United Nations sustainable development goals:

Telling Australia’s rural industries story

by KPMG

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AgriFutures Australia is the trading name for Rural Industries Research & Development Corporation (RIRDC), a statutory authority of the Federal Government established by the Primary Industries Research and Development Act 1989.
In 2015, leaders from around the world gathered to create and adopt a set of goals to “end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda.” These targets, set by the United Nations—known as the Sustainable Development Goals (SDGs)—set a vision for governments, organisations, businesses, and citizens to make our world a prosperous, equitable and sustainable place for all people.

The SDGs are a global benchmark and there is a risk that Australia’s rural industries may compromise market access if we do not pay closer attention to world trends in implementing them. Currently, Australia is ranked 37th in the world, down from 26th in 2017, and behind many other developed countries including New Zealand, Canada, the United States and the United Kingdom.

While the SDGs are just one measure of sustainability, these goals are increasingly viewed as the internationally accepted language for measuring and reporting business, industry and country-level sustainability credentials. Individually, we know that Australia’s rural industries are working hard and making significant investments to advance their sustainability outcomes. However, the level of maturity in SDG alignment and reporting varies considerably across industries.

This study is an opportunity to narrow the scope of the conversation, to better understand how the agriculture, fisheries and forestry industries are implementing the SDGs and whether opportunity exists to act collectively to improve Australia’s position on the SDG Index.

The project, undertaken by KPMG, evaluates the opportunities for Australian rural industries to enhance sustainability reporting through alignment with the SDGs, and explores the potential to consolidate messaging, particularly in relation to industry sustainability reporting. This report serves as a baseline to start a constructive dialogue across the rural sector on ways to promote sustainability credentials internationally.

This AgriFutures National Rural Issues Program report is an addition to AgriFutures Australia’s diverse range of over 2000 research publications and it forms part of our National Challenges and Opportunities arena, which informs debate on issues of importance to rural industries. Most of AgriFutures Australia’s publications are available for viewing, free downloading or purchasing online at: www.agrifutures.com.au.

Michael Beer
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KPMG
KPMG Australia is a professional services firm with global reach, and deep expertise in audit and assurance, tax and advisory. With a worldwide presence, KPMG continues to build on our member firms’ successes thanks to our clear vision, maintained values, and our people.

KPMG are leaders across food, agribusiness and sustainability, with deep and practical understanding of the local and global marketplace and the key trends driving the industry. KPMG’s sustainability specialists help organisations understand and identify material issues and sustainability risks including how they relate to agricultural businesses and operations.

The team are experts in analysing emerging performance and sustainability reporting protocols to assist businesses in the development of forward-facing sustainability and climate change resilience strategies. KPMG’s food and agribusiness practice are recognised industry thought leaders, providing support and insights for clients across the entire value chain. KPMG assists clients across both strategic and operational priorities to position themselves in the best way to respond to current and emerging sector and operating environment challenges and opportunities.
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Executive summary

As global populations and ecosystems evolve, sustainability continues to grow in priority within the remit of organisations, industries and countries. As entities worldwide become more aware of their social, economic, and environmental impacts and the intersections amongst them, they become increasingly in need of an accessible, targeted approach to sustainability that can be translated across industries and borders. This tailored approach will be crucial in unlocking valuable opportunities worldwide in trade and commerce, consumer relationships, innovation and the co-existence of industries.

Within the sustainability agenda, there are however varying levels of awareness and maturity of the SDG framework and sustainability reporting methodologies amongst Australia’s range of rural industries. The maturity, and more broadly the stage of the sustainability journey for that industry, is dependent on the particular nuances of that industry’s sustainability drivers, for example the social licence to operate, increased legislation or evolving consumer expectations. This disparity in awareness extends to adoption of the SDGs, with certain industries mapping existing sustainability goals to the SDGs, and others utilising the framework as a greater driving force behind wider sector strategies.

On an international scale, Australia has the opportunity to learn from best practice SDG reporting nations, as well as encourage the strengthening of sustainable development by its major trading partners. Mutually beneficial sustainability credentials and priorities on a global scale, facilitated by a framework like the SDGs, will provide a platform. Through this platform trading partners can collaborate and consolidate sustainability activities in order to make greater aggregate strides toward the achievement of the SDGs.

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There are complexities to overcome in reporting against the SDGs as raised by all countries. Balancing the interdependency of the SDGs, where an achievement in one particular SDG can have either a positive or negative implication over other goals, makes it a complex task to meet and report on SDGs. These conflicting interests should not represent a barrier for the rural industries to develop a collective approach to reporting against the SDGs. Instead they are challenges the rural industries will need to contend with, as other countries have done.

There are defined economic imperatives driving increasing momentum across the sustainability agenda and SDG alignment which is only expected to intensify in the coming years. These include consumer expectations, social licences to operate, trade and capital attraction. Australia’s rural industries have the opportunity to collectively defend, maintain, grow or enhance many of these economic imperatives through a more collective and whole-of-industry collaborative sustainability agenda.

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There is a definitive motivation across all rural industries to engage in industry wide sustainability messaging and activity of some sort, ranging in degree of desired involvement and effort. The universally accessible SDGs provide a ‘common language’ through which this messaging may be framed. In implementing a collective narrative, it will be crucial to consider a variety of factors regarding the purpose, buy in, and most importantly, the range in use and benefits of sustainability reporting or activities within Australia’s rural industries. Consideration of the nuance between rural industries and the different drivers for strengthening sustainability positioning will be crucial to the success of aggregate sustainability activities and SDG reporting.

Overall, Australia’s rural industries are faced with a valuable opportunity to enhance the sector’s achievements through enhanced communication of activities, many of which, the sector is already performing. At a minimum, working collectively and building on the success of individual industry’s sustainability efforts to date will provide significant leverage for the benefit of the broader collective rural industries.

Enter the United Nation’s Sustainable Development Goals (SDGs). The SDGs framework was developed in 2015, and consists of 17 goals that provide an international narrative to achieve a better and more sustainable future for all countries (United Nations, 2020). Reporting progress towards achieving the SDGs is becoming a focus of methodology in the sustainability agendas across a range of entities and industries worldwide. By communicating sustainability activities and impacts through a universally accepted framework, these entities are succeeding in creating more transparent relationships with consumers, commercial partners and key stakeholders.

The aim of this project was to explore the application, relevance, and potential opportunities posed by the SDGs for Australia’s rural industries. Leveraging the framework to enhance the sustainability credentials of Australia’s rural industries presents a compelling narrative to strengthen our global competitiveness on the international stage. In recognition of this opportunity as well as the ongoing sustainability efforts of some sectors over many decades, our agricultural and related industries are succeeding in creating more transparent relationships with consumers, commercial partners and key stakeholders.

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- Australian Eggs Limited
- Australian Pork Limited
- Australian Meat Processor Corporation
- Australian Wool Innovation Limited
- Cotton Research and Development Corporation
- Dairy Australia
- Fisheries Research and Development Corporation
- Forest and Wood Products Australia
- Grains Research and Development Corporation
- Horticulture Innovation Australia
- Australian Livestock Export Corporation Limited
- Meat & Livestock Australia
- Sugar Research Australia
- Wine Australia
- Australian Department of Foreign Affairs and Trade
- Australian Department of Agriculture, Water and the Environment
- Climate Works Australia, part of the Monash Sustainable Development Institute
- National Farmers’ Federation
- Swiss Federal Office for Agriculture
- United Nations Environment Programme
- World Business Council for Sustainable Development
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<th>Abbreviation</th>
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<tr>
<td>CSO</td>
<td>Civil Society Organisations</td>
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<tr>
<td>DAWE</td>
<td>Australian Department of Agriculture, Water and the Environment</td>
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<tr>
<td>DFAT</td>
<td>Department of Foreign Affairs and Trade</td>
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<tr>
<td>ESG</td>
<td>Environmental, Social, Governance</td>
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<tr>
<td>FAO</td>
<td>United Nations Food and Agriculture Organization</td>
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<tr>
<td>FTA</td>
<td>Free Trade Agreement</td>
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<td>GRI</td>
<td>Global Reporting Initiative</td>
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<tr>
<td>MSDI</td>
<td>Monash Sustainable Development Institute</td>
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<tr>
<td>NFP</td>
<td>Not for Profit</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>PM&amp;C</td>
<td>Department of Prime Minister and Cabinet</td>
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<tr>
<td>PRI</td>
<td>Principle Responsible Investment</td>
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<td>UN</td>
<td>United Nations</td>
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<td>RDC</td>
<td>Research and Development Corporations</td>
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<td>SDG</td>
<td>Sustainable Development Goal</td>
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<td>UN</td>
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<td>UNEP</td>
<td>United Nations Environment Programme</td>
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<td>VNR</td>
<td>Voluntary National Review</td>
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<td>WBCSD</td>
<td>World Business Council for Sustainable Development</td>
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The focus of the study was to explore the current alignment and contribution of the Australian rural industries to the Sustainable Development Goals (SDG) framework, along with analysing broader sustainability reporting and initiatives undertaken across the sector. In conducting this research, it was crucial to identify whether specific drivers or economic imperatives existed that would benefit from a more collective narrative on sustainability and SDG alignment by the sector.

The specific objectives of the study were to:

- Identify the SDGs most relevant to Australian rural industries (‘the sector’) and how the sector (defined by the rural Research and Development Corporations (RDCs)) monitor and report against the SDGs.
- Explore individual industries’ existing sustainability landscape and reporting, as well as that of the aggregate sector.
- Benchmark the SDGs reporting of five countries that were selected in consultation with AgriFutures Australia, to analyse the benefits and implications of other countries reporting and adoption approaches against the context of the Australian sector.
- Identify potential costs, benefits and economic imperatives or motivations for the sector implementing a whole-of-industry aggregated narrative on both contribution to the SDGs and the broader sustainability agenda.
- Develop potential monitoring and communication pathways for the industry that leverage global best practice SDGs reporting examples.
- Explore opportunities to consolidate and standardise messaging for the sector in regards to sustainability and SDGs reporting.

Approach

The approach to undertake the study was logic-driven and purpose-led, drawing from quantifiable analysis and research and consultation with the 15 RDCs. Other key sources of information included:


Report structure

1. Objectives
2. The SDG landscape
3. Australia’s rural industries: sustainability and SDG reporting
4. Drawing on global insights
5. Economic opportunity
6. A collective positioning for Australia’s rural industries

A figure and a description of each stage of the study is as follows:

Figure 1

Five stages of the study

1. Current state analysis: Desktop research into the current state of the sector’s sustainability activities through the lens of Australia’s 15 RDCs.
2. International benchmarking: Benchmarking desktop research of SDGs adoption and reporting for countries that currently lead the 2019 SDGs Index, as well as Australia’s key competitors and sector trading partners.
3. Stakeholder Engagement: Desktop assumptions and insights were tested with key stakeholders including all RDCs, the National Farmers’ Federation, local and global government agencies including Department of Agriculture, Water and the Environment, Department of Foreign Affairs and Trade (DFAT) and the Swiss Federal Office for Agriculture, and institutions such as Climate Works Australia, part of the Monash Sustainable Development Institute (MSDI), the World Business Council for Sustainable Development (WBCSD) and United Nations Environment Programme (UNEP) to ensure they aligned with current industry conditions.
4. Economic opportunity analysis: The identification and consideration of potential costs, benefits, imperatives, appropriate indicators, and compelling communication approaches for the industry.
5. Reporting methodology: Analysis of viable aggregate SDGs collective messaging and narrative opportunities for consideration by the Australian sector.

The outputs of each phase built on the knowledge of the former through expert advice, industry engagement and global stakeholder expertise including consultation with KPMG’s global leads across sustainability, food and agribusiness.
The SDGs Landscape

Sustainability Landscape: Key insights

01 The UN SDGs provide an international narrative to achieve a better and more sustainable future for all.

02 162 countries are signatories to the UN SDGs, meaning they are required to report at least twice over the 2015 to 2030 period against all 17 SDGs. The Australian Government reported in 2018.

03 Entities can choose to report against all SDGs or against select SDGs (i.e. not all SDGs need to be reported).

04 SDG reporting is a prime mechanism through which countries and industries can communicate, display, and improve global reputations from a sustainability standpoint.

05 Alignment with and reporting against the SDGs is becoming an increasingly common approach to communicate sustainability efforts through a universally accessible framework, now seen as a key performance indicator or investment criteria for many industries and entities.

06 All Australian rural industries have a valuable opportunity to further improve and enhance their global reputation by leading the initiative to adopt SDGs as a consolidated narrative to align purpose across industry.

Numerous rural industries have acknowledged the opportunity to align activities to a framework such as the UN’s SDGs framework to provide a collective sustainability narrative, which will drive sustainable development across value chains in order to capitalise on a number of key opportunities, as further detailed in this report. Australia’s rural industries have a unique ability to position the sector as a strong contributor to the SDGs and sustainability initiatives more broadly.

2.1 United Nations Sustainable Development Goals

The UN SDG framework consists of 17 goals that provide an international narrative to achieve a better and more sustainable future for all countries (United Nations, 2020) (Figure 2). The 17 goals are all interconnected, and in order to leave no one behind, the UN believes it is crucial that they are all achieved by 2030 (United Nations, 2020).

The SDGs were unanimously adopted in 2015 by the 193 member states of the UN. They seek to address the global challenges the world faces such as poverty, inequality, climate change, environmental degradation, peace and justice. The 17 SDGs range in topic from ending hunger to stimulating economic growth and ensuring gender equality. They act as a global blueprint to guide a country’s activities towards a global collaborative achievement of sustainable development.

Monitoring and reporting sustainability issues is a complex task. The SDGs address this undertaking by providing a coherent, holistic, globally integrated framework for addressing the world’s most urgent sustainability challenges

(Global Reporting Initiative, 2018). The SDGs provide a narrative to which industries, such as agriculture, fisheries and forestry (collectively referred to as rural industries), can link sustainability activities.

While each SDG may appear as a relatively subjective goal with an unattainably wide scope, the SDGs are underpinned by a comprehensive structure of targets and indicators, enabling the actions required to achieve a goal to be broken down, tailored to a specific context, and implemented. For example, Goal 2 (Zero Hunger), has eight individual targets and 13 respective indicators. A target is a quantified sub-component of a goal that will contribute in a major way to its achievement, while an indicator is a precise metric to assess if a target is being met.

