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INQUIRY INTO ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) IN PRIMARY PRODUCTION

6TH REPORT

OF THE

NATURAL RESOURCES COMMITTEE

Tabled in the House of Assembly and ordered to be published on

Tuesday, 26 November 2024

First Session, Fifty-fifth Parliament

EXECUTIVE SUMMARY

The role of the Natural Resources Committee is to investigate and report on the protection, improvement, and enhancement of the state's natural resources and the extent to which an integrated approach to the use and management of the natural resources, based on the principles of ecologically sustainable use, development, and protection, is possible. The committee also inquire about the degree to which the objectives for the rehabilitation of the River Murray are being achieved pursuant to the River Murray Act 2003.

On 16 November 2023, pursuant to section 15L of the *Parliamentary Committees Act 1991,* the Natural Resources Committee resolved to commence an inquiry into environmental, social, and governance (ESG), with particular reference to:

1. What is Environmental, Social and Governance (ESG)?
2. What is/are the process/es employed or undergone by entities to craft ESG frameworks?
3. What is the current status of ESG initiatives in South Australia, interstate, and Internationally, relative to
    a. entities using the framework;
    b. reporting standards; and
    c. measuring impacts
4. What are the pressures and opportunities for primary producers in SA regarding ESG?
5. What does an ESG leader in primary production in SA look like, and what are the pathways to get there?
6. Any other relevant matter.

The committee received six written submissions and held 10 hearings from 22 February to 27 June 2024. It obtained evidence from representatives of South Australia's peak industry bodies, a state government department, experts from academia, and research and policy institutions.

Environmental, social, and governance (ESG) is a holistic approach to sustainability. In a primary production context, it considers primary producers' performance as stewards of nature (E), relations with employees, customers, communities, and other actors in the supply chain (S), and the practices and processes in their leadership structure (G).

The process of transitioning to ESG principles, necessitates the following actions: a) primary producers and relevant stakeholders working together, b) having a standardised set of measures, c) improving primary producers' ability to fulfil ESG requirements, and d) balancing environmental stewardship with profit maximisation.

The current level of ESG compliance at the international, Australian, and South Australian arena suggests that ESG is more than just a buzzword in the sustainability landscape. Frameworks, standards, and regulations that assess businesses, including primary producers' ESG performances, demonstrate this. While South Australia's primary producers' recognition and adoption of ESG principles are at differing levels of development, primary production industries in South Australia are undoubtedly committed to sustainability, as demonstrated by the extensive commodity-specific blueprints or action plans that guide their practices and performances.

South Australian primary producers are currently confronted with increasing demands from international, interstate, and state entities to present ESG credentials despite the need for standardised ESG metrics and reporting schemes. Consequently, farmers find themselves overloaded and uncertain about the requirements and delay or resist their transition to ESG. The current scenario also opens ESG measures and reporting to manipulation by entities themselves and performance auditors. The dissimilarity in primary producers' capacity and maturity in ESG compliance adds to the pressure on primary producers.

The evidence received by the committee however noted opportunities amid these challenges. One of these opportunities is South Australian farmers' extensive and longstanding stewardship of the environment, making them well equipped already to demonstrate sustainability practices. This places farmers in an advantageous position relative to ESG compliance and reporting.

Other favourable circumstances for South Australian primary producers regarding ESG are current initiatives at the federal and state levels. One is the Australian Agricultural Framework (AASF) - an outcome- rather than a practice-based approach to ESG-aligned sustainability reporting. The AASF is a shared-values approach towards sustainability that uses an ESG lens. However, it is not an ESG reporting system.

Another opportunity for primary producers is the Australian sustainable finance taxonomy currently being developed. The agriculture sector is one of the priority areas of this taxonomy, and it is hoped to guide primary producers' reporting on sustainability, including ESG, to financial institutions. Furthermore, tools to account for or assess natural capital and product traceability innovations capitalise on farmers' management of natural resources and are opportunities for South Australian farmers.

South Australia's dairy, grain, and wine industries are advancing towards ESG. This movement is exemplified in these industries' state action plans and initiatives. Enabling factors towards South Australian primary producers' trajectory towards ESG are a) standardised ESG metrics, b) data digitisation, c) information and experience-sharing platforms, d) federal and state-level policies that promote and support the primary production sector's sustainability credentials and performance; and e) conveying the sustainability narratives of the industries.

Overall, ESG, as a sustainability approach, goes beyond the expectation that South Australia's primary producers be sustainable in their practices toward the environment. ESG demands that primary producers also be accountable to animals, people, consumers, and communities and that this be embedded in their governance structures. However, the increasing demand to show ESG credentials to relevant global, interstate, and state markets, despite the lack of standardised ESG measures and reporting systems, puts pressure on South Australian farmers' transition to ESG. It overwhelms farmers because compliance involves cost and necessitates capacity-building. There are, however, favourable conditions for South Australian primary producers that could ease up the transition. The most important of these opportunities that ongoing ESG-related initiatives and innovations are predicated on is primary producers' well-established custodianship of the environment. Lastly, ESG leadership within primary production requires actions towards standardising ESG measurements and reporting systems, learning and sharing ESG experiences across the sector, having legislative levers, and communicating ESG narratives at international, interstate, and state levels.

I wish to thank all witnesses who gave their time to assist the committee with this inquiry. I commend the committee members, Sarah Andrews MP, Mr David Basham MP, Hon Tammy Franks MLC, Hon Ben Hood MLC, Ms Catherine Hutchesson MP, Hon Russell Wortley MLC, and also the previous committee presiding member, Hon Leon Bignell MP, for their contribution throughout the inquiry. Finally, I acknowledge and thank past and present committee staff for their assistance.

Dana Wortley

Ms Dana Wortley MP
Presiding Member
26 November 2024

LIST OF RECOMMENDATIONS

The Natural Resources Committee recommends the standardisation of ESG measures and reporting systems, education, innovation, and legislation in the ESG space.

Standardisation of ESG metrics and reporting schemes

Recommendation 1: The State Government assists industry peak bodies, and works collaboratively with the Commonwealth Government in developing the standards of ESG measurements and reporting systems at the national level for primary production and its supply chains.

Recommendation 2: The State Government promotes using commodity-specific frameworks, actions, and strategic plans as benchmarks when harmonising ESG metrics and disclosure mechanisms.

Education and capacity-building

Recommendation 3: The State Government supports information and education initiatives about ESG for primary producers regarding ESG's issues and compliance.

Innovation and research

Recommendation 4: The State Government promotes the Australian Agricultural Sustainability Framework (AASF) and monitors its development as a tool for communicating Australia's sustainability narratives at the national and global levels.

Recommendation 5: The State Government supports South Australian peak industry bodies as they keep up with nationally-formulated and designed ESG-related tools.

Recommendation 6: The State Government continues to fund future research and technological innovations that would help transmit the ESG credentials of South Australian primary producers.

Legislation

Recommendation 7: The State Government acknowledges the ongoing contribution to sustainable agriculture by South Australia's primary production sector through legislation that incentivises initiatives towards ESG and reduces barriers to progressive on-farm practice improvements.

THE NATURAL RESOURCES COMMITTEE

The Natural Resources Committee was established pursuant to the *Parliamentary Committees Act 1991* on 3 December 2003.

Its membership for the duration of this inquiry was:

Hon Leon Bignell MP, Member for Mawson, Presiding Member (until 30 April 2024)
Ms Dana Wortley MP, Member for Torrens, Presiding Member (from 16 May 2024)
Sarah Andrews MP, Member for Gibson
Mr David Basham MP, Member for Finniss
Ms Catherine Hutchesson MP, Member for Waite
Hon Tammy Franks MLC (from 6 March 2024)
Hon Ben Hood MLC
Hon Frank Pangallo MLC (until 5 March 2024)
Hon Russell Wortley MLC

Staff

Mr Patrick Dupont, Parliamentary Officer (until 21 January 2024)
Mr Shane Hilton, Parliamentary Officer (from 22 January 2024)
Dr Jennefer Lyn Bagaporo, Research Officer

FUNCTIONS OF THE COMMITTEE

Pursuant to section 15L of the *Parliamentary Committees Act 1991*, the functions of the committee are:

(a) to take an interest in and keep under review—
   (i) the protection, improvement and enhancement of the natural resources of the State; and
   (ii) the extent to which it is possible to adopt an integrated approach to the use and management of the natural resources of the State that accords with principles of ecologically sustainable use, development and protection; and
   (iii) the operation of any Act that is relevant to the use, protection, management or enhancement of the natural resources of the State; and
   (iv) without limiting the operation of a preceding subparagraph—the extent to which the objects of the *Landscape South Australia Act 2019* are being achieved; and

(b) without limiting the operation of paragraph (a), with respect to the River Murray—
   (i) to consider the extent to which the *Objectives for a Healthy River Murray* are being achieved under the *River Murray Act 2003*; and
   (ii) to consider and report on each review of the *River Murray Act 2003* undertaken under section 11 of that Act by the Minister to whom the administration of that Act has been committed; and
   (iii) to consider the interaction between the *River Murray Act 2003* and other Acts and, in particular, to consider the report in each annual report under that Act on the referral of matters under related operational Acts to the Minister under that Act; and
   (iv) at the end of the second year of operation of the *River Murray Act 2003*, to inquire into and report on—
      (A) the operation of subsection (5) of section 22 of that Act, insofar as it has applied with respect to any Plan Amendment Report under the *Development Act 1993* referred to the Governor under that subsection; and
      (B) the operation of section 24(3) of the *Development Act 1993*; and

(c) to perform such other functions as are imposed on the Committee under this or any other Act or by resolution of both Houses.

By Section 15L (2), "natural resources" includes

(a) soil;
(b) water resources;
(c) geological features and landscapes;
(d) native vegetation, native animals and other native organisms;
(e) ecosystems.

TERMS OF REFERENCE

The Parliament's Natural Resources Committee resolved at its meeting on 16 November 2023 to conduct an inquiry into environmental, social, and governance (ESG).

The terms of reference for the Inquiry are:

That the committee investigate and report on ESG, with reference to:

1. What is Environmental, Social and Governance (ESG)?
2. What is/are the process/es employed or undergone by entities to craft ESG frameworks?
3. What is the current status of ESG initiatives in South Australia, interstate and internationally, relative to
    a. entities using the framework;
    b. reporting standards; and
    c. measuring impacts
4. What are the pressures and opportunities for primary producers in SA regarding ESG?
5. What does an ESG leader in primary production in SA look like, and what are the pathways to get there?
6. Any other relevant matter

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ABBREVIATIONS

AASF	Australian Agricultural Sustainability Framework
AFI	Australian Farming Institute
ASFI	Australian Sustainable Finance Institute
CEO	Chief Executive Officer
CER	Clean Energy Regulator
CoP	Community of Practice
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DEW	Department of Environment and Water
ESG	Environmental, Social, Governance
EU	European Union
FftF	Farming for the Future
GHG	Greenhouse gas
GPSA	Grain Producers SA
GRI	Global Reporting Initiative
ISSC	International Sustainability and Carbon Certification Scheme
NFF	National Farmers' Federation
NGOs	Non-governmental organisations
PIRSA	Department of Primary Industries and Regions South Australia
PPSA	Primary Producers SA
SADA	South Australian Dairyfarmers' Association
SAWIA	South Australian Wine Industry
UN	United Nations

1. INTRODUCTION

1.1 Rationale of the inquiry

On 16 November 2023, the Natural Resources Committee resolved to conduct an inquiry into environmental, social, and governance (ESG). ESG is a concept or framework that provides guidelines or standards for how businesses should care for the environment and their people.[1] The ***environmental criteria*** consider how a company performs as a steward of nature. Environmental conditions considered in ESG frameworks include but are not limited to, climate change, water scarcity, environmental pollution, and waste management.[2] The ***social criteria*** examine how a company manages its relationship with employees, suppliers, customers, and communities. Social criteria include matters regarding a company's community relations, labour, and human rights within companies and their supply chains.[3] Lastly, the ***governance criteria*** consider a company's leadership, internal control, and shareholder rights.'[4] Management corruption, bribery issues, and compensation of the company's executives[5] are matters of consideration for the governance criteria.

The corporate industry was the first to consider ESG in managing and operating their businesses. With the growing complexity and interconnectivity of business operations and networks, the sector felt the need to include ESG-related issues in managing risks and opportunities. Moreover, businesses were compelled to embrace ESG practices because of the increasing public demand and expectation for companies to exhibit accountability for their actions and sustainability in their practices. The primary production sector is not exempt from the conditions above. Hence, considering ESG in the primary production sector across Australia has gained momentum.

