

Farmers for Climate Action

Pre-Budget Submission 2022-23.

Addressed to:
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About Farmers for Climate Action

Farmers for Climate Action (FCA) is the only farmer-led organisation focused solely on climate change, supporting farmers to take action on climate change both behind and beyond the farm gate. We have almost 7,000 farmers and 45,000 supporters in our rapidly growing network. We work across the agriculture and climate sectors to ensure emissions are reduced in a way that works for farming and rural communities, and that they are supported to thrive and be sustainable in the face of a changing climate.

Introduction

Farmers for Climate Action thanks the Minister for Housing and Assistant Treasurer for the opportunity to contribute a *Pre-Budget Submission 2022-23*. If Australian farmers are to continue to provide high quality food and fibre for both the domestic population and export market, they need greater support from the Federal Government to face the mounting impacts of climate change.

Australian agriculture is already suffering from the effects of climate change. Farmers are losing income due to changing climate conditions, with the latest modelling estimating that changes in seasonal conditions over the period 2001 to 2020 (relative to 1950 to 2000) have reduced annual average farm profits by 23%, or around \$29,200 per farm.¹ So far, farmers have been able to accommodate these losses. With the help of new technologies and management systems, and a talent for innovation, Australian farmers have seen growing productivity despite the climatic impacts. Given some further, significant warming is already locked in, farmers will need the tools and knowledge to help them manage risks and make informed decisions.

In September 2021, we released a report by Ernst & Young entitled [How can Australia's agriculture sector realise opportunity in a low emissions future?](#) (the EY Report). The report details a pathway for agriculture to reduce net zero emissions by 2040, allowing farmers to profit from the shift without compromising the size of the national herd. This report forms the basis of our below asks.

Recommendations at a glance

1. Expand **Australian Carbon + Biodiversity Pilot** and **Enhanced Remnant Vegetation Pilot** to nationwide programs and remove barriers to entry and participation for farmers.
2. Fund greater **research, development and extension (RD&E) for methane** reduction technologies and strategies.
3. Fully enact and fund an **agency to empower local communities to establish renewable energy projects**, similar to that described in Australian Local Power Agency Bill.

¹ Neal Hughes and Peter Gooday, "Climate Change Impacts and Adaptation on Australian Farms" (ABARES, July 2021), https://daff.ent.sirsidynix.net.au/client/en_AU/search/asset/1032401/0.

4. Make **deep economy-wide emissions cuts this decade** to protect Australian farming families from more climate change impacts. Cuts this decade must be led by the energy and transport sectors.

Recommendations in detail

1. Expand Australian Carbon + Biodiversity Pilot and Enhanced Remnant Vegetation Pilot to nationwide programs and remove barriers to entry and participation for farmers.

Farmers for Climate Action commends the Federal Government for the work done to date on these two pilot programs and the announcement of the biodiversity marketplace. We urge an expansion of these programs nationwide to give all Australian farmers the opportunity to participate.

The EY Report models just 0.9 per cent of Australia's agricultural land becoming home to carbon and biodiversity plantings/shelter belts as part of the pathway to bring agriculture to net zero by 2040. Engaging in programs such as the Carbon + Biodiversity and Enhanced Remnant Vegetation can provide an additional stream of income from unproductive land, as farmers are able to choose where environmental plantings go on their property. The National Farmers Federation aims to have 5% of farm revenue to be derived from ecosystem services by 2030.² By expanding these pilots, farmers will be supported both to commence and maintain environmental plantings, sequestering carbon and improving biodiversity in the process.

Engaging in natural capital markets, including the Emissions Reduction Fund and the future biodiversity market, is complex and time consuming. This is a major limitation to widespread uptake of the programs.

To remove barriers to farmer participation, we suggest:

- Expanding the satellite audit system to cover larger farms as well as smaller ones, saving farmers significant amounts of time and money in audits over the life of a typical carbon/carbon and biodiversity project.
- Issue low interest loans through the Regional Investment Corporation that can be paid back with ACCUs, to assist farmers to obtain upfront capital for plantings.
- Implement recommendations from the King Review and continue to streamline and improve administrative arrangements and systems for farmer ease.
- Implement fully automated systems to allow proponents to apply, measure and report online. Hire dedicated staff in DAWE and the CER to provide over the phone to provide assistance to farmers throughout the entire process.

² National Farmers' Federation, "2030 Roadmap: Australian Agriculture's Plan for \$100 Billion Industry" (Canberra: National Farmers' Federation, 2018), https://nff.org.au/wp-content/uploads/2020/02/NFF_Roadmap_2030_FINAL.pdf.

2. Fund greater research, development and extension (RD&E) for methane reduction technologies and strategies.

Livestock producers are on the front lines of climate change, being both a major emitter while also managing around half of the national landscape.³ A large proportion of the livestock industry in Australia is covered by the red meat industry's carbon neutral by 2030 target.⁴ In addition, many of the commodities have sustainability frameworks that include emissions related metrics.

