



NT Farmers Response to Greenhouse Gas Emissions Offsets Policy

Introduction

NT Farmers Association welcomes and supports the NT Government's commitment to achieving net zero greenhouse gas emissions by 2050. As an industry that is dependent on the climate and environment for its production, it is essential that steps are taken to reduce humanity's impact on the climate.

Global demand for food and fiber is expected to increase 60% by 2050, the opportunities for agricultural expansion and development in the Northern Territory are significant with Asia on our doorstep. Farmers will need to be dynamic and nimble in taking advantage of growing demand while minimizing and offsetting their emissions. Consumers around the world will demand commodities that carry clean and green credentials.

The transition to net zero emissions will be a challenge for some farmers, it will require producers to modify their business practices and implement farming techniques that absorb carbon. It will also present new business opportunities for farmers, some farms may be able to generate and trade carbon offsets. For some farmers, net zero emissions certifications may enable them to command higher prices for their commodities.

Most importantly, the industry has a business and ethical obligation to offset emissions and to effectively manage land for future generations. As major land users and emitters in the Territory, farmers can play an important role in helping to achieve and potentially surpass the NT's net zero emissions target.

NT Farmers are committed to working with the NT Government to fine tune the policy and make it workable for industry. This document will outline issues and potential areas for improvement that NT Farmers have identified with the policy.

Need for benchmarking

The goal of achieving net zero emissions cannot successfully be achieved without a sound evidence base of the carbon carrying capacity of the NT landscape. NT farmers firmly believes that it is the responsibility of the NT Government to undertake a comprehensive analysis of all major Territory remnant vegetation and soils.

The analysis should form Territory wide benchmarks that can be relied upon by industry and government to underpin emissions offset calculations. Government must undertake the benchmarking to create an authoritative public source for Territory carbon sequestration data. The current sequestration ability of the NT environment is relatively unknown and unsupported by detailed research.



Government funded benchmarks will assist industry to easily evaluate carbon sequestration opportunities and to compare the carbon storage capacity of various Territory landscapes. Industry should not be expected to fund this research as it will add an extra disincentive for investors seeking to commit to the Territory.

Furthermore, individually commissioned benchmarking will result in significant duplication within certain geographic areas. It will also create an inefficient and expensive service industry that profits from charging for previously commissioned data sets.

Precinct developments

Precincts will drive the future of agricultural developments in the Territory. The large parcels of land with water and development approvals in place are attractive to investors. NT Farmers strongly recommends that precinct land releases with the Land Development Corporation (LDC) have a pre approved emissions offset plan in place to attract investment and to speed up agricultural development.

It is recommended that for each land release, the LDC initiate work on identifying the baseline number of carbon credit units that are potentially required to offset the land clearing event. Subject to the value of offset activities required for precinct developments, the government could consider allowing investors to defer paying the offsets for a set number of years.

These initiatives will not only streamline but also expediate the investment and development process. The delayed offset purchase plan will assist investors to immediately utilize their capital to develop precincts and in the process create jobs for Territorians. This will assist investors to generate a cash flow stream from their operations to purchase the mandated offsets by the specified due date.

Paperwork and approvals process

In order to achieve the Territory's emissions target by 2050 and to foster a healthy industry, it is critical that the approvals process is efficient, economic and expeditious. An additional complex layer of approval and compliance paperwork will deter investors from entering the Territory.

Policy makers have a unique opportunity to create a new compliance and approvals process that is workable for industry and supports proponents throughout all stages of the emissions offset process. Short minimum processing times must be implemented to provide surety to investors regarding their developments.

The review and processing body must be provided with adequate funding to efficiently undertake its mandated duties and to meet its processing timeframe requirements. Large investors cannot be left waiting for months for an outcome on their land clearing or emissions offsets plan.



In the interests of the NT economy it is critical that the government act upon our recommendations regarding the approvals process. Investors want green credentials from their investments however, they are often not prepared to undertake an expensive and lengthy approvals process. The NT agricultural sector must compete with other jurisdictions around the globe, many of whom have extremely efficient policies in place for attracting investment and fast tracking approvals. With the right framework in place, the NT could become a leader in offset agricultural commodities thanks to its efficient bureaucratic system.

Land Clearing

99.7% of the NT contains remnant vegetation, agricultural developments can significantly assist to grow the NT economy and create long term jobs for Territorians. Development is likely to occur in targeted areas across the Territory where environmental conditions and access to infrastructure are conducive to farming.

It is vital that the offset and the large emitters policies are not used to restrict or delay land clearing approvals for agriculture. The large emitters threshold is a relatively generous 500,000 tCO₂-e generated from land clearing events. However, it must be noted that cleared land, when effectively managed, can sequester greater volumes of carbon than remnant vegetation.

Applications for land clearing and the offsets required for the clearing must be balanced against the potential carbon offset ability of the cleared land. Broadacre agricultural developments can play a pivotal role in producing food and fiber while also sequestering carbon. The move towards regenerative farming will potentially enable farmers to derive a dual income stream from crops and the sale of carbon credit units.

The land clearing approvals process in conjunction with the emissions offset plan depend on the above-mentioned benchmarking work to be undertaken by the government. Benchmarking remnant vegetation and comparing it against the carbon capture modeling of farm activities will inform farmers on how much land to clear and where.

The sensible application of land clearing, the offset and large emitters policy will provide a valuable opportunity for farmers to clear land and sequester carbon for the long term benefit of the environment and the Territory.

Opportunities

NT Farmers Association values and appreciates the preference given to Territory generated Australian Carbon Credit Units (ACCUs) in the policy. This consideration will assist and encourage producers to utilise the carbon sequestration capabilities of their land. It could result in diversification in the income streams of the cattle and plant industries via the sale of ACCUs.



Furthermore, the NT forestry industry could significantly benefit from Territory demand for locally generated ACCUs. The policy could help to further stimulate investment and development in the forestry industry.

In respect to the opportunities for forestry, it is important to note that the NT's major plantations are not currently eligible under the emissions reduction fund to access ACCUs. This is an issue that NT Farmers and the Forestry Industry Association of the NT have been actively campaigning the Commonwealth Government to address. The establishment of a new forestry hub should help to change the policy failure.

It is hoped that the NT Government actively promotes and supports new plantations and agricultural developments that generate locally produced ACCUs. Supportive ACCU generation policies will potentially help the Territory to achieve net neutral emissions prior to 2050.

NT Farmers also applauds the requirement to invest the equivalent of 50% of the required emissions offsets to activities such as emissions abatement or R&D undertaken in the Territory. The R&D focus of the policy will particularly generate long term benefits for Territory farmers and the wider industry. NT Farmers hope to potentially be involved in R&D related to the role of farming in reducing emissions.

Conclusion

NT Farmers supports the vision and aim of the NT Government's Greenhouse Gas Emissions Offsets Policy. Agriculture can play an important role in minimizing its emissions and that of other industries. With the right policy framework in place, the agricultural industry in the Territory could even lead the nation in its low emissions practice and sequestration ability.

As outlined above, the policy must be carefully implemented to ensure that regulation and bureaucracy supports industry to achieve the Territory's net zero greenhouse gas emissions target. Equipping departments with the resources to efficiently process land clearing applications and offset plans will be essential in supporting industry to reduce emissions.

NT Farmers looks forward to helping the Territory to achieve its net zero emissions target. The Association will work with all stakeholders to create a cleaner and greener Territory.