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1.5.1 Seeking your views: the need for higher ambition

Climate change is already affecting Australia's producers, land managers and the environment. Being proactive in addressing emissions is essential for reducing future climate risk and maintaining competitiveness in global markets. Australia is committed to acting on emissions, and the agriculture and land sectors have an important role to play.

- 1) What are the opportunities to reduce emissions and build carbon stores in agriculture and the land? What are the main barriers to action?
- 2) How can we progress emission reduction efforts whilst also building resilience and adapting to climate change?

1. ***What are the opportunities to reduce emissions and build carbon stores in agriculture and the land? What are the main barriers to action?***

- 1.1. Agriculture could significantly contribute to reducing emissions and increasing carbon stores in agriculture. Agriculture could be net positive and contribute to offsetting national and international emissions from other sectors.
- 1.2. The key barrier is an inefficient regulatory and incentive framework that increases cost and risks and places institutional barriers against innovation and improvement.

2. ***How can we progress emission reduction efforts while building resilience and adapting to climate change?***

- 2.1. In simple terms, adopting sustainable agricultural practices causes an increase in carbon stocks while simultaneously improving productivity, financial viability, resilience, and adaptation to climate change. There is no trade-off or compromise.



2.5.1 Seeking views: building on existing effort and knowledge

A range of initiatives and programs addressing climate change are underway across all levels of government, industry and the community. These programs may be leveraged, learned from, uplifted or expanded through the plan.

- 3) Are there initiatives or innovative programs underway that could be applied or expanded on at a national scale?
- 4) How can the Australian Government bring together existing effort and new initiatives into one coordinated plan?

3. ***Are there initiatives or innovative programs underway that could be applied or expanded on at a national scale?***

- 3.1. CarbonPump has established an innovative scheme that rewards landholders for climate action in a way that delivers real climate action outcomes. This is already a national scheme but is hobbled by DCCEEW exclusionary policy.
- 3.2. CarbonPump is asking DCCEEW & Treasury to adopt appropriate guidance for Australian organisations wishing to offset GHG emissions using Emissions Offsets & adoption of IFRS S1 & S2 standards for financial reporting of emissions & offsets. (hint: Government endorsement of Carbon credits that are not compliant to ACCC standards is problematic. Also, the exclusive requirement of ACCUs for compliance under the SafeGuard Guarantee is problematic and in fact prevents innovation and real climate action.)

4. ***How can the Australian Government bring together existing effort and new initiatives into one coordinated plan?***

- 4.1. We question whether the appropriate outcome is to create a coordinated plan. This will be slow and restrictive. A faster and better approach is to set goals related to building and preserving carbon stock. For example, the goal could be to reduce agricultural emissions by 50% and increase carbon storage by 100 tC/ha. The Plan then would be to support any action that contributes to that goal.

	<ul style="list-style-type: none"> 4.2. Empower Treasury as the standard-setting body for emissions and offsets in alignment with the adoption of international sustainability reporting standards. 4.3. Empower Australian organisations to become responsible for their own selection and assessment of offsets. This also relieves the taxpayer from the likely landslide of litigation arising from false and misleading claims in the existing carbon market (e.g. Climate Active) 4.4. Enable CarbonPump and other private organisations to compete on commercial and quality terms for offset under ASIC & ACCC and Treasury legislation. 4.5. Allow offsetting approaches that pay agriculture to build and retain carbon. 4.6. Remove the legislated monopoly of the ACCU Scheme.
<div data-bbox="103 799 909 1066" style="border: 1px solid black; padding: 10px;"> <p>? 3.4.2 Seeking your views: Opportunities to reduce emissions</p> <p>There are established and emerging technologies, practices and other measures to reduce emissions and increase carbon stores. Some of these technologies and practices are being adopted, whereas others require further support before widespread uptake can be achieved. Your views are sought on advancing the opportunities to reduce emissions.</p> <p>5) What are the most important options to be further adopted or supported, looking in the short and the longer-term?</p> <p>6) What are the practical solutions to increase uptake?</p> </div>	<p>5. What are the most important options to be further adopted or supported, looking in the short and the longer term?</p> <p>5.1. Do not mandate or specify what activities can be undertaken (activity lock). The reasons include:</p> <ul style="list-style-type: none"> 5.1.1. New technology emerging weekly. The government cannot keep up with approval of new innovations. The role of government is to provide guidelines and incentives for innovation, such as safety standards, emission limits and incentives to achieve defined outcomes. 5.1.2. Applying different management practices requires local knowledge and adaptation to local and seasonal conditions. The emphasis should be on outcomes and empowering the local manager to adapt and innovate to suit local condition. <p>6. What are the practical solutions to increase uptake?</p> <p>6.1. The removal of critical risk factors associated with the Australian ACCU Scheme and associated methodologies. These include:</p> <ul style="list-style-type: none"> 6.1.1. Activity lock 6.1.2. Land lock 6.1.3. High opportunity costs 6.1.4. Unnecessary administrative complexity and costs 6.1.5. Long term risk 6.1.6. Intermediation (transfer to income to intermediaries) <p>6.2. Adoption of appropriate guidance by the government for businesses wanting to engage in climate action.</p> <ul style="list-style-type: none"> 6.2.1. Follow the UK FCA advice to organisations – An organisation may purchase any offset so long as the claim of the offset can be verified. The organisation is responsible for the claims it makes, and if challenged (including by ASIC or ACCC) will be required to provide evidence to support such claims. 6.2.2. Provide guidance on assessing the quality of an offset. E.g. International Financial Reporting Standards Foundation has established sustainability standards helping organisations to

