



27 July 2023

Climate Disclosure Unit
Market Conduct and Digital Division
Department of the Treasury
Langton Crescent
Parkes ACT 2600

Via email: climatereportingconsultation@treasury.gov.au

Dear Treasury,

RE: Climate-Related Financial Disclosure: Second Consultation

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission to the Department of the Treasury in response to proposed positions for the detailed implementation and sequencing of standardised, internationally aligned requirements for disclosing climate-related financial risks and opportunities in Australia.

The NFF was established in 1979 and is the authoritative voice of the Australian agriculture industry. The NFF serves as the national peak body representing the broad interests of farmers across geographical and commodity borders. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations in turn form the NFF. As a general principle, the NFF seeks to ensure that any legislative reform does not have a perverse or adverse impact on agricultural productivity.

Context

The NFF are considerably concerned about the impact of Climate Related Financial Disclosure (CRFD) reporting, especially in the context of scope 3 obligations. The land sector is a complex area that sees an array of mechanisms utilised to adapt to, and mitigate the impacts of, climate change. This submission will articulate a range of concerns and solutions.

In the current context, the farm sector is opposed to formalising scope 3 emissions reporting unless and until we can clearly understand the impacts of the shared cost and time commitment of the likely compliance burden.

At the outset, we recommend Treasury immediately convene a land sector specific consultation with the NFF and other stakeholders to better understand the issues and impacts of this compliance.

The land sector is in a unique position as a sequester and emitter and can be categorised as being comprised of both small and medium producers that do not have internal or currently accessible capacity to make complex assessments of emissions status. A range of emerging options that may become viable for the agriculture sector have been articulated below further in the submission.

There is a large number of programs on foot in the agriculture sector that address climate change impacts. These include several sector-based ambitions to reduce emissions over various timeframes and with varying ambition. What resonates through all these sector specific plans however is a widespread ambition for the agricultural sector/s to contribute to emissions reduction.

It is clear therefore that these sectors are committed towards supporting, via individual action, the execution of a trajectory decline in total agricultural emissions – this does not necessarily mean that agriculture will, or is likely to, achieve net-zero. The contest of producing food and fibre contrasting with the aspiration to reduce emissions in the agriculture sector is real. It is increasingly clear that agriculture is a hard to abate sector.

The NFF Climate Change Policy recognises that there should be an economy-wide aspiration to reach net-zero by 2050, providing that economic and limited regulatory thresholds are met, and no sector specific targets are imposed. For clarity, the NFF does not hold the view that agriculture can achieve net-zero by 2050, but rather the sector will continue to operate on a long-term declining trajectory as new technology and innovations become available and viable.

For example, uptake of enteric methane emitting technologies, while promising at laboratory and trial scale, are seemingly increasingly cost and delivery prohibitive. With regards to cost, the current cost structure of \$2.00 per head per day is unlikely to be offset by a carbon payment given current price trends, and subsequently is not currently commercially viable, even with carbon payments. Regarding delivery, it remains near impossible to deliver feed additives to large scale cattle enterprises, especially those situated in the rangelands. Equally, the efficient delivery of product in extensive grazing areas that would approach commercial viability remains unlikely on the current evidence. Finally, delivery in

intensive feedlots and dairy, whilst possible, does not see sufficient change to the business model to underpin viability.

Pathway to Engagement

The farm sector has nevertheless been quite active in addressing climate change. As articulated earlier, exploration of the viability of enteric methane inhibitors is continuing. There are also discussions around better or alternate pathways to nitrogen management in cropping enterprises and ongoing exploration of the viability of soils carbon sequestration. Energy efficient technologies including transition of heavy machinery are also being developed.

In terms of reporting, for an extensive period of time, the agriculture sector has been heavily focused and involved in ensuring that credible carbon calculators are developed for public use. These include but are not limited to the following:

Australian Farm Institute: Carbon Opportunity Decision Support Tool (CODST)

This tool is designed to support land managers better understand the opportunities of carbon farming. CODST was developed by AFI and forms part of AgriFutures Australia's \$2 million investment in carbon initiatives. The tool explains which carbon opportunities may be available for a producer and encourages users to consider the potential benefits and costs of different carbon projects for their farming businesses. The tool covers the following issues of 1) EMR, 2) private carbon markets, 3) access to sustainability linked loans, 4) carbon neutral certification, and 5) productivity gains – and it guides users through a “decision-tree questionnaire” process, questioning users about their risk appetite and business goals. Upon completing this questionnaire, users are then provided with a suite of carbon opportunities that may be a good fit for their farm business. The tool has been designed to be general in nature to ensure its applicability across commodity types, geographical areas, and business structures.

