oversee implementation of the NSW Dairy Industry Action Plan and will consider options for its immediate establishment.</p> <p>The NSW Fresh Milk and Dairy Advocate will lead the implementation of the NSW Dairy Industry Action Plan and chair the DAPIP in addition to providing ongoing advice to the Minister on issues of importance to the NSW dairy industry.</p>
2	<p>To secure the immediate future of dairy research, development, extension and adoption in NSW, the Panel has identified that the NSW Government and the NSW dairy industry should continue to support co-investment and delivery of the dedicated RD&E Plan, to be led by the Dairy Research Foundation, that includes projects to:</p> <ul style="list-style-type: none"> • address farm underperformance • de-risk the industry • develop new markets. 	<p>Supported</p> <p>The NSW Government has executed a funding deed with the Dairy Research Foundation, providing \$6 million towards the soon to be launched Dairy UP program, which implements the RD&E plan detailed in the Action Plan.</p> <p>The government is making additional investments in Dairy UP through contributions by NSW DPI and Local Land Services.</p>
3	<p>To maximise the impact of all research, development, extension and adoption (RDE&A) in the NSW dairy industry, the Panel has identified that the NSW Government should convene a Dairy RDE&A Network. The Network should include representatives from organisations that deliver research, development,</p>	<p>Supported in principle</p> <p>The NSW Government supports providing primary industries with high-quality advice and adoption services, including through Local Land Services and the Department of Primary Industries.</p> <p>The NSW Government supports the aim of</p>

	<p>extension and adoption services to the NSW dairy industry, and be charged with meeting regularly to:</p> <ul style="list-style-type: none"> • support alignment in the delivery of dairy research, development, extension and adoption services • enable the sharing of skills and experiences by service providers • ensure results of research and development projects reach farmers in ways that support uptake and adoption success, and reflect industry needs • develop a forward-looking strategy for dairy industry extension and adoption, including proposed funding arrangements. 	<p>improving alignment and coordination across the dairy research, development, extension and adoption sector, and will consider options to deliver on this recommended action.</p>
4	<p>To ensure farmers are supported to adopt research and development outcomes, the Panel has identified that the NSW dairy industry should undertake a survey on the use of service providers and other extension services by farmers, with the aim of identifying gaps and barriers to the uptake of services that support the adoption of research outcomes.</p>	<p>Noted.</p>
5	<p>To ensure research, development, extension and adoption capability is maintained into the future and research skills are embedded in the NSW dairy industry and service provider sector, the Panel has identified that the NSW dairy industry should, at a national level, promote dairy research as a career path – including by funding a pathways program for new and prospective researchers.</p>	<p>Noted.</p>
6	<p>To reinforce confidence that the NSW Government is committed to the dairy industry in NSW, the Panel has identified that Local Land Services regions with a significant dairy industry presence should specifically include dairy within their business plans.</p>	<p>Supported.</p>
7	<p>To enhance dairy farmers' confidence in their industry, the Panel has identified that the NSW Government should support the NSW dairy industry in communicating stories of success and drivers of profitability for NSW dairy farm</p>	<p>Supported. The NSW Department of Primary Industries (DPI) partners with Dairy Australia to deliver the NSW Dairy Farm Monitor Project (DFMP), which provides a comprehensive physical and financial analysis of dairy</p>

	businesses.	<p>farms across NSW. The data generated by DFMP allows farmers to assess their own farm's performance and identify areas for improvement.</p> <p>Case studies and stories of successful or innovative dairy farmers have and will continue to be featured in communications by DPI, including the Young Farmer Business Program, the NSW DPI Dairy Newsletter and social media channels.</p>
8	To enhance collaboration and transparency along the dairy industry supply chain, the Panel has identified that the NSW dairy industry should work to develop standardised processes for milk testing at a national level and encourage the adoption of these by milk processors.	Noted.
9	To ensure that the community has confidence in the environmental management practices of the dairy industry, the Panel has identified that the NSW Government should consult with the NSW dairy industry to review environmental management and intensive development guidelines with a focus on providing councils and local communities with confidence around dairy operations and developments.	<p>Supported in principle.</p> <p>The NSW Government intends to review the environmental management guidelines for the dairy industry. This process would include consultation with industry stakeholders.</p> <p>The NSW Government released updated planning guidelines for intensive livestock agriculture development in 2019.</p>
10	To promote the ongoing value of the dairy industry to the community, the Panel has identified that the NSW Government should reimagine the proposed Buy Local Fresh campaign to promote the value of the NSW dairy industry. This should include highlighting the industry's contributions to the economy, nutrition and food security, animal welfare and environmental sustainability, and custodianship of the land. This should complement existing campaigns being run by the Australian dairy industry to deliver a message tailored to NSW.	<p>Supported in principle.</p> <p>The NSW Government is committed to working with the NSW dairy industry to promote the NSW dairy industry and its contributions to the state.</p>
11	To support skill development in the NSW dairy industry, the Panel has identified that the NSW Dairy Business Advisory Unit should be charged with developing and enhancing dairy farmer business skills and knowledge to support a profitable, resilient and sustainable NSW dairy industry. This should occur in ways that complement	<p>Supported.</p> <p>The NSW Government established the NSW DPI Dairy Business Advisory Unit and appointed a dedicated Development Officer in 2020, delivering on an election commitment.</p> <p>The Dairy Business Advisory Unit works closely with farmers and dairy industry</p>