South Australian primary producers' extensive land management practice was acknowledged by several presenters to the committee.[6] The industry's commodity-specific sustainability framework or initiatives are testaments to this commitment. However, global sustainability initiatives have not adequately considered Australia's unique production context.[7] With this backdrop, the committee undertook the ESG inquiry to examine how South Australian primary producers navigate domestic and international ESG landscapes, especially in communicating their initiatives and achievements in this arena, and the pathways to ESG leadership.

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[1] Robert Poole's, KPMG's leader of corporate ESG strategy, definition of ESG in A Marshall, 'From emissions to employment, ESG could change the way Australians farm,' *ABC News ABC Rural,* 10 March 2023, p. 3.

[2] I Knoepfel, G Hagart, onValues Investment Strategies and Research Ltd. (Zürich, Switzerland), UN Global Compact Office, International Finance Corporation, and Federal Department of Foreign Affairs, Switzerland, *Outcomes of the Who Cares Wins Initiative 2004-2008, Future Proof? Embedding environmental, social and governance issues in investment markets*, January 2009, International Finance Corporation (IFC), Federal Department of Foreign Affairs (FDFA), The Global Compact, accessed 4 December 2023.

[3] Knoepfel, et al., *Outcomes of the Who Cares Wins Initiative 2004-2008, Future Proof?,* January 2009.

[4] KPMG and National Farmers Federation, *The Time is Now The Australian Agricultural Sustainability Framework (AASF) and its Role in Sustainable Supply Chains,* KPMG, May 2022, accessed 20 December 2023, p. 10.

[5] Knoepfel, et al., *Outcomes of the Who Cares Wins Initiative 2004-2008, Future Proof?,* January 2009.

[6] Committee Hansards: Beer, Michael, 16 May 2024; Grieger, Tim, 16 May 2024; McRobert, Katie, 22 February 2024; Ogilvy, Sue 27 June 2024; and Rhodes, Caroline, 27 June 2024.

[7] K McRobert, D Gregg, T Fox, and R Heath, *Development of the Australian Sustainability Framework 2021-22,* Summary report, Australian Farm Institute, June 2022, accessed 16 January 2024, p. 6.

1.2 Scope of the inquiry

The report discusses the responses to the terms of reference received via written submissions and oral presentations to the committee. The committee received and heard evidence from representatives of the following sectors:

- national research and policy institutions
- South Australia primary producers' associations
- the relevant State Government Department; and
- an academic with acknowledged expertise in this field of study

1.3 Conduct of the inquiry

The committee publicly advertised this Inquiry in all major regional and metropolitan South Australian newspapers from 06 to 27 December 2023 and invited submissions from interested parties. The inquiry was also advertised on the Parliament of South Australia's Internet homepage and the Parliament's social media accounts on the Facebook, Twitter, and Instagram platforms.

The committee examined evidence received from written submissions and oral presentations to the committee. It received six written submissions from individuals and organisations (Appendix A) and held 10 hearings as part of the inquiry, with 13 witnesses appearing before the committee (Appendix B). A desktop review of related literature was also conducted throughout the inquiry period.

2. DEFINING ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Environmental, social, and governance (ESG) is a framework or a set of considerations that could serve as a guide in assessing an entity's a) performance as a steward of nature, b) management of relevant internal and external relationships, and c) leadership structure.[1] These elements are considered performance indicators beyond a company's financial capital.

The term ESG was first mentioned in a United Nations (UN) report titled, *Who Cares Wins: Connecting Financial Markets to a Changing World*.[2] This report is from the UN Global Compact Initiative, which was considered as 'the world's largest corporate sustainability initiative.'[3] The ***environmental criterion*** evaluates how entities manage natural resources or look after nature. The ***social criterion*** includes standards relative to a business' dealings with its 'employees, suppliers, customers, and communities'[4] and initiatives addressing relevant social issues.[5] For the ***governance criterion,*** matters regarding an entity's board structure and accountability, accounting and disclosure practices, audit committee structure and independence of auditors, executive compensation, and management of corruption and bribery issues' are tackled.[6]

The 'increasingly complex and interconnected world, the importance of actively managing risks and opportunities related to emerging environmental and social trends, in combination with rising public expectations for better accountability and corporate governance' prompted the consideration of ESG factors in corporates' investment decisions.[7] The businesses and institutions that took part in the United Nations Global Compact Initiative initially believed that integrating ESG elements would lead "to stronger and more resilient investment markets, as well as contribute to the sustainable development of societies".'[8] However, with the increasing challenges and risks associated with the scenarios mentioned, consideration of ESG became imperative to be able to 'compete successfully.'[9]

The evidence presented to the committee regarding the definition of ESG reflected the broader literature. First, ESG was defined as a guiding sustainability framework to examine natural, social, and human capital within primary production.

> ... it is a set of considerations, including environmental issues, social issues and corporate governance, to be considered in investing and, increasingly, in compliance reporting... not just looking at financial, manufactured and intellectual capital but also your human capital, your social capital and the way that you relate to the community that you operate in, and your natural capital, what you are drawing from the natural world that will... be part of your product.[10]

[1] KPMG and National Farmers Federation, *The Time is Now,* May 2022.
[2] World Bank Group, *Who cares wins: connecting financial markets to a changing world (English).* World Bank Group, 2017, accessed 22 November 2023, p. vii.
[3] United Nations Global Compact, *The World's Largest Corporate Sustainability Initiative* , What is the UN Global Compact | UN Global Compact, accessed 27 November 2023.
[4] KPMG and National Farmers Federation, *The Time is Now,* May 2022, p. 10.
[5] World Bank Group, *Who cares wins,* 2017.
[6] World Bank Group, *Who cares wins,* 2017, p. 6
[7] World Bank Group, *Who cares wins,* 2017, p. 1.
[8] United Nations Global Compact, *The World's Largest Corporate Sustainability Initiative*, p. ii.
[9] United Nations Global Compact, *The World's Largest Corporate Sustainability Initiative*, p. i.
[10] Committee Hansard: McRobert, Katie, General Manager, Australian Farm Institute, 22 February 2024, pp. 2-3.

> For the purposes of the Department for Environment and Water's participation in this inquiry, ESG relates to a sustainability framework based on environmental standards: that is, how industry or business considers its operational impact on nature; social standards, how industry or business handles its relationship with suppliers, customers, community and employees; and governance: how industry and business relate to its practices and processes, leadership and governance.[11]

Second, ESG was considered a framework with a more holistic view of sustainability. ESG is seen to extend the concept of sustainability beyond environmental issues[12] and what constitutes a sustainable future for both current and future generations.[13] Referring to the ESG definition of the Corporate Finance Institute, the National Farmers' Federation' (NFF) submission articulated that ESG is

> A framework that helps stakeholders understand how an organisation is managing risks and opportunities related to environmental, social, and governance criteria (sometimes called ESG factors). ESG takes the holistic view that sustainability extends beyond just environmental issues.[14]

Third, ESG has indicators against which a company or producer's performance is reported.

> ...ESG refers to a set of behaviours... sometimes used as criteria by socially conscious investors or other market influencers to screen potential investments or encourage preferred behaviours by their suppliers.[15]
>
> ESG captures the idea that firms should not be evaluated just on their commercial performance but also on their environmental, social, and governance performance. This numeric evaluation is aimed at giving ESG concerns a "legitimate" seat on the table along with other financial indicators of firm performance.[16]

Accordingly, ESG would affect Australian primary producers. In her presentation to the committee, Katie McRobert, the General Manager of the Australian Farm Institute (AFI), showed the adverse effects on agriculture if ESG is not integrated. In terms of the environment, if primary producers do not adapt to the ongoing climate change, it will impact their farming profitability. Associate Professor Sandhu's presentation to the committee substantiated this contention when she said, 'Primary production is more vulnerable because it affects ecosystem services and is also affected by that, which is kind of different from any other industries.'[17] Under this circumstance, ESG is also perceived to entail cost[18] and further knowledge and

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[11] Committee Hansard: Hart, Cate, Executive Director, Environment, Heritage And Sustainability, DEW, 11 April 2024, p. 26.
[12] Submissions: National Farmer's Federation (NFF), 05 March 2024, p. 3; Committee Hansard: Beer, Michael, General Manager, Rural Futures, AgriFutures Australia, 16 May 2024.
[13] Submission: The Australian Sustainable Finance Institute (ASFI), 14 May 2024.
[14] p. 3
[15] Submission: South Australian Wine Industry (SAWIA), 23 February 2024.
[16] Submission: Associate Professor Sandhu, Sukhbir, Associate Professor in Sustainability and Ethics, Centre for Workplace Excellence, University of South Australia (UniSA), 21 March 2024, p. 1.
[17] Committee Hansard, p. 12
[18] Submission: ASFI, 14 May 2024; Committee Hansard: Grieger, Tim, Executive Manager, Summerfruit SA, 16 May 2024.

understanding of the framework among primary producers.[19] An elaboration of the latter is made in Chapter 4, where the current status of ESG among primary producers in South Australia is discussed.

All in all, the evidence provided to the committee describes ESG as a holistic approach to sustainability. The scheme considers primary producers' responsibility towards safeguarding the environment and their duties relative to internal and external relationships and the practices and processes in its leadership structure. Additionally, ESG involves performance metrics that primary producers need to comply with and report on to secure a place in both domestic and international markets.

[19] Committee Hansard: Grieger, Tim, 16 May 2024.

3. THE ESG PROCESS

Instead of a step-by-step account of how South Australian primary producers take on ESG, the evidence provided to the committee centred on the essential elements in the inclusion of ESG and primary producers' reactions towards ESG as a performance requirement. The evidence received by the committee showed that there were more similarities than differences in South Australian farmers' uptake of ESG.

First, when primary producers seek to include ESG considerations as part of their business model there is a necessity for coordination between stakeholders.[1] In ESG's early development within the financial sector, collaborative initiatives were considered 'highly efficient' because they allowed organisations to '"bundle" and amplify their message to financial markets.'[2] Within the primary production sector, these relevant stakeholders are government and regulatory authorities, all industries relevant to that primary production sector, and supply chain actors, such as product distributors, retailers, and consumers.

Some coordination is happening among South Australian primary producers and relevant stakeholders. for, example, Caroline Rhodes', the Chief Executive Officer (CEO) of Primary Producers SA (PPSA), noted in her presentation to the committee that PPSA is now on its third term of working collaboratively with the Department of Environment and Water (DEW) in support of 'the government's policy agenda in natural resources management'.[3] PPSA has also informed DEW's representatives in PPSA's natural resource management committee about the Australian Agricultural Sustainability Framework (AASF) and its potential for policy application. The AASF is an 'outcomes-focused approach to ESG-aligned sustainability reporting' that uses an ESG lens but is not an ESG-reporting system.[4] Chapter 5 elaborates on this framework.

Secondly, developing an ESG framework necessitates standardised measures. The evidence received from NFF highlighted the development of a data ecosystem as a necessary step to crafting a national ESG framework in primary production. NFF's submission indicated there was no need to look for new data as those used in commodity-specific frameworks to measure each industry's progress and other data sets reported elsewhere, often at the Commonwealth level, can be utilised to develop these ESG measures. The South Australia Wine Industry Association (SAWIA) submission to the committee alluded to this contention when it cited that the maximisation of existing skills, tools, and resources is a more efficient and effective procedure to 'rapidly accelerate the implementation of ESG to support South Australia [in] taking a leading role within the global wine industry.'[5] Furthermore, the same idea was

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[1] Committee Hansards: Hart, Cate, Executive Director, Environment, Heritage And Sustainability, DEW, 11 April 2024; Ogilvy, Sue, Program Director, Farming for the Future, 27 June 2024; Ragg, Warwick, General Manager, Natural Resources Management, NFF, 7 March 2024; Rhodes, Caroline, Chief Executive Officer, Primary Producers SA (PPSA), 27 June 2024' Submission: SAWIA, 23 February 2024.

[2] UN Global Compact Office, International Finance Corporation, and Federal Department of Foreign Affairs, Switzerland, *Investing for long-term value : integrating environmental, social and governance value drivers in asset management and financial research, Zurich, 25 August 2005 : a state-of-the-art assessment: conference report,* UN Global Compact Office, International Finance Corporation, and Federal Department of Foreign Affairs, Switzerland, 2005, accessed 28 November 2023, p. 9.

[3] Committee Hansard: Rhodes, Caroline, 27 June 2024, p. 30.

[4] Committee Hansard: McRobert, Katie, 22 February 2024, pp. 3-4.