- Tool: <https://carbontool.farminstitute.org.au/>

MLA Carbon Calculator

Launched in March this year, the MLA Carbon Calculator will help agricultural producers baseline their enterprise GHG emissions (i.e., create a carbon account) to assist them develop their emission reduction strategies. Having this data available will ensure producers/businesses have the tools and insight necessary to pursue emerging market opportunities. The calculator is based off

Based off the Primary Industries Climate Challenges Centre (PICCC) Sheep and Beef Greenhouse Accounting Framework (SB-GAF) tool.

A carbon account includes the following 2 elements: 1) GHG emissions (including enteric CH₄), and 2) in/direct emissions of N₂O from fertiliser application, and excreta and methane from manure.

- Tool: <https://carbon-calculator.mla.com.au/>

Australian Dairy Carbon Calculator 2023

This calculator (i.e., decision-support tool) estimates dairy farm carbon emissions and what impact GHG abatement strategies have on farming systems. This helps users identify farm efficiency improvements that lower emissions. GHG abatement strategies that are modelled by this calculator fall into four categories:

1. Herd management;
2. Feeding management;
3. Soil management; and,
4. Farm intensification.

- Tool: <https://www.dairyaustralia.com.au/resource-repository/2023/01/30/australian-dairy-carbon-calculator-2023#.ZCu4fexBzCQ>

HortCarbon Info

Launched in August 2022 by the QLD Government, *HortCarbon Info* is a free decision-support tool designed to provide QLD horticulture businesses an accurate way to calculate their on-farm GHG emissions. GHG emissions are calculated for electricity, fuel, fertiliser, dolomite and lime, crop residues, refrigeration leakage, and on-farm waste – accounting for approximately 95% of GHG emissions generated during a growing operation. This tool also contains additional information to help farm business managers better understand options to reduce and/or offset their GHG emissions by learning more about carbon sequestration options like forestry/soil carbon, and where emissions occur in the supply chain/relevant emission factors. Generated reports are confidential.

- Tool: <http://grf-smartfarm.daf.qld.gov.au:3838/apps/hortcarboninfo/>

Greenhouse Accounting Framework (GAF) Tools

GAF tools are free decision-support frameworks for greenhouse accounting on Australian dairy, sheep, beef, grain (i.e., cropping), feedlot, sugar, cotton, horticulture, pork, buffalo, deer, and poultry industries. These tools are designed to align with the Australian National Greenhouse Gas Inventory (NGGI) method to predict the magnitude and sources of GHGs emitted from farms/products. GAF tools do not calculate soil organic carbon change.

- Link: <https://piccc.org.au/resources/Tools.html>

These examples are still nascent and need to be benchmarked to ensure they are providing credible and expected answers. The NFF will be seeking to progress this challenge in the near-term.

In parallel, the NFF has received further government investment to continue developing the Australian Agricultural Sustainability Framework (AASF). The AASF identifies 17 principles that stretch across the ESG engagement environments. One of those principles deals with greenhouse gases. The process for development of the AASF has focussed on aligning these principles with a range of international drivers, this includes the sustainable development goals and the Taskforce for Climate Related Financial Disclosure. While this serves as strong evidence of the agricultural sectors recognition of this issue, it is also the case that we have some considerable way to go until we are in a position to align a set of national or sub-national datasets. Attached to this submission is the NFF Climate Change Policy. Also attached is the GHG principle which shows the mapping against international drivers and alignment with domestic industry frameworks and schemes.

