

Australian Dairy Farm Efficiency Rebate



\$50 Million

Priority

The Australian Dairy Farmer Efficiency Rebate offers up to a 70% rebate on eligible on-farm reinvestments aimed at improving resilience and adopting sustainable, energy-efficient technologies. This tackles one of the biggest barriers to dairy farm sustainability and profitability—energy inefficiency. Rising energy costs are a major contributor to reduced sustainability adoption. Supporting on-farm reinvestment also ensures a more sustainable, competitive, and future-proof dairy industry for Australia.

Relevance

Encouraging farmers to reinvest in their operations is critical to boosting productivity, reducing costs, and building long-term resilience in the face of climate variability and market pressures. Rising energy costs and water scarcity threaten farm profitability, making efficiency upgrades essential. By incentivising investments in water-saving technologies, this program helps farmers lower operating costs, reduce emissions, and strengthen climate resilience.

Budget		
Year 1	Year 2	Year 3
\$20 million	\$20 million	\$10 million

Proposal

A \$50 million program over three years to provide rebates for on-farm upgrades. Eligible activities may include:

- Installation or upgrade of renewable energy systems (solar panels, wind and battery storage systems)
- Energy-efficient dairy equipment including milk cooling systems, insulated storage tanks, feed management technology and adoption of water-saving irrigation systems and precision water monitoring tools
- Carbon-reduction initiatives focused on implementing energy efficient low-emission machinery

Target

- Farmers with access to capital and cash reserves for on-farm reinvestment
- Applicants must pay for and complete an approved activity to be eligible for up to a 70% rebate on the project costs (co-contribution)
- Projects must align with energy improvements, and dairy sustainability objectives
- Targeting equipment costs, technology installation, project management, and technical assessments

Justification

- Incentivises farm modernisation, efficiency, and sustainability
- Supports water efficiency, energy upgrades, and carbon reduction
- Lowers costs, boosts profitability, and enhances competitiveness
- Accelerates low-emission dairy farming and carbon reduction
- Stimulates local businesses, job creation, and economic growth

Case study: Canada's Agricultural Clean Technology Program

To support the agricultural sector in reducing its environmental footprint while maintaining productivity, the Canadian government launched the Agricultural Clean Technology (ACT) Program. The program is part of Canada's broader strategy to meet its net-zero emissions target by 2050, focusing on promoting clean technologies that improve sustainability, energy efficiency, and reduce greenhouse gas (GHG) emissions in agriculture.

The ACT Program is designed to help farmers and agribusinesses adopt and develop clean technologies through two key funding streams:

1. Adoption stream

- Provides non-repayable contributions covering up to 60% of eligible project costs
- Supports the purchase and installation of commercially available clean technologies, including:
 - Energy-efficient equipment (e.g. milk cooling systems, LED lighting)
 - Renewable energy systems (e.g. solar panels, batteries, biogas digesters)
 - Precision agriculture technologies that optimise input use and reduce waste

- Higher funding rates (up to 75%) are available for Indigenous businesses and projects led by underrepresented groups

2. Research and innovation Stream

- Supports collaborative projects involving industry, researchers, and technology developers to develop new clean technologies or improving existing solutions

Typical non-repayable contributions range from CAD \$25,000 to over \$2 million, depending on project size and scope. Eligible expenses include equipment costs, technology installation, project management, and technical assessments.

About Australian Dairy Farmers

Australian Dairy Farmers (ADF) is the national policy and advocacy body working to improve the sustainability and profitability of Australian dairy farming. Since 1942, ADF has represented farmers across six dairying states on key issues like trade, water, environment, milk pricing, workforce, biosecurity and animal welfare. ADF provides industry-good functions and serves as a strong collective voice to government, industry, and the community. Australian dairy provides crucial high-quality nutritional products, ensures food security, and strengthens the economy. The industry's viability and productivity is essential for a strong reliable dairy supply that supports communities and Australians' health.

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