



16 February 2023

**Australian Pork  
Limited**

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Climate Disclosure Unit  
Market Conduct Division  
The Treasury Langton Crescent  
PARKES ACT 2600

Submitted via email: [climatereportingconsultation@treasury.gov.au](mailto:climatereportingconsultation@treasury.gov.au)

To whom it may concern,

**Re: Australian Pork Limited (APL) introduction and initial  
comments on *Climate reporting and financial disclosure***

On behalf of the Australian pork industry, we would like to thank you for the opportunity to provide comment into the initial stages of your consultation process. Australian Pork Limited (APL) looks forward to being involved as you further develop the framework which will underpin legislative reform and meet the Government's commitment to standardise Australian climate disclosures. APL looks forward to building a strong working relationship with you, to identify and pursue opportunities to provide practical advice and exchange knowledge.

APL is the peak national representative body for Australian pork producers. It is a producer-owned company combining marketing, export development, research and innovation and strategic policy development to assist in securing a profitable and sustainable future for the Australian pork industry.

When considering the reform principles guiding the process APL would like to support concerns being raised by other rural Research and Development Corporations such as Dairy Australia. We have a range of questions that we would like the opportunity to discuss with you as the process proceeds. These are presented in the following section, along with background on our industry and the industry's environmental sustainability efforts.

The existing regulatory and supply chain oversight of Australian pork businesses is a complex space. APL can assist you to navigate the interactions with your framework as we hold a number of relevant roles and partnerships that could inform your process. APL is:

- The peak body leading the pork industry's Sustainability Framework implementation;



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- The pork Research, Development and Extension organisation leading climate research and extension in partnership with the Australian government and the research community;
- Part of the sector-wide collaborative effort to develop Australian Agricultural Sustainability Framework, coordinated by the National Farmers' Federation on behalf of the Federal Department of Agriculture, and
- The industry signatory to the Emergency Animal Disease Response Deed along with Australian, State and Territory governments.

To arrange a time for APL to provide a more detailed briefing, please contact the APL Policy Director, [REDACTED] ([REDACTED]).

In the meantime, we would appreciate if you could please add us to your distribution list for notifications regarding the next phase of consultation.

Yours sincerely

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**Chief Executive Officer**  
Australian Pork Limited

## **Key issues and questions**

### **The need to streamline and have regard for existing industry and financial requirements and legislation.**

How will the process properly assess the impact another raft of requirements will have on farming businesses? How will the complexity and varied nature of the businesses involved in Australian farming be incorporated into a harmonised process? How will the legislation interact with and respond to other State-based emissions reporting and independently audited industry quality assurance schemes?

### **The broad and varied scope of “emissions reporting” as it pertains to farms and agriculture (i.e. scope 3 issue = farms).**

There is no one size fits all mechanism to report on climate actions within Australian farms or across agricultural sectors. Each agricultural sector is at a different point within their progress towards industry agreed sustainability frameworks. Benchmarking activities, baseline data and reporting metrics are still being developed and field tested for on-farm practicality and achievability.

### **The wide variety of businesses that will be captured with the framework.**

Australian businesses will have a widely varied ability to undertake the required actions to any meaningful level. How will the process differentiate between listed companies vs small and medium businesses? Where will it sit within the requirements of the Corporations Act for listed companies? How are small to medium businesses expected to cover the costs of reporting? Who is the intended audience for the reporting?

### **Assurance**

This will not be a pure accounting exercise. There will be consideration of science, some of which is not yet commercially available, which goes into the estimation and measurement of climate related financial disclosures.

### **Timing of implementation**

What is the proposed timing of implementation? Will consideration be given to resources (financial and educational) that will be required to support agricultural peak bodies to consult, inform and train their producers to understand the requirements and implement any required systems to meet those requirements?

### **International harmonisation**

Currently there is no global consensus on climate related financial disclosures, with consultation underway on an international standard<sup>1</sup> that is in the form of an “exposure draft” only. How will this system be moulded or adapted to maintain consistency with international expectations?

## **Background to the Australian pork industry and APL sustainability investments**

The domestic pork industry is a vital part of Australia’s food supply chain, with pork the second most consumed meat in Australia and all fresh pork consumed in Australia domestically sourced.

The Australian pork industry contributes around \$5.3 billion in gross domestic product to the economy and supports a diverse range of careers across the food supply chain. The industry is domestically focused with around 90% of our production supporting food security for Australians. Of the 9% that is exported, the total value is around \$173 million.