[5] Submission: SAWIA, 23 February 2024

conveyed in a 2023 report by McRobert, Fox, and Heath, which noted that a paucity of data is not an issue.[6]

Thirdly, creating an ESG framework requires developing and strengthening primary producers' skills, abilities, processes, and resources. The evidence presented to the committee stressed that farmers should not solely bear the financial and managerial cost of capacity-building. Other stakeholders, such as industry peak bodies and philanthropic organisations, can facilitate farmers' acquisition of the core skills to attend to ESG comprehensively. In her presentation to the committee, Dr Sue Ogilvy, the Program Director of Farming for the Futures (FftF), said,

> One thing that we think is incredibly important is to actually prepare farmers to provide that reporting, and when I say 'prepare', I mean to provide the methods, the tools, the technology and, of course, the training to capture and use that information in good negotiations with their supply chain.[7]

Lastly, primary producers must balance profit and other economic or financial opportunities and sustainability of natural resources.[8] In her presentation to the committee, Associate Professor Sandhu articulated that entities should consider ESG and profit maximisation equally. Consequently, primary producers should be audited for their ESG performance, which should have the same weight as their financial performance.

The evidence received by the committee indicated that ESG can be daunting to primary producers because of factors such as transition risks, costs, and complexity of its requirements.[9]The Australian Sustainable Finance Institute's (ASFI) submission to the committee emphasised that transitional and economic risks must be considered in ESG. Similarly, in his presentation to the committee, Tim Greiger, the Executive Manager of Summerfruit SA, appearing in his capacity as secretary of the Horticultural Coalition, articulated that production inputs such as cost of machinery, cost of goods, commodity price returns, and financial loans also need to be considered when developing ESG. Furthermore, ESG is complex, with 'global considerations as well as abstract concepts', despite what looks like three straightforward components – E, S, & G.[10] Given the points mentioned, ESG can be 'confusing and annoying'[32], and primary producers may lack enthusiasm in making the transition.

As shown above, the process of transitioning to the principles of ESG entails collaboration between primary producers and relevant stakeholders, having consistent set of metrics, capacity-building of the sector, and balancing environmental stewardship and profit maximisation. Nevertheless, with the complex nature of ESG, primary producers find themselves overpowered with the requirements, with some indifferent towards it.

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[6] K. McRobert, T. Fox and R. Heath, *Bringing the AASF to life Groundwork for implementing the Australian Agricultural Sustainability Framework,* Australian Farm Institute, July 2023, accessed 10 January 2024, p. 34.
[7] Committee Hansard: 27 June 2024, p. 28.
[8] Committee Hansards: Associate Professor Sandhu, Sukhbir, 21 March 2024; Hart, Cate, DEW, 11 April 2024; Submissions: ASFI, 14 May 2024; AgriFutures Australia, 14 May 2024.
[9] Committee Hansards: Beer, Michael, 16 May 2024; Grieger, Tim, 16 May 2024; McRobert, Katie, 22 February 2024; Ragg, Warwick, 7 March 2024; Submissions: AgriFutures Australia, 14 May 2024; SAWIA; 23 Feb 2024. ASFI, 14 May 2024; NFF, 05 March 2024.
[10] Committee Hansard: McRobert, Katie, 22 February 2024, p. 3

4. CURRENT STATUS OF ESG INITIATIVES IN THE INTERNATIONAL, INTERSTATE, AND SOUTH AUSTRALIA ARENA

4.1 Internationally

4.1.1 Entities using ESG frameworks

ESG is receiving massive attention from all sectors globally. In her presentation to the committee, Associate Professor Sandhu estimated that the current investment in ESG across businesses is more than USD 35 trillion. Adding to this are increasing ESG-related actions, such as the ESG regulations and standards like the European Union (EU) Taxonomy and the Securities and Exchange Commission disclosure requirements,[11] that have led to a rise in the number of ESG frameworks.[12]

However, ESG has been criticised as just a 'buzzword' and a 'woke agenda'.[13] Ms McRobert's presentation to the committee elaborated that this perception of ESG might be due to its 'immature reporting system' and popularity that is not necessarily because of the value it presents to entities. According to Associate Professor Sandhu, 'ESG is almost being portrayed as a messiah that can save the planet, but our research highlights that although the idea of ESG is really important... currently the concept is very flawed.'[14]

Overall, ESG is not just a sustainability requirement that emerged from increased awareness and attention to environmental challenges. It has been translated into standards and frameworks that assess a business' impact on the environment, its people and communities, and the business' governance structure.

4.1.2 Reporting standards

Several ESG reporting requirements and ambiguities exist in reporting standards in the international ESG landscape. Associate Professor Sandhu and Dr Ogilvy's separate presentations to the committee noted some of these ESG reporting initiatives, namely the Global Reporting Initiative (GRI), the Taskforce on Nature-related Financial Disclosures ,[15] and The Economics of Ecosystems & Biodiversity , among others.[16] The USA, European countries, and major international economic unions, such as the EU, have also crafted ESG measurement requirements. According to Associate Professor Sandhu, the ESG situation at the global level is unhelpful to Australian primary producers as several reporting standards often propose metrics that might not necessarily match those of other reporting initiatives.[17]

Accordingly, uniformity in ESG measurements and reporting schemes is required. The absence of such creates confusion about what data to disclose. In her presentation to the

[11] KPMG Australia, *Banking on Sustainability Environmental and Social Lending in Rural Industries*, AgriFutures National Rural Issues, 2023, accessed 1 May 2024.
[12] Committee Hansard: Beer, Michael, 16, May 2024; Ogilvy, Sue, 27 June 2024.
[13] Committee Hansard: McRobert, Katie, 22 February 2024, p. 2.
[14] Committee Hansard: Associate Professor Sandhu, Sukhbir, 21 March 2024, p. 12.
[15] Committee Hansard: Ogilvy, Sue, 27 June 2024, p. 29.
[16] Committee Hansard: Associate Professor Sandhu, Sukhbir, 21 March 2024, p. 13.
[17] Committee Hansard: 21 March 2024.

committee, Associate Professor Sandhu elaborated on this challenge using greenhouse gas (GHG) emissions as an example.

> ... there are three types of greenhouse gas (GHG) emissions: ***Scope 1*** [emphasis in the original] includes direct emissions (such as fuel combustion by company vehicles); ***Scope 2*** [emphasis in the original] covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the company; ***Scope 3*** [emphasis in the original] includes all other indirect emissions that occur in a company's value chain. Ironically[,] scope 3 emissions are responsible for 90% of emissions in many industries... yet less than 50% [of] firms report their scope 3 emissions.[18]

Ms McRobert's presentation to the committee referred to this issue when she said that uncertainty in ESG reporting systems could make them susceptible to manipulation. Similarly, the early literature on ESG, such as the UN Global Compact Conference Report in 2006, suggested that some companies responded to data requests 'based on the usefulness of the data produced to the company itself' and not necessarily on what must be reported.[19] Additionally, Ms McRobert also said that the reporting initiatives 'opens itself up to a lot of greenwashing... where you get the pushback not only from consumers... but... also...from... people who have been asked to report on things that they don't necessarily think are fair.'[20]

The above scenarios necessitate harmonising ESG reporting standards for primary production at the international level.[21] The submission from ASFI highlighted that the demand for the standardisation of ESG reporting among corporate and financial institutions is also growing globally, which would impact primary producers with international markets, further requiring some homogeneity in ESG reporting standards.

To sum up, numerous ESG reporting standards exist internationally, causing uncertainty as to which indicators and metrics must be reported for businesses to receive ESG credentials. This situation allows ESG reporting standards to be influenced by their developers and the entities using them. Therefore, a standardised set of ESG reporting standards is recommended.

4.1.3 Measuring impacts

With varied existing ESG frameworks and reporting standards come numerous indicators, metrics, and tools to evaluate an entity's ESG performance.[22] In his presentation to the committee, Brad Perry, the CEO of Grain Producers SA (GPSA), pointed out that having different tools to calculate measures towards indicators is problematic when doing the actual computations and gathering data for the metrics. Mr Perry's thoughts resonated with those of GRI that described the term ESG to already connote the collection of 'three big chunks of

[18] Submission: p. 2
[19] UN Global Compact Office, International Finance Corporation, and Federal Department of Foreign Affairs, Switzerland, *Communicating ESG value drivers at the company-investor interface, Who cares wins Annual Event 2006, Zurich, 28 September 2006: conference report,* UN Global Compact Office, International Finance Corporation, and Federal Department of Foreign Affairs, Switzerland, 2006, accessed 29 November 2023, p. 6.
[20] Committee Hansard: McRobert, Katie, 22 February 2024, p. 3
[21] Submissions: AgriFutures Australia, 14 May 2024; ASFI, 14 May 2024; NFF, 05 March 2024
[22] Committee Hansards: Perry, Brad, CEO, Grain Producers SA (GPSA), 21 March 2024; Associate Professor Sandhu, Sukhbir, 21 March 2024.

information' that may not necessarily be available within companies, making it challenging for data collection.[23] The other problems associated with having various measuring tools at all levels (international, national, and local) are:

- massive number of metrics across a large set of indicators;
- consultancy firms developing and selling their scorecards; and
- less than 50% correlation of the indices in the various ESG initiatives.[24]

Consequently, and similar to the issues borne from the lack of standardisation in the reporting standards, entities can improve ESG performance scores by selecting their preferred set of indicators and metrics and reporting on these. ESG raters or auditors may also "'impute' (emphasis in the original) it, i.e. fill the data gaps based on assumptions provided by their sophisticated models," if companies lack the requested data or information.[25]

Overall, challenges beset how entities measure their ESG impacts. The array of varied ESG metrics and tools to use poses a problem for data collection and opens itself to manipulation by ESG auditors and entities using them.

4.2 Interstate

4.2.1 Entities using ESG frameworks

Australia's primary producers are committed to the sustainability of the sector. This is exemplified by commodity-specific sustainability frameworks that primary producers refer to and use to track their economic, environmental, and social performances (Appendix C). Presentations made to the committee, especially by the CEOs of South Australia's peak industry bodies, indicated that most of the industry's frameworks contain ESG-related data.[26] For instance, Mr Perry's presentation to the committee mentioned that the Australian grain industry has been monitoring its GHG emissions over time and that Australia's GHG emissions are lower than other grain-producing countries.

Other stakeholders in Australia's primary production sector, such as banks and lending institutions, are also catching up with ESG. Though there is no standard list yet of what banks might demand from farmers applying for loans, the evidence submitted to the committee notes that financial institutions are crafting ESG-related requirements that can be utilised as the basis for their lending, investing, and ensuring activities, including that for primary producers in the country.[27] Examples of these conditions are attached to the following financial products:

> ...green and sustainability loans provide an upfront discount on financing for specific projects that produce positive ESG outcomes... sustainability-linked loans provide a borrower with an incentive to achieve pre-agreed sustainability

[23] Global Reporting Initiative (GRI), *The ABC of ESG Ratings – An Invitation For a Common Ground,* GRI, 26 July 2002, accessed 20 November 2023, p. 2.
[24] Committee Hansard: Associate Professor Sandhu, Sukhbir, 21 March 2024.
[25] GRI, *The ABC of ESG Ratings – An Invitation For a Common Ground,* 26 July 2002, p. 2.
[26] Committee Hansards: Curtis, Andrew, CEO, SA Dairyfarmers' Association (SADA), 7 March 2024; Perry, Brad, 21 March 2024.
[27] Committee Hansard: Beer, Michael, 16, May 2024.

performance targets. Lastly, sustainable insurance solutions are those that directly address or consider environmental and/or social risks and opportunities.[28]

Australian primary producers have a growing understanding of the importance of satisfying ESG requirements to gain vital market access, now and in the future.[29] Unfortunately, Australian primary producers feel swamped with the ongoing demands for ESG compliance and reporting. A clear pathway to guide the sector in its transition to ESG and a singular approach towards its achievement is also needed.[30] Evidence provided to the committee, especially those from research and policy institutions at the national level, revealed that primary producers perceive that ESG requirements are becoming their sole responsibility.[31] Hence, it is understandable that some primary producers are reluctant to attempt to meet ESG credentials to gain access to markets in which they are required.[32]

As noted, Australia's primary producers are committed to the sector's sustainability through its industry-specific frameworks. These documents guide each industry to trace, measure, and report sustainability-related indices, including ESG. Yet, there are no clear pathways or distinct approaches to assist Australian primary producers' transition to ESG. This can cause primary producers to feel overloaded, with some finding ESG an unnecessary imposition.

4.2.2 Reporting standards

Similar to the international scenario, a standardised ESG reporting system is lacking in Australia.[33] In his presentation, Mr Curtis said that currently, there is no way that industries would have a standardised reporting of metrics, as there are variations of measures between the industries. To cite, there is no baseline for emissions across industries.[34]

Other concerns involve collecting and reporting data and primary producers' being protective of data. Ms McRobert's presentation to the committee indicated that the collection and collation of data are still 'very much a work [in] progress.'[35] Adding to this challenge is farmers being cautious in providing data. Using the example of grain producers, in Mr Perry's presentation to the committee, he articulated that the situation presents challenges to verifying calculations among grain producers.[36] He said that even other industries that purchase grains could not access actual on-farm data and had to rely on peak industry bodies.

