

## 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



## Executive Summary

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission to the Department of Climate Change, Energy, the Environment, and Water (Department) on the Draft Integrated Farm and Land Management (IFLM) method.

We support the development of a whole-of-farm method that supports credible abatement improves auditing efficiency for farmers consistent with Recommendation 6.9 of the King Review<sup>1</sup> which was agreed to by the Commonwealth in May 2020<sup>2</sup>. While the modular framework (which enables land managers to undertake multiple carbon management activities) is supported, the current scope at present is far too narrow to deliver upon the original promise and vision of a comprehensive and stackable method. This is extremely disappointing as the IFLM has been under active development for six-years under multiple Governments and Departments.

The IFLM was intended to be the integrated, whole-of-farm method that Australian agriculture has sought for over a decade. It was promised to be a framework that would consolidate multiple Emissions Reduction Fund (ERF) management activities under a single structure approach and reducing fragmentation across methodologies. This vision has simply not been achieved. The current scope not only reflects a shadow of its former position as it is now limited to regeneration outcomes only, but it does not include any existing Carbon Farming Initiative method under its auspicious. It is not even a rebranding of existing methodologies. This is a serious failure to deliver the genuinely integrated approach promised.

To achieve meaningful uptake across the sector and fully leverage opportunities and participation within the carbon market, the scope of the IFLM must be broadened beyond its current settings. Clear direction is required on how existing methods will be incorporated efficiently, alongside sustained Commonwealth leadership and support in the development of future proponent-led modules. The credibility of the Australian Carbon Credit Unit (ACCU) Scheme hinges on there being practical farmer-ready methodologies, not more delay and narrowing. To be clear the current model lacks the architecture that would enable the relatively seamless inclusion of existing and new stand alone methodologies into the IFLM. If the stated policy intent of having any further development of IFLM is only through proponent led processes this makes it all the more difficult and compromises the utility of the process.

## Development Timeline

The IFLM has been under development for over half a decade as reflected by this timeline. Over this period, expectations were established that it would deliver a broad, integrated, and stackable framework covering multiple agricultural ERF projects:

- **During 2019:** Australian Government begins a process to identify priority methodologies with the IFLM identified as one of five priorities.
- **During 2019:** The Carbon Market Institute (CMI) IFLM Taskforce is established.
- **February 2020:** King Review recommends improvements to the Emissions Reduction Fund (ERF) to facilitate 'method stacking' where multiple ERF projects are taken on the same property using different methods through rule changes (Recommendation 6.9).

- **May 2020:** Australian Government agrees to Recommendation 6.9 of the King Review and commits to working with industry to identify the best ways to simply and streamline method stacking.
- **October 2021:** Australian Government announces development of five new ERF methodologies in 2022 include an Integrated Farm Method that allows separate ERF land-based activities to be combined or ‘stacked’ on the same land.
- **During 2021–25:** Stakeholder engagement and co-design workshops and discussions with stakeholders, academics, scientists, and technical experts through Departmental processes and Stakeholder Reference Group.
- **February 2025:** ERAC Periodic Review of the Soil Organic Carbon Method 2021 commences, and feedback requested to inform IFLM as part of public consultation.
- **March 2025:** Department releases a long overdue ‘Plain English’ version that is severely lacking in scope and ambition and quietly drops previously stated commitments to deliver a draft method for Emissions Reduction Assurance Committee (ERAC) endorsement from official updates.
- **March 2025:** CMI IFLM Taskforce publishes a Policy Brief and warns that the IFLM will fail to deliver unless it enables multiple carbon management activities.
- **December 2025:** Draft IFLM released for public consultation.

## Proposed Structure and Implementation Approach

### The Modular Approach

ERAC has described the IFLM as a modular style method. The proposed structure is comprised of a core method containing common provisions supported by Activity Schedules (of which three are proposed, see below). The intent is that additional activities are added over time provided they meet existing Offset Integrity Standards (OIS):

1. *Regeneration of native forest on cleared lands.*
2. *Reforestation by environmental or mallee plantings.*
3. *Regeneration of native forest on suppressed land.*

NFF supports the modular architecture, and we acknowledge that this is the first ACCU Scheme method designed to enable multiple activities to operate under a single project structure on the same land. However, there is insufficient clarity regarding the pathway for incorporating additional activities, particularly for existing methods already in operation. It is unclear whether the addition of established methods would trigger reassessment under the OIS even where integrity has already been demonstrated. This is a significant problem from a duplication and delay perspective and one that needs to be clarified.

### Current Scope and Lack of Ambition

Industry has waited over half a decade including a full term of Government for what was intended to be a comprehensive integrated method. Instead, what we have received is an incomplete method that is diminished in scope with no real clear timeframes for implementation. Despite repeated calls from NFF and other industry bodies, the scope of the IFLM has been unilaterally narrowed without adequate explanation. Evidence received through Senate Estimates has suggested that engagement has leaned more heavily toward academic and environmental input than toward genuine co-design with the

agriculture sector and we also note that NFF had to actively seek inclusion to become a member of the Department's Stakeholder Reference Group.

Rather than designing a method that reflects how farms operate across the landscape and incentivises multiple abatement activities, the process has very much sidelined the very stakeholders expected to implement it. This is not the partnership that farmers were promised. In the context of the broader ACCU Scheme, we note that the tools we need are missing, inadequate, and in some cases been taken away. Feed additives, beef cattle herd and animal effluent management, fire management, and on-farm energy are all legitimate components of an integrated method and must be included yet these remain sidelined with no clear pathway for incorporation.

## **Proponent-Led Module Development Pathway**

The consultation material states that new Activity Schedules and Calculation Schedules can be added over time through method variations. The framework method has been designed with the intention that minimal updates will be required to the core method when new schedules are added. These variations may be proposed through the proponent-led method development expression of interest process for prioritisation by the Assistant Minister, or for Departmental development. All method variations require legislative drafting, review by the ERAC, and a decision by the responsible Minister to make the varied method.

NFF recognises that proponent-led development may be appropriate for certain niche or emerging methodologies. However, this pathway should complement and not substitute Commonwealth responsibility (which they have committed to) in delivering the integrated approach as promised. There is a strong implication that proponent-led modules will be entirely privately funded by proponents with limited to no technical or drafting support. This could represent a significant burden for proponents and could hinder bringing new methods to market. This contrasts with other Commonwealth-supported method development processes (i.e., Nature Repair Market), and clear prior commitments to lead and deliver the integrated approach as promised.

NFF have been continually engaged in cross sectoral discussion, we understand there are a range of technical issues being raised by others including the Carbon Market Institute. Those issues and concerns resonate with the NFF and at least to the degree they go to the integrity measures we are supportive of those narratives.

## **Conclusion**

To achieve meaningful uptake across the sector and fully leverage carbon market participation, the scope of the IFLM must be significantly broadened. We urge a renewed focus on delivering a framework that is genuinely fit-for-purpose and meets the efficiency, breadth, and ambition contemplated by the King and Chubb Reviews. The current proposal simply does not meet the stated purposes irrespective of any technical discussion.

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