

Agriculture and Land Sectoral Decarbonisation Plan

Submission by Dr Helen Haines MP
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Introduction

I welcome the opportunity to make a submission to the Agriculture and Land Sectoral Decarbonisation Plan.

As the federal member of an electorate home to proud, dynamic and diverse agricultural communities, I am acutely aware of the climate change related challenges and opportunities faced by farmers and other landholders. Farmers are looking for opportunities to reduce their energy bills and emissions, improve their resilience and to be rewarded for actions that store carbon and improve biodiversity. At the same time farmers are navigating the challenges, uncertainties and opportunities that come with the proposed development of large-scale renewable energy generation facilities on their land or in their vicinity.

In response to listening to concerns from farmers across my electorate of Indi, the first motion¹ I ever moved in Parliament called for a national strategy on climate change and agriculture. The motion included a push for comprehensive research, clean energy development, targets and investment to help farmers mitigate and adapt to climate change, and build rural community resilience.

I am pleased that the Government is committed to developing such a strategy with the Agriculture and Land Sectoral Decarbonisation Plan, as part of the Government's broader net zero plan (**Plan**).

This submission calls on the Plan to incorporate policies I have advocated for since my 2019 election, as they relate to the Discussion Paper. Building on my extensive work and consultation in this space, my submission focusses on three main areas of action.

- Providing the right advice with climate change focussed agricultural extension officers;
- Placing farmers and communities at the centre of renewable energy infrastructure projects; and
- Supporting on-farm energy improvements.

Under each theme, my submission makes pragmatic and constructive recommendations. Enacting these recommendations would ensure that the transition toward net-zero emissions delivers long term benefits for farmers, their communities, and the wider Australian economy.

Sustainable Agricultural Facilitators / Agricultural Extension Officers

Farmers in the Indi electorate speak to me about their motivation to reduce their on-farm emissions (particularly methane) and to store carbon on their land. However, information on how to best achieve this is scarce, and farmers tell me they need someone to turn to for impartial and reliable advice.

In response to these concerns, I advocated for the Government to fund a network of 200 climate focussed agricultural extension officers (**AEOs**) over four years to provide advice to farmers on technology, products and practices that will help them respond to the challenges of climate change.

Extension officers have traditionally been used to advise farmers, agricultural businesses, rural industries and government on the production, processing, and distribution of farm products.

My policy drew on this well-known practice to present a practical, informed plan to make sure farmers can reduce their emissions and continue participating in global markets. Climate focussed AEOs could advise on zero emissions farm vehicles and equipment, renewable energy technologies, practices for

¹ <https://www.helenhaines.org/media/farmers-recognise-climate-opportunity/>

increasing soil carbon and building resilience, and how Australian Carbon Credit Units (**ACCUs**) and Biodiversity Credits could be earned and sold through the recently legislated Nature Repair Market. Climate focussed AEOs could also facilitate and disseminate research on how to increase levels of soil carbon and accurately measure it, and what nutritional additives can be used to reduce livestock methane emissions.

My policy has the support of the Carbon Market Institute,² the National Farmers Federation,³ and Farmers for Climate Action.⁴

I am pleased the Government acknowledged my plan when, in the 2023-2024 Federal Budget, Minister for Agriculture Murray Watt announced \$40.7 million to establish a network of Sustainable Agricultural Facilitators (**SAFs**). This network will connect farmers and landholders with relevant information and programs on emissions reduction, climate resilience and sustainable agricultural practices.

I understand that the Department of Agriculture intends to deliver the \$40.7 million for SAFs through a Regional Delivery Partners (**RDPs**) Panel. The Department is in the final stages of finalising 52 RDPs across 52 regional management units. The SAFs will be housed within regional natural resource management (**NRM**) organisations and RDPs across the country.

This Budget measure is a welcome beginning, and I submit that the Plan should incorporate measures for the Government to provide adequate and ongoing funding and development of SAFs as a crucial lever for the agriculture and land sector to achieve net-zero emissions.

While addressing many questions in the Discussion Paper, ongoing funding for a SAF program in particular addresses points raised in *Part 5: Supporting and enabling change*, notably via the capacity building potential of the SAF program. Adequate and long-term funding of a SAF program also directly addresses question 10 of the Discussion Paper: *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 address this concern, and how can producers and land managers be supported?*⁵

The Discussion Paper mentions the role of extension services numerous times,⁶ as a means of bridging of information gaps for farmers.⁷ However, it also queries whether there is sufficient capacity to deliver such services.⁸ This query can be addressed by ensuring ongoing funding and training for SAFs. Ongoing funding is especially needed to enable SAFs to link farmers with the emerging opportunities offered by the ACCU market and Nature Repair Market.