Despite industry differences in ESG metrics, there is an increasing demand for whole-of-industry or supply chain reporting. Evidence submitted to the committee indicates that the reason behind this movement is the acknowledgment of ESG as important not only among primary producers but also for supermarket companies and banks.[37] However, as implied in

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[28] KPMG Australia, *Banking on Sustainability Environmental and Social Lending in Rural Industries*, 2023, p. 28.
[29] Committee Hansards: Perry, Brad, 21 March 2024.
[30] Committee Hansard: Beer, Michael, 16 May 2024.
[31] Committee Hansard: McRobert, Katie, 22 February 2024.
[32] Committee Hansards: Perry, Brad, 21 March 2024.
[33] Committee Hansards: Curtis, Andrew, 7 March 2024; Perry, Brad, 21 March 2024.
[34] Committee Hansard: Perry, Brad, 21 March 2024.
[34] Committee Hansard: Perry, Brad, 21 March 2024.
[35] Committee Hansard: 22 February 2024, p. 3.
[36] Committee Hansard: 21 March 2024.
[37] Committee Hansards: Curtis, Andrew, 7 March 2024.

the conversation below between Mr David Basham MP and Mr Perry, there is confusion as to how this level of reporting can be produced.

> ***Mr BASHAM:*** I have a question, Brad, about supply chains within Australia—so dairy industry, pork industry, chicken industry, all purchasers of grain in a feed capacity—what's the communication of the reporting through that system at this stage?
>
> ***Mr PERRY:*** It's quite interesting. Probably, the answer is varying... Probably, the big downfall for them—and, you are right, they buy grain—the big challenge that they've got is that they don't understand where the farmers sit.[38]

Notwithstanding this, the evidence provided to the committee stressed the need for standardised ESG reporting at the national level. The reporting standards should be harmonised with those at the global level so that Australian primary producers can communicate their ESG credentials to supply chains in international markets.[39] For example, with the water sector, a crucial sector to primary production, separate presentations to the committee by the representatives from DEW and Associate Professor Sandhu underlined that investors are more attracted to either international or national ESG standards than state-level indicators. Therefore, the standardised ESG reporting at the national level will provide primary producers with some certainty relative to conveying its ESG story to international markets.[40]

Standardised ESG reporting at the national level will also address accusations of greenwashing and pushback from some primary producers.[41] The reporting, however, has to be coupled with rigorous auditing by trained ESG auditors and not just 'by the firms that are paying for the standards' as noted by Associate Professor Sandhu.'[42] This regulatory requirement will prevent what she called 'the cowboy state of ESG' measurements and reporting.[43] Similarly, with standardised ESG reporting, the scenario of 'a whole range of companies coming up with their own, choosing their... adventure and coming up with a list of questions that farmers have to spend time answering' will be avoided.[44]

There are some requirements for developing a national ESG reporting standard. It is essential to have an overarching framework of ESG measures that different industries and supply chain actors could refer to when undertaking ESG reporting.[45] Other necessary elements in light of expanding ESG measurements are a) co-investment in ESG reporting, where the desire to undertake ESG reporting is shared by stakeholders, including those in the supply chain and b) utilisation of existing guidelines and methodologies.[46] Given these considerations, the AASF is a good initial basis for standardised ESG reporting at the national level. The evidence submitted to the committee described the AASF as a valuable and overarching tool that could bring together a uniform understanding or conceptualisation of sustainability in Australia's

[38] Committee Hansard: Perry, Brad, 21 March 2024, p. 17.
[39] Committee Hansard: Associate Professor Sandhu, Sukhbir, 21 March 2024.
[40] Committee Hansard: Associate Professor Sandhu, Sukhbir, 21 March 2024.
[41] Committee Hansard: McRobert, Katie, 22 February 2024.
[42] Committee Hansard: Associate Professor Sandhu, Sukhbir, 21 March 2024, p. 16.
[43] Committee Hansard: Associate Professor Sandhu, Sukhbir, 21 March 2024, p. 16.
[44] Committee Hansard: Ragg, Warwick, 7 March 2024, p. 3.
[45] Committee Hansards: Curtis, Andrew, 7 March 2024.
[46] Committee Hansard: Ragg, Warwick, 7 March 2024.

agriculture sector.[47] More on this voluntary sustainability framework and the reasons why it is a source of opportunity in the ESG space for South Australian primary producers are detailed in Chapter 5.

To summarise, Australian primary producers are also faced with the issue of a lack of standardised ESG reporting at the national level. This situation causes uncertainty about actions and outcomes among primary producers and has consequences, such as primary producers crafting their own reporting criteria. Thus, it is necessary to have a national ESG reporting standard that is interoperable across the primary production sector and is in conversation with existing frameworks and reporting standards at the international level.

4.2.3 Measuring impacts

Standardised measures are required to measure Australian primary producers' impact on E, S, and G. The evidence provided to the committee indicated some key considerations in this area.

The first is for primary producers to collect consistent baseline data correctly. While this is challenging, Mr Perry's presentation to the committee mentioned that the grain industry had significant industry-wide discussions on this matter. The industry saw that gathering accurate baseline data would provide them with metrics 'to use... across the rest of the supply chain and the other commodities.'[48]

Second, primary producers should continue with generic, sensible impact reporting, given the lack of uniform metrics. As noted earlier, complying with the ESG reporting requirements overwhelms farmers. In his presentation to the committee, Mr Ragg recommended that primary producers should continue with their generic reporting rather than make themselves 'go and mark... homework with 15 different suppliers...'[49]

Third, Ms McRobert proposed that values should be considered more than metrics when evaluating ESG. In her presentation to the committee, she implied that primary producers might be more inclined to engage in ESG compliance if shared values drove these decisions rather than reporting on some metrics.

There are existing and developing methodologies and technologies in Australia to facilitate the measurement of impacts towards ESG. In his presentation to the committee, Mr Ragg mentioned the Full Carbon Accounting Model (FullCAM) Guidelines to calculate carbon abatement. He said that primary producers can include this tool in their reporting systems.[50] Mr Beer also shared that there is a movement within the agricultural technology arena to integrate and utilise agricultural software to meet data requirements.[51] To add, Dr Ogilvy's presentation to the committee noted that FftF will create a national-scale methodology to measure natural capital. Further discussion of this innovation is provided in Chapter 5.

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[47] Committee Hansards: McRobert, Katie, 22 February 2024; Ragg, Warwick, 7 March 2024; Submission: NFF, 05 March 2024.
[48] Committee Hansards: Perry, Brad, 21 March 2024, p. 17.
[49] Committee Hansard: Ragg, Warwick, 7 March 2024, p. 4.
[50] Committee Hansard: Ragg, Warwick, 7 March 2024.
[51] Committee Hansard: Beer, Michael, 16, May 2024.

Apart from the methodologies and tools, Australia has programs and initiatives to bring Australian primary producers and financial institutions together to discuss and agree on the required data to measure the former's ESG impacts. ASFI's submission indicated that, currently, financial institutions require primary producers to report on GHG emissions and other nature-related information, as well as data on 'human rights, First Nations engagement, leadership and ethical business practices.'[52] Nevertheless, the institute's submission noted that the sector is facing some difficulty in obtaining fit-for-purpose data. Financial institutions encounter challenges such as,

- Lack of robustness, quality, consistency, transparency, and availability of information, particularly in the agriculture and land sectors;
- Misalignment between local and federal data sets and systems (integrated and consistent data sets are desirable for decision-making); and
- Cost, time, security and confidentiality concerns.[53]

The submission from ASFI noted that the AASF 'currently cannot address data and information challenges' as 'no data exists to underpin the framework, and no users are reporting against the framework.'[54] This is understandable as the AASF is not meant to be a reporting mechanism but a guiding framework that primary producers can look into vis-à-vis the sustainability metrics they already have.

Considering the above circumstances, farmers need more assistance in data collection to measure ESG-related impacts. While the livestock industry has received support for training in this area, small and medium-sized enterprises are less likely to have these opportunities. Mr Beer stated that farmers from small and medium-sized businesses conveyed the need for a 'direct point of contact, someone able to coach or assist us through that somewhat complex approach.'[55]

In short, and similar to ESG reporting, the metrics to gauge ESG impacts also need to be standardised. The evidence presented to the committee also proposed that primary producers should have consistent baseline data and continue with generic sensible reporting. In recognition of the challenges posed by varying demands for data to measure ESG impacts, it is recommended that primary producers view the task considering their values towards the sector's sustainability.

4.3 South Australia

4.3.1 Entities using ESG frameworks

There are no significant differences between South Australian primary producers and those in other states and territories regarding their actions and reactions to the concept and

[52] Submission: ASFI, 14 May 2024, p. 6.
[53] Submission: ASFI, 14 May 2024, p. 6.
[54] Submission: ASFI, 14 May 2024 (additional evidence provided on 23 May 2024).
[55] Committee Hansard: Beer, Michael, 16, May 2024, p. 14.

requirements of ESG. [56] South Australia's primary producers have developed action plans and blueprints in line with national-level commodity frameworks.

The evidence presented to the committee revealed that South Australian primary producers vary in their level of awareness and understanding of ESG and its demands. South Australian farmers from the dairy, grain, and wine industries appear to be advanced in their comprehension and uptake of ESG. In separate presentations to the committee, the CEOs of the South Australian Dairyfarmers' Association (SADA) and GPSA articulated that farmers in their industries view sustainability, including ESG, as a key driver towards market access in the coming years.

> One of the challenging things, at an enterprise or industry level, is to understand all of what ESG means and how that relates to best practice[s] within your business. Through working and aligning with international standards, we have been able to better define what... we are seeking to achieve, as well as measuring good progress towards a whole heap of the targets... we have set.[57]

> When we talk about [the] strong market access the South Australian grain industry enjoys, much of this is reliant on meeting particular market specifications, and increasing specification is for the grain to be meeting environmental, social and governance credentials.[58]

Consequently, these industries have engaged in some ESG-related initiatives. For example, GPSA has participated in a soil sampling project organised at the federal level. The soil sampling aimed to create the baseline of farm carbon level boards. Within the dairy industry, Mr Curtis highlighted their traceability project. The sector at both national and state levels is working with those in the European markets on this project so that it does not have to subscribe to different traceability versions. In addition, the SAWIA's submission noted that since its national framework adheres to the United Nations Sustainable Development Goals, the framework can be expanded to cover more social aspects.

Then again, some farmers consider ESG to be an unnecessary burden. For instance, Mr Perry's presentation to the committee indicated that some grain producers disagree that ESG is critical to market access in the next five years. These farmers contended that some overseas markets are not strict with ESG. A similar situation is present in South Australia's horticulture industry. In his presentation to the committee, Mr Grieger stated that there is unfamiliarity about ESG within his industry. Yet, even with the unfamiliarity, he noted that the members of his industry consider ESG an additional bureaucratic burden with little impact on farmers' economic sustainability. For this reason, Mr Grieger articulated that members of his industry consider ESG reporting requirements an unnecessary burden and that farmers should be exempted from complying with it.

Mr Perry's presentation however, noted that the situation regarding the demand for ESG compliance could change. Farmers could be forced to address ESG requirements, or, in the

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[56] Committee Hansard: McRobert, Katie, 22 February 2024; Dr Ogilvy, Sue, 27 June 2024; Ragg, Warwick, 7 March 2024.
[57] Committee Hansard: Curtis, Andrew, 7 March 2024, p. 2.
[58] Committee Hansard: Perry, Brad, 21 March 2024, p. 14.

words of Honourable Russell Wortley MLC, 'they'll be dragged kicking and screaming.'[59] Ms Rhodes confirms this contention. Using carbon reduction as an example, Ms Rhodes mentioned in her presentation that primary producers' contributions toward net zero through practice change and carbon reduction (ESG-related items) projects would become increasingly valuable in internationally marketing South Australia's commodities.

Moreover, South Australia's primary producers' compliance with ESG is affected by the competition for land and water resources from other natural resource users. In her presentation to the committee, Ms Rhodes stressed that the mining and extraction sectors are competitors when it comes to the state's natural resources. She further stated that the spread of urbanisation, large-scale renewable energy projects, and future transmission lines 'presents a significant challenge to the future of farming in SA and, by extension, the preservation of biodiversity and natural capital in this state.'[60]

As noted, South Australian farmers' actions and reactions towards ESG do not significantly vary from those of the rest of the country. South Australian farmers' commitment to sustainability is also translated into commodity-specific blueprints or action plans to guide practices and performances. Among South Australian primary producers, the dairy, grain, and wine industries appear to have already begun to embrace ESG principles and reporting requirements with activities that anticipate or align with those at the global and interstate levels. Some South Australian primary producers who are hesitant to transition to ESG describe it as an additional bureaucratic burden. South Australian farmers' ESG compliance is also challenged by other users of the state's natural resources, such as the mining sector.