The third plank of this engagement is the development of extension or support services for farmers. The NFF have been successful in convincing Government that for the new operating paradigm, carbon farmers are ill equipped to understand the environment. There have been a range of concerns expressed that where farmers are dealing with carbon aggregators or other market participants they are at a disadvantage in terms of their understanding of risks and commitments. As a result, the Commonwealth has funded the Carbon Outreach Program to commence the provision of independent advice. The current status is that a train the trainer package development contract is about to be set, and an expressions of interest round has commenced seeking providers of extension officers. There is also a further funding commitment for carbon and biodiversity extension officers under the carbon smart agriculture component of the Natural Heritage Trust managed by the Department of Agriculture, Fisheries and Forestry (DAFF). Both these programs

will take time to be rolled out and deliver results, and are indeed likely to go beyond the transitional implementation timeframe to CRFD.

Engaging on the Journey

The agricultural sector's priority has become to understand its own disposition in relation to individual producers' emissions and sequestration so it can make informed decisions about how individual farmers can understand and respond to climate policy in order to consider how they might manage their business in this new paradigm.

As is evident in the previous section there is a substantial body of work being developed by the agriculture sector to better understand interaction with climate change parameters. As a complex sector this will take some time to progress. It is therefore difficult to envisage how the agriculture sector might provide sufficient reporting in an efficient manner to satisfy scope three requirements of the CRFD in the proposed time frame.

The mechanism for reporting will need to be the subject of significant consideration. It is of concern to NFF that the current consultation could not just allow, but promote each individual reporting entity to develop their own reporting framework which for agriculture, as a scope three participant, may find to be confronted with a variety of reporting mechanisms that essentially report the same information. For example, a mixed farm may have a bank loan, a relationship with a chemical, fuel, machinery and other farm input suppliers, a relationship with a meat processor, a grain accumulator, and a wool buyer. Any or all of these bodies may be scope 1 or 2 reporting entities and would therefore seek to engage information from a single farmer. This is seen to be an unacceptable, inefficient, and inconsistent approach. **The NFF therefore recommends that a significant process be undertaken to develop a standardised indicator and reporting code of practice.** Again, the agriculture sector is already thinking about this for different but not inconsistent purposes. Carbon calculators and the NFF's AASF could assist in informing these solutions.

Furthermore, discussion need to be held to understand what level of verification is likely to be expected. In a hierarchy sense we can currently report at state level granularity utilising the National Greenhouse Gas Inventory. It would be helpful if there can soon be a greater granularity at NRM region scale. As previously discussed, farm level tools using algorithms and other default datasets are under development and validation review, and this process will take some time.

Critically, we need to understand whether outputs from calculators or estimators are going to be sufficient.

If it is determined that these are not sufficient then the next level is biophysical measurement at a farm scale, then this will be problematic. Small and medium farmers in particular are likely to be unable to meet this threshold without substantial cost (for no tangible benefit). They will neither have the skill base, the access to technology, nor the economic driver to do so. The potential that this will be the expectation is a key driver to ensure we have effective and targeted land sector consultation.

Serious consideration needs to be given to implementation timeframes at this early stage.

Other Concerns

It is troubling, and intellectually challenging, to have an inherent financial audit process intersecting with a biophysical multifaceted landscape that will inherently have challenges in providing hard data. We note that Treasury have used phrases like “best efforts” and “materiality”, and once again we would like to reiterate that this demands critical discussion with the land sector. The key point is that agriculture is not a one-type category (i.e., emission or sequestration), nor a point-source mechanism that can be more easily monitored and/or metered.

Concerns arise regarding the reporting and disclosure of project data and how such data will be utilised and shared. The NFF holds the view that industry sector reporting must be protected, and that the supply of information to financial institutions should be avoided where possible to ensure such institutions do not discriminate against various industry groups. This is a major identified risk and one that must be adequately addressed.

Additionally, further clarification regarding the potential cost of compliance requirements outlined in this consultation across all participant groups needs to be better communicated and understood. It remains unclear how compliance will be enforced, and the NFF would like to articulate that such a regulatory mechanism must work effectively and efficiently.



Conclusion

The agricultural sector is very concerned of the likely impact and/or transferred cost that is anticipated. We remain eager to engage in further consultation and to find a pathway to better understand these issues through the aforementioned land sector consultation. Please do not hesitate to contact Natural Resource Management (NRM) General Manager, [REDACTED] [REDACTED] to further discuss these important issues.