current and planned projects, resources and services provided by Dairy Australia and the Regional Development Programs, by:

- promoting a culture of farm business management;
- providing services that include tools, resources; information and training to help drive improved risk management and decision-making;
- supporting improved service provider capacity.

organisations – including Dairy Australia and the Regional Development Programs. The focus of the Dairy Business Advisory Unit is to help farmers to undertake business analysis and develop business plans that address risk and build resilience. This includes running workshops and discussion groups and providing one-to-one support. Functions also include undertaking industry analysis and providing information relating to milk supply agreements.

NSW DPI will also be delivering the Future Drought Fund ‘Farm Business Resilience Program’ in 2021-2022. This program will develop business tools and resources, as well as make business coaching available to dairy farm businesses to enhance business resilience.

The NSW Department of Education (NSW DoE) notes that there will be ongoing consultation with the dairy industry regarding training needs through Training Services NSW.

12 To ensure that skills programs are tailored to the needs of the NSW dairy industry, the Panel has identified that the NSW dairy industry should identify existing resource gaps and develop programs to address them. This may include consideration of current levels of industry skills related to:

- understanding and negotiating standard price agreements and supply terms;
- collective bargaining (including both for milk offtake and farm inputs).

Noted.

The NSW Government offers a range of training services to promote a skilled workforce for the dairy industry. This includes the work carried out by a dedicated Dairy Advisory Unit in the Department of Primary Industries. The NSW Government will take advice from the dairy industry where there are gaps.

The NSW DPI Young Farmer Business Program (2017 – 2021) has developed business resources which the dairy industry can access for free, including toolkits for Work Health and Safety as well as finance and budgeting tools and a podcast series on succession planning.

NSW DPI will also be delivering the Future Drought Fund ‘Farm Business Resilience Program’ in 2021-2022. This program will develop business tools and resources, as well as make business coaching available to dairy farm businesses to enhance business resilience.

NSW DoE notes that there will be ongoing consultation with the dairy industry regarding training needs through Training Services NSW.

13	<p>To ensure that farmers are able to continue to invest in their employees, the Panel has identified that the NSW Government should provide vocational education and training for farm employees, such as through the continuation of the Tocal College course subsidy or by supporting the industry to access relevant tertiary courses.</p>	<p>Supported.</p> <p>The NSW Government is committed to providing dairy industry vocational education and training through Tocal College and will work with the NSW dairy industry to address any issues identified regarding access to tertiary education.</p> <p>One initiative delivered by the NSW Government is the 'Smart and Skilled' program which supports fee free training. Dairy qualifications are identified on the NSW Skills List as eligible for a government subsidy under Smart and Skilled.</p> <p>NSW DoE notes that there will be ongoing consultation with the dairy industry regarding training needs through Training Services NSW.</p>
14	<p>In a similar vein, the Panel has identified that the NSW dairy industry should identify high-priority vocational training needs for dairy farm employees and partner with the NSW Government to address those needs – including through identifying gaps and addressing fragmentation in existing programs, and considering barriers affecting industry uptake.</p>	<p>Supported in principle.</p> <p>The NSW Government offers a range of training services to promote a skilled workforce for the dairy industry. The NSW Government will take advice from the dairy industry where there are gaps.</p> <p>TAFE NSW consults regularly with dairy industry bodies to ensure that the training it delivers is subject to a continuous improvement process aimed at addressing course alignment to skills gaps identified by industry.</p> <p>NSW DoE notes that there will be ongoing consultation with the dairy industry regarding training needs through Training Services NSW.</p>
15	<p>To encourage the next generation of dairy industry service providers, the Panel has identified that the NSW dairy industry should promote dairy service provision as a career path and fund a pathways program for new service providers (for example, through a graduate program or internship scheme).</p>	<p>Noted.</p>
16	<p>In order to maximise the value of the service provider sector, the Panel has identified that the NSW dairy industry should develop programs aimed at upskilling dairy industry service providers – particularly in terms of agronomy, nutrition, systems thinking and facility design.</p>	<p>Noted.</p> <p>NSW DPI RD&A programs aim to engage with service providers in recognition of the important role they play in the adoption of technology and improved practices, as well as their contribution to the profitability of dairy farm businesses.</p> <p>The DPI Director of Education sits on the</p>