Figure 2
UN Sustainable Development Goals

Source: United Nations, 2020

Worldwide progress towards the SDGs is regularly tracked and communicated, most recently within the United Nations Sustainable Development Goals Report 2019 (UN SDG Report 2019). The UN SDG Report 2019, discloses that global progress is being made in many critical areas, with some favourable trends identified as well as a number of areas concluded as in need of international attention. These areas were identified in the report using evidence-based insights from voluntary review processes within UN signatory nations. Issues that were deemed as needing more attention globally across all industries include the natural environment’s rate of deterioration, sea level rise, increased ocean acidification and the warming of earth’s temperature. Importantly, one area identified as needing significant collective effort in all sectors is the ecosystem services on which rural industries rely to produce their commodities.
2.2 Country SDG reporting

There are clear distinctions between SDG reporting from the viewpoint of a country or an industry. For countries, the 193 country signatories to the UN SDGs are expected to report voluntarily on implementation against all 17 SDGs at least twice over the 2015 to 2030 period. This is undertaken via signatories’ publishing of at least two Voluntary National Reviews (VNR). While the VNR are a requirement, reporting against the goals is not legally binding.

The Australian Government published its first report in 2018, and it is expected that between now and 2030 Australia will report again in order to fulfil the expectation of signatories. In 2019, following the submission of the first SDG report, Australia was ranked 38 out of 162 countries globally in terms of sustainable development (SDG Index, 2019). Leading the engagement with and implementation of the SDGs are two Federal Government Departments; the DFAT and the Department of Prime Minister and Cabinet (PM&C). DFAT is charged with reporting into the UN and overseeing Australia’s international engagement with the goals, while PM&C oversees local implementation of the goals. “The 17 SDGs have a Lead Government Agency responsible for responding to the SDG, with a number of Government Agencies supporting the lead agency” (Australian Bureau of Statistics, 2018). The 2018 VNR details Australia’s progress in contributing to the SDGs both locally and internationally.

Australia’s top two performing SDGs are:
- SDG 1 No Poverty
- SDG 3 Good Health and Wellbeing

Figure 3 shows the distribution of Australia’s categorised progress toward the 17 SDGs (National Sustainable Development Council, 2018). While it is noted that Australia is on track to achieve 3 out of the 17 SDGs by 2030, we still face challenges to improve our performance against the remaining 14 SDGs.

Evidently, there is still a considerable amount of work to be done in Australia to improve trajectories for sufficient contribution to the SDGs. This is an effort in which all Australian industries will play a role, with particular emphasis on industries most reliant on the natural environment.

No country is on track for achieving all 17 goals with major performance gaps even in the top countries

(United Nations, 2019)
2.3 Industry and Business SDG Reporting

The SDGs are intended to be a collaborative approach to sustainability reporting and the reality is that no business or industry can address challenges posed by all 17 SDGs. In contrast to countries, who are expected to monitor and report on progress toward all 17 SDGs, it is important to recognise that industries and businesses are not obliged to report against the SDGs. Instead, industries and businesses can select SDGs that are relevant to their area of operations and toward which they are better positioned to contribute. This makes for gathering more targeted, relevant and significant contributions, while being supportive of the global pathway to achieving the SDGs.

For the businesses and industries that choose to report, the SDGs provide an opportunity to report their contribution towards progressing the SDGs that are most relevant, in terms of purpose, operations and capabilities (KPMG, 2019, UN Global Impact, KPMG, 2015). This is called a purpose-led reporting approach.

Making purpose the cornerstone of reporting involves defining the priorities of the industry or business as an initial step of focusing efforts. From there, the SDGs to which current and planned activities contribute or have a negative impact can be identified and prioritised. These priority SDGs will then be based on high impact areas, enabling efforts to be directed more effectively (SDG Compass, 2015). Following a purpose-led reporting approach will help industries and businesses address adverse impacts that are directly associated with their strategies, objectives, operations and value chain (SDG Compass, 2015), and progressively enable improvements in sustainability credentials.

Industry

For many rural industries, the SDGs present an opportunity to maintain their licence to operate while developing a more sustainable and resilient industry that is connected to society (KPMG, 2019). The SDGs also have the potential to support industries to meet requirements and regulations when seeking financial opportunities and investment in an era where shared value is a desirable characteristic by banks, insurers and investors (UN Global Compact, KPMG, 2015).

There is no mandated or legally binding way for industry to report against the SDGs. As such, differing approaches have evolved. As highlighted by the examples below, industry bodies are working to address the SDGs primarily by engaging with the SDGs that are most closely linked to their operations, impacts and strategy.

- The UN Global Compact, in partnership with KPMG, developed the SDG Matrix for the financial services industry. The SDG Industry Matrix is based on the concept of creating and maximising shared value through a number of mechanisms that support the achievement of the 17 SDGs directly and indirectly within the financial services industry (UN Global Compact, KPMG, 2015).
- The Minerals Council of Australia has chosen to report on contribution and performance to and against a targeted group of 5 SDGs (Minerals Council of Australia, 2018).
- Australian Beef have opted to align with 9 of the 17 SDGs (Sustainable Australian Beef, 2018).
- The Australian Water Association has developed the SDG Specialist Network to support Australian Water professionals to engage with the SDGs with a particular focus on Goal 6 – Clean Water and Sanitation (AWA, 2018).

While industries are not legally obliged to report against the SDGs, governments may rely on the contribution of data by certain industries to inform a country’s aggregate SDG progress. For example, in the past the Department of Agriculture, Water and the Environment (DAWE) has requested data from the fisheries sector via the Fisheries Research and Development Corporation on the status of Australian fish stocks in order to help determine Australia’s progress toward indicator 14.4.1 (Proportion of fish stocks within biologically sustainable levels). Additionally, departments may call on industries to validate or check a declaration of aggregate contribution toward SDGs in government reporting. For example, the cotton industry as represented by the Cotton Research and Development Corporation were asked in 2018 by DFAT to validate accuracy of statements regarding water use and carbon efficiency in the industry under SDG 2.

Business

Reporting against the SDGs in business is purpose-led, with different levels of maturity across businesses reflecting early or late adoption of the SDG framework. The SDGs’ adoption at the UN Sustainable Development Summit via the 2030 Agenda framework, has received the backing of companies and sustainability-inclined investors who are increasingly aligning their strategies and capital allocation towards sustainable development priorities. More sustainability-mature companies are going so far as to include progress toward selected SDGs as a Key Performance Indicator in their corporate reporting in order to attract increased investment or comply with the criteria of global partners or suppliers.

Private companies, by means of meeting corporate responsibility expectations, have recorded a growing interest in the SDGs since their launch in 2015. For example:

- Of the world’s largest companies (also known as the G250), four in ten (40 per cent) discuss the SDGs within their corporate reports. Of the companies that discuss the SDGs in their corporate reporting, three in four discuss their business impact on the SDGs and 35 per cent report SDG related performance goals (KPMG, 2018).
- In Australia, 37 per cent of the ASX150 acknowledge the SDGs and 25 per cent (38 companies) undertake SDG prioritisation, with SDGs 8, 12 and 13 being the most commonly prioritised. Of these 18 per cent (or 27 companies) disclose integration of the SDGs with their business strategy and four companies have aligned their targets with the SDG targets and underlying indicators (Global Compact; RMIT, 2018; KPMG, 2018).

Additionally, there is a growing appetite by investors to benchmark businesses against each other in SDGs performance (Trucost ESG Analysis, 2020). The World Benchmarking Alliance is planning to build science-informed league tables to help investors get exposure to companies that are actively making contributions to the SDGs. This initiative will start with a Food and Agriculture Benchmark of 300 companies across the food and agricultural value chain (World Benchmarking Alliance, 2019).

Rural industries can take advantage of the private sector’s progress to maximise the opportunities presented by the SDGs. Businesses understand the need to focus their contributions towards the SDGs by identifying where to focus efforts to minimise exposure risks and maximise financial returns. In Australia, financial and industrial sectors more actively mention and prioritise SDGs, targeting and focusing their efforts linked to the priority SDGs and issues material to their businesses. This approach can be adopted by the rural industries.

The SDGs can be leveraged as a communication and strategy framework to unlock innovation opportunities to improve and generate resilient revenue streams and operations (Trucost ESG Analysis, 2020). Another step could involve identifying opportunities to improve sustainability while simultaneously addressing the SDGs. Opportunities may also involve seeking to increase sector resilience, enhancing accountability and transparency and building trust and confidence amongst stakeholders, particularly investors, trade partners and the community.

Of the many approaches the rural industries might seek to adopt, selecting an approach can be guided by where the rural industries sit along the sustainability journey and the opportunities available to progress this viewpoint.
2.4. FAO and DAWE SDG reporting

The Food and Agriculture Organisation (FAO) is the specialised agency of the United Nations that leads efforts in achieving the SDGs in the rural industries globally. Similarly, in Australia the DAWE is the main agency to lead the implementation of the SDGs for the sector. While in theory the industries overseen by FAO and DAWE are fundamentally the same, the context in which they operate and exist are vastly different. This is reflected in a number of ways, including through the SDGs that are prioritised by each entity respectively.

The context within which FAO operates is global, and thus the SDGs are prioritised by FAO and DAWE are fundamentally the same, the context in which they operate and exist are vastly different. This is reflected in a number of ways, including through the SDGs that are prioritised by each entity respectively.

The overlap of priorities between FAO and DAWE with Goal 2 (Zero Hunger) and Goal 6 (Clean Water and Sanitation), is a result of the material nature of these issues in both the Australian and global context. However, the extent to which the indicators underneath each of these goals are prioritised may differ between the two organisations. Ultimately, it is their individual purposes that drive the manner and extent to which the SDGs and indicators are prioritised respectively.

A key example of where there is no alignment is the inclusion of Goal 5 (Gender Equality) in FAO’s list of prioritised SDGs, which is not included in DAWE’s list. This is reflective of the fact that women represent close to 50 per cent of the total agricultural labour force in developing countries and rural women in developing countries face greater constraints than men in accessing land, technology, markets, infrastructure and services compared to those in developed countries. As a global organisation, this is of concern to FAO. While gender equality is a valued priority in Australia’s rural industries, within the national delegation of responsibility for individual SDGs, gender equality falls under the remit of departments other than DAWE.

Table 1

<table>
<thead>
<tr>
<th>Agency</th>
<th>Purpose</th>
<th>Lead</th>
<th>Contributing Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAO</td>
<td>To defeat hunger and improve economies by helping countries modernise and improve agriculture, forestry, and fisheries practices.</td>
<td>2 (Zero Hunger)</td>
<td>5 (Gender Equality)</td>
</tr>
<tr>
<td>Australian Government, Department of Agriculture, Water and the Environment</td>
<td>To protect and strengthen Australia’s agriculture, water resources, the environment and our heritage.</td>
<td>2 (Zero Hunger)</td>
<td>3 (Good Health and Well-being)</td>
</tr>
</tbody>
</table>

Food and Agriculture Organisation of the United Nations

The UN’s specialised agencies play a vital role in implementing the delegation of SDG reporting, with all agencies assigned a custodian role for each indicator to help countries worldwide collect, analyse and disseminate their data. The FAO is custodian of 21 of the SDG indicators across 6 SDGs and is a contributing agency for a further 5 as detailed above in Table 1 (FAO, 2020). The FAO’s report on ‘Tracking progress on food and agriculture-related SDG indicators’ outlines the global contribution toward these indicators under FAO monitoring and how FAO is working to improve global advancement against these.

The Australian Government Department of Agriculture, Water and the Environment

DAWE has a lead role for a select number of SDGs and has an interest in a number of SDGs due to their inclusion of topics linked to the department such as supply chain issues, sustainable fisheries, forestry management and trade. Refer to Table 1 for the SDGs linked to DAWE. Progress toward the SDGs can be seen on the Australian Government’s ‘Reporting Platform on the SDG indicators’. This provides a single point of access for custodians such as DAWE to monitor changes in Australia’s progress against the SDGs (Sustainable Development Goals, 2020). As outlined in Section 2.2, DFAT is charged with reporting into the UN and PM&C oversees local implementation of the goals, appointing DAWE with a lead role for responding to Goal 2 (Zero Hunger) and Goal 6 (Clean Water and Sanitation).

The overlap of priorities between FAO and DAWE with Goal 2 (Zero Hunger) and Goal 6 (Clean Water and Sanitation), is a result of the material nature of these issues in both the Australian and global context. However, the extent to which the indicators underneath each of these goals are prioritised may differ between the two organisations. Ultimately, it is their individual purposes that drive the manner and extent to which the SDGs and indicators are prioritised respectively.

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</tr>
</tbody>
</table>
3.1 Rural industries and the sustainability reporting landscape

There is a definitive breadth in maturity of sustainability reporting across the RDCs. The specific rural industries with a mature sustainability reporting model, monitor and report against indicators and targets that have been set out or committed to in a public sustainability framework or strategy. In these industries, sustainability frameworks outline strategic pillars or guiding principles that act as an overarching narrative for an industry’s sustainability agenda. Not all sustainability frameworks and strategies are the same, with each accounting for different motivations and varying material issues.

Several RDCs were prompted to embark on their sustainability journey over a decade ago for a range of reasons, such as the ambition to gain greater international market access, restoring or preserving an industry’s social licence to operate or the need to fulfill evolving sustainability criteria required to secure institutional investment.

More mature industries have undertaken comprehensive materiality assessments to identify these priorities. For example, Figure 5 below shows the sustainability aspects most commonly prioritised by Australia’s rural industries. This indicates a heavy skew in the industries’ prioritisation of, resilience to, and management of climate change, while others are driven by the economic imperative to report through increased production yields and investment.

Australian rural industries SDG reporting: Key insights

01 Four of the 15 RDCs engage in formal sustainability reporting (i.e. industries that have a sustainability framework or a dedicated sustainability strategy), noting that three other RDCs have sustainability reporting frameworks under development. However, a lack of sustainability framework does not necessarily indicate the absence of sustainability activity.

02 Three of the 15 RDCs map their sustainability frameworks to the SDGs, with another three RDCs intending to map developing sustainability frameworks to the SDGs.

03 The most commonly prioritised sustainability strategic areas of interest by the RDCs are climate change management and resilience, profitability and productivity improvement, and producer wellbeing and development.

