

# Australian Farm Biodiversity Certification

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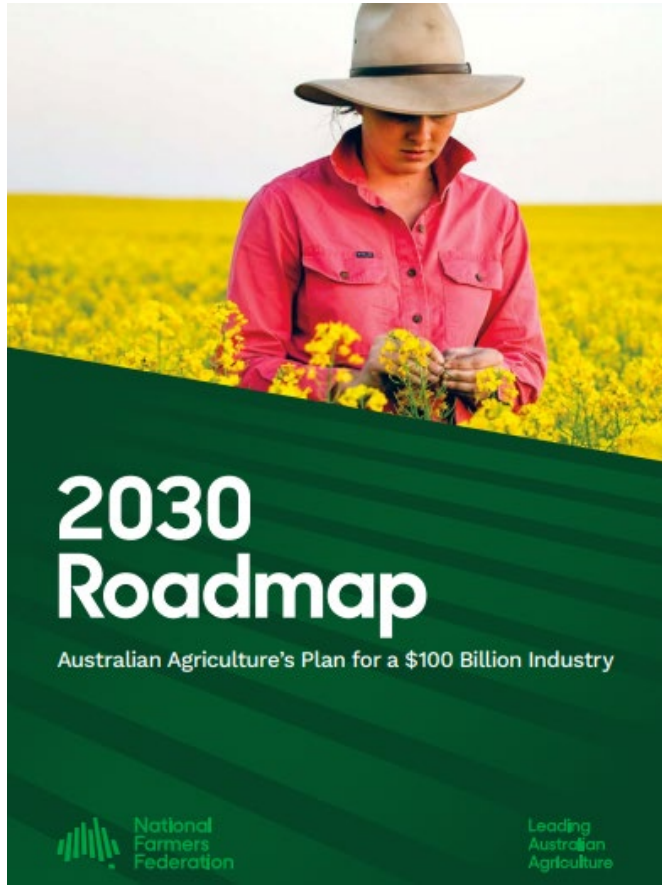
<https://nff.org.au/programs/australian-farm-biodiversity-certification-scheme-trial/>

<https://farmhub.org.au/>



**National  
Farmers  
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# NFF 2030 Roadmap to \$100bil



## **Pillar 2.**

### **Growing Sustainably**

- The net benefit for ecosystem services is equal to 5% of farm revenue.
- Australian agriculture is trending towards carbon neutrality by 2030.
- Halve food waste by 2030.
- Maintain Australia's total farmed area at 2018 levels.



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# NFF Natural Capital Policy

Finalised May 2019, Based on the a logical imperative to capture the value of natural capital in a market-based framework that governs decision making on farm.

In the absence of a market-based system that assigns value to natural capital and the various services provided by the environment, there is little ability for farmers to pursue the protection of natural assets within the current agricultural market framework without incurring significant cost or loss of income.

Research into the cost externalities for agriculture in Australia is inadequate, including assessment of production value, environmental benefits, and social benefits in balance with environmental costs such as nutrient rundown, degradation or biodiversity loss.

There has not been sufficient quantification of the natural capital value and ecosystem functions in the assistance they provide in supporting a healthy environment.

**As farmers manage 51 per cent of Australia's land mass, they are in the best position to manage the land sustainably and protect the environment, and should be encouraged to do so. Farmers need to be paid fair and equitable returns for the products and services their properties provide.**



# NFF KPMG Report – A Return on Nature

Research report released December 2019 showing new opportunities for farmers to unlock the value of natural capital, such as the land and ecosystems that underpin farm production. The new sustainable finance mechanisms could unlock billions in additional farm income.

There is an increasing opportunity to provide enhanced and new investment vehicles to the market that deliver ongoing financial incentives and rewards to farmers for improving environmental outcomes.

