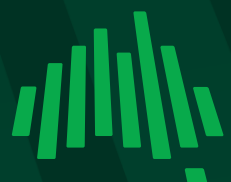


National
Farmers
Federation

Climate-Related Transition Planning Guidance

October 2025



The National Farmers' Federation (NFF) is the voice of Australian farmers.

The NFF was established in 1979 as the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and the length of the supply chain.

Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF represents Australian agriculture on national and foreign policy issues including workplace relations, trade, and natural resource management. Our members complement this work through the delivery of direct 'grass roots' member services as well as state-based policy and commodity-specific interests.

NFF Member Organisations



01 October 2025

Green Bonds and Transition Guidance Unit
Climate and Energy Division
The Treasury
Langton Crescent
PARKES ACT 2600

Via Email: SustainableFinanceConsultation@treasury.gov.au

RE: Climate-Related Transition Planning Guidance

Dear Sir / Madam,

Introduction

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission to inform the development of Treasury's proposed *Climate-Related Transition Planning Guidance* document. The *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024* introduced mandatory Climate-Related Financial Disclosure (CRFD) reporting obligations across a broad tranche of Australian businesses. Notwithstanding the requirement for Transition Planning, legislation also mandates the reporting and disclosure of Scope 3 Greenhouse Gas (GHG) emissions across all reporting groups. As Treasury is aware, there will be a phased approach toward implementation with obligations first commencing in 2026 for Group 1 entities and becoming mandatory for all reporting entities from 1 July 2028.

The inclusion of Scope 3 disclosure requirements will have a significant and disproportionate impact on the agricultural supply chain. **Primary producers who are not captured under the reporting group thresholds will face increasing pressure to supply data to meet the reporting demands of their upstream business and value chain partners. There is a very real risk of unconscionable conduct by reporting entities against suppliers regarding the sharing of data to satisfy Scope 3 obligations.** NFF has already observed evidence of this pressure despite existing protections and relief mechanisms to minimise the implementation burden. This is a significant concern to NFF.

As NFF have previously stated to Treasury, as suppliers turn inward to the supply chain seeking emissions data to mitigate compliance costs, primary producers may feel compelled, or even threatened, to estimate, measure, and disclose sensitive emissions data at their own individual cost (despite not being legislatively required to do so) to satisfy the demands of their much larger business counterparts to avoid unnecessary strain on critical business relations. This is a significant material risk for the sector, especially as the meat and dairy industry alongside other food industries are ranked the highest fragmented domestic industries, and this renders available the option for suppliers to terminate existing contracts and take their business elsewhere if data requests are not satisfied resulting in a loss of critical farm revenue streams.

Preparing Transition Plans

3. Engagement Strategy and the Value Chain

The NFF draws attention to the following statement that can be found on Page 28 of the Consultation Paper:

“Engagement with the value chain can also help organisations identify where scope 3 emissions are concentrated and collaborate on solutions to reduce value chain emissions. However, organisations should take a targeted and considered approach to engaging with value chain partners on scope 3 emissions, being cognisant of the potential reporting burden and establishing an appropriate approach to improve scope 3 data quality over time. As a starting point, organisations can use scope 3 emissions estimation modelling methods and tools to help identify material emissions sources, which can inform priority areas for value chain engagement and collaboration”.

While the NFF acknowledges that the Final Guidance material will be a voluntary resource for organisations to adhere to, the above language appears to extend beyond the legislative requirements for Scope 3 disclosure. Specifically:

- The legislative framework (Treasury Laws Amendment Act) permits the use of either primary or secondary data, including estimation techniques, to satisfy Scope 3 disclosure obligations. This flexibility must be stated clearly and upfront in this guidance material.
- Encouraging reporting entities to use estimation tools “as a starting point” to identify and meet Scope 3 obligations implies a normative expectation that estimation is only a temporary measure that may be unacceptable over the long-term which is inconsistent with legislation. The use of estimation methods remains permissible regardless of future data availability. This language is also inconsistent with *Regulatory Guide RG280 Sustainability Reporting* published by the Australian Securities and Investments Commission which clearly states that the extent of reliance on secondary data to measure Scope 3 GHG emissions “may evolve over time” as the availability and quality of data improves.
- The reference to collaboration with the value chain implies a shared obligation to meeting Scope 3 disclosure outcomes. Although NFF does not discount the importance of collaboration, it is important to recognise that there is no legal requirement for downstream value chain partners (i.e., the agricultural supply chain) to engage reporting entities to satisfy their Scope 3 obligations. This reality must be communicated upfront in this guidance material.

This framing risks misleading reporting entities and placing undue expectations on the supply chain which bear no obligations to satisfy data requests or engage with their upstream counterparts to satisfy their Scope 3 obligations.

Scope 3 is already widely acknowledged by both regulators and Government as a significant and challenging component of CRFD implementation (i.e., tranche approach, relief mechanisms, and limited liability provisions). Due care must be taken to ensure that

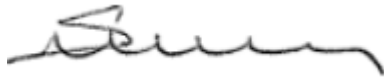
guidance stakes an appropriate balance with ambition while not imposing burdens or expectations that exceed requirements outlined in legislation.

On this point, NFF recognise that the Department of Agriculture, Fisheries, and Forestry is currently finalising agriculture-sector specific guidance to support producers navigate Scope 3 data requests amongst a suite of other issues including acceptable methodologies to assist with on-farm GHG accounting. NFF will engage in that process. We seek to ensure that Treasury is aware of and aligning with that body of work.

Conclusion

Please do not hesitate to contact Warwick Ragg, General Manager, Natural Resource Management, via e-mail: WRagg@nff.org.au at the first instance to progress this discussion.

Yours sincerely,



SU MCCLUSKEY

Interim Chief Executive



National
Farmers
Federation

Leading
Australian
Agriculture

NFF House
14-16 Brisbane Avenue
Barton ACT 2600

Locked Bag 9
Kingston ACT 2604

(02) 6269 5666
reception@nff.org.au
nff.org.au



National Farmers Federation



@NationalFarmers