04 The SDGs for which rural industries have the most potential to leverage in sustainability collective action are Goal 2 (Zero Hunger), Goal 6 (Clean Water and Sanitation), Goal 8 (Decent Work and Economic Growth), Goal 12 (Responsible Consumption and Production), Goal 13 (Climate Action) and Goal 15 (Life on Land).
Australia’s rural industries: sustainability and SDG reporting

**Figure 5**
Material issues identified across the rural industries

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water and resource management</td>
<td></td>
</tr>
<tr>
<td>Profitability and productivity</td>
<td></td>
</tr>
<tr>
<td>Producer wellbeing / development</td>
<td></td>
</tr>
<tr>
<td>Managing climate change and resilience</td>
<td></td>
</tr>
<tr>
<td>Industry reputation / social licence</td>
<td></td>
</tr>
<tr>
<td>Breeding / technology and innovation</td>
<td></td>
</tr>
<tr>
<td>Soil, nutrient and pest management</td>
<td></td>
</tr>
<tr>
<td>Animal welfare / animal husbandry</td>
<td></td>
</tr>
<tr>
<td>Land degradation</td>
<td></td>
</tr>
<tr>
<td>International competitiveness</td>
<td></td>
</tr>
<tr>
<td>Carbon / GHG emissions</td>
<td></td>
</tr>
</tbody>
</table>

Source: KPMG Analysis, 2020

Measuring progress against sustainability targets and metrics is not consistent across the rural industries. Sustainability progress is reported through a range of channels and publications, such as sustainability reports, annual reports or company strategies, noting that some sectors do not engage in detailed sustainability goal-setting or communication at all. The rural industries that have mature sustainability frameworks in place have over time established reporting and communication measures to achieve established sustainability outcomes, and have mapped their strategies against specific SDGs. The rural industries that are less mature in setting sustainability agendas and targets tend not to disclose sustainability commitments as clearly as those industries with dedicated sustainability frameworks and reports.

Consultation with the 15 RDCs reiterated that regardless of maturity, sustainability is seen as important to all stakeholders in the industry. Many industries are continuing to acknowledge a widening in the scope of the sustainability lens from one purely focused on the environment, to a broader economic and Environmental, Social, and Governance (ESG) lens. Several RDCs were not aware of the global rise in adoption of reporting frameworks like the SDGs, or the economic benefit to be gained by aligning industry activities with the goals of such frameworks.

Evidently there is a vast amount of sustainability-focused activity in the sector, driven by an imperative shared by all industries to improve sustainable development, despite varying degrees of awareness of the ability to do so through frameworks such as the SDGs.

**Figure 6**
An example of the range of sustainability publications by selected rural industries
3.2 Rural industries and the SDG reporting landscape

Extending beyond the scope of designated custodianship, as identified by DAWE and FAO, it is important to note that almost all the SDGs are relevant to the rural industries in one way or another. The pathway of linkage is either direct, such as in the case of SDG 2 on ending hunger and achieving food security, or indirect, like SDG 3 achieving good health and wellbeing globally.

SDGs linked to sustainability strategies

Out of the 15 RDCs, only Dairy Australia, Australian Eggs and Meat & Livestock Australia provide direct commentary and linkage to the SDGs in publicly available documentation. Across these RDCs, the SDGs were mapped to sustainability strategies using a top-down approach as a final step, after sustainability objectives had been established. Another approach would involve utilising the SDGs as a starting point to drive an industry’s sustainability agenda and wider industry strategy from the bottom up and/or using the targets and indicators under each SDG to guide and inform reporting. While this mapping exercise has only been completed publicly by dairy, beef and eggs, the frameworks of sheep and wool, grains and horticulture that are under development will seek to map their sustainability respective targets to the corresponding SDGs.¹

Table 15, which can be found in Appendix A, indicates the SDGs that are relevant for Australia’s rural industries and also align with the intrinsic purpose of the RDCs. This table includes an overview of priority SDGs for Australia’s rural industries, explanations for their resonance with the industry, and an indication of alignment with those SDGs prioritised by FAO and DAWE.

Table 2 displays dairy, beef and eggs industries’ linking of sustainability framework’s strategic principles to corresponding SDGs in order to demonstrate sustainability progress in a globally-recognised context.

Table 2
Sustainability frameworks that incorporate SDGs

<table>
<thead>
<tr>
<th>Sector</th>
<th>Goal</th>
<th>Assigned SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td>“By aligning to the SDGs, the Australian beef industry can show how it is contributing to sustainability in a global context. Communities, investors and other stakeholders increasingly expect industries to prove their sustainability, with consequences including regulatory and market access landscape.”</td>
<td>2 3 6 17 12</td>
</tr>
<tr>
<td>Dairy</td>
<td>“We proudly support the United Nations Sustainable Development Goals (SDGs) and acknowledge the 2016 Dairy Declaration of Rotterdam that recognises the SDGs as the dairy industry’s overarching framework for sustainable development to 2030. SDGs guide a global effort to meet sustainability challenges.... Dairy contributes to several SDGs and they have helped us refine our priorities in the setting of our own 2030 goals and targets.”</td>
<td>1 2 3 4 5 6 7 8 9 10 11 14 15 16 17</td>
</tr>
<tr>
<td></td>
<td>Commitment 1: Enhancing economic viability and livelihoods</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment 2: Improve wellbeing of people</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment 3: Providing best care for all our animals</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment 4: Reducing environmental impact</td>
<td></td>
</tr>
</tbody>
</table>

¹This analysis does not take into account individual producer sustainability certification schemes or productivity initiatives, such as Cotton’s myBMP, Smartcane BMP, Horticulture’s Hort360 or AusAgr, given that these programs are not sector-wide and/or are implemented by choice by the producer. Sustainability frameworks which link objectives to aligning SDGs are detailed below in Table 2.
Eggs

“The Sustainability Framework process provides a meaningful link between the broad ambitions of the SDGs and action that can be taken by the egg industry with guidance from the priorities of the Australian community.”

See 2 of the 8 SDGs mapped to the eggs sustainability framework below:

Goal 2: Zero hunger
The egg industry has the capacity to contribute in a number of respects: as a provider of an affordable and secure food source, as an accessible source of high quality nutrition and a driver of the agricultural productivity required to meet future challenges.

Goal 7: Affordable and clean energy
The egg industry can contribute to this process by investing in renewable energy and examining feed as the main driver of the carbon footprint of the industry to obtain efficiencies. There are also opportunities to explore waste management choices to provide better crop fertiliser options and abate carbon generated in other supply chains.

It is important to note that a lack of sustainability framework does not necessarily indicate the absence of SDG reporting. The Fisheries RDC, for example, does not have a formal sustainability framework in place however regularly reports progress against SDG 14, indicator 14.4.1 Proportion of fish stocks within biologically sustainable levels to and at the request of the DAWE.

SDG reporting maturity and prioritisation

Based on analysis performed over the course of the study, Australia’s rural industries were concluded to be at different stages of SDG reporting maturity as seen in Figure 7. The willingness of rural industries to advance their sustainability narratives will vary depending on the level of maturity with which the sector approaches sustainability and the desired level of maturity to which the industry collectively wishes to aspire. In regards to an industry’s willingness to potentially engage in industry-wide sustainability activities, however, all RDCs have expressed interest to some degree across stakeholder engagement, irrespective of sustainability reporting maturity.

Figure 7
SDG reporting maturity for Australia’s rural industries

<table>
<thead>
<tr>
<th>Step 5 – Reporting, communicating</th>
<th>Step 1 – Understanding and acknowledging the SDGs</th>
<th>Step 2 – Defining priorities</th>
<th>Steps 3 &amp; 4 – Setting goals and integrating</th>
</tr>
</thead>
<tbody>
<tr>
<td>No or very limited disclosure</td>
<td>11 RDCs</td>
<td>2 RDCs</td>
<td>Best practice:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Purpose</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Prioritisation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• KPIs and Targets</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Action Plans</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Reporting</td>
</tr>
</tbody>
</table>

Source: KPMG analysis

Our research identified a collective understanding across all rural industries of the need and value to prioritise the SDGs. Additionally, it has been identified that the rural industries are independently prioritising and working towards a set of SDGs. As communicated throughout stakeholder consultations with the RDCs, the prioritisation of SDGs is based on sector specific current operations and existing sustainability frameworks and strategies. A high level overview of the aggregated prioritisation of the SDGs by the 15 RDCs, is shown in Table 3. SDGs considered to be most prioritised are those that can be linked to current efforts of more than 50 per cent of the 15 RDCs, moderately prioritised SDGs are those linked to efforts of 30 to 50 per cent of the RDCs and least prioritised SDGs are those that can only be linked to 30 per cent or less of the RDCs.

### Table 3
SDG prioritisation by the RDCs

<table>
<thead>
<tr>
<th>Most prioritised</th>
<th>Moderately prioritised</th>
<th>Least prioritised</th>
</tr>
</thead>
<tbody>
<tr>
<td>(by more than 50% of RDCs)</td>
<td>(30 — 50% of RDCs)</td>
<td>(by less than 30% of RDCs)</td>
</tr>
<tr>
<td>Responsible Consumption and production 87%</td>
<td>Industry, Innovation and Infrastructure 47%</td>
<td>Good Health and Wellbeing 20%</td>
</tr>
<tr>
<td>Climate Action 87%</td>
<td>Affordable and Clean Energy 47%</td>
<td>Quality Education 20%</td>
</tr>
<tr>
<td>Zero Hunger 80%</td>
<td>Sustainable Cities and Communities 20%</td>
<td></td>
</tr>
<tr>
<td>Life on Land 73%</td>
<td>Life Below Water 7%</td>
<td></td>
</tr>
<tr>
<td>Clean Water and Sanitation 53%</td>
<td>Peace, Justice and Strong Institutions 7%</td>
<td></td>
</tr>
<tr>
<td>Decent Work and Economic Growth 53%</td>
<td>Partnerships for the Goals 7%</td>
<td></td>
</tr>
<tr>
<td>Reduced inequalities 7%</td>
<td>Gender Equality 0%</td>
<td></td>
</tr>
<tr>
<td>No poverty 0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: KPMG analysis

Identification of the SDGs the rural industries have the most potential to leverage was done in consideration of:

- the alignment in the prioritisation of SDGs between FAO, DAWE and the RDCs, as outlined in Table 1 and Table 5;
- the current efforts of the 15 RDCs, as outlined in Table 3;
- the core focus of the RDCs, to invest in R&D to benefit the rural industries.

The rural industries potentially have the most leverage over SDGs 2, 6, 8, 12, 13 and 15, as outlined in Table 4.

### Table 4
Priority SDGs with most potential for the rural industries to leverage

<table>
<thead>
<tr>
<th>Agencies</th>
<th>Priority SDGs</th>
<th>Supporting SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The alignment of the SDGs prioritised and supported by FAO, DAWE and the RDCs as compared to the SDGs with most potential for the rural industries to leverage is presented in Table 5. This shows:

- Goal 2 (Zero Hunger) and Goal 6 (Clean Water and Sanitation) as priority SDGs for the rural industries, all were identified by FAO, DAWE and the RDCs as a priority.
- Goal 7 (Affordable and Clean Energy), Goal 8 (Decent Work and Economic Growth) and Goal 9 (Industry Innovation and Infrastructure) have emerged in contrast to FAO and DAWE to reflect the intrinsic purpose of the RDCs and as an opportunity for the rural industries.
- Goal 5 (Gender Equality) was identified by FAO as a priority SDG but was not identified by DAWE nor the RDCs as a priority issue, however Goal 5 is included for the opportunity it provides the rural industries.

- Goal 14 (Life Below Water) was identified as a priority SDG by FAO and is of particular relevance to FRDC and DAWE in terms of their efforts to lead sustainable fishing practices.
- Goal 15 (Life on Land) has emerged in contrast to FAO and DAWE to reflect the intrinsic purpose of the RDCs and as an opportunity for the rural industries.
Overall, rural industries are well placed to prioritise a set of core SDGs to which they can accelerate progress through a universally accessible reporting lens. A certain degree of commonality across many industries’ value propositions and sustainability priorities indicates a shared ability across the sector to collectively contribute to certain SDGs, a notion which is echoed by the efforts of RDCs already engaging in the SDG agenda. Given that rural industries, DAWE and FAO are all aligned, it is likely that individual industry actions will follow suit.

### 3.3 Case study: the Australian Dairy Industry

The well-established Australian Dairy Sustainability Framework contributes significant value to the industry by providing a blueprint through which farmers and dairy manufacturing companies can collaborate to deliver on industry promises. The development and implementation of the framework involved an extensive journey for the industry that started in 2011. At this time, change was being driven by dairy companies who were increasingly being asked by both domestic and global buyers to provide sustainability credentials, especially in regards to environmental indicators and animal welfare.

With individual dairy companies allocating significant resources to demonstrate these credentials, it became apparent that there was an opportunity to aggregate companies’ reporting through a sector-wide sustainability framework. Dairy Australia (DA) was asked to lead the work and undertook substantial industry consultation to assess the existing appetite for the framework across value chains and, on confirmation of support, to develop the overarching commitments of the framework. Throughout this process, a clear objective was to widen the scope of sustainability’s definition beyond the environmental space. Progressive goals in domains such as regional employment, nutrition and animal welfare were therefore worked into the commitments of the framework. When the Australian dairy industry launched the framework in 2012, under the ownership of peak industry body the Australian Dairy Industry Council (ADIC), it was the first whole-of-industry blueprint for sustainable development in agriculture. It was also established three years before the 17 UN Sustainable Development Goals were released.

The four overarching commitments of the framework include "Enhancing economic viability and livelihoods," "Improving wellbeing," "Best care for animals" and "Reducing environmental impact" (Dairy Sustainability Framework, 2018). Under these commitments sit a number of quantitative 2030 targets and indicators against which industry progress is reported. The Sustainability Framework originally set goals and targets to 2020, then revised these in 2018 to a 2030 timeline in line with the UN SDGs. In the 2018 revision of the framework, the industry’s alignment with the SDGs was mapped against the four framework commitments: these SDGs are 2, 3, 6, 7, 8, 9, 12, 13, and 15, as shown in Table 5.

### Table 5

<table>
<thead>
<tr>
<th>SDGs and RDCs have the most potential to leverage</th>
<th>Priority SDGs</th>
<th>Supporting SDG</th>
<th>Priority SDGs</th>
<th>Supporting SDG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting SDGs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3 Case study: the Australian Dairy Industry</td>
<td></td>
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</tr>
</tbody>
</table>

The dairy industry communicates progress against the framework’s goals through an annual, public sustainability report. This framework not only enables the dairy industry to holistically monitor the industry’s sustainability progress, it also enhances the sector’s reputation from the view of major retailers, trading partners, Non-Government Organisations (NGOs) as well as competitors. The framework, which is regularly referenced by third parties both domestically and globally, provides the confidence, reliability and comparability in understanding sustainable innovation and progress within the dairy industry (Dairy Sustainability Framework, 2015).