	<p>assess the risks and opportunities of offsets in relation to their sustainability reporting (IFRS S1 & S2). (i.e. the claim of the offset is true, the associated risks are disclosed including disclosure of any associated forward risks)</p> <p>6.3. Reward outcomes (pay farmers to build and preserve carbon on their farms)</p> <p>6.4. Remove (effective) Legislated monopoly of the ACCU Scheme</p>
<div data-bbox="98 517 911 786"> <p>? 4.3.1 Seeking your views: developing emissions pathways</p> <p>The plan will explore different ways for the agriculture and land sectors to reduce emissions, store carbon and contribute to the economy-wide net zero goal. It will consider the sectors' starting point, mitigation potential over coming decades and the global trends that may have an impact, as well as how to deliver on other national priorities. Your views are sought on what is possible to achieve and markers for success along the way, including:</p> <p>7) How do you see the agriculture and land sectors contributing over the medium and longer-term? What are the opportunities to deliver emission reductions in parallel with wider goals?</p> </div>	<p>7. How do you see the agriculture and land sectors contributing over the medium and longer term? What are the opportunities to deliver emission reductions in parallel with wider goals?</p> <p>7.1. Agriculture can reduce sector emissions and make a significant contribution to climate action both nationally and globally. Opportunities include;</p> <p>7.1.1. Improve fertiliser use efficiency and emission factors.</p> <p>7.1.2. Use of a wide range of mineral, carbon and organic supplements</p> <p>7.1.3. Reduce chemical use and improve efficiency.</p> <p>7.1.4. Improve soil carbon stocks which directly correlates with soil health.</p> <p>7.1.5. Reduce runoff and erosion.</p> <p>7.1.6. Improve water holding capacity and water use efficiency.</p> <p>7.1.7. Enhanced biodiversity</p> <p>7.1.8. Enable widespread use of biochar and biomass management.</p> <p>7.1.9. Improve national greenhouse accounts to better account for agricultural emissions and removals.</p> <p>7.1.10. Wide range of actions to reduce and eliminate impact or enteric emissions. Supplements, production efficiency and herd structure, soil and grassland health to improve nutrition and enhance natural methane destroying mechanisms.</p>



5.3.5 Seeking your views: supporting and enabling change

The plan will be underpinned by a range of mechanisms that support and accelerate emissions reduction in agriculture and increase carbon storage in the land. The government is exploring ways to build on existing investments and fills gaps across the system to maximise outcomes for the sectors.

Your views are sought on what actions are needed to support agriculture and the land to contribute to the economy wide emissions reduction goal.

- 8) How can the Australian Government better support agriculture and the land sectors to:
- drive innovation,
 - build capacity,
 - ensure the system enables emissions reduction?
- 9) What new initiatives could the Australian Government design that would support emissions reduction and carbon storage in agriculture and land and help ensure a productive, profitable, resilient and sustainable future for agriculture and land sectors?
- 10) A consistent and trusted approach for assessing and reporting emissions is often raised as a barrier to reducing emissions. Is there a role for the Australian Government in addressing this concern, and how can producers and land managers be supported?
- 11) What skills, knowledge and capabilities do you think producers and land managers need to implement change? What information and data would help them make decisions about emissions reductions and sustainable land management in the short and longer-term?

8. How can the Australian Government better support agriculture and land sectors to:

a. Drive innovation

- De-couple activity lock and land lock from carbon projects & simultaneously widen the scope of innovation.
- Stop assuming the government leads, controls and funds innovation.
- Set ambitious goals and support innovation that can achieve.

b. Build Capacity

- Enable commercial-oriented offset schemes to coexist with the ACCU Scheme. This means that the government should encourage commercial frameworks and methodologies that generate offsets and re-locate the onus of responsibility for determining the quality of the offset to organisations.

c. Ensure the system enables emissions reductions.

- The ACCU Scheme can only encourage climate action to the extent of deemed quality assessed by regulation. This is, in fact, a limitation on Australia's ability to engage in climate action.
- CarbonPump has developed an integrated framework and methodologies that causes a reduction in emissions, the reduction of carbon in the atmosphere and the retention of carbon in soil and other carbon sinks.

9. What new initiatives could the Australian Government design to support emissions reduction and carbon storage in agriculture and land and help ensure a productive, profitable, resilient, and sustainable future for the sectors?

- Agricultural and climate related agencies should align with the work of Treasury ACCC and ASIC AASB to implement reporting standards consistent with IFRS S1 and S2
- Establish NDC so that it recognises and supports the contribution of emission avoidance, removal, resilience, adaption, and biodiversity.
- Scrap FullCam and replace it with better, more transparent systems with a greater focus on direct measurement and more realistic assessment of agricultural emissions.
- Enable non-government offset programs to coexist with the ACCU Scheme to support innovation and engagement.
- Shift the onus of responsibility for quality and use of offsets to the organisation in alignment with Australia's adoption of IFRS S1 and S2 standards.

10. A consistent and trusted approach for assessing and reporting emissions is often raised as a barrier to reducing emissions. Is there a role for the Australian Government in addressing this concern, and how can producers and land managers be supported?

- Allow and support innovation in measuring and monitoring emissions and carbon stocks.
- Restructure the national account so it better represents how agriculture works.

	<p>11. <i>What skills, knowledge and capabilities do you think producers and land managers need to implement change? What information and data would help them make decisions about emissions reductions and sustainable land management in the short and longer term?</i></p> <p>11.1. The most critical issue is the inherent risks of engaging in the ACCU Scheme. These risks are not disclosed to landholders when executing project agreements. The banking sector is applying onerous obligations on landholders with carbon projects, and such obligations' longevity is prohibitive.</p> <p>11.2. In short, to answer the second question: if the government was to encourage and acknowledge commercial frameworks and methodologies for generation of offsets, then this would certainly encourage emissions reductions and transition to sustainable agricultural activities.</p>
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