Yours sincerely,

[REDACTED]

[REDACTED]

Chief Executive Officer



Climate Change Policy

Policy Position

The Australian agricultural sector has already reduced its net emissions more than any other sector and remains at the forefront of climate adaptation and action in Australia. Australia's climate policies must recognise producers for the role they play in managing Australia's landscapes, their contribution to food security, and must provide a pathway for a profitable, productive and sustainable agricultural sector into the future.

The purpose of this policy is to provide a set of principles to reaffirm Australian agriculture's place in the global economy by positioning the sector to take advantage of the social, environmental, cultural and economic opportunities presented by a low emissions future.

The National Farmers' Federation (NFF) supports Australia's efforts to address climate change. The agricultural sector is focused on ensuring we are contributing to a significant downward trajectory. The agriculture sector understands and expects other sectors across the economy will play their part in reducing emissions rather than expecting agriculture to be the source of significant offsets.

The NFF supports an economy-wide aspiration of net zero emissions by 2050

Provided that:

- there are identifiable and economically viable pathways to net neutrality, including impacts from inputs such as energy;
- Commonwealth and State legislation is effective, equitable and advantageous to deliver on ground programs that benefit agricultural interests and do not provide unnecessary regulatory impediment;
- No sector specific targets are imposed; and
- Global food security is considered in conjunction with overarching goals, not separately.

The NFF have not determined a position on a 2030 ambition and recognise many individual commodities have, or are in the process of, setting targets for reductions. However, we recognise that government policy is also a reasonable trajectory towards

the 2050 ambition and that there is complexity of how this applies to the agricultural sector. It is best couched as looking for a positive set of outcomes that include a range of policy benchmarks, as outlined below.

Further, as we now move to operationalising climate policy in a productive and sustainable agriculture sector, there are a number of opportunities that we believe should be considered by government to make good on undertakings via the *Powering Australia* policy document and subsequently in government.

For agriculture, the scope 1 and 2 priorities will continue to reduce greenhouse gas (GHG) emissions and seek more efficient and cost-effective ways to address emissions of enteric methane and nitrous oxide. Carbon dioxide emissions in agriculture are already negligible, and where they exist, there will be change as renewable fuel sources become scalable, affordable and widely available.

In line with trajectories from the Intergovernmental Panel on Climate Change (IPCC), agriculture recognises that the global targets to different GHG are not the same. NFF recognises the IPCC propose to achieve climate neutral outcomes for methane a 50% reduction from 2005 levels is required and for nitrous oxide, 20% reductions by 2050. The transformation required to underpin these still has significant barriers and requires introducing technologies and innovation at scale to ensure no cost nor productivity impacts on the sector. Failure to support transition will result in unacceptable impacts on food and feed security both in Australia and globally.

Government needs to ensure, should it seek to make international agreements, that agriculture is closely consulted on:

- how these agreements will translate;
- how and what assurances will be provided;
- ensuring that they will not unfairly or unnecessarily target agriculture; and,
- that the achievements that agriculture has already made are clearly recognised.

Continued investment, including by government, in assisting agriculture to innovate and adapt economically, transition justly and recognise the unique role that agriculture plays through both being an emitter, a sequestor and a food and fibre supplier to the world, are critical drivers and recognised by the Commonwealth Government investment and policy commitments including in *Powering Australia*.

The Research and Development Corporations (RDCs) must continue to support industry to progress low emissions pathways which underpin \$100 billion growth, particularly as the impacts of climate change are already and very directly impacting farmers. Government should support coordinated research through RDCs and other research organisations to further the ability of Australian agriculture to continue to progress and promote the leading position in growing low emissions agricultural products it holds. This narrative should enable the government, in conjunction with

industry, to ambitiously leverage the low emissions status to secure access to markets.

Governments and industry service providers must have the tools, systems and knowledge required to establish an industry baseline, and be able to communicate this to farm businesses.

The NFF will review its position regularly to ascertain if technological and economically credible pathways to achieve this target remain evident.

The NFF's position will be informed by robust science from RDCs and other credible sources which allows producers, industry bodies and agriculture as a whole to establish credible baselines and assess the implications of the policy.

This policy statement is complementary to the NFF policy positions on Natural Capital, Electricity, Energy and Industry Engagement Guidelines for On Farm Activities.

Issue

Australian agriculture has always operated in a varied and challenging climate. The continued success of the Australian agriculture sector will depend on our ability to build on this foundation and continue to innovate and adapt to best manage future climatic risks and to further reduce the emissions intensity of our production systems. We note the important need for Australian agriculture to continue adapting into the future and welcome investments in technology adoption.