4.3.2 Reporting standards

The status of reporting standards on ESG at the state level typifies that at the national level. Some South Australian primary producers have already engaged or aligned their sustainability action plans or blueprints to ESG concepts. What is required is for the standardisation of the reporting systems.[61]

In place of a standardised ESG reporting system, evidence presented to the committee pointed to several environmental and labour laws at the federal and state levels that relate to ESG. Representatives from DEW discussed this legislation and the amendments made or proposed to these laws relevant to ESG.

- Pastoral Land Management and Conservation Act 1989: Passed on 21 March 2024, the amendment was made 'to allow for carbon farming and conservation [activities] on pastoral leases.' With this change, leaseholders have 'more flexibility to manage their land and provide pastoralists with options for generating alternative revenue sources.'[62]

- Native Vegetation Act 1991: Amendments are proposed to 'improve and refine the administration of the Act. The proposed changes include a) having an expert-based

[59] Committee Hansard: Perry, Brad, 21 March 2024, p. 17.
[60] Committee Hansard: Rhodes, Caroline, 27 June 2024, p. 28.
[61] Committee Hansard: McRobert, Katie, 22 February 2024.
[62] Committee Hansard: Hart, Cate, 11 April 2024, p. 26.

statutory board for the National Vegetation Council; b) ensuring that the Native Vegetation Fund can support a greater range of conservation-related activities; c) imposing additional compliance options and higher maximum penalties to aid efficient and effective compliance and enforcement of the [A]ct; and d) streamlining these proposed changes while maintaining native vegetation conservation outcomes.'[63]

- Climate Change and Greenhouse Emissions Reduction Act 2007. Amendments to this [A]ct are aimed at 'modernising the legislation 'and 'strengthening targets and developing a new statewide net zero pathway strategy.'[64]

Ms Hart also stated that DEW has worked with the Department of Primary Industries and Regions South Australia (PIRSA) on the Carbon Farming Road Map and that dedicated biodiversity legislation is being developed.

The data collected at the industry level collected as a requirement of state legislation also contributes to the state's sustainability story. Ms Rhodes' presentation underlined this, articulating that those agencies, such as the Australian Bureau of Agricultural and Resource Economics, are utilising and aggregating the data generated by South Australian primary producers in their reporting. These reports are 'all going toward gaining international market access and meeting our requirements internationally.'[65]

As shown, ESG reporting at the state level lacks standardisation. Nevertheless, commodity-specific actions or strategic plans are in place to guide South Australian farmers' sustainability-related performances. State policies also ascertain farmers' compliance with ESG-related requirements. All these helps build South Australian primary producers' sustainability narratives in place of non-standardised reporting systems.

4.3.3 Measuring impacts

The difference in the maturity of industries' consideration of ESG is not just due to the generational shift but also to the dissimilarities in industries' understanding of the relationship between sustainability credentials and commodity market value. As noted earlier, South Australia's dairy, grain, and wine industries are apparently at the forefront of testing ESG-related metrics and conducting ESG initiatives.

In his presentation to the committee, Mr Curtis highlighted that since data collection in the dairy industry is conducted daily, they can perform several tests on systems and assess operability and viability. The industry has also published its action plan for 2024-2029.
With the grain industry, Mr Perry reported that through the landscape board funding, GPSA 'filmed growers telling their stories in the South-East, Mid North, Yorke Peninsula, Fleurieu Peninsula, the Riverland and Mallee.'[66] Through joint state government and GPSA funding, the peak industry body has also 'undertaken projects with FLINTpro for Farms, a greenhouse

[63] Committee Hansard: Hart, Cate, 11 April 2024, p. 26.
[64] Committee Hansard: Hart, Cate, 11 April 2024, p. 26.
[65] Committee Hansard: Rhodes, Caroline, 27 June 2024, p. 30.
[66] Committee Hansard: 21 March 2024, p. 15.

emissions calculator[,]... trying to break the mould of how to collect consistent data.'[67] GPSA has also released a draft of the South Australian Grain Sustainability Roadmap, seeking comments and feedback from grain producers, relevant stakeholders, and those involved in the grain supply chain.

Further, SAWIA's submission to the committee stated that the association will align its ESG initiatives to the priority areas of the industry's national group, Wine Australia. SAWIA's commitment to ESG is also demonstrated by their 2024 SAWIA Excellence Award, where members who enter the competition showcase their 'commitment to Environmental, Social & Governance (ESG) best practice.'[68]

In contrast, Mr Grieger's presentation reveals that while Summerfruit SA complies with several certification requirements, transitioning to complying with ESG metrics is not considered. He stated that measuring ESG impacts might only become a concern for some members of Horticulture SA if they decide to venture into global markets. Additionally, a review of available literature on measuring the ESG impacts of other industries within the primary production sector revealed that they are still nascent.[69]

In essence, measuring ESG impact among South Australia's primary producers is similar to the national level. ESG metrics are still to be standardised, with some industries progressing with initiatives towards measuring impacts while others still need to gain traction.

[67] Committee Hansard: Perry, Brad, 21 March 2024, p. 15.
[68] South Australian Wine Industry Association (SAWIA), *SAWIA Excellence Awards,* SAWIA, 2024, accessed 17 August 2024.
[69] See for example: Global review: Incentivising small and medium scale aquaculture businesses to measure and report Environmental, Social, and Governance outcomes https://www.frdc.com.au/project/2022-171.

5. THE PRESSURES AND OPPORTUNITIES FOR PRIMARY PRODUCERS IN SOUTH AUSTRALIA REGARDING ESG

5.1 Pressures

The evidence submitted to the committee noted three significant constraints on South Australian primary producers arising from an emerging yet fast-moving ESG landscape. These challenges relate to a) metrics and reporting systems, b) the increase in demand from various sectors for ESG compliance, and c) the maturity and capacity of primary producers' understanding of ESG's relevance to their commodities' values.

5.1.1 Challenges to ESG measures and reporting standards

The absence of standardised ESG measures and reporting systems at the international and national levels places pressure on South Australia's primary producers. The evidence presented to the committee indicated that primary producers are having difficulty understanding ESG requirements and standards, given the plethora of metrics and reporting mechanisms.[1] In effect, South Australian farmers are confronted with problems related to 'measurement (what shall be measured), disclosure (what data to show), and impact (can ESG save the planet).[2] This contention is reflected in Mr Curtis' presentation to the committee when he said that the dairy industry is seeing challenges relative to:

- reporting or translating on-hand industry data into an ESG framework or indicator;
- reporting the captured data through the supply chain; and
- which indicators are useful for reporting in ESG frameworks or getting ESG credentials.[3]

This is a significant statement as the Australian dairy industry is advanced in terms of data collection and testing of ESG-related metrics.

Inconsistencies in ESG reporting are inevitable with the lack of standardised metrics and harmonisation in the reporting systems.[4] In separate presentations to the committee, Ms McRobert and Mr Ragg emphasised the variability in ESG reporting, especially those demanded by other supply chain actors and financial institutions. A KPMG and NFF report emphasised that 'the farm sector has proactively adopted sustainable practices and addressed sustainability risks, with little tangible benefit from supply chain partners.'[5]

> ... So if you think about it as a horticultural producer, you've got a bank, inevitably, you've got a loan[,] and so the bank comes and says, 'Here are the questions I

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[1] Committee Hansards: Curtis, Andrew, 7 March 2024; McRobert, Katie, 22 February 2024; Rhodes, Caroline, 27 June 2024; Associate Professor Sandhu, 21 March 2024; Submissions: NFF, 05 March 2024; SAWIA, 23 February 2024; Associate Professor Sandhu, 4 March 2024.
[2] Committee Hansard: McRobert, Katie, 22 February 2024; Submission: Associate Professor Sandhu, 4 March 2024, no page numbers.
[3] Committee Hansard: 7 March 2024.
[4] Committee Hansards: McRobert, Katie, 22 February 2024; Ragg, Warwick, 7 March 2024; Submissions: NFF, 05 March 2024; Associate Professor Sandhu, 4 March 2024.
[5] KPMG and National Farmers Federation, *The Time is Now,* May 2022, p. 23.

> want you to answer.' The Elders or Nutrien comes and says, 'I'm supplying your chemical. I need to answer these questions for my annual report. Here's what we need to answer for you.' Guess what? The forms aren't the same... [6]

The origin of ESG – the corporate world – has contributed to the mushrooming of ESG metrics and reporting mechanisms. In her presentation to the committee, Dr Ogilvy explained that as ESG evolved from the private sector or non-government organisations (NGOs), 'alongside it, some of the certification for agriculture', these entities had less coordination regarding indicators and measures of impact.[7]

> ...the sort of proliferation of different schemes that have come about [is]... partly because they (private sector and NGOs) haven't researched what is already available before they have taken off and developed their own, and partly it's because they have a slightly different purpose, or they have a different budget or capability.

For this reason, Mr Ragg proposed that ESG should be allowed to evolve, and primary producers should engage in developing the metrics and tools to measure them. He further said that the existing industry-specific sustainability frameworks should be referred to when developing ESG measurements. The metrics and tools are then benchmarked, made robust, and placed into the farmers' existing reporting systems. From this, a standard reporting system is developed, where the metrics and tools are updated as necessary. In this scenario, farmers' collect data once, create data once, and use it lots.'[8]

Given the pressures mentioned above, ESG is receiving backlash for how it has been packaged - the mechanism that will save the planet – yet has issues with the measures of and reporting on impacts. In her presentation to the committee, Associate Professor Sandhu stated that 'some major think tanks' are proposing decoupling the concepts (E, S, & G) to address the backlash and challenges in measuring impacts for all three concepts.[9] In warning against decoupling the concepts, she explained:

> The idea of environmental, social and governance is that a firm should have [a] responsibility to the environment... society and the governance that enables it to happen. With respect to 'environmental' ... [sustainability,] it should not happen at the cost of social sustainability. That will lead to massive amounts of social unrest and two-speed economies. So[,] when we start having discussions on ESG[,] it might seem an easy solution to... focus on the 'E', but for it to have [an] impact, E, S and G need to be coupled.[10]

5.1.2 Rising demand from various sectors for ESG credentials of primary producers

Despite the complexity of ESG metrics and reporting systems, the demand for farmers, including those in South Australia, to put forward their ESG credentials is increasing. The

[6] Committee Hansard: Ragg, Warwick, 7 March 2024, p. 3.
[7] Committee Hansard: Dr Ogilvy, Sue; 27 June 2024, p. 31.
[8] Committee Hansard: Ragg, Warwick, 7 March 2024, p. 3.
[9] Committee Hansard: 21 March 2024, p. 12.
[10] Committee Hansard: Associate Professor Sandhu, Sukhbir, 21 March 2024, p. 13.

requests are made by entities such as financial institutions, wholesalers or retailers, consumers, governments[11] and lately by wealthy individuals.[12] The evidence received by the committee articulated that South Australian primary producers are generally aware of these demands.[13] However, the push for ESG reporting requirements leads to pushback by primary producers. [14]

Amidst the growing demand, inflexible international ESG reporting schemes aggravate the challenges of ESG compliance among South Australian farmers. To illustrate, Mr Perry's presentation to the committee detailed that the reporting scheme they needed to comply with voluntarily to access the European market for canola, was inadaptable to the Australian farming context.

> A prime example of the reporting mechanisms that grain producers currently face to access the European market for canola and barley is through the International Sustainability and Carbon Certification Scheme [ISSC]... While the scheme... is... voluntary, the EU will only accept canola... certified through the ISCC. The strict requirements under the ISCC have come under intense scrutiny because, in many instances, the scheme fails to adapt to Australian farming conditions, instead imposing European practices onto Australian grain producers. As you would know, we have unique production systems and an operating environment here in Australia.[15]

It is important to mention that primary producers with overseas markets are also confronted with ESG frameworks that are generally practice-based. As noted earlier, global ESG or sustainability frameworks, such as those in Europe, are insufficiently informed of Australia's unique production context. As a result, there is a disconnect between production practices.

Additionally, the evidence provided to the committee noted that while consumers expect sustainable products, they are not necessarily willing to pay the price.[16] Costs are incurred when including or transitioning to collecting and reporting on ESG measures.[17] The transition risks are even higher for small producers, according to Ms McRobert. Furthermore, Mr Perry's, presentation to the committee, emphasised that this situation can be frustrating for farmers in terms of balancing expectations to meet the demand for the commodity, in their case, grains, and meeting consumers' expectations around ESG.