		<p>Agriculture, Food and Animal Management Industry and Training Advisory Committee for NSW which identifies emerging industry skills needs and provides advice on funding and support needs through the national training agenda.</p> <p>TAFE NSW consults regularly with dairy industry bodies so that the training it delivers is subject to a continuous improvement process aimed at addressing course alignment to skills gaps identified by industry.</p> <p>Further, TAFE NSW participates in the review of Training Packages in the AHC area, a recent example is the current review of the Certificate III in Agriculture (Dairy) qualification by Skills Impact. This course is offered by TAFE NSW and is available Fee Free under the Job Trainer program to eligible applicants.</p> <p>NSW DoE notes that there will be ongoing consultation with the dairy industry regarding training needs through Training Services NSW.</p>
17	To respond to the needs of contemporary businesses and adapt to new technologies, the Panel has identified that the NSW dairy industry should develop skills attraction programs to promote the transfer of relevant external skills into the dairy industry, and develop means of sharing relevant knowledge across different agricultural sectors.	Noted.
18	To ensure dairy farmers are equipped to manage increasingly large and complex businesses, the Panel has identified that the NSW dairy industry should develop new programs (e.g. mentoring) or promote existing programs aimed at improving business management skills, such as accessing finance and human resource management.	Noted.
19	As a means of ensuring that the dairy industry is considered in future land use planning decisions, the Panel has identified that the NSW Government should ensure the needs of the dairy industry are appropriately considered through the NSW Agriculture Commissioner's Agricultural Land Use	<p>Supported.</p> <p>The NSW Agriculture Commissioner will provide the NSW Government with recommendations about how agricultural land use planning can be improved, specifically looking at:</p> <ul style="list-style-type: none"> • Long-term availability of productive

	<p>Planning Strategy.</p>	<p>land</p> <ul style="list-style-type: none"> • Reducing land use conflict and supporting dispute resolution • Supporting the growth of agriculture and regional economies <p>The land use planning needs of all primary producers – including the NSW dairy industry – will be considered through this Strategy.</p>
20	<p>To ensure that dairy farmers are not limited in their ability to expand or improve their operations, the Panel has identified that the NSW Government should develop resources to assist dairy farmers in navigating farm development approval processes.</p>	<p>Supported.</p> <p>The NSW Government is exploring options to develop online tools that support dairy farmers in navigating the farm development approval processes.</p>
21	<p>To provide certainty to dairy farmers seeking to invest in new technologies, the Panel has identified that the NSW Government should review planning rules to reduce red tape, such as those related to infrastructure for milking, feeding and housing dairy cows.</p>	<p>Supported.</p> <p>The NSW Agriculture Commissioner will provide the NSW Government recommendations about how agricultural land use planning can be improved, specifically looking at:</p> <ul style="list-style-type: none"> • Long-term availability of productive land • Reducing land use conflict and supporting dispute resolution • Supporting the growth of agriculture and regional economies <p>This includes options to reduce red tape and streamline processes.</p>
22	<p>To provide certainty to dairy farmers around their water supplies, the Panel has identified that the NSW Government should review water-related regulation, including:</p> <ul style="list-style-type: none"> • off-river water storage in coastal catchments • harvestable rights limits in coastal catchments. 	<p>Supported.</p> <p>The NSW Government is committed to ongoing engagement with communities and businesses about improving access to water. As part of this, the NSW Government has released a discussion paper on the review of coastal harvestable rights.</p> <p>The NSW Government is developing regional water strategies across NSW, including strategies for the Far North Coast, North Coast and South Coast regions. These strategies identify the current and future risks to water resources - and the impacts this will have on industries, towns, the environment and Aboriginal People.</p> <p>More information on this review is available on the Department of Planning, Industry and Environment website.</p>

