SUBMISSION

Interim Emissions Reduction Targets for Victoria (2021-2030)

22 July 2019
EXECUTIVE SUMMARY

Agriculture is a sector highly exposed to climate change. If the projected climate shifts in the report eventuate, this will necessitate major changes to the nature of agriculture in Victoria.

VFF accepts the general international science on climate change and the need to facilitate action under the Paris Agreement. We believe the Commonwealth of Australia is best placed to ensure these targets are met and to harmonise responses across the states so that a ‘level playing field’ is achieved.

When operating in a national and international market place it is essential that action is co-ordinated to avoid market distortion. Accelerating response targets may have perverse outcomes and impact negatively on the Victorian economy and on our ability to transition.

A national scheme, as put forward by the National Farmers Federation, is required to support research and development into carbon farming and other programs. Industry is best placed to determine the most effective way to meet the target. Co-ordinating targets and timing is best at a national level. It is critical that all states and all industries have an equal share of the burden of meeting the target.

The state, through its regulation of the land use planning system, is best placed to ensure regulatory frameworks support this transition and give protection to agricultural production so that transition of production and production methods can occur.

The report does not look at soil carbon, how agro forestry can be achieved in a practical and profitable way, the support structures for agriculture or how to remove the blockages in the planning system to using no till technology. Policy guidance is critical given the VCAT red dot determination that removal was not required but was ‘convenient”. Clear signal is essential to utilise GPS Ag which helps maintain soil carbon, reduces chemical and fuel use and decreases the need to burn biomass.
ADDRESSING THE QUESTIONS

1: Do you support these targets recommended by the Panel?

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The report does not look at soil carbon, how agro forestry can be achieved in a practical and profitable way, the support structures for agriculture or how to remove the blockages to using no till technology within the planning system (VCAT has termed it as “convenience” undermining its critical role in retaining soil carbon and reducing chemical use and burning of biomass.)

As required by the Climate Change Act 2017, the Independent Expert Panel considered a broad range of issues in reaching its recommended targets including:
- Scientific evidence on the significant risks that climate change poses to Victoria;
- The actions that Victoria and others (including the Commonwealth government) are already taking to reduce emissions – including the commitment of the international community, through the Paris Agreement, to limit warming to well below 2°C and to pursue efforts to limit the increase to 1.5°C above pre-industrial levels, in order to avoid the worst impacts of climate change;
- The implications of Victoria contributing its fair share to limiting global temperature increases in accordance with the Paris goal (emission budgets for Victoria);
- The availability of significant emissions reduction opportunities across the Victorian economy; and
- The potential economic, social and environmental benefits and costs of Victoria’s transition to a net zero emissions economy.

2: Are these the key issues influencing what the right targets are for Victoria? Are there other issues that should be considered?

The Victorian Government would be best placed to work with the Commonwealth to ensure existing and future programs that support agriculture in, for example, carbon farming, do not exclude Victoria due to restrictions on size of farm holdings or total rainfall.

The Victorian Government could also work with the Commonwealth to address any gaps in industry research and development programs that facilitate adaptation.

It will be critical for the Victorian Government to review the Productivity Commission Report into the regulation of Australian Agriculture and the impact of land use and environmental regulation on blocking rather than facilitating the ability of agriculture to transition in response to changing climate and to utilise new technology to reduce its carbon footprint.
These changes do not mean the removal of those controls or check points, but refinements to ensure that the total environmental outcome of the proposed changes is properly considered.

Victoria has choices about the emissions reduction pathway, or trajectory, to follow to reach net zero emissions by 2050. Different trajectories imply different costs and benefits over time. The Panel’s advice includes indicative trajectories to 2050 associated with its recommended targets (see figure above and Chapter 5 of the Panel’s report).

3: Do you agree with the Panel’s indicative trajectories to 2050?

VFF believes that the emission reductions pathways for Australia should be established by the Commonwealth of Australia.

Different states following different trajectories will cause regulatory confusion and may have perverse outcomes for Victorian producers.

Reducing Greenhouse Gas Emissions in Victoria
The Independent Expert Panel’s report also identifies opportunities to reduce Victoria’s greenhouse gas emissions (see Chapter 6 of the Panel’s report).

4: Are there other key greenhouse gas emissions reduction opportunities beyond those the Panel identified?

We believe it will be critical to look at a range of environment and land use regulations that have been developed principally with urban development in mind. Can they be tailored to better consider the balance of issues in an agricultural setting? Do they deliver the outcome stated by the Government during their preparation?

There are many technologies that are available to reduce the climate impact of agriculture. New technologies such as auto-steer, GPS plotting, drones, variable mapping and data harvesting all require digital connectivity. It is critical that regulation does not inhibit agriculture’s ability to expand, or farmers ability to adopt new technologies.