There is a great opportunity for Australian agriculture to contribute to our national emissions reduction goals. This opportunity requires innovation to reduce the emissions intensity and to enable farmers to efficiently participate in emerging markets, including carbon and natural capital markets.

A transition to a low emissions economy will require transformation across a number of sectors, especially energy and transport. It is critical that the suite of government policies that seek to address the challenge of climate change are fully examined, to ensure that the policy levers of government work cohesively to achieve our national objectives, while minimising the risk of unintended or perverse outcomes. A just transition and equitable commitment for all sectors of the economy is critical.

While emissions reduction is one goal in climate change policy, broader social, environmental and (particularly regional) community benefits should also be considered. There is a strong need for enhanced guidance on how to manage and incentivise new projects that have multiple co-benefits. This would facilitate a range of technology options and land-based activities which can deliver cost-effective outcomes for emissions reduction and broader economic, social, and environmental outcomes.

The NFF recognises that a number of agricultural sectors will be on a more rapid implementation trajectory. For example, the red meat sector is already substantially investing in its carbon neutral by 2030 (CN30) program and other sectors are committing to outcomes as early as 2030.

In meeting Australia's emissions reduction goals, Australian farmers expect a greater focus on industry and government investment in integrating climate change solutions for the sector. This can be delivered by:

- focusing on carbon neutral technologies that provide a competitive advantage for existing products;
- developing new markets, domestic and export, that benefit from innovative carbon neutral technology;
- collaborating across all of industry to make the greatest gains from the adoption of the latest research and development;
- enhancing partnerships with private institutions, government and other industries outside of agriculture; and
- developing an Australian Agricultural Sustainability Framework to integrate strategies across the whole of agriculture.

Background

The NFF recognises that climate change presents both significant challenges and opportunities for Australian farmers.

The world's population is forecast to exceed 9 billion people by 2050, and demand for food and fibre is on track to increase by 60 per cent in that timeframe. There is no doubt meeting this demand in the context of a changing environment while at the same time contributing to global action to reduce emissions is a global challenge which requires a global response.

In December 2015, 195 countries including Australia, under the banner of the United Nations Framework Convention negotiated the "Paris Agreement" which aims to hold the increase in the global average temperature to well below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels and to increase the ability to adapt to climate change. There is bipartisan support for net zero by 2050 and there is a legislated ambition of 43% reduction from 2005 levels by 2030.

The Paris Agreement specified that to achieve the long-term temperature goal, countries should aim to reach global peaking of GHG emissions as soon as possible to achieve a balance between anthropogenic emissions by sources and removals by sinks in the second half of the century. In 2018, the IPCC issued a scientific report on the potential impacts of global warming and identified that global warming is likely to reach 1.5°C between 2030 and 2052 if it continues to increase at the current rate.

The agriculture sector contributes to our national emissions profile by both sequestering carbon in soils and vegetation and the emissions of GHG from farming practices such as livestock production, cropping practices, the use of fertilisers and the burning of savanna grasslands. Combined, agriculture accounts for about 13 per cent of Australia's National Greenhouse Gas Inventory.

Australian agriculture has been the single biggest contributor to emissions reduction since the 1990s, primarily due to the land clearing legislation imposed on farmers to meet Kyoto Protocol emissions reduction targets and the role of land use, land-use change and forestry (LULUCF). As a result, Australia has a stock of Kyoto 'carryover

credits' that are able to be used to contribute to meeting Australia's emissions reduction targets.

The sector continues to make significant voluntary industry led contributions to emissions reduction. Between 1996 and 2016, agriculture has reduced its GHG emissions intensity by 63 per cent.

The Emissions Reduction Fund (ERF) and methodologies under the Carbon Farming Initiative continues to be the primary mechanism under which farmers have reduced emissions. Australian farmers make up over half the projects, and carbon credits delivered through the ERF. Renewable energy technologies have also seen a significant reduction in price over the past decade and has been significant uptake on farms. Australian Carbon Credit Units (ACCUs) must be robust and internationally recognised for their integrity. Should the Chubb *et al* review find technical concerns, they should be addressed and where farmers are impacted, they should be justly compensated including for the lost opportunity. Care must be taken to ensure that philosophical drivers do not compromise the scope and opportunity in delivering methodologies.