² [CMI-Carbon-Farming-Industry-Roadmap-Second-Edition.pdf \(carbonmarketinstitute.org\)](https://carbonmarketinstitute.org/), page 32.

³ [Farmers seek reassurance on climate change and sustainability - National Farmers' Federation \(nff.org.au\)](https://nff.org.au/)

⁴ [FarmingForever_March-2023.pdf \(farmersforclimateaction.org.au\)](https://farmersforclimateaction.org.au/), page 4.

⁵ The Discussion Paper also notes in 3.4 - *Carbon Storage in the land*, that “Ensuring producers have access to support and information needed to make decisions on how to optimise use of land for productive agriculture, carbon sequestration and biodiversity outcomes will be important.” SAFs would be ideally placed to address this need.

⁶ 5.1 - *Driving Innovation*, page 22-23. 5.2.2 - *Extension of information and knowledge sharing*, page 24. 5.2.1 - *Knowledge, skills and capabilities for a low emissions future*, page 23. Discussion paper, 2.1 (page 10).

⁷ 5.1 - *Driving Innovation*, page 23.

⁸ 5.2.1 - *Knowledge, skills and capabilities for a low emissions future*, page 23.

These markets however also come with risks for farmers, such as knowing whether to sell carbon credits or to retain them for carbon-insetting to comply with international or national trade requirements which require farmers to address their own emissions.⁹

When developing, implementing, and improving the SAF Program, the following principles must be considered:¹⁰

1. The program provider must be **trusted** by farmers. This could mean utilising local and regional initiatives developed by natural resource management bodies and Landcare groups that already exist.¹¹
2. The advice must be **context-specific and place-based**. It must come from facilitators who know the specific environment that each farmer is working in. For example, the techniques applied in low-rainfall, poorer soils will be different to those in high-rainfall, organically rich soils.
3. Advice must be **independent and neutral**. Some of areas that a farmer may seek advice on, in particular ACCUs and biodiversity credits, can mean profits for companies trying to sell a product to farmers. It's important that advice given to farmers about whether to participate in a market or purchase a product is independent of any company or individual seeking to profit.

Recommendation 1: *The Agriculture and Land Sectoral Decarbonisation Plan should include measures for ongoing Government funding for a Sustainable Agriculture Facilitator Program. Such a program must incorporate principles of trusted, context-specific and neutral advice.*

Carbon Neutral Certification Scheme

One component of my AEO policy that was not funded under the Government's Budget announcement was a Carbon Neutral Certification Scheme. This plan would establish a dedicated Carbon Neutral Certification Standard for farms through the ClimateActive initiative.¹² Individual farms could then opt-in to become certified as carbon-neutral against this standard.

The standard would complement the existing suite of carbon neutral standards for businesses, products, and events, and would be specifically tailored to the unique characteristics of farms. It would consider all kinds of greenhouse gases, not just carbon dioxide. The SAF program described above would support individual farms to achieve their Carbon Neutral Certification.

Recommendation 2: *The Agriculture and Land Sectoral Decarbonisation Plan should include measures for Government funding of a Carbon Neutral Certification Scheme. A farm's entry to a scheme would be facilitated by the SAF program.*

Renewable energy for the benefit of farmers and regional communities

On-farm renewable energy projects can be a win-win-win for farmers; reducing energy bills and emissions, providing an alternative revenue stream and potentially increasing the resilience of agricultural production. However, too often farmer and community interactions with renewable energy projects are

⁹Such as Meat & Livestock Australia's no net greenhouse gas emissions by 2030 target:

<https://www.mla.com.au/research-and-development/Environment-sustainability/carbon-neutral-2030-rd/>

¹⁰ In addition to principles already identified in the Discussion Paper: that existing providers of extension services must have skills and knowledge or emerging practices (page 24).

¹¹ Discussion paper 2.3 (page 11).

¹² [About us | Climate Active](#)

disappointing, characterised by grid-scale project developers undertaking inadequate community engagement and offering limited benefits to host communities.

Reform to improve community engagement practices and support to make it easier for farmers and communities to develop their own projects is sorely needed if we are to make on-farm renewable energy the success we need it to be.

Small scale renewable energy systems can help farmers counter the higher bills they're facing for energy and other inputs, whilst also reducing agriculture and land sector emissions. On the other end of the spectrum, as a nation, we look to farmers and regional communities to host the infrastructure needed to generate, store and deliver renewable energy in line with federal and state targets.

