



Voluntary Biodiversity Stewardship

The Australian Government is committed to developing a voluntary biodiversity agriculture stewardship market to provide new income streams for farmers and build a more resilient Australia.

What's in this year's budget

The 2022-23 Budget is expanding the Australian Government's support for a Voluntary Biodiversity Stewardship Program to deliver a well-functioning voluntary market with new income streams for farmers.

The Government is committing \$27.3 million to simplify participation for farmers and buyers, while providing on-ground support from Natural Resource Management organisations. An expanded National Stewardship Trading Platform will make trading easier, and improved baseline data on biodiversity.

Expanding the National Biodiversity Stewardship Trading Platform

The Government is supporting the next phase of development of the National Biodiversity Stewardship Trading Platform (the Platform), which will incorporate an automated system for trading by the private sector and farmers. Building on the platform's existing functions will help deepen the market by getting more farmers involved, and create greater confidence by making the market more transparent and automated.

Allowing primary producers to claim carbon abatement and biodiversity stewardship income as primary production income

The Government is supporting primary producers in regional and remote areas to undertake additional carbon abatement and biodiversity stewardship activities through concessional tax treatment for this income. This will encourage carbon abatement activities and help Australia deliver on its net zero emissions target by 2050.

These changes will provide farmers with an estimated \$100 million benefit through the tax system over the forward estimates.

Under the new tax regime, farmers will treat revenue from the sale of Australian Carbon Credit Units (ACCUs) as primary production income, providing access to income tax averaging arrangements and the Farm Management Deposit scheme. Revenue from ACCUs will be recognised in the year of sale to support cash flow. The treatment of biodiversity certificates will be aligned with the new tax regime for ACCUs.

Better information and methods for monitoring and assessment of biodiversity benefits

The Government is developing innovative ways of using remote sensing, artificial intelligence and other innovative techniques to enable cost-effective monitoring of improvements in habitat within biodiversity projects.

This will establish a credible, consistent and sustainable approach to assessing and describing biodiversity benefits of projects on agricultural land.

In addition, a new smart phone app developed by the Clean Energy Regulator (CER) will help farmers and businesses manage their land-based Emissions Reduction Fund (ERF) projects. The new app will help farmers identify areas of land with the potential to store or avoid carbon emissions and save them time and money reporting on the progress of their ERF projects. The app will support the CER in administering the market by providing more options to the regulator for monitoring projects as the market scales up (particularly for small projects). It will also encourage participation by farmers through more straightforward and cost effective monitoring approaches.

Enhanced Natural Resource Management (NRM) group support

The Government is committed to improving NRM group capability and understanding of environmental markets, and providing direct support to farmers in their region to help develop, register and implement their carbon and biodiversity projects. Our biodiversity pilots showed that farmers need expert advice to help them get more involved. NRM organisations are well placed to provide trusted and locally relevant support to farmers. They can help farmers identify the best projects for their farms and for biodiversity improvement, as well as what other specialist support may be needed.

Achievements to date

The Government has developed the building blocks of the voluntary biodiversity stewardship market through science driven pilots under the Agricultural Stewardship Package. The pilots tested biodiversity protocols and systems across 12 trial regions, and learnings are informing the design of the market.

The pilots showed that there is significant private sector interest in investing in biodiversity on farms, and farmers are keen to sell. To help farmers plan projects and connect with buyers get together the government launched the first version of the National Stewardship Trading Platform, which is now operational at agsteward.com.au.

The government will release a stamp and standard for the Australian Farm Biodiversity Certification Scheme. Once operational the scheme will allow biodiversity friendly farmers to seek price premiums and get recognised by markets and the community.

Why is this important

A credible voluntary biodiversity market will result in indirect benefits to rural and regional economies, and environmental improvements over time. Biodiversity markets can reward farmers for protecting and improving biodiversity on their land. Farmers can diversify and boost farm income, providing alternative income sources to build resilience.



How much will this cost

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	TOTAL (to 2025-26) \$m
Voluntary Biodiversity Stewardship					
Taxation of Australian Carbon Credit Units and Biodiversity Certificates	0.0	30.0	30.0	40.0	100.0
Voluntary Biodiversity Stewardship Program *	20.7	14.9	2.1	0.3	25.5
Subtotal	20.7	14.9	2.1	0.3	25.5

* Costs for this measure include funding provided in 2021-22 and after 2024-25, to reach a total \$27.3 million.

More information

For more information, visit awe.gov.au/budget

For more information about the 2022-23 Budget, visit budget.gov.au