Australia is not only bound by its commitment to the Paris agreement, but by the growing expectations of our community and customers about Australia's environmental credentials. Australian agriculture has a role to play in meeting climate responsibilities and moving towards an economy-wide climate neutral goal by 2050 whilst maintaining productivity and profitability.

What the Industry Needs

Policy

Economic

- Clear assurances that targets and taxes will not be placed on agriculture. This will provide certainty around what we can expect from the government in the future;
- Acknowledge that mandatory cap and trade policies are not suited to the farm sector, and specifically excluding the sector from such schemes;
- Recognise that more than 75% of Australian agriculture produce is exported, and that as a trade-exposed sector we must remain competitive within domestic and international markets;
- Reintroduce legislation that would see carbon and biodiversity income treated as primary production income;
- Engage in or facilitate the review valuation methodologies at least to the extent that those methodologies are not adequately acknowledging the income or capital growth attributable to carbon and other non-core commodities;
- Ensure eligibility for the instant tax/asset write off includes climate action investments;
- Compensate farmers and/or give ongoing recognition for lost productive capacity due to land clearing legislation imposed on land managers;
- Recognise the significant contribution agriculture has made to emissions reduction since the 1990s, including acknowledging MLAs CN30 target and that

the Australian red meat industry has already decreased annual emissions by 57% or 133.36–54.61 Mt;

- Introduce a new Regional Investment Corporation (RIC) loan to assist farmers undertake emissions reduction activities.

Emissions Reduction Fund

- Acknowledge the role of vegetation and soil carbon in carbon sequestration and overall soil health via full commercial/compensation systems for agricultural land sequestration (both historical and current);
- Ensure that Australia's climate change strategies encourage economy wide action to reduce GHG emissions and impact on the climate;
- Ensuring that vegetation management policies do not burden farmers with the cost of achieving emissions reduction goals, nor unreasonably restrict development;
- Prioritise development of ERF methodologies that encourage and provide ACCUs for adoption of methane reducing livestock feed technologies as soon as they are available. We recognise incentives in the Budget for this, but more needs to be done to support further innovation, methodology efficiency and adoption;
- More encouragement for the agricultural industry towards emissions reduction/efficiency. Models for adaptation should be an investment focus;
- Ensure that the Climate Active certification system is able to keep pace with technology developments coming from industry and ensure that the system rewards the work that producers have already done to make their land a valuable carbon sink.
- All market-based policies that seek to incentivise climate outcomes must have mechanisms such as standardised contract terms, dispute resolution processes, and clear pricing mechanisms.
- Primary producers need harmonisation of methodologies, reporting frameworks, and schemes across all jurisdictions.

Education & Awareness

- Recognise it may be more beneficial for farmers to identify carbon and use this within their own business (insetting) rather than sell to other sectors (as offsets), and that care is needed to prevent market and regulatory distortions which have perverse impacts;
- Recognise emissions of (the GHG) nitrous oxide are a specific area for the agricultural industry to address. The nature and impact of nitrous oxide are different to other GHGs, meaning that a net zero target is appropriate for carbon dioxide emissions but not to other GHGs.

Incentives

- Allocate a component of the Building Better Regions Fund to fast-track viability assessment of regional low emissions fertiliser manufacturing capability in regional Australia and ensure funding under the Modern Manufacturing Strategy is directly allocated to improving domestic manufacturing for critical agricultural inputs. We understand a portion from this Fund has been redirected to support economic growth and development

across regional Australia, but more must be done regarding domestic low emissions manufacturing for critical agricultural inputs;

- Recognise that embedded emissions are significant and that low/no emission manufacturing technology and alternative inputs are needed as a priority and at a lower cost;
- Provide refundable tax offsets on equipment which reduces emissions such as that use in zero till and controlled traffic systems;
- Ensure that biodiversity payments are accessible for all farmers, not just in pastoral settings. This could be achieved by incorporating agricultural specific criteria under the Carbon & Biodiversity scheme and future programs and publicly reporting the number of successful projects by farm type.

Coordination

- AGMIN and its Climate Change Task Group to engage with industry on its national action plan as a matter of urgency and commit to publicly reporting on progress.

