2. Where do we want the industry to be?

State and local government policy, via legislated net-zero emissions and carbon neutral targets, is driving demand and investment for carbon farming projects. Industry participants agree that carbon farming emissions reductions should be incorporated into State Government net-zero emissions targets. As interest in carbon farming grows nationally, a range of State-based carbon farming programs have emerged to either directly invest in projects within the state, or to improve industry architecture and infrastructure to enhance opportunities for the local market.

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4. Governments have addressed issues of policy and legislative fragmentation, reconciling any competing objectives for environmental outcomes and high value, sustainable agricultural outcomes.

5. Native title issues have been adequately resolved to increase participation in carbon farming among Indigenous land holders and communities. Industry believes strongly that ensuring native title issues are adequately addressed is critical for increasing participation in carbon farming among Indigenous communities. Much work still needs to be done for national and sub-national consent frameworks to appropriately protect, and support engagement by Indigenous landholders and communities.

How are we going to get there?

**Primary Actions**

**Government**

**Federal**

- Fund carbon farming activities by continuing to allocate at least $200 million a year until the introduction of a market mechanism to secure sustainable private sector demand for ACCUs.
- Implement a national market based approach to emissions reductions, covering the electricity sector and heavy emitters to drive private sector demand. Policy must create a clear signal for industry, providing confidence and certainty for investment and abatement.
- Build on existing method development work, allocate more R&D funding for land sector methods. Implement a stakeholder engagement plan to seek input from the private sector on how the method development process can be modified, prioritising methods that will lead to increased participation and the highest volumes of abatement.
- Leverage participation in the Paris Agreement - Article 6 negotiations and participate in international market developments to advocate for Australian methods and ensure they are aligned with international best practice, opening up opportunities for the export of ACCUs, and expertise.

**State**

- Incorporate emissions reductions from carbon farming into state-based zero net emissions targets.
- Work with federal government to provide funding for method R&D, to prioritise local projects within each jurisdiction.
- Establish a state government working group to address policy fragmentation, aligning and integrating regulatory frameworks for competing environmental markets.
- Create additional sources of demand for projects. E.g. require major infrastructure and/or resource projects to offset their emissions to create long-term offtake agreements for emission reductions.
- Develop a state planning policy for local governments, advising them on how to treat carbon farming in their local government planning schemes.

**Finance & Industry**

- Industry and financial organisations to engage with government and contribute to market design, ensuring policy frameworks are robust and transparent for investment.
- Heavy emitting and other large corporate organisations to actively participate in developing and growing secondary market for ACCUs from land sector projects.

**Communities & Regions**

- Agricultural industry bodies provide evidence base for method development and prioritisation.
- Indigenous groups are specifically included in policy and market design, to ensure changes do not adversely impact communities, livelihoods, access to land, or culture.
- Communities and regional stakeholders contribute to policy and market design activities, including an integration of natural resource, pest and fire management responsibilities, and alignment with local land use plans and conservation strategies.

**Carbon Service Providers**

- Engage constructively with government on method development and market design to drive market activity, including support for R&D and pilot projects.
- Develop and administer a voluntary industry code of conduct.
- Engage with Indigenous communities in an early and meaningful way to ensure Native Title Holder consent can be appropriately sought, and if granted, maintained over the life of the project.
- Engage with other Eligible Interest Holders early and in meaningful ways.