Even with the circumstances mentioned above, the evidence submitted to the committee suggested that ESG measures and reporting might become mandatory because of the increasing demand for ESG compliance at the international, federal, and state levels. In her presentation to the committee, Ms Rhodes indicated that contract arrangements between

[11] Primary Producers SA, *Final Project Report Developing Primary Industries,* Primary Producers SA, Kent Town, 2023, viewed 6 February 2024, < Projects | Primary Producers SA (ppsa.org.au)>.
[12] A Marshall, 'High wealth eyes ag options,' *Stock Journal,* 15 August 2024, accessed 15 August 2024.
[13] Submissions: NFF, 5 March 2024; SAWIA, 23 February 2024; Committee Hansards: Beer, Michael, 16 May 2024; Curtis, Andrew, 7 March 2024; Grieger, Tim, 16 May 2024; McRobert, Katie, 22 February 2024; Perry, Brad, 21 March 2024; Ragg, Warwick, 7 March 2024; Rhodes, Caroline, 27 June 2024.
[14] Committee Hansard: Ragg, Warwick, 7 March 2024.
[15] Committee Hansard: 21 March 2024, p. 14.
[16] Committee Hansard: Beer, Michael, 16 May 2024; Perry, Brad, 21 March 2024.
[17] Committee Hansards: Curtis, Andrew, 7 March 2024; Grieger, Tim, 16 May 2024; Perry, Brad, 21 March 2024; Rhodes, Caroline, 27 June 2024.

primary producers and financial institutions might include ESG reporting as a condition to access financial products.

KPMG states that sustainable financing is a 'process through which any form of financial activity, such as investing, lending or insuring,' considers ESG factors in its decision-making.[18] Examples of these sustainability-oriented financial products are:

> ...green and sustainability loans provide an upfront discount on financing for specific projects that produce positive ESG outcomes... sustainability-linked loans provide a borrower with an incentive to achieve pre-agreed sustainability performance targets. Lastly, sustainable insurance solutions are those that directly address or consider environmental and/or social risks and opportunities.[19]

The evidence submitted to the committee implied that sustainable financing is both an ESG-related pressure and an opportunity for farmers. Mr Beer's presentation to the committee articulated that there is an increasing shift within the finance sector's consideration of 'green finance' where 'there are particular interest rate incentives attached to those, but there are also reporting requirements in the review of debt or loan commitments within a farming business.'[20] Nonetheless, as it is operating in a nascent ESG space, sustainable financing is faced with the following barriers from primary production:

- 'A lack of fit-for-purpose on-farm data
- A lack of consistency across agricultural sustainability frameworks
- The administrative burden for producers
- Skill and capacity gaps
- A lack of understanding of the costs and benefits of participation.'[21]

Ms Rhodes also said that there is a potential that primary producers will be obliged to complete ESG reporting if it becomes mandated through federal or state policies. Mr Ragg's presentation gave a similar impression. In his presentation to the committee, Mr Ragg reported that climate-related financial disclosure legislation is being developed at the commonwealth level, requiring major companies to report on climate-related impacts and initiatives. While the proposed law might not directly impact primary producers, the legislation's design requires companies to report on Scope 3 emissions or those 'emissions along the supply chain.'[22] This requirement would involve primary producers.

> So then it comes to, they [companies] go: 'Okay, well[,] I have to go and ask my supply chain what their status is on climate reporting. How do I go about doing that? I will... ask my supply chain, which includes farmers, what those questions are.'[23]

[18] KPMG Australia, *Banking on Sustainability Environmental and Social Lending in Rural Industries*, 2023, p. 28.
[19] KPMG Australia, *Banking on Sustainability Environmental and Social Lending in Rural Industries*, 2023, p. 28.
[20] Committee Hansard: Beer Michael, 16 May 2024, p. 15.
[21]

KPMG Australia, *Banking on Sustainability Environmental and Social Lending in Rural Industries*, 2023, p. 3.

[22] Committee Hansard: Ragg, Warwick, 7 March 2024, p. 3.
[23] Committee Hansard: 7 March 2024, p. 3.

5.1.3 Primary producers' capacity and maturity

As noted earlier, South Australian primary producers are at different uptake levels and capacity to integrate ESG into their systems.[24] While some industries are pretty advanced, others hesitate to take on ESG compliance for several reasons, including costs, perception of ESG as an additional bureaucratic requirement, and ESG's complexity.

Farmers' capacity and maturity towards ESG are considered pressures relative to the increasing demands for ESG reporting from different levels and entities. To cite, while South Australia's wine industry is widely aware of the pressure on the industry, especially from overseas markets, to implement ESG practices, the Snapshot Survey that SAWIA conducted revealed that limited expertise and time hinder the industry from fully complying with ESG requirements. For South Australia's wine industry to advance in its ESG compliance, reliable information and expert advice is required to assist in a) 'understanding the environmental and social impact of any individual business, b) comparing or ranking the impacts of their activities, and c) predicting the future strategies of economic agents (financiers, governments etc.).'[25]

The disconnect and lack of harmonisation of ESG requirements within the supply chain also affect primary producers' ability to comply. In his presentation to the committee, Mr Beer said that while most farmers might be aware of ESG and acknowledge the growing demand for its adherence, many are not prepared to complete the reporting. As mentioned, primary producers collect and report data within existing certification requirements.[26] Adding ESG to the mix of reporting demands strains farmers' capacity for compliance. As SAWIA's submission stressed, 'Adding such a burden... when many feel quite fatigued with increasing compliance demands around a range of issues including employment regulations and new labelling requirements (e.g. pregnancy warning, energy content, container refunds) may present a challenge.'[27]

In brief, South Australian primary producers are pressed by the growing demand of several international, interstate, and state entities for farmers to present ESG credentials despite the lack of standardised ESG metrics and reporting schemes. Under these circumstances, there is a variance in primary producers' capacity and maturity to engage in ESG compliance. The process entails cost and capacity-building that primary producers might solely bear, as consumers do not necessarily translate their demand for sustainably produced products into actual purchases.

5.2. Opportunities

Although South Australian primary producers face pressures regarding ESG impacts and reporting, three conditions present favourable circumstances for ESG compliance. These are a) primary producer's longstanding stewardship of the environment, b) traceability mechanisms, and c) diagnostic tools.

[24] Committee Hansard: McRobert, Katie, 22 February 2024; Ragg, Warwick, 7 March 2024; Rhodes, Caroline, 27 June 2024.
[25] Submission: SAWIA, 23 February 2024, p. 7.
[26] See for example Committee Hansard of Grieger, Tim. 16 May 2024.
[27] Submission: 23 February 2024, p. 7.

5.2.1 South Australian farmer's environmental stewardship

One advantage Australian farmers have relative to ESG is their extensive and longstanding stewardship of the environment and animals.[28] This means that Australian farmers are not novices to sustainability practices and that this can be maximised towards ESG compliance. In her presentation to the committee, Ms McRobert described Australian farmers as 'already way up there' when it comes to sustainability efforts.[29]

> Compared to global farmers, they [Australian primary producers] are already way up there, but we are just not reporting that they [Australian primary producers] are. They [Australian primary producers] already do things very differently: we've got no-till, we've got really good animal welfare standards, we've got very high compliance with labour laws—we are all over it, really, but we are not reporting it correctly.[30]

A demonstration of South Australian primary producers' good stewardship is their adherence to their industry's sustainability frameworks and the subsequent documents, such as blueprints or roadmaps, produced at the state level (see Appendix C). With these initiatives and some noted increments among Australian farmers to comply with ESG requirements, ASFI contends that Australia can lead global efforts towards sustainable agriculture.

South Australian primary producers also comply with several certification schemes to ensure that products are safe and contamination-free.[31] Mr Grieger, in his presentation to the committee, noted that the horticulture industry is deluged with reporting schemes. They comply with some of these certification requirements or schemes as they view the outcomes of these certifications as impacting their farm's economic sustainability. In contrast, ESG is perceived to have no immediate positive impact on farmers' productivity and economic sustainability.

> Farmers are committed to [the] significant time and cost of quality assurance certification systems that they are... running... But there is value in those systems, that value being to ensure that the produce delivered to the market for human consumption is wholesome, safe and free from contamination.[32]

5.2.2 Traceability mechanisms

Another opportunity for South Australian farmers are the burgeoning technological innovations and initiatives to address the absence of uniformity in ESG metrics and reporting systems.[33] One of these technological advancements are traceability mechanisms. In his presentation to the committee, Mr Curtis explained that SADA is investing in a distributed ledger traceability system in partnership with businesses, such as Fleurieu Milk Company and Woolworths, to

[28] Committee Hansards: Beer, Michael, 16 May 2024; Grieger, Tim. 16 May 2024; McRobert, Katie, 22 February 2024; Dr Ogilvy, Sue; 27 June 2024; Rhodes, Caroline, 27 June 2024.
[29] Committee Hansard: McRobert, Katie, 22 February 2024, p. 8.
[30] Committee Hansard: McRobert, Katie, 22 February 2024, p. 8.
[31] Committee Hansard: Grieger, Tim. 16 May 2024.
[32] Committee Hansard: Grieger, Tim. 16 May 2024, p. 15.
[33] Committee Hansards: Curtis, Andrew, 7 March 2024; McRobert, Katie, 22 February 2024; Dr Ogilvy, Sue; 27 June 2024; Perry, Brad, 21 March 2024; Rhodes, Caroline, 27 June 2024.

facilitate SADA's ESG reporting process, including overseas markets. Distributed ledgers are generally databases stored in separate but connected devices within a particular network that facilitates a "shared view' of truth about business transactions,' in this case, the dairy industry.[34] With these ledgers, data accuracy and security are ascertained as all those who are part of the network would be 'looking at the same records and the history of their business relationship.'[35] Mr Curtis explained,

> ...we can then build in, as we develop it [traceability ledger], the measures of ESG or the measures of sustainability and have that travel through with the product so that when someone picks up their bottle of milk at the shop shelf[,] they can tell what it's environmental credentials are, they can tell what its social credentials are, almost in itself, but they can also tell what the governance credentials are because it will all be captured and taken with the product.[36]

Other than SADA, South Australia's oyster and grain industries also trialled some traceability projects. PIRSA, through its AgTech Growth Fund in 2022, funded the following traceability technologies in the oyster and grain industries.

- *'Blue Farm Intelligence:* Developed the miShell app to improve traceability across the oyster supply chain and ensure food safety for consumers. Oysters can be tracked from harvest to plate, ensuring low temperatures are maintained and safe for consumption.

- *Trust Provenance*: Improved traceability in the grains industry through software development for barley producers by storing crop and grain data throughout the supply chain that can be shared with stakeholders.'[37]

Dr Ogilvy's presentation to the committee further elaborated on the value of traceability systems and certifications to primary producers. Acknowledging the efforts of Australian farmers towards good environmental stewardship, she said that investing in traceability mechanisms is vital for South Australian primary producers to play an active role in nature repair and nature positive.[38] Equally important, traceability mechanisms in primary production will also a) help 'address the threats and challenges of climate change and b) facilitate access and availability of opportunities as markets emerge and become more sustainability conscious.'[39]

5.2.3 Australian diagnostic tools

[34] Australian Dairy Farmers, '*Traceability and real time payment system*, Australian Dairy Farmers website, 2023, accessed 9 May 2024.
[35] Australian Dairy Farmers, '*Traceability and real time payment system*, 2023.
[36] Committee Hansard: Curtis, Andrew, 7 March 2024, p. 3.
[37] R Terry, *AgTech Growth Fund drives innovation for SA primary producers*, Australian AgTech Community of Practice website, 2024, accessed 16 August 2024.
[38] Nature positive is a term used to describe circumstances where nature – species and ecosystems – is being repaired and is regenerating rather than being in decline. (Department of Climate Change, Energy, the Environment and Water (DCCEEW), *Nature Positive Plan: better for the environment, better for business*, DCCEEW, 2022, p. 1.
[39] Committee Hansard: Dr Ogilvy, Sue; 27 June 2024, pp. 30-31.

Diagnostic tools have also been developed in Australia to address the lack of standardisation in ESG reporting. The evidence presented to the committee suggests that these national diagnostic frameworks or tools can assist South Australian farmers in developing or enhancing their ESG or sustainability narrative.