Stakeholder engagement with Dairy Australia indicated that only now, after almost 10 years of work behind the program, is the dairy industry fully utilising the framework. This illustrates the challenge in adopting a formal reporting measure such as the SDGs given it is a significant process. As revealed in this case, however, the benefits in driving industry change through the use of goals, targets and indicators that have value for all industry stakeholders helps to obtain the support of participants across the value chain, making the pursuit of the journey a valuable commitment. In fact, sustainability reporting that also references the relevant SDGs, has the potential to ease the complexity of the journey. It enables the industry to show how its continual improvement is also contributing to the global roadmap for sustainable outcomes, as set out in the UN SDGs.
As discussed in Section 3.2, rural industries at large do not overwhelmingly reference the SDGs in strategies or communications, with only three industries mapping sustainability communications to the SDGs (dairy, eggs and beef). However, it is important to note that many rural industries inadvertently contribute to the SDGs through sector activities or broader sustainability efforts. While industries may not publicly disclose the connection between the activities they perform and certain SDGs, their activities are more than likely already contributing to the targets and indicators listed under each goal. To better understand these more inadvertently disclosed communications, the RDCs’ sustainability communications were reviewed and tested with stakeholder engagement. This allowed the industries’ collective efforts to be mapped out and directly aligned with the SDGs. Based on this it was found that all 15 RDCs did report or mention activities that can be directly linked to one or more of the SDGs. This is outlined in Figure 8 below.

Clearly the priorities and views of sustainability within the rural industries vary. This variance is largely due to the different drivers across sector value chains and desires to achieve economic, social, or environmental benefits. The rural industries also had varying motivations to enhance sustainability credentials, led by a diversified interest from stakeholders, investors, trading partners, consumers, and communities.

This analysis of rural industries’ indirect contributions to SDGs indicates the potential opportunity to invoke a greater sustainability agenda for the industry, simply by improving the communication of the range of activities currently underway. If rural industries implement a bottom-up approach and position sustainability goals, such as the SDGs, at the core of their strategies, there is capacity for the industry to aggregate contributions to the SDGs through a collective sustainability narrative.

Despite a disparity in the degree of SDG knowledge and awareness between rural industries, there is undoubtedly an industry appetite to explore opportunities to collaborate in the sustainability space. In response to the constantly evolving external sustainability pressures on companies and industries that will only continue to grow, there is a collective agreement for industry messaging to be aligned and remain on the front foot.
4.1 A look into how a select number of countries are performing

Country performance against the SDGs is measured and tracked using the SDG Tracker. Performance is reported via the SDG Index and Dashboards to rate and rank countries by allocating a score between 0 and 100. Australia’s SDG Global index score is 73.9, which is 4.9 lower than the regional average for all Organisation for Economic Co-operation and Development (OECD) countries (Sustainable Development Solutions Network, 2019).

A deep dive into the SDG reporting of five countries (Denmark, New Zealand, Japan, Canada and Brazil) provides key insights from which Australia’s rural industries can draw upon. The countries reviewed provide different perspectives in terms of:

- Global leadership in SDG reporting
- Competing against Australia’s commodities
- Trade partner relations
- Varied geo-politics and level of development

A country’s ability to achieve the SDGs is determined by the actions they undertake and the extent to which their actions result in positive and / or negative impacts.

Each country reviewed contained a strong narrative within their VNR submitted to the UN, based on their national priorities which are linked to the specific and unique economic and societal structures of each country. The national priority informs and influences the design of a country’s SDGs adoption strategy, setting out the priority actions, projects and initiatives, levels of commitment to different SDGs and communication outcomes. The takeaway from this for rural industries is that while the reviewed countries are obliged to report against all the SDGs, they should prioritise and identify the areas that are of greater national importance. The same principle can be applied by Australia’s rural industries to prioritise the areas to place a greater emphasis or focus over.

The SDGs of the 2030 Agenda for Sustainable Development adopted in 2015, have united countries in their commitment to pursue time-bound targets that will stimulate action for Prosperity, People, Planet, Peace and Partnership over the next 15 years (United Nations, 2019).

Since then, countries have embarked, with varying levels of commitment, on deep transformations that are needed to meet the 17 SDGs and the underlying 169 targets and 232 unique Indicators (Sustainable Development Solutions Network, 2019).

Given that SDG reporting can uncover undesirable results and stimulate conflicting interests, benchmarked countries are charged with the task of balancing this complexity in the interest of transparent reporting.
An overview of the SDG performance of Australia against the countries reviewed is provided in Table 7. Within this, it can be seen that Denmark, which is ranked as the number one performing country in achieving the SDGs, still faces major challenges in its efforts to achieve the SDGs with only nine of the 17 SDGs on track to be achieved by 2030. Table 7 also lays out the best (leading) and worst (lagging) SDG performance results of each country, where 80 per cent of the worst performing SDGs are the SDGs identified by the rural industries with the greater potential to leverage (refer to Table 4). They include Goal 12 (Responsible Consumption and Production), Goal 13 (Climate Action) and Goal 14 (Life Below Water). Interestingly, Goals 12, 13 and 14 have been identified by FAO and DAWE as SDGs to provide support on some level. This highlights the challenge the rural industries face and the need to act. This need and opportunity to act is discussed in further detail in Section 5.

When comparing the SDGs identified as relevant to the rural industries, Australia lags behind the reviewed countries, except for Goal 3 (Good Health and Wellbeing) where Australia is ahead. Table 8 provides a comparison between Australia’s performance and the average results for the countries benchmarked in terms of their national strategy to achieve the SDGs and the initiatives specifically related to the rural industries. For further detail refer to Appendix C.

<table>
<thead>
<tr>
<th>Country</th>
<th>Strategy</th>
<th>SDGs and rural industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>The Australian Government has engaged with state, territory and local governments through existing committees and representative organisations with the aim of ensuring a whole Government approach to the achieving the 2030 Agenda and the SDGs. PM&amp;C and DFAT coordinate efforts to this purpose both domestically and internationally respectively (Australian Government, 2018). In addition to Government efforts, other stakeholders such as Civil Society Organisations (CSO), the business and education sectors, and communities are also actively participating in sustainable development. The approach to the SDGs adopted by the Australian Government is informed by national circumstances where government policy responsibilities and priorities are directed to the relevant agency and level (Australian Government, 2016).</td>
<td>Australian Government priorities linked to the SDGs sit across a range of sectors, including health, education, agriculture, water, the environment, economy and gender equality. Agriculture plays a central role for Australia in terms of national identity and strategic importance to economy. Key areas of focus identified through the SDGs for the agriculture industry are international competitiveness, Asia’s re-emergence, evolving consumer preferences, resource scarcity and climate variability and change (Er Steve Hatfield Dods, Australian Bureau of Agriculture and Resource Economics and Sciences, 2018). Australia has communicated, on its first NVR, rural industries initiatives and data against SDGs 2, 3, 6, 7, 8, 9, 12, 13, 14, 16 and 17, reflecting Australian agriculture’s reliance on a clean, healthy and productive environment. This will progressively impact where and how the country responds to challenges and opportunities in shaping the future of Australian agriculture (Australian Government, 2018). Australia’s 15 RDCs are highlighted under Goal 2 as important stakeholders that conduct research to improve profitability, productivity, competitiveness and long-term sustainability of rural industries.</td>
</tr>
<tr>
<td>Denmark</td>
<td>The Danish Government has developed a national Action Plan to implement the SDGs. The Plan involves all sectors and requires that any new legislation is assessed in regards to how it impacts the SDGs. Additionally, there are two CSD networks (the 92 group and Global Focus) that are development and environmental organisations which are very involved with the implementation of the SDGs. These organisations’ overall planned approach is mainly focused on domestic priorities centred on the 5 Ps of the SDGs: Prosperity, People, Planet, Peace and Partnerships. Targets linked to these priorities integrate several SDGs that represent and guide national strategy (The Danish Government, 2017).</td>
<td>As part of the Action Plan’s priority of Planet, the Danish government maintains a strong emphasis on the agriculture and food industries, focused on sustainability and resource efficiency. As per Denmark’s VNR, the focus on rural industries has contributed so far to decreased food insecurity (SDG 2) and, as a result, has contributed to better health (SDG 3) and economic growth (SDG 8). However, it has also resulted in a reduction in the quality of life on land (SDG 15) and in the ocean (SDG 14) as well as negatively impacting climate stability (SDG 13) and access to water (SDG 6). Denmark mainly communicates rural industries initiatives and data against SDGs 2, 6 and 14 (The Danish Government, 2017). In terms of investment, The Danish Climate Investment Fund and the Danish Agribusiness Fund are examples of blended finance mechanisms where investors are protected from certain risks or have greater priority for returns that are aligned with environmental priorities (The Danish Government, 2017).</td>
</tr>
</tbody>
</table>
### New Zealand

New Zealand recognises that achieving the SDGs requires cross-government effort. Government agencies review the goals and alignment with national priorities that inform the country on where to focus its efforts. New Zealand places importance on measuring and tracking SDGs implementation without adding burdensome layers of bureaucracy (Sustainable Development Solutions Network, 2019).

New Zealand considers tackling emissions by rural industries to be the most challenging climate change issue. This is accentuated by the fact that the sector is an intrinsic part of the country’s economy and identity, a sentiment that is palpable in the narrative of the country’s VNR. Emissions from rural industries make up almost half of the annual emissions of the country (New Zealand Government, 2018).

New Zealand mainly communicates rural industries initiatives and data against SDGs 2, 6, 8, 11, 12, 13 and 17 with a major focus on staying at the forefront of global consumer demand for safe and sustainably produced food (New Zealand Government, 2019).

### Japan

Japan established the ‘SDGs Promotion Headquarters’ in 2016 to ensure a government approach to implement the 2030 Agenda. The Headquarters created the ‘SDGs Implementation Guiding Principles’ and established the SDGs Promotion Roundtable Meeting where stakeholders from the government, NGOs/Not for Profit Organisations (NFP), experts, private sectors and multiple local and international organisations gather and discuss opinions (Ministry of Foreign Affairs of Japan, 2019).

Japan analyses the SDGs in the national context and has eight priority focus areas. The following include initiatives in rural industries (SDGs Promotion Headquarters, 2017):

1. Creating Growth Markets, Revitalization of Rural Areas, and Promoting Science Technology and Innovation (related SDGs: 2, 8, 9, 11)
2. Sustainable and Resilient Land Use, Promoting Quality Infrastructure (related SDGs: 2, 6, 9, 11)
4. Conservation of Environment, including Biodiversity, Forests and the Oceans (related SDGs: 2, 3, 14, 15)

### Brazil

The Brazilian government established a National SDGs commission that includes 32 representatives from government and civil society. Additionally, the Brazilian Stock Market (B3) is promoting actions to engage businesses in the adoption of SDGs.

A major priority for the country is the elimination of poverty and undernourishment among the population. Based on this, national alignment has been prioritised and is reported only for SDGs 1, 2, 3, 5, 9, 14 and 17 (Brazilian Government, 2017).

Brazil has identified as a major challenge that the Northeast Region of the country, where almost one third of the population lives, is subject to severe and constant droughts. This exposure has added to important population pressures and increases in desertification. It is acknowledged that without state intervention, the area risks experiencing significant negative impacts on agricultural production and this can trigger an increase in poverty levels.

### Canada

Canada focuses on three high impact sectors as priorities: green growth, agribusiness, and financial services for small and medium sized companies. Canada mainly communicates agricultural initiatives and data against SDGs 2, 8, 9, 12 and 16 (Government of Canada, 2018).

Projects and initiatives under the SDGs include actions that support sustainable resource management, investments in regional growth and innovation, improvement of economic opportunities and biodiversity considerations. Canada highlights that the way food is produced is linked to environmental implications, amongst which is food waste.

Canada is also a leader in extended producer responsibility and product stewardship programs, with more than 160 regulated and voluntary programs that cover more than 20 product categories.
4.2 Sustainability agenda for Australia’s key trading partners

Sustainability prioritisation and reporting is increasingly becoming a consideration in assessing trading opportunities with Australia’s key global trading partners. Australia’s focus on trade is constantly growing, following a consistent trajectory to focus more heavily on proximal Asian markets with growing middle classes continuing to demand premium products, especially in regards to agricultural goods. As borders become increasingly fluid and the global movement of food and fibre continues to increase, it will become crucial for Australia to position itself as a major player in SDG-aligned agriculture, rural industries, Australia has a significant opportunity to rise, and Australia is faced with valuable opportunities to begin to play a larger role in these relationships. Overall, it is evident that the sustainability agenda is on an international rise, and Australia is faced with valuable opportunities to align its rural industries with the SDG framework in order to take part in a global sustainability narrative via a universally accessible language. Given the pace at which the world is growing through a social, environmental, and economic lens, it is crucial that Australia does not run the risk of being left behind in this conversation.

Drawing on global insights

Stakeholder consultation with DFAT indicated that the European Union is one of the only regions thus far to impose certain sustainability credentials for its more sustainability-mature partners.

The rising focus on sustainability by consumers worldwide is stimulating increased appetite for Australia’s rural industrial products, which have long maintained the coveted ‘clean and green’ reputation for which the industry is known. Following in the footsteps of major trading partners such as Japan or the EU who have placed significant emphasis on sustainable development principles with its major trading partners as an imperative of trade, as well as prepare for the rising requirement to display sustainability policy.

The SDG framework provides a structured pathway that countries can use to integrate sustainability considerations across key areas, including economic, social, and environmental dimensions. This framework is particularly relevant in the context of trade negotiations, as it provides a common language and set of objectives to facilitate discussions on sustainable development.

Table 9 shows an analysis of the current state of trade for five of Australia’s top trading partners and how sustainability will begin to play a larger role in these relationships. Overall, it is evident that the sustainability agenda is on an international rise, and Australia is faced with valuable opportunities to align its rural industries with the SDG framework in order to take part in a global sustainability narrative via a universally accessible language. Given the pace at which the world is growing through a social, environmental, and economic lens, it is crucial that Australia does not run the risk of being left behind in this conversation.