Agriculture contributes around 15% of Australia's emissions, with livestock accounting for approximately 75% of those.⁵ This is largely due to the enteric methane produced by sheep and cattle, a GHG that is 80-times more effective at heating the earth than CO₂ in the first 20 years following its release into the atmosphere.⁶ Livestock also has an important social role, contributing around 51% of agricultural production value in 2019-20.⁷ In 2018–19, the Australian red meat and livestock industry employed approximately 434,000 people directly and indirectly.⁸

Farmers for Climate Action advocates for support of the livestock industry's work to reduce its emissions without negatively impacting the size of the national herd. A range of solutions are available in the near, medium and long term to reduce emission from the livestock sector, including methane vaccines, supplements and management options.⁹

This looks like:

³ ClimateWorks, "Land Use Australia," Climate Works Australia, accessed November 30, 2021, <https://www.climateworksaustralia.org/land-use-futures/australias-land-use/>.

⁴ "CN30: Carbon Neutral by 2030 | Meat & Livestock Australia," MLA Corporate, 30, accessed February 23, 2021, <https://www.mla.com.au/research-and-development/Environment-sustainability/carbon-neutral-2030-rd/cn30/>.

⁵ Department of Industry, Science, Energy and Resources, "National Greenhouse Gas Inventory Quarterly Update: June 2021," Text, Department of Industry, Science, Energy and Resources (Department of Industry, Science, Energy and Resources, November 29, 2021), <https://www.industry.gov.au/data-and-publications/national-greenhouse-gas-inventory-quarterly-update-june-2021>.

⁶ John Black, Thomas Davison, and Ilona Box, "Methane Emissions from Ruminants in Australia: Mitigation Potential and Applicability of Mitigation Strategies," *Animals* 11 (2021): 951–71.

⁷ MLA, "State of the Industry 2020: The Australian Red Meat and Livestock Industry" (Meat & Livestock Australia, 2020), <https://www.mla.com.au/globalassets/mla-corporate/prices--markets/documents/trends--analysis/soti-report/mla-state-of-industry-report-2020.pdf>.

⁸ Ibid.

⁹ See Rachel Meyer et al., "Achieving Net Negative Emissions in a Productive Agricultural Sector" (Melbourne: Energy Transition Hub, March 2020), https://vas.unimelb.edu.au/_data/assets/pdf_file/0007/3347278/Achieving_net_neg_emissions_in_a_productive_ag_sector.pdf; Reisinger et al., "How Necessary and Feasible Are Reductions of Methane Emissions from Livestock to Support Stringent Temperature Goals?"; Ernst & Young, "How Can Australia's Agriculture Sector Realise Opportunity in a Low Emissions Future?"; John Black, Thomas Davison, and Ilona Box, "Methane Emissions from Ruminants in Australia: Mitigation Potential and Applicability of Mitigation Strategies," *Animals* 11 (2021): 951–71.

- Support RD&E across the sector to increase efficiency and productivity. Efficiency and productivity gains can be achieved through well funded RD&E of selective breeding and genetics programs. This is a viable and efficient way to cut emissions from livestock. Farmers are willing to adopt practices that achieve this, as they directly result in profitability. This also assists farmers adapting to climate change, boosting drought resilience.
- Expansion of Methane Emissions Reduction in Livestock (MERiL), part of the King Review Technology Co-Investment Fund.
- Fund the universities, CSIRO and other organisations that are already undertaking significant research on methane reduction technologies for further development towards commercialisation, extension and adoption.

3. Fully enact and fund an agency to empower local communities to establish renewable energy projects, similar to that described in Australian Local Power Agency Bill (the Bill).¹⁰

As the EY Report shows, regional Australia is perfectly positioned to prosper in the shift to a low carbon economy. The renewable energy boom is providing our regions with a powerful opportunity to harness their own power generation.

An Australian Local Power Agency (ALPA), if established as set out in the Bill, will ensure that individuals and communities share in the benefits that can go along with the change. The model is based on consultation with community groups, designed to empower rural communities to take their energy needs into their own hands, lowering costs and boosting resilience. Such an agency would provide financial, technical and information support to the many regional areas crying out for help to re-energise their communities. FCA considers the proposed agency contained within the Bill to be a good model.

An agency similar to that set out in the Bill asks \$483 million over 10 years to be fully funded.

4. Make deep economy-wide emissions cuts this decade to protect Australian farming families from more climate change impacts. Cuts this decade must be led by the energy and transport sectors.

Rapidly decreasing emissions this decade is vital for any of the land management and revegetation pathways listed in the EY Report to be viable options for emissions abatement in the future. Farmers can't grow more trees if the country is hot, dry and facing increasing extreme weather events. Advances in energy and transport emissions reductions will also assist farmers to cut that portion of their own on-farm emissions accounts, while also spurring demand for carbon credits, further assisting the expansion of carbon markets.

¹⁰ Canberra, "Australian Local Power Agency Bill 2021," text, Australia, accessed December 20, 2021, https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r6673

This looks like:

- The Federal Government needs a stronger emissions target for 2030, to be in line with the states, as well as recommendations from science and the business community.¹¹
- Support the technologies that are available today to succeed, particularly in renewable energy and electric vehicles. This includes any associated infrastructure that would enable the market to accelerate.

Conclusion

Australian agriculture is leading in emissions reduction and climate adaptation, but needs greater assistance from the Federal Government if this is to continue. Thank you for considering our recommendations to be included in the 2022-23 Federal Budget.

¹¹ BCA, “Achieving a Net Zero Economy” (Business Council of Australia, 2021), https://d3n8a8pro7vhmx.cloudfront.net/bca/pages/6612/attachments/original/1633693581/BCA_Achieving_a_net_zero_economy_-_9_October_2021.pdf?1633693581.