Farmers are therefore central actors in Australia's energy transition, as well as central actors in reducing emissions from the agriculture and land sectors. These two roles of farmers and other landholders overlap significantly and should be viewed together. While I recognise that large scale energy supply projects will be addressed by the *Electricity and Energy sector plan*,¹³ I encourage the government to use the *Agriculture and Land sectoral plan* to address the opportunities and challenges of developing energy projects of any scale on agricultural land.

I want to see farmers, other landholders, and their communities as empowered actors that initiate renewable energy projects, influence their design, and receive long term benefits. Renewable energy is a golden opportunity for regional Australia, but it must be appropriately managed, including with appropriate federal government regulation and support.

Additional government action is needed to:

1. Better inform landholders as to the technical and socio-economic opportunities and challenges of renewable energy;
2. Ensure landholders and communities are at the centre of renewable energy project design and development; and
3. Ensure renewable energy projects unlock long-term benefits for farm and community resilience and prosperity.

In line with the above vision, I have worked with local farmers, community energy groups and others to develop constructive solutions that would both improve outcomes for regional Australians and accelerate the energy transition.

My work in this space includes working with community energy groups across the country to develop the Local Power Plan,¹⁴ a plan aimed at accelerating the development of community energy projects. I also introduced the Australian Local Power Agency Bill¹⁵ to Parliament. The Bill would be a boon for farmers and landholders, unlocking projects that would reduce their emissions and create additional sources of income and resilience.

More recently, I worked with the Minister for Climate Change and Energy to initiate a review of community engagement for renewable energy infrastructure. The Australian Energy Infrastructure

¹³ As per 3.3 – *Fuel and energy* on page 15 of the Discussion Paper.

¹⁴ https://www.localpowerplan.com/files/ugd/c2035c_89f382e44d71418f85683cea9bcfaa89.pdf

¹⁵ https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r6673

Commissioner (AEIC), Professor Andrew Dyer, was tasked with undertaking the review. I also made a detailed submission¹⁶ to the review. My submission was motivated by my discussions with landholders and community groups, and their overwhelmingly disappointing experiences of community engagement around renewable energy projects.

Acting to facilitate on-farm renewable energy is relevant to almost all questions posed in the Discussion Paper but is especially relevant to questions around opportunities to reduce emissions, how the agriculture and land sector can contribute to wider goals, and what new initiatives could the Australian Government design that would support emissions reduction in agriculture and help ensure a productive, profitable, resilient and sustainable future for the sector.

With the Discussion Paper questions front of mind, I strongly encourage the Government to adopt the recommendations of the Farmers for Climate Action Farm Powered¹⁷ report. Further, building on my prior work relating to community energy and community and landholder engagement, I implore the government to act on the below recommendations as part of the Agriculture and Land Net Zero Sectoral Plan and wider energy transition planning:

Improve access to information for landholders:

Recommendation 3: *Develop clear mapping defining land that is not suitable for development of large-scale renewable energy infrastructure, such as high value agricultural land, drinking water catchment areas, land of cultural significance, fragile ecosystems, habitats of endangered species and land in high-risk natural disaster zones.*

This recommendation seeks to improve the efficiency of project development and reduce community angst and division by immediately ruling out inappropriate locations for projects. Farmers will be able to easily and quickly determine if there is potential to develop a project on their land.

Recommendation 4: *Require an independent government body, such as the AEIC, ARENA or a standalone agency, to provide information and technical assistance regarding renewable energy projects. This assistance should be available to landholders that are seeking to host a renewable energy project, have been approached by a developer to host a project, or have broader questions about renewable energy projects. Information should include:*

- *Clear documentation that outlines facts in relation to potential impacts of projects, including risk management requirements and responsibilities, and avenues of recourse available for landholders, neighbours, and communities. Information should cover the construction, operation and decommissioning phases of projects.*
- *Guides for developing renewable energy projects, including access to resources for assessing the technical and economic merits of a project. I.e., is existing transmission capacity sufficient, can generated electricity be shared with neighbours and the community?*
- *What to expect and ask for when dealing with renewable energy project developers.*

¹⁶ <https://www.helenhaines.org/wp-content/uploads/2023/10/231001-Community-Engagement-Review-Helen-Haines-MP-Submission-FINAL-WITH-APPENDICES.pdf>

¹⁷ https://farmersforclimateaction.org.au/wp-content/uploads/2022/10/FARM_POWERED_FINAL.pdf

Information should be provided by local hubs working in partnership with SAFs. My Local Power Plan provides additional details on how a system of technical support hubs could support community energy, including on farm renewable energy projects, and where such hubs could be located.¹⁸