Table 9 Analysis of Australia’s major trading partners’ relationship and sustainability policy

<table>
<thead>
<tr>
<th>Country</th>
<th>Current state</th>
<th>Trends</th>
<th>Trade restrictions</th>
<th>Trade support body</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>• Australia’s largest two-way trading partner in goods and services, with trade valued at $236 billion 2018–19 • Ranks ninth largest as an investor in Australia, 3 per cent share of total Foreign Direct Investment (FDI) (DFAT, 2020)</td>
<td>Impact of US-China trade war: Recent DHL Export Barometer found 45 per cent of Australian exporters believe the US-China trade dispute is creating a challenging environment, and support for China’s ‘Belt and Road’ initiative has dropped by 10 per cent per cent (DHL, 2019).</td>
<td>China is a heavily regulated market - only agricultural products which adhere to the terms of an agreed protocol are granted market access to China (Austrade, 2020).</td>
<td>China Australia Trade and Investment Council</td>
</tr>
<tr>
<td>Japan</td>
<td>• Australia’s second-largest trading partner (two-way goods and services trade valued at $71.8 billion) • Australia’s second-largest export market (14.8 per cent of our total goods exports) • Ranks second largest as an investor in Australia, 10.9 per cent of total FDI (DFAT, 2018)</td>
<td>Australian’s major merchandise exports to Japan 2017 included coal ($16.5 billion), iron ore ($5.6 billion), beef ($2 billion), and copper ores and concentrates ($1.3 billion) (DFAT, 2018).</td>
<td>Exporters must consider seasonal tariffs for fresh agricultural products, plant protection (pests and pathogens), and chemical residue regulations (Austrade, 2020).</td>
<td>Japan External Trade Organization</td>
</tr>
</tbody>
</table>
**Sustainability policy**

The Addis Ababa Action Agenda of the United Nations Conference Financing for Development highlighted that Japan sincerely believes that inclusive, sustainable and resilient growth through the expansion of trade and investment is indispensable to achieve the goals and targets of SDGs. (Trade Policy Review of Japan, 2015).

As a leader in SDG implementation, Japan has been incorporating sustainability narratives in the nation’s growth strategies and policies for a long time. For example, the negotiations for the EU-Japan Economic Partnership Agreement note ‘Each Party shall strive to ensure that its laws, regulations and related policies provide high levels of environmental and labour protection’ (European Commission, 2017).

**Indonesia**

- **13th largest trading partner**
- In 2018-19, total two-way goods and services trade valued at $17.8 billion (DFAT, 2019)
- **1.0 billion investment in** Australia: $1.0 billion in 2017 (DFAT, 2020)

<table>
<thead>
<tr>
<th>Indonesia Investment Coordinating Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Indonesian Government has stressed their objective to increase local farming capability and to maximise value adding process and operations within the country, they are inclined to intervene in market determination of prices to maintain domestic producers’ competitiveness (CRKNA, 2019).</td>
</tr>
</tbody>
</table>

**Sustainability policy**

Indonesia’s National Medium-Term Development Plan 2015-19 (RPJMD) is part of the country’s National Long-Term Plan 2005-2025. The plan places large emphasis on human and community development, stimulating sustainable economic growth, and development activities that do not damage and harm the ecosystem (FAO, 2016). The Indonesian Term Plan 2005-2025. The plan places large emphasis on human and community development, stimulating sustainable economic growth, and development activities that do not damage and harm the ecosystem (FAO, 2016). Indonesia's National Medium-Term Development Plan 2015-19 (RPJMN) is part of the country’s National Long-Term Plan 2005-2025. The plan places large emphasis on human and community development, stimulating sustainable economic growth, and development activities that do not damage and harm the ecosystem (FAO, 2016). However, Indonesia appears to impose no sustainability requirements on trading partners.

**USA**

- **13th largest trading partner**
- In 2018, the United States was Australia’s third-largest two-way trading partner in goods and services, worth $37.8 billion (DFAT, 2019)
- **1.0 billion investment in** Australia, accounting for 27 per cent ($939 billion) of Australia’s total foreign investment stock in 2018 (DFAT, 2019).

| Australasian agribusiness and food processing Export sectors that are building traction in the US include: precision ag, AgTech/big data, food processing, food science, innovation and value adding, animal health sciences and aquaculture. (Austrade, 2019). |
| US Trade and Development Agency |
| US tariffs are not unusually high by world standards. The US Department of Agriculture imposes extensive regulatory controls on agricultural markets. Some regulations are intended to promote safety and reduce disease, while others restrict commodity supplies and raise consumer prices (Austrade, 2019). |

**Sustainability policy**

United States is the only OECD and G-20 country that has not volunteered to report on its SDG progress. Cities, states, universities, charities, corporations, and NGOs have embraced the SDGs to advance social, economic and environmental progress in communities across the United States despite a lack of national imperative (Brookings, 2019). Implementation of sustainability requirements appears to lack necessity as a national order, with prioritisation, especially in regards to trade policy, left to the discretion of individual entities.

**EU**

- **Two-way goods and services trade between** Australia and the EU was worth $98 billion in 2016.
- **Also at this time the** stock of EU direct investment in Australia was valued at $165 billion—making the EU Australia’s second biggest direct investor in 2016 (DFAT, 2018).
- **Australia and the EU are currently negotiating a modified FTA, which will aim for full tariff liberalisation of agriculture and other goods. Australian consumers and companies stand to benefit from a free trade deal with the EU through greater access to goods and services at lower prices (DFAT, 2019).**

The EU imposes higher-than-average tariffs on nearly all products, with high permanent and seasonal tariffs impairing trade in agricultural commodities such as horticulture, wine and dairy (DFAT, 2019).

**EU Sustainability Policy: Best Practice case study**

The European Union provides a best practice example of a region that is formally incorporating the principles behind SDGs into trade requirements, demonstrating how a country’s sustainability credentials will increasingly become an imperative for seamless market access.

- **EU trade policy aims to ensure that economic development goes hand in hand with social justice, respect for human rights, high labour standards and high environmental standards (European Commission, 2020)**
- **Among many sustainable trade requirements, the EU and its trade partners now must:**
  - follow international labour and environment standards and agreements;
  - effectively enforce their environmental and labour laws;
  - sustainably trade natural resources, such as timber and fish; and
  - encourage trade that supports tackling climate change (European Commission, 2020)

While Australia is not currently included in any of the EU’s trade agreements it is possible that the FTA currently negotiated in negotiation will follow this trajectory and also include requirements for sound sustainability credentials (European Commission, 2020). Stakeholder engagement with DFAT for this report reiterated this possibility.

This analysis of Australia’s major trading partners and the growing influence of sustainable development principles on growth policies informed the consolidated assessment below. This assessment identifies the overall opportunity represented by each country/region for Australia in two different ways:

- **Opportunity to strengthen Australia’s position as a trading partner by exemplifying best practice sustainability reporting from which developing nations can learn**
- **Opportunity to complement trading partner’s already robust sustainable development framework with mutually beneficial sustainability reporting data and other credentials**
- **Countries like Indonesia, China, US**
- **Countries like Japan and EU**

**Opportunity to complement trading partner’s already robust sustainable development framework with mutually beneficial sustainability reporting data and other credentials**

**Opportunity to strengthen Australia’s position as a trading partner by exemplifying best practice sustainability reporting from which developing nations can learn**

**Countries like Indonesia, China, US**

**Countries like Japan and EU**
Section 5
Economic Opportunity

Economic opportunity: Key insights

01 There is a strong economic imperative for Australia’s rural industries to adopt SDG-style reporting measures, as demonstrated by the aggregate global economic benefits realised since countries’ adoption of the SDG framework.

02 Four key economic drivers to enhance a sector’s sustainability credentials have been indicated by stakeholders: increasing trade and market access, adhering and responding to evolving consumer expectations, increasing sustainability linked institutional investment, and enhancing social licence to operate.

03 The trade opportunities to be defended, maintained, and grown from advancing sustainability reporting are unequivocal and merit significant collective action by Australia’s rural industries.

5.1 Economic Analysis

5.1.1 The economic imperative: delivering stakeholder needs

The analysis of sustainability reporting across Australia’s rural industries, the global benchmarking and the stakeholder consultation all provided an insightful view on the potential future state for sustainability positioning and SDG alignment across Australia’s rural industries. There is a vast range of benefits and opportunities, without discounting the costs of adoption, which can be achieved through consolidating and further aligning the industry’s sustainability messaging and measurement.

5.1.2 Economic benefits from SDG alignment globally

The economic opportunities represented through alignment with the SDGs, lie in their powerful capacity to create a viable model for the future in which economic growth is achieved without compromising the environment or placing unfair burdens on societies (PRI, 2017). On a macroeconomic level, the benefits of sustainability reporting can be evidenced by corporate investments in sustainability initiatives. For example, the Carbon Disclosure Project’s S&P 500 Climate Change Report 2014 indicated that businesses which prioritise climate action see 18 per cent higher returns on investment (CDP, 2014). Alignment to frameworks such as the SDGs represents value given the strategic long-termism this reporting entails. A 2017 McKinsey study in this area found the potential value that could have been unlocked if all US publicly listed companies implemented long-term, sustainability focused growth strategies, exceeded USD $1 trillion (AUD $1.5 trillion) over the past ten years, or 0.8 per cent of US Gross Domestic Product on average (McKinsey, 2017). A long-term view of sustainability reporting of Australia’s rural industries, as facilitated by the 2030 targets of the SDGs, would enable the industry to deliver more consistent measurement and growth over time, as well as attract increased capital investment both domestically and globally while delivering against increasing consumer expectations about sustainability in Australia’s high value export markets.

There is a strong economic imperative for Australia’s rural industries to adopt SDG-style reporting measures.
5.2 The natural environment

Furthermore, there are a number of economic benefits from SDG reporting globally to be realised through enhancements to the natural environment. Table 10 below shows several different areas in which enhanced sustainability efforts supported by SDG reporting could deliver immense savings.

### Table 10
Economic opportunities in sustainable environment initiatives

<table>
<thead>
<tr>
<th>Issue</th>
<th>Potential savings</th>
<th>Aligning SDG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food waste</td>
<td>20-30 per cent of food globally is wasted through post-harvest losses that are easy to prevent</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Potential to lower global costs of food waste: AUD $240 to $600B per year</td>
<td></td>
</tr>
<tr>
<td>Forest ecosystem services</td>
<td>Deforestation and forest degradation account for 17 per cent of global emissions</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Potential to lower global costs of deforestation and forest degradation: AUD $200B to $550B per year</td>
<td></td>
</tr>
<tr>
<td>Renewable energy</td>
<td>IRENA forecasts that renewables’ share of energy generation worldwide could increase to 45 per cent by 2030 (from 23 per cent in 2014) (IRENA, 2014)</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Potential to lower global costs of non-renewable energy: AUD $250B to $900B</td>
<td></td>
</tr>
</tbody>
</table>

Source: PRI, 2017

Several different areas in which enhanced sustainability efforts supported by SDG reporting could deliver immense savings.
**Economic Opportunity**

**Case study: Dairy**
Consumer demands for sustainably-certified dairy are a significant driver behind the industry's early adoption of sustainability reporting frameworks. With misperceptions of dairy's environmental and social impacts, the sector now uses sustainability reporting tools to help identify opportunities for certain products and to combat consumers' misperceptions around the sector's social and environmental impacts.

- Consumers domestically and globally are increasingly demanding that the products they buy are sustainable, as proved by alignment with global certification frameworks or programs. They will often expect to find a certain label on many products indicating its sustainable sourcing.
- Aside from expectations of certain labelling, consumers are increasingly seeking greater insight and sharing of a product's 'story' - wanting to be aware of the product's origins through the 'paddock to plate' narrative and greater detail around how the product was sustainably produced.
- This is especially true regarding Australian consumers, who are accustomed to the 'clean and green' products on which Australian rural industries are built and the inherent food safety credentials.

**Case study: Beef exports to China**
In 2019, Australia was the world's most valuable beef exporter contributing over $10 billion to the Australian economy. A 17% increase from 2018 MLA (2020). Commodity trading partners such as McDonald's are increasingly requiring sustainability certifications for Australian beef products, whereby in many situations if suppliers cannot provide sustainability credentials, they will not engage in transactions.

The prominent drive of this growth in beef exports was the expansion of China's export value from US$883 million in 2018 to US$1.18 billion in 2019. To further support growth, China's 13th Five-Year Plan (FYP) has emphasised the modernisation of rural industries as a key theme. It has also called for greater international cooperation in agriculture to support increased imports of 'needed products'. This highlights the possibility for further growth in the value of beef exports as it is deemed a 'needed product' under both the 13th FYP and the Healthy China Action Plan.

**Case study: Free Trade Agreements**
Sustainability is a growing consideration within nations' national agendas. There is evidently extending to heavier weighting in the re-negotiation of FTAs. Stakeholder consultation with DFAT indicated that while the current EU negotiation is one of the only nations or regions thus far to seek to impose formal requirements in these FTAs relating to contribution to the SDGs, it is reasonable to assume the implementation of sustainability criteria via the SDGs will increasingly feature in other countries’ trade relationships. In countries such as Japan, where sustainability and the SDGs are highly prioritised, Australia's trading relationship will most likely become more dependent on the ability to display equivalent credentials, driven markets like Japan after large amounts of consumers who demand premium Australian products, this transition will be crucial.

**Case study: Eggs**
Sustainability reporting in eggs has been implemented for the primary purpose of understanding and responding to community concerns regarding the industry. The Eggs Sustainability Framework was developed to capitalise on an opportunity to show the public that their opinions are valued, and that they are on top of any perceived sustainability issues. The framework acts as a collective narrative through which the industry can engage in positive community conversations.

- Compliance with requirements for sustainability reporting criteria is increasingly demanded by global buyers and suppliers in international trade markets.
- There is a strong imperative to enhance global trade relationships through a display of equivalent or superior sustainability credentials. As detailed in Section 3, this is an opportunity in countries like Japan, in China’s growing middle-class, and especially Europe in light of ongoing trade negotiations.
- The 2020 Agenda states that best practice SDG nations will increasingly promote sustainable development through trade liberalisation, make trade and environment mutually supportive, and encourage macroeconomic policies conducive to environment and development (SDG Knowledge Platform, 2020).

**Deep dive: Community benefit**
The Australian Senate's Parliamentary inquiry into SDG reporting in Australia notes that the SDGs reflect the principle that Australians value highly and seek to protect, one of which is supportive communities (Parliament of Australia, 2019). It is expected that the SDGs' implementation will enable Australian communities to develop a greater sense of ownership and change within their communities and across the country a key driver that resonates across rural industries particularly. From an agricultural perspective, community sentiment towards the industry will be a primary driver of change, however the benefits will continue post farm-gate. In Australia, implementation may initiate sustainable community development and learning across local populations, as well as facilitate greater levels of employment, economic activity, and resident well-being. This will be key given the capacity of local communities as the building blocks for change.