The most mentioned diagnostic tool in the evidence provided to the committee is the Australian Agricultural Sustainability Framework (AASF) (See Appendix D). In her presentation to the committee, Ms McRobert described the AASF as an outcomes-focused approach to ESG-aligned sustainability reporting' that differs from existing mechanisms, such as those in Europe, which are 'very much practice-based.'[40] As an outcome-based framework, the AASF is more 'inclusive and not prescriptive' as it is grounded on shared values rather than practices that could differ between industries, even at the state level. [41]

For this reason, the PPSA considers the AASF an opportunity for South Australian primary producers. Ms Rhodes' presentation to the committee articulated that as a principles-based uniting concept, the AASF 'is a unique piece of work that enables a central source of information about Australian agriculture sustainability, providing a translation layer between farm practices, markets and the community.'[42] Ms Rhodes noted that the AASF could benefit primary producers in two ways. First, the framework 'may help convey the sustainability progress of South Australian agriculture within those nation-wide efforts to outside stakeholders who may view the sector as a singular entity rather than distinctly different industries or, potentially, regions.'[43] Second, it can facilitate the communication of South Australia's 'sustainability status and goals... to markets and communities, while avoiding that unnecessary cost on individual landholders.'[44]

According to ASFI's submission, the AASF will be a practical overarching framework for sustainable agriculture in Australia as it 'draws on many other commodity certification schemes.'[45] ASFI will consider the framework as it develops an agriculture taxonomy. Nevertheless, a data ecosystem still needs to be developed for the AASF. ASFI's submission articulated that at its present state, the AASF cannot attend to data and information gaps.

However, it is important to stress that the AASF is not an ESG reporting scheme. It is a guiding framework containing criteria and indicators that can assist farmers in understanding 'how they can take those actions to have a more sustainable business and also, potentially, how they can then report on that if they are required to.'[45] It is noteworthy that the AASF is industry-driven and continuously informed and updated through inputs from its community of practice (CoP). The AASF's CoP is a knowledge and experience-sharing platform where primary producers of different levels of maturity on ESG discuss the complexities of their ESG journeys.[46] Henceforth, the framework is pragmatic and reflective of the latest ESG-related matters in primary production.

[40] Committee Hansard: McRobert, Katie, 22 February 2024, p. 3.
[41] Committee Hansard: McRobert, Katie, 22 February 2024, p. 5.
[42] Committee Hansard: Rhodes, Caroline, 27 June 2024, p. 29.
[43] Committee Hansard: Rhodes, Caroline, 27 June 2024, p. 29.
[44] Committee Hansard: Rhodes, Caroline, 27 June 2024, p. 29.
[45] Committee Hansard: McRobert, Katie, 22 February 2024, p. 4.
[46] Committee Hansard: McRobert, Katie, 22 February 2024.

Equally important, the AASF's design attends to the backlash on ESG. ESG has been critiqued to 'measure the risk that environmental and social challenges pose to businesses rather than the risk that businesses pose to environment and society.'[47] In her presentation to the committee, Ms McRobert noted that the AASF is 'about making sure that you have an agricultural business that is contributing in a positive way to the environment and to the community which draws from [it] as well.'[48]

The sustainable finance taxonomy is another national diagnostic tool relevant to ESG. As mentioned earlier, financing mechanisms, such as 'capital investment, grants, price premiums, and supply chain finance', are being promoted and even 'adopted by supply chain companies' to share the risks and costs of adapting to sustainable farming practices.[49] In like manner, banks are beginning to work on sustainable financing, with 'Australia's leading banks... already offering agricultural green loans and products.'[50]

A sustainable finance taxonomy is being developed at the national level to aid financial institutions in determining sustainable investments and guiding capital towards initiatives that will contribute to achieving environmental and social aims. ASFI was established to take on this task, which currently prioritises six sectors, including agriculture. ASFI's submission explained that the sustainable finance taxonomy is expected to 'foster integrity and standardisation of sustainable finance efforts and that it will be a tool that can help prevent and combat greenwashing.'[51] In addition, the taxonomy will also serve as assurance to investors of sustainability claims of businesses, including those in the agriculture sector.

A sustainable finance taxonomy on agriculture can help South Australian primary producers address the lack of standard ESG metrics and reporting systems, primarily involving financial institutions. Mr Curtis's presentation to the committee presents a case where the taxonomy would be helpful. The taxonomy could be one of the 'scale up' he refers to below.

> We've already got farmers reporting that a bank will seek to do a carbon audit, and then someone else will do a carbon audit[,] and the answers will be different. So we need that clarity, and... as an industry[,] to get ahead of it. Can we do it as a whole of agriculture, [a] whole of food...? If we scale up, we probably can.[52]

By the same token, when asked by Ms Catherine Hutchesson MP, the Member for Waite, about requirements sought by banks to access loans, Mr Beer pointed out that 'a mix of public policy settings, regulation and industry sustainability frameworks guide banks product development and offerings.'[53] Consequently, the range of products offered and the conditions by primary producers to access and avail themselves of these financial products would vary. In either case, a sustainable finance taxonomy can be favourable to South Australian farmers.

Methods and tools to measure and manage natural capital, such as natural capital accounting and natural capital assessments, are also currently underway. The Commonwealth Scientific

[47] Submission: 4 March 2024, p. 2.
[48] Committee Hansard: 22 February 2024, p. 5.
[49] KPMG and National Farmers Federation, *The Time is Now,* May 2022, p. 23
[50] Submission: ASFI, additional evidence, 23 May 2024.
[51] Submission: 14 May 2024, p. 5
[52] Committee Hansard: Curtis, Andrew, 7 March 2024, p. 4.
[53] Committee Hansard: Beer, Michael, 16 May 2024, p. 16.

and Industrial Research Organisation (CSIRO) defines natural capital as 'the stock of the world's natural resources, such as soil, water, and all living things.'[54] CSIRO stressed that framing nature as a form of capital, similar to financial capital, allows the understanding of 'how nature interacts with the economy, organisations, and human well-being' that will hopefully 'lead to more sustainable and responsible practices and better environmental outcomes.'[55]

As such, ASFI has partnered with Macdoch Foundation's Farming for the Future (FftF) to create a national-scale evidence base that connects on-farm natural capital management and farm productivity. In their submission to the committee, ASFI highlighted that the project, 'Valuing Natural Capital,' 'brings together Australian agricultural producers and financial institutions to integrate natural capital considerations into financial and business decision-making of financial institutions.'[56] To add, the initiative is considered to 'inform the establishment of natural capital indicators and metrics related to farm business productivity, profitability, and resilience... to help farmers integrate natural capital metrics in their business performance and set goals and targets to drive.'[57] Validating ASFI's submission, Dr Ogilvy's, the Program Director of FftF, presentation to the committee noted the partnership importance in 'discover[ing] and co-develop[ing] ways in which a financial institution can consider holistically the natural capital of a farmer [as] part of its lending decisions.'[58]

In summary, amidst the pressures that South Australian primary producers face regarding ESG, their engagement in sustainability practices, especially their long-time good stewardship of natural resources and animals, places them in an advantageous position relative to ESG compliance and reporting. Efforts at the federal and state levels, such as a national value-based overarching agricultural sustainability framework, a sustainable finance taxonomy, tools to account for or assess natural capital, and product traceability innovations, capitalise on South Australian primary producers' knowledge, skills and abilities.

[54] CSIRO, n.d. *Environmental natural capital and accounting,* CSIRO, accessed 17 August 2024.
[55] CSIRO, n.d. *Environmental natural capital and accounting.*
[56] Submission: 14 May 2024, p. 5
[57] Submission: ASFI, 14 May 2024, p. 5
[58] Committee Hansard: 27 June 2024, p. 31.

6. PATHWAYS TO ESG LEADERSHIP IN SOUTH AUSTRALIA'S PRIMARY PRODUCTION SECTOR

ESG leaders within the primary production sector are those who operate their businesses through sustainable practices and care for the environment and its ecosystem. In the NFF's submission to the committee, any primary producer can be an ESG leader if they '...maintain or enhance market access, continue to have access to capital and continue to run a financially sustainable business.'[1] DEW's more detailed description of an ESG leader centres on caring for the natural resources, the surrounding ecosystem, and its people.

> ...an ESG leader seriously cares for the country [and its] relationship with the Indigenous people or communities. ESG leaders use... the country for their pastoral activities with a sustainable perspective that takes into account access to water, feed, [and] stocking rates. In terms of their business, their pastoral lease is maintained appropriately[;] that could be stock rotations or, as we have introduced, conservation opportunities.

Based on the above accounts, South Australia's dairy, grain, and wine industries can be considered ESG leaders in South Australia's primary production sector.

In his presentation to the committee, Mr Curtis reported that South Australia's dairy industry adheres to its commodity-specific framework at the national level and has an action plan. He indicated that SADA's 2024-2029 Action Plan recognises ESG as key to gaining premiums in the dairy industry. The action plan considers the demand for sustainable goods and the importance of working with supply chain actors for South Australia's dairy industry to grow its production and maintain its place in international and national markets.

> ... our commitment at a state level, and what we will be striving for over the next five years, is to partner through the supply chain to meet those sustainability commitments and deliver high-quality, premium, sustainable dairy products, both in Adelaide, South Australia and internationally.[2]

As noted in the previous sections, Mr Curtis presents the dairy industry as being in an advantageous position in terms of testing metrics because it captures data daily. This condition permits the dairy industry to check if a measure is reliable and valid, placing the industry in a good position to test ESG metrics that can be applied to the whole industry. Mr Curtis said that other industries do not collect data daily.

South Australia's grain industry also showcased itself as a leader in the ESG space. As noted in this report, Mr Perry's presentation to the committee enumerated several of GPSA's ESG-related activities. The presentation also highlighted GPSA's current work on creating a roadmap for the industry supported by federal and state governments.[3] Similar to the dairy industry, GPSA considers its national sustainability framework in its projects. Mr Perry said that

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[1] 5 March 2024, no page numbers.
[2] Committee Hansard: Curtis, Andrew, 7 March 2024, p. 2.
[3] Grain Producers SA (GPSA), *South Australian Grain Sustainability Roadmap Consultation document,* July 2024, accessed 10 August 2024.

in terms of environmental sustainability, the South Australian grain industry is leading being the 'lowest emitter in Australia.'[4]

SAWIA's submission implied that the wine industry is advancing towards ESG compliance. The submission noted that global market access is the key driver in the wine industry's 'urgent implementation' of ESG as 'South Australia exports about 60% of its wine production to around 100 countries.'[5] The recently released One Grape & Wine Sector Plan also underlines ESG as necessary in their sustainability priorities and improving the sector's practices.

> Sustainability is central to our sector's current and long-term resilience and profitability. Our sector aspires to be recognised as a global leader[;] it therefore needs to embed environmental, social, and governance (ESG) practices to enhance resilience, profitability, and sustainability.[6]

Moreover, SAWIA mentioned in their submission that it could expand its current service provision model related to ESG to accommodate the needs and requirements of small and medium wine businesses.

The evidence presented to the committee noted certain elements or actions needed to expedite ESG compliance with the effect of eventually developing leadership among primary producers in this space. These involved data-related conditions, government policies, further education among South Australian farmers about ESG, and having platforms where farmers can access information and share experiences.

The need for standardised ESG metrics could not be overemphasised. In each of their presentations to the committee, Mr Ragg and Dr Ogilvy used the analogy of the Intel chip inside computers to describe a standard set of ESG measures. They referred to the standardised ESG metrics as the same 'interoperability program' inside all computers,[7] where a uniform data set is reported to different supply chain actors. From this, the burden of cost mostly borne by South Australian primary producers towards ESG reporting is reduced.

In further considering ESG metrics, data digitisation indirectly contributes to ESG leadership as digital data could make ESG reporting easier. Using the case of South Australian grain producers, Mr Perry stressed that digitisation of data using 'Agworld and other apps that are quite widely adopted across the industry' will be helpful towards ESG.[8]

Another element that can enable ESG leadership is information and experience-sharing platforms. An example is the AASF's CoP, where primary producers at different levels of ESG maturity come together to exchange and learn new information and share their EGS journeys.

> This (CoP) is an online forum where project updates and other relevant information [are] shared to encourage discussion and contribution to the framework (AASF)

[4] Committee Hansard: 21 March 2024, p. 17.
[5] Submission: 23 Feb 2024, p. 5.
[6] Wine Australia, *One grape & wine sector plan Resetting the path to vision 2050.* 2024, accessed 18 August 2024.
[7] Committee Hansard: Ragg, Warwick, 7 March 2024, p.3.
[8] Committee Hansard: 21 March 2024, p. 18.

from CoP members. The AASF CoP meets in person biannually and hosts regular online meetings to keep the community engaged.[9]

As stated earlier, some South Australian primary producers require further education and awareness about incoming ESG-related initiatives. The AASF's CoP could be one venue for increasing their knowledge and awareness of ESG.

Government policies at both federal and state levels could also encourage ESG compliance and leadership. The evidence provided to the committee indicated that government policies should recognise the contribution primary producers make to the sector's growth, sustainability, and 'to global food security in this changing environment as the government accelerates its economic ambition for SA.'[10] In her presentation to the committee, Ms Rhodes stated that the policy environment in the state should not prescribe particular approaches to sustainability or create other barriers to progressive on-farm practice improvements.