Operational

Economic

- Support adaptation and ensure that agricultural productivity and farm business profitability can be sustained with changing climatic conditions;
- Focus on innovation and investment in climate research and development that provides robust baseline information, drives innovation and builds resilience, and supports communication, adoption and extension;
- Embrace the opportunities for emissions reduction and sequestration in the farm and forestry sectors and facilitate participation of farmers and foresters in carbon markets and natural capital markets;
- Expand and fund practical on farm extension programs like the Victorian Government's [On-Farm Action Plan Pilot](#), which aims to empower producers to understand, measure and reduce on-farm emissions and provides grants for implementation of the recommended actions;
- Understand that Australian agriculture is on a trajectory towards climate neutrality. Support and fund programs or schemes to assist Australian agriculture in getting to this goal. Recognising that key areas of focus will be methane and nitrous oxide emissions.

Education & Awareness

- On-farm extension programs should be developed regarding the support of natural capital measurement and markets - as key facilitator of climate change mitigation. Support investment in education decision support tools and awareness programs to assist farmers' understanding of carbon emissions, sequestration, offsets, insetting and carbon markets. What we would like to see could include:
 - a) support for what producers at the farm level are currently doing;
 - b) support for navigating current articulating system of markets and incentives;

- c) on farm support to engage in new and emerging practices to increase emissions reductions; and
- d) the need for a positive, constructive and overarching climate policy for the agriculture sector, along with providing incentives and subsidies to farmers, including for batteries.

This needs to be supported in the short, medium and longer term.

- Partner with industry to deliver public education initiatives that combat misinformation about livestock production and help people understand the most impactful ways they can reduce their impact on the climate.

Incentives

- Partner with industry to introduce initiatives which lower key on farm emissions and transition to low emissions inputs which are manufactured in Australia.

Coordination

- Ensure a consistent approach to carbon accounting and measurement across agricultural sectors to enable accurate measurement and assist with calculating mitigation efforts and offsets, including through the National Soils Strategy;
- Develop a comprehensive strategy to address climate change which incorporates the AGMIN National Action Plan.

November 2022



ENVIRONMENTAL
STEWARDSHIP

GREENHOUSE GASES & AIR



AASF – P1. Net anthropogenic GHG emissions are limited to minimise climate change.

AASF criteria for this principle:

- C1. GHG emissions are reduced throughout lifecycle
- C2. Carbon emissions are sequestered throughout lifecycle
- C3. Where necessary (if C1 & C2 are impractical), GHG emissions are offset throughout lifecycle by purchasing recognised credits or participating in recognised projects

Note: this list includes examples of AASF principle & criteria alignment / relationship to Australian and international sustainability initiatives – it is not a complete list. Exclusion from this list does not reflect lack of alignment.



AgCarE



Australian Beef Sustainability Framework



Behind Australian Grain



Cotton BMP



Dairy Sustainability Framework



GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022



ISO13065:2015 Sustainability Criteria for Bioenergy



ISO26000: Social Responsibility



Montreal Process



Roundtable for Sustainable Biomaterials



SAFA (FAO)



Sheep Sustainability Framework



Sustainable Agriculture Initiative:



UN SDG 13 – Climate Action

Carbon Results

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Priority Area 6.1 “Manage climate change risk”

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Priority Area: Carbon Footprint – “Minimise the industry’s carbon footprint”

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Sustainable Natural Landscape “Carbon sequestration and emissions are considered and managed across the whole of farm”

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Commitment 4, Goal 10: “Reduce GHG emissions intensity”

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Topic 13.1 Emissions

[MORE](#)

Principle 5.2.1 “Reduce anthropogenic GHG emissions”

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Climate Change Mitigation & adaptation

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Criterion 5: Maintenance of Forest Contributions to Global Carbon Cycles

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Principle 3: GHG emissions

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Environmental Integrity: Greenhouse Gases & Air Quality

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3. Environment; 4. Climate Change

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Principle Climate: “An agricultural sector that minimises greenhouse gases and air pollution, acts as a significant greenhouse gas sink, enables adaptations to a changing climate and supports the resiliency of farmers and farming communities.”

[MORE](#)

“Take urgent action to combat climate change & its impacts”

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