**Deep dive: Sustainable Finance**
Sustainable finance will be a crucial pillar to enableable entities, industries and rural industries to eliminate the cost deterrents of sustainable practices. Producers/organizations need to protect the Natural Capital that underpins their production systems, however are also acutely aware of the financial support needed by the services these natural systems deliver to wider society, as Australian producers more closely align with global sustainable development trends. It is anticipated that institutions and individual institutional investor appetite for SDG compatible operations, products, and entities (KPMG, 2019).

Sustainability-aligned lending schemes will reduce the level of risk a business is forced to take on when implementing sustainable change such as investing in precision agricultural technology, as well as reducing the tenor of return on investment. This will then enable a greater overall economic benefit for the grower, as well as other value chain participants post farm-gate. If rural industries were to be driven by an industry-wide narrative such as the SDGs, producers would ideally be more encouraged through performance measures such as ecosystem services payments - to continue to undertake environmental stewardship and deliver wider biodiversity outcomes and other 2030 Agenda priorities to continue to meet public demand. (KPMG) Internal Analysis, 2020

**Deep dive: Food products**
Australian forests and wood products is an industry experiencing increasing focus from commercial partners for products to be sustainably certified, with large retailers such as Bunnings striving to carry only certified timber. Sustainable certification is becoming an expectation for market entry, especially in regards to attracting institutional investment from Europe and North America, whose forestry buyers are mature in sustainability reporting. Investors and commercial partners in Japan and China (Australia's largest forest and wood products export markets) are also requiring sustainability certifications.
5.3 Summarising the SDG collective narrative: maintain, defend, grow

From a broader perspective beyond merely financial benefits, the economic opportunities for SDG and sustainability alignment and reporting can be seen through the collective narrative it provides a sector. By aligning activities and reporting against the SDGs, it allows a sector to demonstrate its sustainability credentials in a universally acceptable format, and it can better protect itself against the adversities of an evolving world. Increasing impacts from a changing climate, varying levels of resource availability, or even worldwide crises such as the COVID-19 pandemic are all risks that sectors will be better prepared to address when backed by the credibility of a world-leading SDG narrative.

In the context of Australia’s rural industries, this collective narrative would equip the sector to more strategically define how to either maintain, defend or grow its position against one or more of the key sustainability economic drivers identified in Section 9. Beef, for example, may strive to maintain its position in certain export markets, while forests might be looking to grow its institutional investment or eggs might be driven by a need to defend its social licence to operate. This targeted focus will open up economic opportunities for enterprises and capture increased market value for the sector by strengthening the sustainability collective narrative across all rural industries.

By way of priority, the sustainability focus highlighted in the EU FTA and emerging focus from key trading partners should signal to the sector the growing expectations of our global trading partners. In addition, the more recent emergence of sustainable finance and new forms of capital being invested into sustainable farming systems and driving ecosystem services market opportunities will only continue. This growth provides very practical and tangible economic opportunities for Australian producers and has the opportunity to further enhance and underpin the sector’s collective sustainability narrative and SDG alignment.

Recent emergence of sustainable finance and new forms of capital being invested into sustainable farming systems and driving ecosystem services market opportunities will only continue.
Section 6

A collective positioning for Australia’s rural industries

Collective sustainability positioning: Key insights

01 There are varying levels of motivation amongst rural industries to engage in an industry-wide sustainability narrative. However, there is agreement that some form of collective sustainability activity will be beneficial for the sector at large.

02 Among a range of reporting factors that need to be considered, crucial to the success of a collective narrative will be combating misperceptions that reporting will be an additional and costly compliance measure across the rural industries.

03 The SDGs provide a common language for sustainability reporting and are helpful in guiding prioritised messaging. Prioritising SDGs on a sector-wide basis to align the collective position, provides a key next step for Australia’s rural industries.

04 A consolidated ‘Brand Australia’ positioning on sustainability aligned to SDGs by the rural industries may help address the current commodity-by-commodity approach of the industry and assist in delivering better trade arrangements, improve product promotion to address consumer demands, build social licence to operate and attract new capital to the sector.

05 If RDCs fail to take ownership of sustainability reporting, the sector runs the risk that the sustainability narrative is imposed or run by external parties, such as government or commercial operators.

6.1 Tying it all together

Evidently, there is a strong imperative felt across all rural industries for collective action on sustainability activity. There are, inevitably, concerns amongst industries regarding the breadth and depth of aggregation, however extensive consultation and analysis indicated that overall, there are more benefits to be gained from collective action than costs and impediments, especially after accounting for potential risk in failing to take action on such a globally pressing issue.

There is a desire to aggregate sustainability reporting from industry-wide metrics and reporting frameworks, to simply providing a collective sustainability vision toward which the sector as a whole can work toward and align commodities’ sustainability goals and strategies. Whether the end result of taking action is enhanced market access, consumer confidence, increased attraction of capital, or enhanced social licence to operate, if addressed in the correct manner, collective sustainability action has the capacity to provide value for all industries.

There is strong evidence to believe that the SDG framework provides a suitable pathway to pursuing this collective action, given its universal recognition, existing alignment with the activities of Australia’s rural industries and the level of interest shown in the framework already demonstrated by several individual industries. The SDGs will suffice to provide a ‘common language’ through which the contributions made by all industries can be communicated domestically and globally, in alignment with world leaders on the SDG index as well as Australia’s major trading partners.
A collective positioning for Australia’s rural industries

6.2 Considerations when reporting

Aligning sustainability activities and goals with the SDGs involves careful consideration of a number of factors, regardless of size and sophistication of any entity, sector, industry or even country intending to engage in reporting.

An outline summarising the key considerations for the rural industries to take into account in their pursuit of aggregating sustainability activities, as indicated throughout industry consultation, can be seen in Figure 10 below:

Figure 10
Key considerations for sustainability aggregation for rural industries

The key takeaway across all considerations for SDG reporting in Australia’s rural industries is around how stakeholders receive the message. A significant amount of caution should be exercised when communicating a new reporting framework to different industry’s members, especially at the producer level. As an industry familiar with heavy regulation, it will be vital that collective narrative measures come across as purpose-driven and beneficial for value chain participants, and not an additional compliance mechanism.

By focusing on the potential benefits of aggregate industry activity, the transition to industry-wide SDG activity will better reflect the strategic trajectory for Australia’s rural industries. Another key consideration in implementing industry-wide activity, as identified in stakeholder engagement, will be whether or not niche industries such as wine or meat processing are actually considered by the public to come under the definition of ‘rural industries’. In this respect, consolidated messaging regarding sustainability reporting will have to be clear on the value chain areas that do in-fact make up the rural industries, in order to ensure equal benefits and contributions for all industries, and on the basis of the intended audience for the communications.

Comparing stocks and flows across the agriculture, forestry and fisheries domains is not an easy task...the compilation of data in these activity domains does not usually follow similar methods and classifications, making it difficult to conduct an analysis of the trade-offs between them.

(FAO and UN, 2020)
6.3 What does good SDG reporting look like?

The extent to which the SDGs are adopted, measured and reported are characteristics that define a sound and mature reporting approach. Rural industries can draw on the insights offered by the private sector such as KPMG Global Sustainability Services and SDG Compass\(^3\) to develop an approach for reporting against the SDGs (KPMG, 2018), (SDG Compass, 2015). Figure 11 provides an overview of how to approach the SDGs in relation to identifying which SDGs to adopt, where to focus efforts to achieve the priority SDGs, and how to report the impact, either positive or negative, to maximise the opportunities presented by the SDGs. The insights in Figure 11 have been combined with the insights from the 2015 SDG Compass and presented in an easy to follow five step process.

\(^3\) The SDG Compass is a guide developed by the Global Reporting Initiative (GRI), the UN Global Compact and the World Business Council for Sustainable Development (WBCSD) that aims to guide businesses on how to align strategies to the SDGs as well as measure and manage their contributions (SDG Compass, 2015; KPMG, 2018). These themes are used to guide SDG reporting as well assess maturity.

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**Figure 11**

Overview as to how to approach reporting against the SDGs

---

**Step 01. Understanding and acknowledging the SDGs**

- Developing an understanding of the SDGs, the indicators that sit underneath them and how they can be used to benefit the sector and advance maturity is crucial
- Explore and understand the risks and opportunities that the SDGs generate for individual businesses and the sector as a whole and use this to inform a strategy
- Demonstrate leadership commitment and appropriate governance frameworks to support the adoption of the SDGs
- Increase trust through transparent reporting of both positive and negative impacts and contributions to the Goals and Indicators
- Develop an understanding of how the SDGs will be addressed

**Step 02. Defining priorities**

- Not all 17 SDGs will be equally relevant to the different agriculture sectors. Defining priorities for each of the sectors will help focus efforts and identify the relevant SDGs
- Assess the areas of the greatest potential impact, both positive and negative
- Focus on increasing areas of positive impact and addressing areas of negative impact throughout the value chain
- Look to address areas of concern to key stakeholders
- Explain the methodology and factors used to prioritise and selected SDGs and focus areas
- To enhance maturity of reporting identify which of the 169 targets under each SDG are relevant and prioritised

**Step 03. Setting the goals**

- Setting specific goals linked to the SDGs will assist in focusing effort and attention and will drive more substantial impacts
- Goals should be specific, achievable, measurable and time-bound
- Communicate sustainability performance and commitment to these goals to stakeholders and consumers
- Track and Report against these specific goals

**Step 04. Integrating**

- Embedding the specific goals and strategic priorities across the sector will support greater alignment and lead to better outcomes
- Integration can lead to better collaboration and the strengthening of relationships across the sector. This increases opportunities for innovation
- Integrating the goals can support the transformation and enhancement of product and service offerings, environmental and social management, customer engagement, supply chain management and decision making across operations

**Step 05. Reporting & communicating**

- Sustainability disclosure has steadily increased in line with demand of information from stakeholders and consumers
- Communicating and reporting against the SDGs supports increased transparency within the agriculture sector
- SDG reporting can be utilised to understand and meet the demands of stakeholders, investors, consumers and the government
- Integrating SDG reporting into "business as usual" processes drives more meaningful and effective reporting
- The SDGs can also be used as a framework to support decision making
- Internationally recognised standards for sustainability reporting such as the GRI, CDP, UNGP Reporting Framework and the CDSB Framework can be adopted to support reporting

Sources: SDG Compass, 2015; KPMG, 2018
6.4 Layering of reporting benefits

To ensure the benefits of SDG reporting are maximised there are a number of elements which must be carefully considered and nuanced. At the crux of this, for rural industries, is the way in which reporting is implemented and to what level it is aggregated. If the correct balance is not achieved there is a risk SDG reporting becomes just another compliance mechanism. Understanding the motives, drivers, priorities, capacity and levels of maturity for and amongst individual actors within the value chain is key to achieving this correct balance. The trade-off between effort and benefit should also be a key factor informing the levels to which reporting is implemented and aggregated. High levels of effort for little benefit are unlikely to be feasible or acceptable to many of the members within the sector. It is therefore crucial that these nuances are understood across members of the sector when deciding the level to which reporting is recommended and aggregated.

The willingness to report against the SDGs will vary within the wider rural industries according to the different perceived benefits for each stakeholder; these are detailed in Table 11.

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producers</td>
<td>• Potential to access premium positioning and potential market access for products on basis of transparent, defined and communicated sustainability parameters.</td>
</tr>
<tr>
<td></td>
<td>• Access additional forms of capital either directly or through Natural Capital markets that fund and reward the producer for their sustainability practices employed and demonstrated.</td>
</tr>
<tr>
<td></td>
<td>• Receive additional benefits for activities that producers are already performing, which are unknowingly contributing to the existing targets of SDGs.</td>
</tr>
<tr>
<td></td>
<td>• Continue to enhance social licence to operate through collective community communications and demonstrable contribution to broader societal sustainability expectations.</td>
</tr>
<tr>
<td>Individual industries</td>
<td>• Enhanced reputation domestically and globally, which opens up increased market opportunities and helps build deeper consumer engagement and demand for products.</td>
</tr>
<tr>
<td></td>
<td>• Improve transparency across the value chain, enabling strengthening of relationships with investors who are increasingly prioritising ESG risks in investment decisions.</td>
</tr>
<tr>
<td></td>
<td>• Increased ability to keep pace with competitor rural industries who may be currently outperforming Australia in regards to sustainability reporting, such as New Zealand; reducing the risk of being left behind in the global sustainability conversation.</td>
</tr>
<tr>
<td>Sector-wide</td>
<td>• Identify and attract additional capital to the sector to address the documented capital shortfall of the sector as it seeks to grow in value towards $100B by 2030.</td>
</tr>
<tr>
<td></td>
<td>• Enhanced trading relationships with countries who have equally prioritised rural industries sustainability agendas, as well as assist less progressive countries in advancing sustainable production practices.</td>
</tr>
<tr>
<td></td>
<td>• Strengthen the ‘Brand Australia’ messaging in global export markets through aligned and collective communications, continuing to build demand for Australia’s food and fibre exports. Progress this reputation further than the ‘clean and green’ on which it has long relied, showing a broader remit of quality indicators.</td>
</tr>
<tr>
<td></td>
<td>• Continue to enhance the sector’s social licence to operate at a national level, resulting in greater support from all public audiences of the rural industries’ role to drive Australian socioeconomic progress and environmental outcomes.</td>
</tr>
<tr>
<td></td>
<td>• Opportunity to control the narrative by actively understanding the social and environmental impacts of Australia’s rural industries, implementing frameworks and initiatives to address the negative and enhance the positive impacts, and publicly reporting against these initiatives, and therefore minimise the potential public scrutiny and backlash.</td>
</tr>
<tr>
<td></td>
<td>• Increase innovation given a greater motivation to support the SDGs will stimulate widespread investment in innovations that are solving social and environmental challenges (Parliament of Australia, 2019), for example investment in precision agricultural technology.</td>
</tr>
</tbody>
</table>

Source: KPMG, 2020
6.5 Leveraging the SDGs to progress the sustainability agenda

Taking ownership of sustainability reporting and communication by the RDCs as representative of Australia’s rural industries will be fundamental in enabling the industry to communicate its own message. Without this ownership, the sector runs the risk that the sustainability narrative is imposed or run by external parties, such as government, activists focused on a single issue or topic or commercial operators. That is to say, the risks of implementing sector-wide sustainability activities and the challenges this may involve, are far outweighed by the risk of not taking action at all. Maintaining control over rural industries’ sustainability story through the SDG framework unlocks opportunities for the sector to share with stakeholders, investors and consumers the work that is already being done to make the industry more sustainable and resilient, while increasing transparency regarding challenges, risks and the steps taken to address SDGs via an alignment to business priorities and strategies.

