



President

Ref: 23174OC

3 August 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

NSW Farmers is Australia's largest state farming organisation, representing the interests of its farmer members across the state. We are Australia's only state-based farming organisation that represents farmers across all agricultural commodities. We speak up on issues that matter to farmers, whether it's the environment, biosecurity, water, animal welfare, economics, trade, workforce or rural and regional affairs.

The Association has collaborated with the National Farmers Federation, of which we are a member, to send to you a detailed analysis of the concerns agricultural industry has with the proposed settings outlined in the Treasury consultation document.

You will note that in the NFF submission it is emphatically noted that before mechanisms are imposed upon agriculture consideration must be given to the fundamental role of our industry in providing food security and fibre for our society. Agriculture does not have available immediate and cost-effective solutions to emissions reductions, and limits imposed on production methods will have a direct impact on production outcomes, with price and supply implications.

It is NSW Farmers policy to advocate against any mandatory legal, regulatory or commercially driven reporting of emissions at an individual farm level. Consequently, we raise the following:

1. If farms at an individual level are required to complete the requirements of the reporting entities (scope 3 emissions), there are concerns around:
 - a. additional red tape placed on small to medium enterprises
 - b. lack of an integrated code of practice for consistent reporting
 - c. protection of data generated under these reporting parameters.
2. There are real concerns that specific industry sector reporting requirements will lead to discrimination in areas of agriculture that do not have the most favourable ability to modify production to decrease climate impacts; and that these industry sectors will be subject to reduced ability to finance access and supply to markets.

NSW Farmers also require for Small-medium enterprise (SME) farmers, in the event that reporting becomes commercially compulsory:

- a. A mandatory Integrated Emission Reporting Code of Practice is created that provides a structured, simple, and standardised approach that is applicable for all farm emission and offset calculations
- b. Any farm customer or service provider that requires emission reporting must pay farmers a discrete payment for the provision of said information.

It is concerning that the mechanism for reporting in the current consultation, promotes each individual reporting entity to develop their own reporting framework which for agriculture, as a scope 3 participant, may find to be confronted with a variety of reporting mechanisms that essentially report the same information.

The NSW Farmers Association would encourage an approach recognising that the current agricultural industry wide reductions in emissions are significant, and the imperative, in an industry that is reliant on seasonal conditions and market forces, that agricultural output is not put at risk by placing artificial financial objectives on sectors.

Should further information be required, please contact [REDACTED], Policy Director, Environment by email [REDACTED].

Yours sincerely

[REDACTED]