Australia’s top five export markets for pork are Singapore, Philippines, New Zealand, Papua New Guinea, and Hong Kong. APL is also focusing on growth markets including Hong Kong, Japan, and Vietnam.

A total of 36,000 jobs are supported nationally, predominantly in regional Australia, supporting the economic and social prosperity of communities and the wellbeing of individuals. The Australian pork industry’s workforce is skilled, specialised and generally engaged on a permanent basis.

The largest volume of production is sourced from Queensland, Victoria and South Australia, respectively. Australia’s domestic sow herd numbers are around 279,000 and are housed across approximately 4,300 registered sites nationwide. In 2021, the Australian pork industry produced around 443,000 metric tonnes of pork.

### **APL Sustainability Framework**

In 2021 APL launched its first-ever pork industry Sustainability Framework<sup>2</sup>. The Sustainability Framework set goals, targets, and measures to demonstrate the industry’s

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<sup>1</sup> <https://www.ifrs.org/content/dam/ifrs/project/climate-related-disclosures/issb-exposure-draft-2022-2-climate-related-disclosures.pdf>

<sup>2</sup> <https://australianpork.com.au/search-news/australian-pork-launch-sustainability-framework>

commitments. These commitments aim to reflect the community's concerns to improve social licence. The Framework will be reported on and updated annually, tracking the industry's ongoing sustainability.

The Sustainability Framework is built around four priority pillars:

**People** – Building and maintaining advocacy for Australian pork - the product and the sector.

**Pigs** - A world leader in animal welfare and health.

**Planet** - A world leader in environmental best practice.

**Prosperity** - A revolutionary contributor to Australia's economy and those who work within the sector.

These pillars and the Framework are further underpinned by APL's ambitious 2020-2025 Strategic Plan<sup>3</sup>. Our industry is proud of our achievements to date, particularly our leadership across sustainable agriculture, biosecurity, welfare, and innovation. Our Strategic Plan and Sustainability Framework set ambitious goals to deliver benefits for our producers, and regional economies and communities.

### **Environmental excellence to deliver sustainable protein**

The pork industry in Australia demonstrates strong environmental credentials with a low emissions footprint of 3.3 kgCO<sub>2</sub> -e/ kg live weight of pork, a reduction of over 60 per cent since the 1980s. Over 20 per cent of production is currently carried out using biodigesters that reduce methane emissions, with 16 per cent of production completely powered off-grid using piggery bi-products and renewable energy technologies. While our environmental story is strong, APL continues to work with industry to significantly increase uptake of emissions reduction technology and manure management opportunities.

Industry research is also investigating opportunities to reduce waste by maximising the value of non-edible food and agricultural waste as pig food or feedstock to optimise performance of digesters. Ongoing water reduction has also been prioritised, with industry achieving an 80 per cent reduction in usage over the past three decades.

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<sup>3</sup> <https://australianpork.com.au/sites/default/files/2021-05/APL-Strategic-Plan-2020-2025.pdf>

We have also extended investment to include a dedicated resource to drive adoption of emissions reduction technologies which has seen good engagement and interest from farmers.

APL are currently working with 50 of our member producers across Australia to investigate the feasibility of anaerobic digestion of piggery manure either through digestion in covered anaerobic lagoons or in manufactured digester tanks. We are aiming for an increased adoption of anaerobic digestion by industry which in turn will deliver significant emissions reductions for the pork industry.

The industry is guided by our Strategic Plan 2020-2025, with key targets aimed at ensuring pork is a low emissions protein, specifically 60 per cent of production using waste recycling and renewable energy technology. Our industry remains committed to further improving our already strong environmental credentials, maintaining our focus on carbon abatement strategies and technologies, along with circular economy approaches to waste reduction and energy production.

Australian pig producers were among the earliest participants in Australian government agriculture emissions reduction initiatives. APL continues to work closely with the Clean Energy Regulator at a Commonwealth level, along with jurisdictional regulators, to ensure policy settings and programs are aligned, and regulation is outcomes and risk based, responsive and proportionate. Getting these settings right is critical for ensuring our producers continue to play a key role in delivering environmentally sustainable protein to Australians every day.

In order to support long-term investment in on-farm innovations, farmers need confidence they are working within clear and consistent parameters. Investment in innovations such as biogas are capital intensive, and the cost benefit analysis can easily be skewed if the regulatory environment is inconsistent.