SDG reporting maturity and success results in positioning the priority SDGs for the sector as drivers that guide the actions and initiatives developed to achieve the vision, strategy and aspirations of that sector, instead of performing a basic mapping of current activities to the SDGs in a “bingo” style approach.

Using the SDGs as a cornerstone to guide sustainability action for rural industries can inform prioritisation of the research and development investments that will support both the achievement of industry goals and progress against the SDGs by bringing forth a coherent and effective decision making process that facilitates a follow-up of activities and progress (International Council for Science, 2017).

There are three key steps that Australia’s rural industries can act upon now that will support the decision-making process and the selection of an appropriate implementation and engagement approach. The three steps involve:

1. agreeing the purpose
2. prioritising the SDGs
3. determining the delivery model.

Once these questions are answered additional details such as timeframes, governance structures and roles and responsibilities can be determined. Figure 13 outlines the first steps to take.

Three key steps that Australia’s rural industries can act upon now:

→ Agreeing the purpose
→ Prioritising the SDGs
→ Determining the delivery model
Maximum Effort and Involvement →  

Vary in terms of the level of effort and involvement required, and engagement options exist to support this process. These contribute to the SDGs. A number of potential implementation options exist to deliver, and subsequently, measured and reported. This includes a methodology by which measures will be implemented and delivered, and; methods through which progress will be delivered, tracked and communicated.

Key Questions:
- What is the collective purpose for doing this?
- What are costs and benefits of doing this?
- Are the costs and benefits balanced?
- What impact will it have on individual businesses and the industry as a whole (both positive and negative)?
- Will this support growth in businesses and/or the industry?
- What benefits should be capitalised on?

RDCs have a choice to decide on which level they want to collectively engage. Depending on the level of effort and involvement required, which respectively equates to the degree of positive outcome received. Figure 13 outlines examples of these potential staged levels of engagement and industry action, for which RDCs have a choice to decide on which level they want to collectively engage.

Figure 12
Selecting an Engagement and Implementation Model

1. Agree the Purpose
Regardless of the purpose of sustainability reporting, it is key that buy-in at all levels and purpose is understood amongst industry participants, and furthermore acts as the driving force behind the adoption of a sustainability framework. Once the purpose is agreed upon and understood, it must be actively communicated and shared within the community and amongst stakeholders. Ultimately, if levels of buy in are low, willingness to participate will be equally low and therefore negatively impact the level of achievement from any engagement with the SDGs (KPMG, 2018).

Key Questions:
- What is the collective purpose for doing this?
- What are costs and benefits of doing this?
- Are the costs and benefits balanced?
- What impact will it have on individual businesses and the industry as a whole (both positive and negative)?
- Will this support growth in businesses and/or the industry?
- What benefits should be capitalised on?

2. Prioritise the SDGs
While it can be tempting to tackle everything at once, it is not feasible or effective to do so. Thus, the areas to which attention and effort is focused must be prioritised. This ensures effort can be concentrated and the outcomes and impact can be maximised. When considering areas of sustainability to address, no more than 3-5 focus areas or goals should be prioritised at a time.

Key Questions:
- In which areas can the contribution have the greatest impact?
- Which areas are most material to businesses and/or the industry as a whole?
- Which factors have the greatest impact on the social licence to operate?
- Where is the effort best directed and focused?

3. Determine the Delivery Model
The achievement of any goals and targets set requires both a methodology by which measures will be implemented and delivered, and subsequently, measured and reported. This may include:
- the governance framework;
- the timeframes against which initiatives will be delivered, and;
- methods through which progress will be delivered, tracked and communicated.

Key Questions:
- What targets/KPIs sit underneath each of the focus areas?
- How will progress reporting be aggregated?
- What, if any, supporting frameworks or guidelines will be used as a benchmark or mandate for efforts?
- How will progress be reported and shared amongst stakeholders?

Source: KPMG, 2018

Figure 13
Potential levels of implementation and engagement

An aggregated message for Australia’s rural industries
There is a consensus among the RDCs that an aggregated sustainability message for Australia’s rural industries would enhance the sector’s reputation while at the same time deliver against the economic opportunities as identified in Section 5 of this report. However, this aggregation is not without its challenges. The 17 SDGs overlap and intertwine, therefore progress against a particular SDG by one industry might become diminished in aggregation with progress and actions by other industries even when there are no incompatibilities between the goals (International Council for Science, 2017). Additionally, the maturity of SDG reporting and the existence of common data metrics that can be aggregated for each of the industries is an important consideration when synthesising fragmented knowledge.

On the other hand, this study has concluded that the majority of the rural industries are currently undertaking actions that align with the SDGs, and hence the aggregation of sustainability messaging would be possible without incurring prohibitive costs of adjustment. Furthermore, an aggregated message that is accompanied by the SDGs for the sector poses the opportunity to position Australia’s rural industries under a sustainable ‘Brand Australia’ umbrella that can take advantage of the reputation of the country and the sector in both domestic and global markets by further strengthening and quantifying the ‘safe, clean and green’ produce message. In terms of revenue, Australia’s rural industries have the potential to be Australia’s second largest company; and similar to large corporations, the sector has the opportunity to promote its brand to build trust with consumers, stakeholders and the wider community while building a tangible connection locally with Australians who may have otherwise felt ‘distant’ with the sector (Nason, 2017).

Source: KPMG, 2018
‘Brand Australia’, as supported by enhanced sustainability credentials, may help address the current commodity-by-commodity approach of rural industries. This will improve the competitiveness of Australian agricultural products in the global marketplace and potentially enable premiums to be charged, creating better returns for producers and other value chain participants. Similarly successful brand approaches have been developed in other countries such as New Zealand, Canada and the USA (Australian Farm Institute, 2013).

Building Australia’s rural industries’ sustainability credibility under a globally-recognisable framework such as the SDGs will enable the provision of tangible evidence to retailers under a common methodology. This could avoid the need to comply with multiple channels of compliance outside of globally recognised certification requirements such as the Forest Stewardship Council (FSC) and Marine Stewardship Council (MSC) certifications.

‘Brand Australia’ is a major brand that relies on the efforts of a handful of individual organisations and producers actively working to maintain trust in the sector aided, by national reputation and inherent environment (Permani, 2015). The understanding and viewing of Australia’s rural industries through the lens of collective progress to achieve the SDGs has the potential to add credibility and targeted effort toward the reinforcement and promotion of the sector locally and globally. Overall, rural industries are strongly encouraged to continue to work together to drive the sustainability agenda forward collectively; to harness the undeniable potential of Australia’s rural industries, and to improve the promotion of Australian food and fibre products to consumers, investors and stakeholders alike.

Brand Australia’ is clearly a key part of our export strategy given that Australia has a good reputation with regard to high standards for food production.

(Professor Rachel Ankeny, 2015)
The opportunity for Australia’s rural industries to come together to enhance and drive a collective sustainability agenda is clear. The relevance of and potential for greater SDG alignment is central to a collective sustainability agenda presents a universally accessible framework to inform this process. The key takeaway for Australia’s rural industries are:

- Our consultations have concluded that Australia’s rural industries seek to place sustainability as an increasingly higher priority within their respective industry planning and strategies. This recognises the ongoing sustainability efforts of the sector over many decades.
- There are varying levels of awareness and maturity of the SDGs and sustainability reporting amongst Australia’s rural industries. The maturity, and more broadly the stage of the sustainability journey for that industry, is dependent upon the particular nuance of that industry’s sustainability drivers, for example animal welfare, legislation and consumer expectation.
- The disparity in awareness extends to adoption of the SDGs, with certain industries mapping existing sustainability goals to the SDGs and others utilising the framework as a greater driving force behind wider sector strategies.
- Australia has the opportunity to learn from best practice SDG reporting nations, as well as encourage the strengthening of sustainable development in its major trading partners.
- There are defined economic imperatives driving an increased momentum across the sustainability agenda and SDGs alignment which is only expected to increase. These include consumer expectations, social licence to operate, trade and capital attraction. Australia’s rural industries have the opportunity to collectively defend, maintain, grow or enhance many of these economic imperatives through a more collective sustainability agenda.
- There is a definitive motivation across all rural industries to engage in collective sustainability messaging and activity of some sort, ranging in degree of desired involvement and effort. The universally accessible SDGs have a strong potential to act as a ‘common language’ through which this messaging may be framed.
- In implementing a collective narrative, it will be crucial to consider a range of factors regarding the purpose, buy in, and most importantly, the range in use and benefits of sustainability reporting or activities within Australia’s rural industries. Consideration of the nuances between rural industries and the different drivers for strengthening sustainability will be crucial to the success of aggregate sustainability activities and SDG reporting.
- Overall, Australia’s rural industries are faced with a valuable opportunity to enhance the sector’s achievements through enhanced communication of activities, many of which, the sector is already performing.

Australia has the opportunity to learn from best practice SDG reporting nations, as well as encourage the strengthening of sustainable development in its major trading partners.
Department of Foreign Affairs and Trade. (2019). Australia- Hong Kong Free Trade Agreement.
DFAT. (2019). Australia-United States FTA.
DFAT. (2020). 2030 Agenda for Sustainable Development.
DFAT. (2020). China country brief.
DFAT. (2020). Indonesia country brief.
FAO. (2018). Transforming Food and Agriculture to achieve the SDGs.
FAO. (2019). Tacking progress on food and agriculture-related SDG indicators.
FCC Ag Economics. (2019). Diversifying Canada’s agriculture exports.
FFDC. (2020). Welcome to the Status of Australian Fish Stocks Reports.
KPMG. (2018). Talking 2030: Growing agriculture into a $100 billion industry.
KPMG Internal Analysis. (2020). Desktop scan of Agricultural RDCs.
LSE. (2019). China’s 14th Plan, sustainable development and the new era.
### Priority SDGs for Australia’s rural industries

<table>
<thead>
<tr>
<th>SDGs</th>
<th>Justification</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDG 2 (Zero hunger): There is more than enough food produced today to feed every last one of us. Yet over 820 million people remain chronically undernourished, amid signs of diminishing momentum towards reaching Zero Hunger.</td>
<td></td>
</tr>
<tr>
<td>SDG 3 (Good health and well-being): Good health starts with nutrition. Without regular and nutritious food, humans cannot live, learn, fend off diseases or lead productive lives.</td>
<td></td>
</tr>
<tr>
<td>SDG 5 (Gender Equality): Women represent around half of the total agricultural labour force in developing countries. Yet, rural women face greater constraints than men in accessing land, technology, markets, infrastructure and services.</td>
<td></td>
</tr>
<tr>
<td>SDG 6 (Clean Water and Sanitation): Water scarcity, poor water quality and inadequate sanitation affect food security, nutrition and educational and economic opportunities for poor families across the world. Crops and livestock already account for 70 per cent of all water withdrawals and up to 95 per cent in some developing countries. Water withdrawal for irrigation and livestock will increase as global population growth and economic development drive food demand up. Dietary trends point to a global increase in consumption of food that requires more water to be produced.</td>
<td></td>
</tr>
<tr>
<td>SDG 12 (Responsible Consumption and Production): A growing global population with deteriorating natural resources and increased urbanization means more people to feed with less water, farmland and rural labour. Consumers must be encouraged to shift to nutritious and safe diets with a lower environmental footprint.</td>
<td></td>
</tr>
<tr>
<td>SDG 13 (Climate Action): By 2030, agriculture’s carbon mitigation potential could reach as much as 7.5 per cent of total global emissions, depending on the price of carbon and adoption of agricultural productivity measures. Food production threatens to be the greatest casualty of climate change, but sustainable agriculture can be part of the solution.</td>
<td></td>
</tr>
<tr>
<td>SDG 14 (Life Below Water): Fisheries and aquaculture offer ample opportunities to reduce hunger and improve nutrition, alleviate poverty, generate economic growth and ensure better use of natural resources. Aquaculture is the fastest-growing food sector and has the potential to produce the fish needed to help meet the demands of a growing population. However, overfishing threatens livelihoods, unmanaged aquaculture expansion can cause pollution and rising levels of carbon dioxide in the atmosphere contribute to ocean acidification.</td>
<td></td>
</tr>
<tr>
<td>SDG 15 (Life on Land): Land use changes, including deforestation, result in a loss of valuable habitats, a decrease in clean water, land degradation, soil erosion and the release of carbon into the atmosphere. They contribute to the loss of valuable economic assets and livelihood opportunities.</td>
<td></td>
</tr>
</tbody>
</table>

Source: (FAO, 2020)
## Table 13
Countries selected for the benchmarking exercise

<table>
<thead>
<tr>
<th>Country</th>
<th>SDG Global Rank 2019</th>
<th>Global Index Score</th>
<th>Justification for selection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>1</td>
<td>85.2</td>
<td>Leader in SDG reporting.</td>
</tr>
<tr>
<td>(OECD and G20 member)</td>
<td></td>
<td>9.7 per cent higher than region average (77.7 OECD)</td>
<td>One of the most successful commodity exporters in the world.</td>
</tr>
<tr>
<td>New Zealand</td>
<td>11</td>
<td>79.5</td>
<td>Leader in SDG reporting.</td>
</tr>
<tr>
<td>(OECD member)</td>
<td></td>
<td>2.3 per cent higher than region average (77.7 OECD)</td>
<td>Agriculture is a major industry in New Zealand.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Key trading partner to Australia (#9): export (2017/18): Wheat ($167m), Chocolate ($116m) (Rural Bank, 2018).</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Key competitor to Australia, main exported commodities during 2019 (Workman, 2020):</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1. Dairy, eggs, honey: US$10.7 billion (27.9 per cent of total exports)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Meat: $5.3 billion (13.9 per cent)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Wood: $3.3 billion (8.7 per cent)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. Fruits, nuts: $2.2 billion (5.6 per cent)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5. Cereal/milk preparations: $1.5 billion (3.9 per cent)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6. Beverages, spirits, vinegar: $1.4 billion (3.7 per cent)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7. Fish: $1.2 billion (3.2 per cent)</td>
</tr>
<tr>
<td>Japan</td>
<td>15</td>
<td>78.9</td>
<td>Leader in SDG reporting.</td>
</tr>
<tr>
<td>(OECD and G20 member)</td>
<td></td>
<td>1.5 per cent higher than region average (77.7 OECD)</td>
<td>Country representative of Asia.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Key trading partner. Exported to Japan (2017/18): Beef ($2.117m), Cheese ($461m) (Rural Bank, 2018). In 2017, Japan was Australia’s second-largest trading partner, second-largest export market, and second-largest source of foreign direct investment. The country was Australia’s largest export market for beef, cheese and curd, and animal feed (DFAT, 2017).</td>
</tr>
<tr>
<td>Canada</td>
<td>20</td>
<td>77.9</td>
<td>Country representative of (North) America region.</td>
</tr>
<tr>
<td>(OECD and G20 member)</td>
<td></td>
<td>0.3 per cent higher than region average (77.7 OECD)</td>
<td>Key competitor to Australia, Canada exported C$33.97 billion worth of commodities in 2018. Wheat and canola have accounted for at least 50 per cent of Canada’s total crop exports since 2009 (FCC Ag Economics, 2018).</td>
</tr>
<tr>
<td>Brazil</td>
<td>57</td>
<td>70.6</td>
<td>Country representative of (South) America region.</td>
</tr>
<tr>
<td>(G20 member)</td>
<td></td>
<td>5.2 per cent higher than region average (67.1 Latin America and the Caribbean)</td>
<td>Key competitor to Australia, Brazil’s top five exports during 2019 were (Pines, 2020):</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1. Sugarcane $10.4B</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Soybeans $19B</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Coffee $4.84B</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. Beef $3.59B</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5. Orange juice $2.1B</td>
</tr>
</tbody>
</table>

Source: KPMG Analysis
Appendices

Appendix C

Countries benchmarking
Table below shows an analysis of the current state of SDGs adoption at a national and agricultural level for the five selected countries as a benchmark, as well as some of the challenges and innovative approaches adopted that have aided them in obtaining their current progress.