An example where regulation has inhibited a farmer’s ability to adopt new technologies is a removal of native vegetation case -McDonald vs West Wimmera Shire case\(^1\). Despite the application being prepared under provisions of s52.17 and having support of the referral body (DELWP) and Council, VCAT determined that removal was a matter of convenience.

There are instances where the removal of small parcels bushland, or standalone trees is required to facilitate on-farm efficiencies. However, these efficiencies lead to improved environmental outcomes.

Modern technology is designed to decrease diesel, fertiliser and chemical use across agricultural properties.

The VFF believes it is critical that government does not see these technologies as a convenience, but a way for a farmer to achieve greater productivity while decreasing their impact on the natural environment.

Avoiding in the native vegetation context should not be a matter of having to no longer crop – which is a no permit required use. Where land management outcomes are required at the expense of existing lawful use a Special Area Plan under the *Catchment and Land Protection* Act should be prepared and issues of compensation considered.

5a: Across the Victorian economy, which activities do you think the Victorian government should prioritise in reducing Victoria’s greenhouse gas emissions?

5b: What policies or programs are needed to drive these emissions reductions?

The report is silent on the cumulative impacts of the loss of land used to produce food and fibre to urban development, renewable energy and forestry will have on the industry and its ability to implement emissions reduction targets and maintain a level of profitability required to invest in environmental stewardship.

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Deakin University has done a series of reports looking into future climate and land use. These reports show the need to involve industry in guiding responses as well as the need to ensure the planning system ensures that agricultural land has the flexibility to adapt to climate change.

The VFF has previously submitted to DELWP on the range of SMART Planning projects required to support agriculture in the planning system. We would be happy forward relevant submissions through if required.

Supporting stewardship programs that ensure that the producer receives a financial benefit from the ecosystems services provided will be crucial in facilitating the development of, and widespread uptake of, achievable and practical farming practices which reduce carbon footprints.

11: How can the key barriers you identified in Question 10 be overcome?

The impact of greenhouse gas emissions reduction policies will vary across sectors and communities in Victoria. Farming can be a ‘low income’ occupation and often has high energy and regulatory compliance costs. Proper consideration of the impacts on this sector should be considered as it is a ‘price taking’ sector which cannot easily pass on the costs of regulatory compliance or inputs to the purchaser.

OUR POSITION

Overview
Agriculture is a sector highly exposed to climate change. If the projected climate shifts in the report eventuate, this will necessitate major changes to the nature of agriculture in Victoria.

VFF accepts the general international science on climate change and the need to facilitate action under the Paris Agreement. We believe the Commonwealth of Australia is best placed to ensure these targets are met and to harmonise responses across the states so that a ‘level playing field’ is achieved.

We believe the State is best placed to ensure regulations do not act to block industry adaptation of technology that assists meeting emission reduction targets and to ensure programs to assist the uptake of changed practice can be accessed by Victorian farmers.

Harmonise Action Nationally
A national scheme, as put forward by the National Farmers Federation, is required to support research and development into carbon farming and other programs. Industry is best placed to determine the most effective way to meet the target. Co-ordinating targets and timing is best at a national level. It is critical that all states and all industries have an equal share of the burden of meeting the target.

Research and Development
Targeted industry led research and development programs should be supported by the Government. For example, using tree plantations as a carbon sink. This program also needs to consider soil carbon. Research should be commodity specific as well as considering different landscape and climate conditions.

The Jigsaw Farms example is interesting as the owner is very well researched in the area. It is not simple to apply the benefits to one operation across other commodities and geographic areas. The presence of any farm benefit or environmental benefit can vary greatly year by year. In terms of carbon offsetting the impact varies greatly on a range of factors, including the age of the trees. Cases like this which are specific to a livestock operation are often used to recommend other commodity producers to implement a scheme, with little evidence tailored to their situation. Monitoring and reporting standards are often complex and can vary greatly across schemes.
Research and Development is needed in to how agriculture can make the most of the opportunities available to reduce emissions and how farmers will be compensated for carbon emission or other environmental programs which are delivering community benefit at private cost. Reporting standards need to be clear and easy to comply with.

Soil Carbon
The position of “increasing carbon storage in trees and forests” discounts the significant role of soil. The government should build upon research into sequestering carbon in the soil and soil management techniques.

Protect land / allow for transition
Australia’s population has nearly doubled in the period 1973-2015 but area actively farmed has decreased by 12% of Australia’s landmass or nearly 100 million hectares. This trend has been felt in Victoria. The climate projections demonstrate that it is likely that Victoria will maintain a critical role in in meeting domestic food and fibre needs.

A set and forget approach to agriculture in land use planning is unlikely to achieve this outcome. It is now critical that all agricultural land in Victoria is not only protected from ‘unplanned’ loss but that greater rigour and strategic guidance is placed on ensuring our land use and development systems promote a sustainable and thriving agriculture system in to the future.

