



**Victorian  
Farmers  
Federation**

26 September 2024

Mr David Jochinke

President

National Farmers Federation

14-16 Brisbane Avenue

CANBERRA ACT 3000

Dear Mr Jochinke

**RE: VICTORIAN FARMERS FEDERATION NOTICE OF RESIGNATION AS A MEMBER OF THE NATIONAL FARMERS FEDERATION**

I am writing to formally advise the National Farmers Federation (NFF) of the Victorian Farmers Federation's (VFF) notice to resign as a member of the NFF.

This decision has not been taken lightly as the VFF Board believes that united and coordinated farmer advocacy at the national level is fundamental to the success of Australian agricultural industries and farmers.

The VFF has always advocated for a strong and united NFF, as this is preferential to a fragmented landscape of representative organisations within the national agricultural advocacy ecosystem. Unfortunately, the VFF Board has ultimately decided that membership of the NFF in its current form can no longer be supported by the VFF.

Accordingly, the VFF formally give the required 12-months' notice of resignation of the NFF effective the 30th September, 2025.

With respect to the VFF's notice of resignation, the VFF Board's decision is based on several matters in which we find ourselves out of alignment with the current structure, implementation of governance and culture of the NFF; these matters are further outlined below.

**1. Farm Advocacy Capacity Review**

The VFF has strongly advocated for a broader review of industry structure in relation to agricultural advocacy. It is the view of the VFF Board, that there are significant inefficiencies in the current model that have led to diminished value in advocacy outcomes for Victorian

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farmers. As you would be aware, the VFF Board has also resigned from a range of peak councils, most of whom are also members of the NFF.

The VFF Board acknowledge that the NFF have attempted to take responsibility for coordinating the *Farm Advocacy Capacity Review*, following agreement for this approach at the May 2024 Members Council meeting. Based on communication from the NFF on 17 July 2024 with respect to the review, the VFF understands that the objectives of the review are broadly to *define steps to achieve a more effective and efficient system by 2028 and agree on specific projects to move us towards our agreed future*.

The view of the VFF Board is that the timelines, objectives and outcomes of this review do not address fundamental concerns that have been raised with the NFF including inequity in the NFF membership model, duplication of resources, ongoing funding models, priorities for federal advocacy and a strategy to deliver value to members of the NFF.

## **2. Inequity in Membership Model of the NFF**

The VFF currently pays a membership fee of \$40,000 (exc. GST) to the NFF; an agreed reduction from the VFF's typical annual membership fee of \$220,000 based on financial hardship arrangements. Prior to these agreed arrangements being put in place, the VFF has diligently paid for many years an NFF membership at the highest rate for the VFF's membership classification as outlined in the NFF Constitution.

In reviewing the financial cost of the VFF's membership of the NFF, the VFF Board requested the Membership Database from the NFF. Through this investigation, the inequity of the membership model has become undeniably apparent.

Despite the VFF's reduced membership fees of \$40,000 for 12 months of membership to the NFF being equivalent to many other members' fees, we no longer have voting entitlements and are restricted from most of the activities that the NFF purports create value for membership.

As a result of the substantive inequity in membership fees, the VFF continue to make the same financial contribution to the NFF as other members, yet the VFF has no ability to meaningfully engage in decision making processes as a member of the NFF. We do understand that the NFF constitution must be followed and that it limits the rights of the member in the event of 'financial hardship.'

To this end, the VFF Board notes the power of both the NFF Board (via Clause 16.1 of the NFF Constitution) and the NFF Members Council to create and amend the regulations that would enable the VFF to engage with the equivalent rights as a member of the NFF at the same level of financial contribution. The VFF Board believes that the NFF Board had avenues that could have been explored more meaningfully regarding the current restrictions that have been placed on the VFF membership, should the NFF have wished to make a more meaningful attempt to provide value and equity for fees paid by the VFF.