		<p>The NSW Government has also recently consulted with stakeholders on harvestable rights for all coastal-draining catchments. It is now considering a request from stakeholders to increase the volume of water landholders in coastal draining catchments can capture in farm dams as a basic right, without the need for a licence or approval. Information about the review, including a discussion paper and other technical and supporting documents is available on the Department's website.</p>
23	<p>To support dairy farmers in securing supplementary feed from interstate during drought periods, the Panel has identified that the Minister for Agriculture and Western NSW should raise the issue of freight rule harmonisation with interjurisdictional counterparts.</p>	<p>Supported in principle.</p>
24	<p>To support investment in on-farm infrastructure, the Panel has identified that the NSW Government should continue to support and enhance dairy access to the Farm Innovation Fund, including by:</p> <ul style="list-style-type: none"> • working with the NSW dairy industry to identify the best methods of reaching dairy farmers; • considering methods of extending access to the Fund to share farmers and leasee farmers. 	<p>Supported in principle.</p> <p>By 2020 the NSW Government committed close to \$4 billion in drought support and water security measures. The total commitment to the Farm Innovation Fund is \$1 billion.</p> <p>Uptake of Farm Innovation Fund loans by dairy farmers has been strong, and the NSW Government will continue to promote the program to industry. The NSW Government will consider options to extend access to the Fund to share farmers and lessee farmers.</p>
25	<p>To maintain and improve the ability of the industry to connect with key markets, the Panel has identified that the NSW dairy industry should undertake an infrastructure and utilities stocktake to identify needs and prioritise upgrades to support the dairy industry supply chain, and that the NSW Government consider this as part of broader infrastructure and utilities planning. This should include consideration of improvements for heavy vehicle access.</p>	<p>Supported in principle</p> <p>The NSW Government will consider any specific infrastructure priorities or transport-related issues identified by the NSW dairy industry.</p> <p>The NSW Department of Planning, Industry and Environment (DPIE)'s Regional Water Strategy team is undertaking a review of regional water strategies, which includes conducting community consultation. Following the finalisation of the consultations, DPIE will be preparing the long list of options, including water infrastructure priorities that could support the dairy industry.</p> <p>Transport for NSW (TfNSW) is supporting heavy vehicle access for the dairy industry by promoting use of Performance Based</p>

	<p>Standards (PBS) vehicles and using technology to identify latent network capacity that may be unlocked. PBS encourages operators and designers to develop innovative higher productivity PBS vehicles for specific tasks such as vehicles that can negotiate tight access narrow gateways off country roads for the dairy industry.</p> <p>TfNSW assists operators and PBS designers when seeking access for high productivity vehicles with the use of on-board mass management systems and vehicle telematics to improve access across vulnerable bridge structures, which could not be achieved without this technology.</p> <p>TfNSW is also promoting the use of in vehicle and network mounted technology to better understand the capability and utilisation of NSW road infrastructure. This analysis can inform better network management decisions such as expanded risk based access and improved infrastructure maintenance and investment decisions. TfNSW has also developed “Think Freight” tools supporting access decision makers to make quality access decisions in a timelier manner.</p> <p>TfNSW will continue to encourage and support local government in access decision making and understanding performance of innovative higher productivity vehicles that support the dairy industry to deliver safer, more productive and more sustainable access.</p>
<p>26 To minimise barriers to entry for new farmers, the Panel has identified that the NSW Government should waive stamp duty requirements for dairy farmers that are purchasing their first dairy farm and intend to continue operating it commercially.</p>	<p>Noted.</p> <p>The NSW Government is currently considering a once-in-a-generation change to the stamp duty and property tax framework with consultation commencing late July.</p> <p>The <i>Duties Act 1997</i> currently provides that stamp duty is not payable where land used for a farm business is transferred between family members, and the land will continue to be used for that business.</p>
<p>27 To highlight the many methods of getting a start in the dairy industry, the Panel has identified that the NSW Government should work with the NSW dairy industry</p>	<p>Supported in principle.</p> <p>NSW DPI has a range of programs in place to assist new entrants to the dairy industry – including through the Young Farmer</p>

<p>to develop resources that complement existing programs to:</p> <ul style="list-style-type: none"> • support new and existing farmers to progress through the industry; • explore alternative business models (e.g. share farming, leasing, equity partnerships, vendor finance); • provide a framework for succession planning and transition of ownership. 	<p>Business Program. The NSW DPI Dairy Business Advisory Unit also provides advice on farm business planning.</p> <p>The NSW DPI Young Farmer Business Program (2017 – 2021) has developed business resources which the dairy industry can access for free, including toolkits for Work Health and Safety as well as finance and budgeting tools and a podcast series on succession planning.</p> <p>NSW DPI will also be delivering the Future Drought Fund ‘Farm Business Resilience Program in 2021-2022. This program will develop business tools and resources, as well as make business coaching available to dairy farm businesses to enhance business resilience.</p> <p>The NSW Government will take advice from the NSW dairy industry where there are identified gaps in current program offerings.</p>
<p>28 To encourage the next generation to seek out careers in the dairy industry, the Panel has identified that the NSW Government should consider options to support the NSW dairy industry in promoting youth in dairy, building on the success of previous industry initiatives.</p>	<p>Supported.</p> <p>The NSW Government will consider options to encourage young people to consider careers in dairy, and acknowledges the significant work done by the dairy industry to promote dairy careers.</p> <p>NSW DoE notes that there will be ongoing consultation with the dairy industry regarding training needs through Training Services NSW.</p>