Recognise the need for a comprehensive approach that delivers the right incentives, and the right outcomes for farmers and the environment,

Key recommendations are:

- **Implement the \$30 million Pilot Agricultural Stewardship Program** including supporting a research project to further develop these instruments;
- **Establish a \$1 billion National Biodiversity Conservation Trust** as per the Craik review recommendations; and
- **The development of a National Natural Capital Policy and Government established standards and trading structures.**



# Federal Government Ag Stewardship package

Announced March 2019 (Department of Agriculture)

Four year, \$34 million Package:

## 1. Agriculture Biodiversity Policy

- Developing a national vision, to be shared by farmers and the community.
- Aims to find alignment between the public and farm sector on what is biodiversity best practice.
- Aims for common understanding of agriculture's role in improving Australia's biodiversity outcomes.

## 2. Agriculture Biodiversity Stewardship Pilot Program

- Focuses on small and medium farm businesses, using tailored approaches to incentivise and support practice change.
- Invests in developing methodologies to support the pilot, and monitoring and evaluation to quantify the benefits to production and biodiversity.

• The pilot will run alongside the development of the policy and pilot of the Australian Farm Biodiversity Certification Scheme, providing an input to the policy development.



# Australian Farm Biodiversity Certification

NFF project to recognise that farmers, as stewards of the environment and as land managers are providing benefits to the wider community. Federal Government funding of \$4 million project will find ways to account/measure/verify and report this.

- Integrate **productivity, sustainability and biodiversity** on Australian farms to provide lasting benefits to farmers and the community.
- Ensure Australian farmers can **showcase best practice** sustainability/biodiversity management of natural resources - and ensure these **actions are recognisable** by the community and others.
- Widely consultative:

**Phase 1** – July 2020: Analyse domestic and international systems

**Phase 2** – June 2021: Develop certification/verification/label scheme

**Phase 3** – March 2022: Assess farmer readiness & pilot trial of scheme



# So what has our consultation so far found:

From NFF viewpoint (focussing on **producers** who have attended): clear conclusions

Finding 1: Crowded / convoluted / confusing space

- Multiple systems, standards, values, priorities, commercial interest and jurisdictions
- Major differences in focus and issues across multiple industries, bio-regions and performance levels on farms
- Producers multiple and divergent consumer and market access considerations
- Complexity and impermanence of the above are a driver for non participation (confusion) by producers
- Lots of good work has and is being done, but continually lost/reinvented, instability and impermanence has wasted efforts from previous works

**Must find a way to standardise and make comparable/compatible  
common standards, common data?**

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# So what has our consultation so far found:

From NFF viewpoint (focussing on **producers** who have attended): clear conclusions

Finding 2: No single \$ signal is enough

- Market forces (via consumer predilection to pay premiums for non functional attributes) alone are no basis for industry systems (time, change, cost functions and premium through supply chain)
- Likewise market access doesn't provide clear, consistent signal (same failings)
- Most Government restoration/management programs are poorly funded vs loss of permanent opportunity cost (CSF, BCT, LRF)
- Capital provision (tier 1 lenders or investment programs) varies on system and size and is not yet widely available.
- Landcare / NRM funding is at best operational cost recovery

Standardised 'stacked' remuneration/incentive must be enabled





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Finding 3: Demonstrating return is hard (especially for Government programs)

- Demonstrated ROI (to investors or public funds) for outcomes on incentives/renumeration to landholders is not available (are there billions essentially unaccounted for?)
- Records and outputs are non standardised and incomplete in line with short term and ad-hoc nature of funding streams
- Little or no scientific basis of some farm or production focused programs and assessment of environmental outcomes
- To justify additional funds these failings must be solved, but existing many agencies/programs lack capacity to do so

**Standardised reporting frameworks are needed by such programs**



# Where to from here

- AFI report in July will provide recommendations on **best bet** options, to inform Phase 2 and 3
- Ongoing liaison with Department of Agriculture Water and Environment on all elements of the **Agricultural Stewardship program**
- **Stakeholder Reference Committee** will continue to engage with member organisations and industry RDCs and provide oversight.

## Many specific decisions ahead

Umbrella Standards?	Harmonised Data systems/rules?
Linkages to Landcare/NRM programs?	Linkages to CSF Co-benefits?
Linkages to Natural Capital Frameworks (sustainable investment standards)?	Linkages/complementarity to international schemes?
Standards/System development?	Trading instruments and rules?