This will require ensuring regulations set base standards for safety and environmental outcomes and allow enough flexibility to see agriculture adopt new production methods with reduced environmental footprints. The sector needs certainty in process and flexibility to allow agriculture to change commodity type (eg livestock to grains) or intensify is required. VFF’s 2018 election platform and Right to Farm Policy outline key points on how this can be achieved. If a percentage of agricultural land will now be required for timber production as well it will be essential for regulation to facilitate adaptation. It will be critical to look at the interplay of regulation to ensure that systems, such as native vegetation controls, can assess the wider environmental benefits (including soil carbon and emission reduction) from implementing new technology whose operation requires the removal of some vegetation.

Reforming regulations to facilitate technology
There are many technologies that are needed to reduce the climate impact of agriculture. These require good GPS and data access, including reliable signal. It is critical that regulations to not block uptake of these technologies based on perceptions of “convenience”. The statements made by Government in reviewing native vegetation controls should be reviewed in response to recent interpretation of these controls by Responsible Authorities and required changes to controls, policies or guidance documents undertaken to ensure that decisions balance the social, economic and environmental outcomes are outlined in the Planning and Environment Act.

Income for farmers
Traditionally farming has delivered above its share of emission reduction. Where an industry is achieving an increased reduction then the business should derive an income from that effort. If agriculture received compensation for delivering community benefit at private cost it would increase uptake of these programs and support investment in technology and machinery to deliver the benefit.

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2 The NFF’s 2030 Roadmap: Australian Agriculture’s Plan for a $100 billion industry Pillar 2 identifies that land used for farming in Australia has declined in the period 1973 – 2015 from 65% of the country’s landmass to 53% of the landmass. In 1972 Australia’s population was 13.38 million. In 2015 Australia’s population was 23.85 million.
The founding principle of Landcare in Victoria, a partnership between VFF and the Government, was assisting farmers do things that are ‘good for the farm and good for the environment’. A program which does not balance these aspects is less likely to be widely adopted by industry.

As part of the NFF’s 2030 Roadmap: Australian Agriculture’s Plan for a $100 billion industry Pillar 2 is applicable to achieving reductions in greenhouse gas emissions from agriculture. The metric to element 2.1 of “the net benefit for ecosystem services is equal to 5% of farm revenue” demonstrates an end point that will see farmers driving adaptation as there is a market value in providing these services to the wider community.

David Jochinke
President
Victorian Farmers Federation
ABOUT THE VFF

The Victorian Farmers Federation
Victoria’s agricultural production accounts for over $13 billion of Victoria’s economy and over 25 per cent of the State’s exports per annum. Victoria’s farmers produce high quality food and fibre, produced to high standards of safety, with little taxpayer support, and to some of the strictest environmental and highest animal welfare controls in the world.

The Victorian Farmers Federation (VFF) represents a farming community which creates a profitable, sustainable and socially responsible agriculture sector connecting with consumers. We have a proud history representing Victoria’s farm businesses since 1979 – primarily family farms that produce the eggs, grain, fruit and vegetables, meat, and milk that help to feed Victoria’s six million people, and the bigger global community, every day.

The VFF consists of commodity groups: dairy (United Dairyfarmers of Victoria), grains, horticulture (including Flowers Victoria), intensives (chicken meat, eggs and pigs), and livestock – and expert committees representing: water, land management, agricultural and veterinarian chemicals, farm business and rural development, and workplace relations.

Our purpose is to make Victorian farmer’s lives better; enhancing Victoria’s future. Our mission is to ensure a community of farmers creating a profitable, sustainable and socially responsible agricultural industry connecting with all Victorians.
Our place in Victoria

What we do

- Victoria’s 20,775 farms cover 10.6 million hectares
- We are 24.2% of Australian farmers
- 91% family operated, with only 2% foreign owned

- We employ 77,800 people mostly in regional areas
- $4739 of food consumed each year by every Australian
- As a net exporter we have long term food surity

- Our annual production is $13.16 billion, 3.5% of Victoria’s economy
- 27.6% of Victoria’s exports are agricultural product valued at $11.9 billion

How we do it

- Farmers invest $80 million in R&D
- Every R&D $1 converts to $12 in farmer generated impact
- 2.7% productivity growth through innovative efficiency gains
- Farmers receive less than 1.5% in government support

- 65% reduction in greenhouse gas emissions between 1990-2016
- Water consumption reduced by 7% from 2014-2015
- Land conservation has increased to 18% of total landmass.
- Farmers spend $20,000 annually on feed animals and pest weeds

- 3.5 million beef cattle
- 140 million chickens
- 1.1 million dairy cows producing 6.166 billion litres of milk
- 65,992 sows
- 13.1 million breeding ewes and a fleece clip of 66,100 tonnes
- 6.5 million tonnes of grain
- $2.35 billion in horticultural production