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President  
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Ms Sue Higginson  
Chair  
Inquiry into the Climate Change (Net Zero Future) Bill 2023  
Portfolio Committee No 7  
By Email: [Portfoliocommittee7@parliament.nsw.gov.au](mailto:Portfoliocommittee7@parliament.nsw.gov.au)

**RE: Inquiry into the Climate Change (Net Zero Future) Bill 2023**

Dear Ms Higginson

NSW Farmers welcomes the opportunity to comment to the Inquiry into the Climate Change (Net Zero Future) Bill 2023.

The NSW Farmers is Australia's largest farming organisation, representing the interests of its farmer members. As diverse as our membership, our advocacy extends to the environment, biosecurity, animal welfare, water, economics, trade, and rural and regional affairs. Our purpose is to build a profitable and sustainable New South Wales farming sector through promoting productivity, risk management, and business continuity in individual farm enterprises.

Our Association is aware of the challenges to agriculture that can stem from short and long term changes in climate patterns, and our members businesses and the health and vitality of their landscape is a priority in their business operations. In support of that, we would like to make to you some important points that should be addressed in how NSW contributes to the global challenges of climate and temperature mitigation. While the 'Purpose of the Act' is to "*Hold the increase in the global average temperature to well below 2 degrees above pre-industrial levels*", this is not within the ability of NSW as an entity to achieve. This goal should be re-written as a global objective and one that NSW will contribute to.

It is a premise that this Bill should address, that NSW has a responsibility to recognise and act to the global goals to mitigate climate change and to international agreements. An equally important premise is that the goals and targets that the state pursues in this contribution are consistent with the obligations and objectives of the security of food and clothing and the wellbeing of all NSW citizens. Our Association would urge that this is the guiding principle for this Bill and one that is vitally important in how goals and targets are formulated and the time frames in which industries such as agriculture may be included.

**NSW Farmers' Association**

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This Bill does not provide a pathway for recognition or indeed any mention of agriculture as an industry that is vital to the existence of the people of NSW, and that is one that is most impacted by changes in temperature and water availability variation. It is concerning that Part 2 8 (3) states that, *“Action to address climate change should be taken as early as possible to minimise the cost and adverse impacts of climate change”*, and in 9 (a) *“The Government of NSW is responsible for urgently developing and implementing strategies, policies and programs to address climate change”*. In agriculture there is a recognised social good that is derived through the production of food and fibre, and there must be recognition that, as a cornerstone of society, it is not impacted by setting timelines for targets that are not achievable. While agricultural industries have made significant emissions reductions there are limited or no mitigation options for some emission sources, and the technological and process solutions that are needed will take time to develop and be commercially enabled. This important issue can be addressed in 4(a),(b) and (c), where it stated that *“Action to address climate change should be taken in a way that is fiscally responsible, promotes sustainable economic growth and considers the economic risks of delaying action”* however, it would be of assistance if this part of the Bill also contained a reference to the need to establish viable industry pathways as a prerequisite to defining what is fiscally responsible and technically achievable, and how to balance the cost of delay with the cost of impacts of early implementation of targets that impact agricultural output.

The Bill has detailed in s8 the matters that should be taken into account in addressing climate change, however, has the glaring omission of not including a statement of the need to engage in an analysis of the potential ecosystem services currently delivered by agriculture that assist in climate mitigation, how to conserve that benefit, and how to address the shortcomings of no mitigation strategies being available in areas of production. Without these factors being included in this section, there is a lack of cohesion in addressing the key issues. Section (f) *“the impact of the action on consumer costs in New South Wales, including energy costs”* is a broad catch all for consumer impacts, however, would be more accurate in addressing proportional impacts if it included a statement addressing specifically the need to react to capabilities of industries to mitigate any impacts and in what timeframe.

The Bill states in Part 2, 9 (2) that, *“The regulations may make provision about the following— (a) the implementation of the 2030 and 2050 targets, (b) the calculation and assessment of greenhouse gas emissions, including by— (i) providing for a person to calculate or assess greenhouse gas emissions, and (ii) adopting documents in force from time to time, (c) other matters relating to the 2030 and 2050 targets”*. In doing so the regulations should be made to include: 1. That the value of ecosystem services of the business (landholding) are included to give a total or net figure for greenhouse gasses of that entity and 2. That targets contain a volume and time factor and are reliant on effective and viable reduction technologies being developed. It would be punitive to set aspirational targets where there is not a practical method available to achieve them, and severely damaging for production agriculture.

### **Part 3 Net Zero Commission**

The Bill in the formation of the Net Zero Commission states: *“In making a recommendation about the appointment of a commissioner or in appointing a temporary commissioner, the Minister must have regard to the need for the members of the Commission to together have skills, qualifications and experience in relation to the following— (a) the best available climate change science, (b) mitigation and adaptation approaches, (c) economics and technologies relating to climate change, (d) the strategies, policies and programs of the Government of New South Wales, (e) the environmental, social, economic and distributional impacts of climate change, including socio-economic, regional, industrial and sector differences”*. It would be important to add to these comprehensive qualifications the following: 1. Expertise in carbon cycle accounting and 2. Agronomic and food security knowledge

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including human digestible protein production. A vital part of the assessment in agricultural business of how and where to effectively reduce GHG is recognition of the benefit supplied by soil and vegetation in the carbon cycle, and the management of these natural resources. Ignoring the benefit of services supplied by soils and groundcover and woody vegetation is effectively only looking at one side of the business and will result in mitigation measures that are disproportionate. Additionally, it is important to protect food and clothing security by having knowledge on the Commission that can assess the opportunity cost of loss of certain types of farm outputs if targets are set that impact viability of production.

In Division 2 14, (2) the Bill states: “ Without limiting subsection (1), the Commission may provide advice and make recommendations to the Minister about the following— (a) how to give effect to the guiding principles in New South Wales, (b) interim targets for the reduction in net greenhouse gas emissions (GHG) in New South Wales before 2030 and 2050, (c) ways to reduce net greenhouse gas emissions in New South Wales, (d) ways to achieve the adaptation objective, (e) emissions budgets for New South Wales, having regard to Commonwealth emissions budgets and nationally determined contributions, (f) targets for energy use by government agencies, (g) greenhouse gas emissions and action to address climate change relating to specific business or industry sectors, (h) ways to ensure a whole-of-government approach to addressing climate change in New South Wales”. In particular (g) and (h) are crucial in agricultural industries to have informed decision-making processes.

Measurement of methane and other gasses at farmgate level will be a complex challenge and one that must recognise the particular qualities and impacts of methane and the diversity of production commodities on rural properties. Equally a whole of government approach is essential to enable effective investment in targeting the inputs to farm production such as energy and nutrition and the scale of produce to market issues.

At Division 2 16, the Bill states: “The Commission must consult with, and consider submissions from, persons the Commission considers relevant or necessary for the exercise of the Commission’s functions, including government agencies and the general public”. It would be constructive to create an expert standing committee appointed by the Commission to be consulted on agriculture. This would allow continuity of thinking an exploration of options that can be applied in agricultural production and assist in how to best measure and report on the GHG production, impact, and projected levels.

The successful balancing of reducing GHG emission and maintaining food and clothing security through avoiding impacts on production from agriculture is unique to this industry and differentiated from fossil fuel emissions. The construction of this Bill should reflect that, and include the additions discussed above to deliver outcomes that can meet thoughtfully structured targets in time and volume without impacting vital food and clothing and the well-being of NSW citizens.

Should you seek further information, please do not hesitate to contact  
– Environment

Director of Policy

Yours sincerely

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**President**

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