Recommendation 5: *Require as part of the planning approval process that land upon which solar PV and wind energy projects are developed remains available for agricultural uses. Where appropriate, solar PV facilities should be adapted to sheep or cattle grazing, and any cabling between wind turbines should allow for the continued operation of farm machinery in the area. Clear guidelines should be provided as to what activities farmers can undertake near a renewable energy infrastructure project or within a transmission line easement.*

The aim of this recommendation is to ensure that on-farm renewable energy development does not come at the cost of agricultural production. There is even potential for such projects to increase agricultural production, which is detailed in my submission to the Dyer Review.¹⁹

Recommendation 6: *Investigate and implement options to ensure renewable energy project developments do not adversely impact the availability or affordability of insurance for neighbouring landholders, or their potential liability.*

Clarity around the insurance implications of renewable energy developments, and the responsibilities of project developers, would address an important yet little known barrier to community support for projects.

Place landholders and communities at the centre of renewable energy project development

Recommendation 7: *Facilitate landholder and community led projects via funding of an underwriting scheme that would provide financial certainty to new mid-scale projects. The underwriting scheme should reflect the value a proposed projects bring to the local area and community, preferencing projects that demonstrate broad levels of community ownership and support and the value for the electricity system, preferencing projects integrating storage.*

The underwriting scheme could be based on the Underwriting New Community Investment (UNCI) Scheme I propose in my Local Power Plan.²⁰ Such underwriting would facilitate access to investments from the wider community, as well as access to private capital. The contract for difference model proposed in the Commonwealth Government's recently announced Capacity Investment Scheme could also be used to support landholder and community led medium scale projects.

Community led project development should be the gold standard, as such projects ensure that community interests are front and centre. However, to ensure that community and landholder interests remain front and centre when large scale project developers are involved, the following recommendation should be followed:

Recommendation 8: *The AEIC develop a set of guidelines for energy infrastructure development best practice and minimum requirements relating to community engagement and benefit sharing. Developers*

¹⁸ <https://www.localpowerplan.com/local-power-plan>

¹⁹ <https://www.helenhaines.org/wp-content/uploads/2023/10/231001-Community-Engagement-Review-Helen-Haines-MP-Submission-FINAL-WITH-APPENDICES.pdf>

²⁰ <https://www.localpowerplan.com/local-power-plan>

should be licensed, and licenses revoked if guidelines are not followed. Planning applications should be rejected if communities are not appropriately engaged.

Developers failing to adequately engage with communities and follow necessary guidelines, is, and will continue to, tarnish the reputation of renewables and discourage farmers and other landholders from pursuing the renewable energy projects needed to reduce emissions. Strong regulation is required to universalise best practices.

Further detail on recommended requirements for developers can be found in my submission to the Dyer Review.²¹

Ensure farmers and communities receive adequate and long-term benefit from local projects:

Renewable energy projects must be for the benefit of the farmers and communities that host them, not at their expense. To this end, projects must deliver long-term benefits, via co-ownership, adequate payments for the leasing of land, neighbour agreements, and contribution to local community funds.

Recommendation 9: *Independent information should be provided to all potential hosts of energy infrastructure, neighbouring landholders, and local communities as to their rights, the financial compensation they would be eligible to receive and avenues of recourse.*

More detailed explanations of the financial compensation that hosting and neighbouring landholders should receive are again available in my submission to the Dyer Review.²²

Recommendation 10: *Require all new large-scale renewable energy projects to offer a community co-investment funding round equivalent to a minimum of 20% of the project value before final planning approval can be granted.*

Community co-investment in projects can allow non-hosting landholders to access the benefits of renewable energy, including an alternative income stream, and potentially, access to the locally generated renewable electricity.

Improving farm energy efficiency and electrification

Agricultural businesses can further reduce emissions and increase their productivity and resilience by investing in energy efficiency and electrification.

While many of the technologies to address the major sources of emissions from agriculture are still emerging, there are well established and mature technologies that can be immediately deployed.

For example more efficient pumps, solar powered pumps, electric farm ATVs and UTVs, high efficiency electric cooling and heating equipment, batteries, solar PV, and bio-gasification can all be used to improve on-farm energy efficiency and electrification. Efficient and electric options can be especially impactful for dairy farms, wineries, and orchards, where constant cooling or heating is often required, leading to high energy costs and high reliability requirements.

²¹ <https://www.helenhaines.org/wp-content/uploads/2023/10/231001-Community-Engagement-Review-Helen-Haines-MP-Submission-FINAL-WITH-APPENDICES.pdf>

²² <https://www.helenhaines.org/wp-content/uploads/2023/10/231001-Community-Engagement-Review-Helen-Haines-MP-Submission-FINAL-WITH-APPENDICES.pdf>

While technologies may be available and economically viable, farmers require technical and economic support to increase their uptake of such technologies. The SAFs discussed earlier in this submission will be well placed to provide the initial technical guidance to farmers regarding what technologies might be appropriate for their operation, and how they can access additional technical support. However, there remains a paucity of financial support options for farmers to invest in these technologies.