Leadership in ESG among South Australian primary producers can also be facilitated by primary producers' 'storytelling' of their sustainability journeys, including ESG. Evidence received by the committee from GPSA and SAWIA indicated earlier in this report the significance of having an ESG narrative, especially when accessing the global market. Mr Perry remarked that South Australia's farmers are already implementing numerous sustainability practices, 'it's probably that we just don't tell our story well enough.'[11]

Equally, Ms Rhodes' presentation to the committee emphasised the value of the AASF and existing legislation and agencies, such as the Australian Bureau of Agricultural and Resource Economics , in facilitating the crafting of the industry's sustainability credentials. Ms McRobert emphasised that in communicating the sustainability stories of Australian primary producers, it should be understood 'that sustainability is about futureproofing Australian agriculture, not about meeting reporting requirements.'[12] She asserted that Australia is leading in this shared-values approach.[13]

As noted, South Australia's dairy, grain, and wine industries are making substantial progress towards ESG. These industries' advancement in ESG is illustrated through their state action plans and initiatives. The pathway towards ESG leadership can be facilitated by a) standardised ESG metrics; b) data digitisation; c) information and experience-sharing platforms; d) federal and state-level policies that promote and support the primary production sector's sustainability credentials and performance; and e) communication of the sustainability narratives of the industries to the local and the international markets

[9] Submission: NFF, 5 March 2024, p. 4.
[10] Committee Hansard: Rhodes, Caroline, 27 June 2024, p. 28.
[11] Committee Hansard: Perry, Brad, 21 March 2024, p. 18.
[12] Committee Hansard: McRobert, Katie, 22 February 2024, p. 9.
[13] Committee Hansard: McRobert, Katie, 22 February 2024.

7. CONCLUSIONS

ESG is a holistic approach to sustainability. It considers primary producers' environmental sustainability practices, actions towards social concerns, and corporate governance issues. Whilst ESG originated from the corporate world, the growing complexity and interconnectedness of business operations and networks at the global and local levels, and the public's expectation for local industries to implement sustainable practices and be accountable for their actions are pressing South Australian primary producers towards ESG compliance.

However, transitioning to ESG involves several trade-offs. Primary producers and other actors in the supply chain should share the cost of moving towards ESG so that the former can reap its benefits. In addition, existing resources, including performance and sustainability measures and skills within the industry, must be maximised to expedite ESG compliance and lessen the reporting fatigue among primary producers.

The growing number of entities using ESG frameworks at the international, interstate, and state levels implies that ESG is gaining momentum. This is illustrated by the plethora of metrics and reporting systems that have surfaced, the implementation of ESG-related legislations, and the development of ESG-related products in the financial sector. While the uptake of ESG among Australian primary producers, in general, and South Australians, in particular, differ, the commodity-specific frameworks and blueprints indicate primary producers' familiarity and commitment to sustainability practices, including ESG.

One of the outcomes of the numerous ESG measures and reporting structures is the lack of a standardised reporting system and ESG metrics at the global, Australian, and South Australian levels. Accordingly, South Australian primary producers feel overloaded by the requirements and need clarification on which reporting mechanisms to use. This impacts South Australian farmers' ESG uptake and compliance. Apart from this is the transition to ESG or its inclusion, which entails cost and further capacity-building. As a result, some primary producers push away from proceeding with the transition to ESG. Furthermore, without uniformity in ESG metrics and reporting systems, entities and auditors or 'cowboys' in the sector can manipulate the measures and the reporting to suit their conditions.

Meanwhile, the demands for ESG credentials are increasing. These demands come from different actors in the supply chain, such as wholesalers and the financial sector. Nevertheless, a particular attribute and some products can aid farmers in integrating ESG. South Australian primary producers' longstanding good governance of the natural resources involved in their production places primary producers in an advantageous position relative to sustainability practices, including ESG. While capacity-building will be required in some areas, as South Australian farmers are highly experienced in the sustainability space, the value of placing a premium on proper governance of the environment and social concerns affecting production is already recognised. Consequently, federal and state-level on-going ESG initiatives addressing the absence of uniformity in ESG measurements and reporting processes will be important to ESG uptake by farmers. These projects are the AASF, , a sustainable finance taxonomy, tools to account for or assess natural capital, and product traceability innovations.

It can be claimed that environmental stewardship is an attribute of an ESG leader, as leadership in the space entails caring for natural resources, people, and communities involved in primary production to maintain or grow market access, sustain access to capital, and carry on a financially sustainable business. Through their efforts in this space, South Australia's dairy, grain, and wine industries are leaders in South Australia's ESG landscape. To encourage or enhance more ESG leaders in South Australia's primary production sector, the following conditions should exist a) standardised ESG metrics; b) data digitisation; c) forums information and experience-sharing; d) federal and state level policies that promote and support the primary producers' sustainability credentials and performances; and e) conveyance of primary producers' ESG stories to state, interstate, and global markets

9. RECOMMENDATIONS

The recommendations for this inquiry relate to the standardisation of ESG measures and reporting systems, education, innovation, and legislation in the ESG space. The committee recommends that:

Standardisation of ESG metrics and reporting schemes

Recommendation 1: The State Government assists industry peak bodies, and works collaboratively with the Commonwealth Government in developing the standards of ESG measurements and reporting systems at the national level for primary production and its supply chains.

Consistent ESG metrics and reporting schemes across primary production and its supply chain would ensure ESG can have a meaningful and more measurable impact. Consistency of reporting requirements would also minimise the reporting burden for primary producers, making the process less daunting and more easily understood. Equally important, the standardisation of ESG metrics and reporting systems will prevent the 'cowboy' state of ESG as it directs reporting across different industries. Accordingly, having nationally-recognised ESG credentials would advance Australia's efforts in this space and further support government-to-government engagements in global markets.

Recommendation 2: The State Government promotes using commodity-specific frameworks, actions, and strategic plans as benchmarks when harmonising ESG metrics and disclosure mechanisms.

The industry-specific frameworks and related documents at the national and state levels reflect South Australian farmers' longstanding high-quality stewardship of the environment, animals, people and communities where they operate. These existing resources are practical reflections of each industry's sustainability practices and experiences. There might be less pushback to transitioning to ESG by South Australian primary producers if commodity-specific frameworks were considered in developing ESG metrics. This will minimise the need to collect new data, utilising existing data across several ESG reporting mechanisms.

Education and capacity-building

Recommendation 3: The State Government supports information and education initiatives about ESG for primary producers regarding ESG's issues and compliance.

It is essential to inform or clarify to primary producers what ESG is and the reason behind its demand in relation to futureproofing Australia's agriculture sector, in particular, and access to markets, in general. This might address evidence received by the committee that many primary producers are feeling 'reporting fatigue' as they also adhere to several existing certification systems to be able to trade. The state government could assist by reinforcing peak industry bodies' efforts to devise practical and relevant information and education projects on ESG.

Innovation and research

Recommendation 4: The State Government promotes the Australian Agricultural Sustainability Framework (AASF) and monitors its development as a tool for communicating Australia's sustainability narratives at the national and global levels.

The AASF plays a role in crafting standardised ESG metrics and sector-wide sustainability frameworks. Another key attribute of the AASF is integrating information from existing industry sustainability frameworks and certifications in national and international contexts. Therefore, the AASF is a helpful reference for primary producers when formulating, designing, and conveying their ESG journeys to various stakeholders. Adherence to the AASF would likely reduce the pressure on primary producers regarding compliance with numerous and varied ESG reporting requirements.

Recommendation 5: The State Government supports South Australian peak industry bodies as they keep up with nationally-formulated and designed ESG-related tools.

ESG-related initiatives, such as sustainable financing within the banking and investment sectors and auditing and assessment of natural capital, are accelerating. These initiatives might impact South Australia's primary producers. The state government can support primary producers in navigating these innovations, particularly in clarifying complexities, costs, and duplications to existing commodity-specific frameworks.

Recommendation 6: The State Government continues to fund future research and technological innovations that would help transmit the ESG credentials of South Australian primary producers.

Funding for future research and capability-building on technologies and other innovations that would communicate primary producers' ESG performance to consumers enhances the sector's sustainability storytelling. Grants might increase primary producers' uptake of ESG. The Rural Research and Development Corporations can help both the government and farmers in this area.

Legislation

Recommendation 7: The State Government acknowledges South Australian producers' contributions to sustainable agriculture through legislation that incentivises initiatives towards ESG and reduces barriers to progressive on-farm practice improvements.

South Australian primary producers' sustainability efforts take into account national priorities. The sector has also done its part to address sustainability risks that benefit other supply chain actors. Yet, farmers mainly bear the costs of adopting and implementing sustainability practices, including ESG. In recognition of the above, state government policies should motivate rather than prescribe to primary producers regarding sustainability practices.

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11. APPENDICES

APPENDIX A: Submissions received.

	Name	Date received (dd/mm/yyyy)	Nature of business/organisation/sector
1	Australian Passivhaus Association	23/02/2024	Independent, not-for-profit organisation
2	South Australian Wine Industry Association	23/02/2024	Industry association
3	Associate Professor Sukhbir Sandhu	04/03/2024	Academia
4	National Farmers Federation	05/03/2024	National peak body
5	The Australian Sustainable Finance Institute	14/05/2024	Not-for-profit organisation
6	AgriFutures Australia	14/05/2024	Australian statutory corporation

APPENDIX B: List of witnesses
*(*appeared via videoconferencing)*

22 February 2024 - Kingston Room, Old Parliament House Katie McRobert, General Manager, Australian Farm Institute*
7 March 2024 - Kingston Room, Old Parliament House Warwick Ragg, General Manager, Natural Resources Management, National Farmer's Federation*
7 March 2024 - Kingston Room, Old Parliament House Andrew Curtis, CEO, South Australia DairyFarmers' Association
21 March 2024 - Kingston Room, Old Parliament House Associate Professor Sukhbir Sandhu, Sustainability and Ethics, Centre for Workplace Excellence, University of South Australia
21 March 2024 - Kingston Room, Old Parliament House Brad Perry, CEO, Grain Producers SA
11 April 2024 – Kingston Room, Old Parliament House Department of Environment and Water 1. Cate Hart, Executive Director, Environment, Heritage and Sustainability 2. Mary-Anne Healy, Director, Climate Change, Flood Risk and Coast 3. Dan Jordan, Director, Water Security, Policy and Planning 4. Merridie Martin, Director, Native Vegetation, Pastoral Land Management and Landscape Services
16 May 2024 - Kingston Room, Old Parliament House Michael Beer, General Manager, Rural Futures, AgriFutures Australia
16 May 2024 - Kingston Room, Old Parliament House Tim Greiger, Executive Manager, Summerfruit SA
27 June 2024 - Kingston Room, Old Parliament House Dr Sue Ogilvy, Program Director, Farming For The Futures *
27 June 2024 - Kingston Room, Old Parliament House Caroline Rhodes, CEO, Primary Producers SA*

APPENDIX C: Commodity-specific sustainability frameworks at the national level & South Australian Primary Industries Blueprints/Roadmaps[1]

Industry	Australia	South Australia
Aquaculture	Australian Government Aquaculture Statement 2024 National Aquaculture Strategy September 2017	SAOGA & SAORC Strategic Plan 2020-2025 2021 – 2031 Seafood Growth Strategy for South Australia
Forestry	Australian Sustainable Forestry Plantations Australian Sustainable Native Timber Industries Australian Sustainable Softwood Timber Industries	South Australian Forest Products Association Strategic Vision 2022 - 2025 – Delivering for South Australia's Forest Industries
Grains and Crops	Behind Australian Grain Australian Grains Industry Sustainability Framework	Draft South Australian Grain Sustainability Roadmap SA Grain Industry Blueprint Setting our Industry Vision to 2030 and Beyond
Grape and Wine	One Grape and Wine Sector Plan Resetting the path to Vision 2050 Wine Australia Strategic Plan 2020 - 25	South Australian Wine Industry Plan
Horticulture	Australian-Grown Horticulture Sustainability Framework	South Australian Horticulture Industry Blueprint 2021
Livestock, Wool and Dairy	Australian Beef Sustainability Framework Australian Dairy Sustainability Framework	SA Red Meat and Wool Blueprint 2030 South Australian Dairy Industry Action Pan 2024-2029 The South Australian Beef Industry Blueprint – 2018 to 2028 The South Australian Sheep Industry Blueprint 2030

[1] This is not an exhaustive list of industry blueprints, frameworks, and other sustainability-related documents.

APPENDIX D: The Australian Agricultural Sustainability Framework