In our previous correspondence with respect our membership fees, the NFF 12 June 2024 stated *“the decision of the VFF to reduce funding to the NFF is deeply troubling and will have a tangible impact on our capacity to not only prosecute the discussion around any improvements to structures, but also our day to day policy and advocacy at a national level”*. The VFF Board note that the NFF have not meaningfully engaged with the VFF following the reduction in membership fees nor addressed the “deeply troubling” impact of this reduction on the NFF’s ability to deliver the agreed outcomes of the *Farm Advocacy Capacity Review* detailed above.

Further, the NFF has previously outlined without detail in your 1 May 2024 correspondence to the VFF that *“the NFF Board had a considerable discussion on our responsibility to implement our strategy of remaining financially sustainable. While members of the NFF have not been provided detail of this strategy, the VFF Board remain committed to engaging with the NFF to implement your strategy of financial sustainability for the NFF, and believe that any appropriate strategy would of course address inequities in the membership model and also appropriately consider the financial sustainability of members of the NFF.*

### **3. Consequences of required notice periods**

The VFF Board want to share openly, that the decision to resign as a member of the NFF has also been driven by the Australian Dairy Farmer’s (ADF) continued pursuit of the VFF in court on the alleged basis that our communications did not constitute ‘formal resignation’ of our membership of the ADF.

The ADF is suing the VFF for membership and associated fees until February 2025, despite the VFF having paid all outstanding invoices in relation to membership of the ADF. The ADF allege that ‘formal notice of resignation’ was not given when we communicated with them on the matter of membership in Oct 2022. The most outrageous component of this dispute is that the VFF has seen no intent or commitment from the ADF to address its membership model that unfairly and disproportionately impacts the VFF and our Victorian farmer members, despite many assurances that this would occur.

Based on the unfortunate and frankly galling experience of the VFF’s resignation from the ADF, the VFF Board want to avoid the risk of potential litigation with the NFF; the result of which could be ongoing liabilities of \$220K per annum which poses a significant financial risk to the ongoing operations of the VFF.

### **4. Governance of policy development and process at the NFF**

The VFF is profoundly disappointed that the NFF Board unilaterally decided to rally in Canberra in support of the ‘Keep the Sheep’ rally, without seeking members views on this decision,

much less providing members the opportunity to vote on this decision. As per our historical understanding, it is our view that policy and advocacy decisions are made by members of the NFF, and that the role of the NFF Board is to provide organisational strategy and governance.

The move away from robust policy development has resulted in the NFF using policy by press release to attempt to represent the interest of farmers. This approach has at best reduced, and worst removed the ability for the NFF to offer solutions to Government that could improve the operating environment for farmers.

It is the opinion of the VFF Board that the NFF Board currently seeks to abdicate its responsibilities to govern the NFF (i.e. structure, adherence to the company constitution, setting a meaningful strategic and operational plan etc) yet instead independently made the decision on behalf of the members to support the 'Keep the Sheep' rally. Notwithstanding our general disfavour of this particular 'advocacy tool,' making this decision without adequate lead time before the rally limited the NFF's ability to ensure that it was indeed a non-partisan, whole of agriculture demonstration. Importantly, the NFF Board cannot 'pick and choose' when consensus is the objective, or when a captain's call is preferred.

Finally, the VFF Board are keenly aware that we will be accused of acting in bad faith by providing our notice of resignation now, instead of awaiting the outcomes of the *Farm Advocacy Capacity Review*, or providing the NFF with a final opportunity to respond to concerns but given the indicative timeframes of outcomes, as well as the lack of meaningful engagement with our concerns to date, we are unwilling to continue to pay for the lack of efficiency and efficacy and hope that our decision may illustrate the fragility of the current model.

The VFF earnestly hopes that we will be able to withdraw our notice if some meaningful changes are evident, but for now we must take a step back from the NFF to ensure that we are not enabling a system that unfairly burdens our organisation and Victorian farmers.

We welcome further discussion with you, should you wish to engage with us and our concerns.

Yours sincerely,



**EMMA GERMANO**

Chair and President

cc Mr Tony Mahar, NFF CEO

All VFF Members, to ensure full transparency regarding this important matter.