Most agricultural enterprises in Australia are small or medium businesses, with limited resources to 1) research the economic potential of energy efficiency, electrification and renewable energy technologies, and 2) to undertake significant capital investments in these technologies.

The Small Business Energy Incentive²³ is one example of much needed financial support that could assist farmers to reduce emissions, improve their productivity and improve their resilience via on farm electricity generation and efficiency gains. The small business energy incentive is supported by key peak body groups such as the National Farmers Federation²⁴ and Farmers for Climate Action.²⁵ However, the incentive is short term, with less than seven months remaining until projects must be completed to be eligible for the bonus tax deduction. Such a deadline is completely unrealistic for many farm efficiency and electrification projects. I called for the government to make this incentive permanent, or at minimum, to extend it.²⁶ Unfortunately, the Albanese Government chose not to adopt my sensible propositions, rendering the Small Business Energy Incentive inadequate to address the needs of farmers and other small businesses.

The Government's Agriculture and Land Sectoral Plan must address the gap in long-term funding support for on-farm energy efficiency, electrification, and renewable energy projects. The small business energy incentive should be extended and made permanent, but I also encourage the Government to implement dedicated support for the agriculture sector.

Recommendation 11: *Create and fund a federal Farm Energy Improvements Fund. The fund should only finance projects compatible with net-zero emissions. Grants and concessional financing should be offered by the fund, and funding should be matched by landholders or communities.*

The Commonwealth Government can look to Victoria's now completed Agriculture Energy Investment Plan²⁷ as an example of a funding mechanism for farm energy projects, including funding farm energy assessments, a vital first step.

Recommendation 12: *Work with electricity network distribution operators to identify locations on-farm where the electricity distribution grid could benefit from solar PV + battery projects, demand response projects, or other projects that could support the local grid and be managed as part of a virtual power plant. Projects should combine government funding, distribution grid operator funding, and community and landholder funding.*

²³ <https://www.ato.gov.au/about-ato/new-legislation/in-detail/businesses/small-business-energy-incentive>

²⁴ <https://nff.org.au/media-release/statement-on-the-small-business-energy-incentive/>

²⁵ <https://farmersforclimateaction.org.au/blog/2023/05/10/farmers-welcome-help-to-cut-emissions/>

²⁶ <https://www.helenhaines.org/media/we-must-support-businesses-to-reduce-their-energy-bills/>

²⁷ <https://business.vic.gov.au/grants-and-programs/agriculture-energy-investment-plan>

Such projects could support local distribution grids, avoid costly grid upgrades and deliver additional revenue to farmers. Supporting such a program with federal funding would represent a response to questions 5, 6 and 7 of the Discussion Paper.

Conclusion

Farmers in my electorate of Indi and across Australia are aware of the challenges and opportunities posed by climate change, and the transition toward net-zero emissions. Yet farmers are also crying out for guidance as they seek to reduce their emissions and improve their resilience. My policy of Commonwealth funded climate change-oriented agriculture extension officers aims to directly address this issue. Adequate and ongoing funding of the government's announced Sustainable Agriculture Facilitators is crucial to ensuring this need for impartial advice can be fully met.

Beyond advice, financial support is also required to unlock the potential for energy improvements and emissions reductions on-farm. With the right support, farms could significantly reduce emissions by deploying high efficiency electric technologies, electric farm vehicles, renewable energy systems or batteries. Dedicated Commonwealth funds for such projects must be an outcome of this Plan.

Drastic reductions to emissions from the agriculture and land sector are crucial to achieving the economy wide net-zero emissions by 2050 target, yet farmers and other landholders also have a central role to play in hosting the renewable energy infrastructure needed to decarbonise and electrify the rest of the Australian economy. This sectoral plan must consider the challenges and opportunities for farmers and communities in relation to renewable energy projects of any scale, and especially large-scale projects. Without appropriate opportunities for farmers and communities to develop and influence projects, and to receive long term benefits from projects, we risk compromising the achievement of our net-zero goal.

In this submission I am providing the Government with no-regrets constructive options to act on all above-mentioned issues. My recommendations support greater emissions reductions in agriculture, improve the resilience of farms and agricultural communities, and accelerate progress toward economy wide energy transition goals.

I stand ready to work with the government and other stakeholders to implement these recommendations and to ensure a thriving future for farmers and regional communities.

Sincerely,

Helen Haines MP