## Submission Template

### Emissions Reduction Fund draft determination

Carbon Farming Initiative—Beef Cattle Herd Management Methodology Determination 2014

### Overview

This submission template should be used to provide comments on a draft Emissions Reduction Fund determination

### Contact Details

<table>
<thead>
<tr>
<th><strong>Name of Organisation:</strong></th>
<th>Queensland University of Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name of Author:</strong></td>
<td>Assoc. Professor Beverley Henry</td>
</tr>
<tr>
<td><strong>Phone Number:</strong></td>
<td>0409343388</td>
</tr>
<tr>
<td><strong>Email:</strong></td>
<td><a href="mailto:Beverley.henry@qut.edu.au">Beverley.henry@qut.edu.au</a></td>
</tr>
<tr>
<td><strong>Website:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Date:</strong></td>
<td>4 January 2015</td>
</tr>
</tbody>
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## Confidentiality

All submissions will be treated as public documents, unless the author of the submission has requested that the submission not be published on the grounds that its publication could reasonably be expected to substantially prejudice the commercial interests of the author or another person. Public submissions will be published in full on the Department of the Environment’s website, including any personal information of authors and/or other third parties contained in the submission. Confidential submissions will not be published but will be provided to the:

- Department of the Environment;
- Emissions Reduction Assurance Committee; and
- Clean Energy Regulator.

If any part of the submission should be treated as confidential then please provide two versions of the submission, one with the confidential information removed for publication.

A request made under the *Freedom of Information Act 1982* for access to a submission marked confidential will be determined in accordance with that Act.

Do you want this submission to be treated as confidential?  

| Yes | No |

## Submission Instructions

Submissions should be made by **close of business** on the day the public consultation period closes for the determination. This date will be specified on the website. The Department reserves the right not to consider late submissions.

Where possible, submissions should be lodged electronically, preferably in Microsoft Word or other text based formats, via the email address – EmissionsReductionSubmissions@environment.gov.au

Submissions may alternatively be sent to the postal address below to arrive by the due date.

ERF Governance, ERF Division  
Department of the Environment  
GPO Box 787  
CANBERRA ACT 2601
**Name of draft determination:** Carbon Farming Initiative—Beef Cattle Herd Management Methodology Determination 2014

**General/overall comments**

The flexibility relating to specific eligible activities, emphasis on maintaining or increasing productivity and focus on emissions intensity for beef production in this Draft Determination is positive and should act to encourage adoption.

The challenge is in accurately quantifying the impact of activities on emissions due to incomplete data for key inputs to the Herd Management Calculator, especially for dry matter digestibility and crude protein levels at regional scale in reference period pasture feed and for improved feed regimes in the reporting period.

The draft Determination is not clear about how updates to NIR methodology or input data will be handled. For example when the NIR regional structure is disaggregated to estimate on the basis of more than the current 9 regions, will the reference period be re-calculated to be consistent with the revisions? Projects within the current National Livestock Management Program funded by the Department of Agriculture are collecting data on DMD and CP of pastures and of feed supplements and inclusion of these will enhance the accuracy of the Calculator defaults if a structured process of updating is allowed. It would be helpful if the Determination included an explicit statement on updating the Calculator.

**Do you consider that this determination may have any adverse environmental, economic or social impacts? What existing frameworks are in place to address any adverse impacts?**

Modelling has shown that benefits in terms of gross margins for beef cattle producers will most likely be substantially greater from increased production than from carbon credits through the CFI (e.g. Harrison et al. 2014¹, Ho et al. 2014²). It is therefore likely that a producer would increase LW turnoff in response to earlier finishing resulting from improved pasture, supplementation, increased waters or other herd management activities that also reduce emissions intensity. Increased stocking can increase the risk of land degradation when animal numbers cannot be reduced to match feed availability when seasonal conditions, notably drought, affect pastures and access (through availability or cost) of bought-in feed. While the Determination does well to recognise the impacts of natural factors, it reads as if this is generally a short-term effect. The difficulty here is that the NIR-based reference years may not include the climate extremes encountered during the reporting period. There are existing frameworks from industry (e.g. MLA) and state government (for leasehold land and sensitive landscapes/ecosystems) providing information on good practices for managing for climate variability and long-term sustainable productivity. A note could be included in the Determination stressing the importance of the proponent being aware of these frameworks.

### Specific comments – please insert your specific comments below, listed against the part of the draft determination to which they apply

<table>
<thead>
<tr>
<th>Determination reference: [insert name of relevant part of determination]</th>
<th>Comments</th>
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| Explanatory Statement Clause 9; & Attachment B. Overview of Calculations, Table 1 | Re: “These calculations assume that the herd’s diet in the emissions intensity reference period consisted entirely of the native pasture diet for the region......”.

It is not clear whether ‘native’ is intended in a botanical or general sense. Requiring pasture in the reference period to consist entirely of native [Australian] species would be overly restrictive due to the wide occurrence of, Buffel, Rhodes and other African grasses in the north and Rye, Kikuya etc in the south. A better term would be ‘naturalised’ or perhaps ‘established’.

| Explanatory Statement Clause 13 | Re: “Emissions from cattle breeding, husbandry and transport. These emissions do not change between the baseline and project.”

Though unlikely to be material, if the same LW is produced from fewer and healthier animals some costs could be reduced e.g. veterinary chemicals. Simply inserting ‘materially’ after the word ‘change’ is suggested.

| Explanatory Statement Clause 16, Points 7 & 8 | Re: The DMD of the diet in the crediting period will be the average of the values in National Inventory Report Table 6.B.3 and the feed supplement, if provided, in that year.

Simply averaging the DMD and CP values of the unimproved pasture and feed supplement implies that half the diet is supplement. This is not realistic because of cost and/or toxicity risk. For example supplements such as Leucaena will not make up more than a quarter to a third of DM intake, whereas hay may be half of intake (unless cost was prohibitive). One possibility would be to have two groups with the DMD of the diet including supplements with a toxicity risk weighted nominally on a 2/3 grass:1/3 supplement and the second group weighted as a simple average as currently proposed. |