<table>
<thead>
<tr>
<th>Country</th>
<th>National Monitoring</th>
<th>Challenges</th>
<th>Investment and incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>Yes, 169 indicators</td>
<td>The EU generates large negative spill over. The largest impacts are caused by unsustainable demand for agricultural, forest, and fishery products (Sustainable Development Solutions Network, 2019). Implementing the SDGs implicates a challenge in achieving a balance that considers the complexity and need for integration between the SDGs and the designed action plans; this requires a deep thinking transition from sector to system thinking in all activities (The Danish Government, 2017).</td>
<td>Denmark acknowledges the SDGs targets require important financing. Government, financial institutions, investors all play a part (The Danish Government, 2017).</td>
</tr>
</tbody>
</table>

SDGs and Agriculture
As part of the Action Plan’s priority of Planet, the Danish government contemplates maintaining a string agriculture and food industry focused in sustainability and resource efficiency.

Focus on the agricultural sector has contributed to decreased food insecurity (SDG 2), and, as a result, has contributed to better health (SDG 3) and economic growth (SDG 8). However, it has also resulted in a reduction in the quality of life on land (SDG 15) and in the ocean (SDG 14) as well as negatively impacting climate stability (SDG 13) and, access to water (SDG 6).

Denmark communicates agricultural initiatives and data against (The Danish Government, 2017):

- **SDG 2 Zero Hunger:** Targets 2.3 (2.3.1 - Volume of production per labour unit by classes of farming/pastoral/forestry enterprise size), 2.4 (2.4.1 - Proportion of agricultural area under productive and sustainable agriculture)
- **SDG 6 Clean Water and Sanitation:** Target 6.4 (6.4.1 Change in water-use efficiency over time and 6.4.2 Level of water stress: freshwater withdrawal as a proportion of available freshwater resources)
- **SDG 14 Life Below Water:** Target 14.4 (14.4.1 Proportion of fish stocks within biologically sustainable levels)

Denmark recognises that technology is a driver and enabler to reach the SDGs and will contribute to a challenged agricultural sector under changing climate conditions.

Investment: The Danish Climate Investment Fund and the Danish Agribusiness Fund are examples of blended finance mechanisms where investors are protected from some of the risks or have priority for returns (The Danish Government, 2017).

Strategy
The Danish Government presented in 2017 a national plan to implement the SDGs. The plan involves all sectors and requires that new legislation to the assessed against the SDGs. The Ministry of Finance is responsible for the implementation. In terms of monitoring, the Parliament has established a cross-party SDG network. Additionally, there are two civil society organisations (CSOs) networks (the 92 group and Global Focus) that represent development and environmental organisations and are very involved with the implementation of the SDGs. Global Focus is secretariat for a multi-stakeholder platform (not governmental) that represents an alliance and partnership between stakeholders members of the CSOs, Academia, local and regional governments, Unions and Private Sector (SDG Watch Europe, n.d.)

On 2017 Denmark reached an agreement with local and regional governments to ensure that all government, municipalities and regions will work in cooperation to achieve the SDGs and integrate sustainable development in the making of policies. Key learning is the need to establish partnerships across society and the inclusion of relevant key stakeholders. Before the adoption of the 2030 Agenda and the SDGs, the Ministry of Foreign Affairs performed consultations with businesses, civil society representatives and relevant stakeholders. This has resulted in active ownership of the SDGs across industries and stakeholders (The Danish Government, 2017).

The Danish main response to the 2030 Agenda and the SDGs is the creation of an Action Plan that is mainly focused in domestic priorities. The Plan takes into consideration the internal tension of the SDGs, meaning that they are interdependent and can represent conflicting interests. The Action Plan is centred on the 5 Ps: Prosperity, People, Planet, Peace and Partnerships. The government has established 37 targets around them that integrate several SDGs that represent national priorities. Each target has one or two national indicators that are measurable and quantifiable (The Danish Government, 2017).
New Zealand recognises that achieving the SDGs requires cross-government effort. Government agencies
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Challenges
Investment and incentives
New Zealand lists ‘Sustainable Agriculture’ as a key challenge due to its core place in the
economy. The industry is linked with the environment and has
significant impacts on life on land and below water, water quality
and is impacted by climate
variances. Main listed challenge is the reduction of emissions of livestock
and implementing
best practice for a sustainable agriculture sector.
Other challenges for the
country are:
• Inequality – New Zealand has an above average income
inequality compared to OECD
countries.
• Climate change – few easy
options to reduce emissions
linked to an agricultural
sector.
• Energy – increasing population
density increases strain on
infrastructure
(pwc, 2018).
New Zealand also contributes to
the SDGs through the New Zealand
Aid Programme, which supports
partner countries achievement of
the SDGs by focusing on
sustainable economic development
and other investments in
education, health, governance
and resilience (Ministry of Foreign
Affairs and Trade, n.d.).
The country has taken a leading role
in addressing agricultural subsidies
in the World Trade Organisation
(WTO), particularly in the fisheries
sector. The Ministry of Primary
Industries has undertaken industry
funding programmes as other
initiatives. Some of the grants were:
• Sustainable Food and Fibre
Futures
• Biosecurity 2025
• One Billion Trees programme
• Emerging Primary Industries
Leaders Scholarship
• Hill Country Erosion Fund
• Productive and Sustainable
Land Use package funded
through Budget 2019
• Gisborne Erosion Control
Funding Programme
(Ministry for Primary
Industries, 2019).
New Zealand considers tackling agricultural emissions as the most challenging climate change issue. This is
accentuated by the fact that the agricultural sector is an intrinsic part of the country’s economy and identity.
Emissions from agriculture make up almost half of the annual emissions of the country (New Zealand
Government, 2019).
The country’s first National Voluntary Review (2019) includes a brief narrative and project examples for
each of the 17 SDGs, some of which are related to activities in agriculture. New Zealand communicates
agricultural initiatives and data against (New Zealand Government, 2019):
SDG 2 Zero Hunger
• The country looks to stay at the forefront of global consumer demand for safe and sustainably produced
food. This includes working on efforts to reduce the greenhouse gas footprint and the support of the
sector to a transition to a low-carbon economy while making food production resilient and adaptive to
climate change.
• The country supports initiatives of provision of fruit in schools.
• Via the Beef + Lamb plan, New Zealand has set two key goals: that every sheep and beef farm has a
tailored and active environmental plan by 2021 and that the sector moves towards carbon neutrality by
2050. Eco-gains metrics are reported such as GHG emissions and Nitrate leaching.
SDG 6 Clean water and sanitation
• The country has a policy project that has the aim of improving water use efficiency and fair allocation via
the adoption of Good Management Practices.
SDG 8 Decent Work and Economic Growth
• New Zealand recognises the active opportunities to increase productivity of Māori-owned primary sector
assets and agribusinesses.
SDG 11 Sustainable cities and communities
• Waste management and minimisation initiatives.
SDG 12 Responsible Consumption and Production
• Maintenance of community-agreed ecological limits for water quality and mitigation of emissions while
maintaining the export-led economy.
• New Zealand acknowledges that waste disposed to landfills rose 20 per cent between 2014 and 2017,
being one of the highest generators of waste per capita in the OECD region.
SDG 13 Climate Action
• New Zealand established in 2009 the Global Research Alliance on Agricultural Greenhouse Gases (GRA)
to promote cooperation and investment in research to mitigate greenhouse gases from food production,
while maintaining food security and resilient production systems. The GRA has 57 member countries and
partners with international and regional organisations linked to agricultural development and research.
• Commitment to continue to produce food efficiently for a global growing population while reducing
emissions and enabling rural communities to adapt to change.

Appendices
SDGs and Agriculture continued...

SDG 17 Partnership for the goals

- Constant work with the WTO to achieve agricultural reforms, increased market access and elimination of export subsidies and trade-distorting domestic support policies.
- New Zealand has been a strong advocate of the agreement in the WTO to address harmful fisheries subsidies by the 2020 deadline as per SDG 14 (Life Below Water). New Zealand also levies the commercial sector for the costs of fisheries management and research to determine sustainable catch limits.

Across global aid, the country pursues resilient development that is also inclusive, sustained and effective (New Zealand Government, 2019).
Japan is committed to achieve the SDGs nationally and globally and established the ‘SDGs Promotion Headquarters’ in 2016 headed by the Prime Minister to ensure a government approach to implement the 2030 Agenda. The Headquarters created the ‘SDGs Implementation Guiding Principles’ and established the SDGs Promotion Roundtable Meeting where stakeholders from the government, NGOs/NFPs, experts, private sectors and multiple local and international organisations gather and discuss opinions (Ministry of Foreign Affairs of Japan, 2019).

The Headquarters has set as core message that setting the SDGs as pivot to Japan’s national strategies Basic Policies 2018 and Economic Growth Strategy 2018 decided by the cabinet. Japan mainly prioritises the concept of “Human Security” so that “no one is left behind”. Japan’s SDGs model consists in sharing and expansion and takes advantage of forums such as the G20, Tokyo International Conference on African Development (TICAD) and the SDG Summit where they constantly revise the ‘SDGs Implementation Guiding Principles’ which follow (Ministry of Foreign Affairs of Japan, 2019):

- Promotion of Society 5.0 that corresponds to the SDGs (SDGs in business, Science, Technology and Innovation)
- Regional revitalisation driven by the SDGs
- Empowerment of the next generations and women

During the G20 Osaka Leaders’ Declaration Japan demonstrated leadership in 7 areas: quality infrastructure, disaster risk reduction, marine plastic litter, climate change, empowerment of women, health and education. The country was also planning to communicate and outreach their SDGs Model at the Tokyo Olympic and Paralympic Games in 2020 (Ministry of Foreign Affairs of Japan, 2019).

More recently, Japan Civil Society Network on SDGs (SDGs Japan), a broad civil society network to mobilize civil society for the achievement of the SDGs has highlighted that the principles of the SDGs should be used on combating COVID-19 effects to eliminate discrimination and aid inclusion. They further recommend introducing measures aligned to the following (Japan Civil Society Network on SDGs, 2020):

1. Economic and social inclusion that leave no one behind, including the future generations. SDGs 1 (poverty), 3 (health), 4 (education), 5 (gender), 8 (sustainable growth and employment), 10 (inequality), 11 (sustainable human settlement)
2. Solidarity and inclusion to bridge the physical distance between them. Goal 16 (participation), 17 (partnership)
3. Ensure transparency and openness, in policy formulation and response. Goal 16 (governance)
Japan continued...

SDGs and Agriculture

Japan’s National Voluntary Review (2017) includes a brief narrative and project examples for the country’s eight priority areas (listed in Challenges section above), which are linked to multiple SDGs, some of which are related to activities in agriculture. The country communicates agricultural initiatives and data against (SDGs Promotion Headquarters, 2017):

**SDG 2 Zero Hunger (example projects):**

- Project Satellite Data Application for Agricultural Effective Indicator’s Collection in Myanmar. Different agricultural data is used for agricultural development initiatives.

- Project Assessment of hunger and health impacts due to climate and environmental changes using AIM (Asia-Pacific Integrated Model). The project assesses GHG emissions reduction actions and climate change impacts in collaboration with other countries in Asia.

Priority Area 3 “Creating Growth markets, Revitalization of Rural Areas and Promoting Technological Innovation” (linked to SDGs 2, 8, 9, 11). Includes initiatives to strengthening food supply systems in developing countries and nutrition improvement.

Priority area 4 “Sustainable and Resilient Land Use, Promoting Quality Infrastructure” (linked to SDGs 2, 6, 9, 11). Includes initiatives to restore water resources.


Priority Area 6 “Conservation of Environment, including Biodiversity, Forests and Oceans” (linked to SDGs 2, 3, 14, 15). Includes initiatives to realise a natural symbiotic society that integrates low carbon, resource circulation and natural symbiosis. It also remarks on environmentally friendly agriculture to large birds and the sustainable use of local wood biomass.
Canada

OECD and G20 Member

Yes, 244 indicators.

Publicly available through Statistics Canada, organism responsible of the collection, analysis and presentation of relevant data (Statistics Canada, 2020).

High levels of GHG emissions, pollution and threats to biodiversity. Additionally, Canada generates negative spill overs that affect the ability of other countries to achieve the SDGs (Sustainable Development Solutions Network, 2019).

While several organisations have already adopted the SDGs, many organisations in Canada have not yet heard of the SDGs and are unaware of how they can contribute or the extent to which they already are. There is a need to increase awareness and engagement across all sectors (Government of Canada, 2019).

Canada emphasises that achieving the SDGs involves new strategies, technologies and innovations which need support from the public and private sectors while being aided by the community (Government of Canada, 2019).

In 2018, the government announced the provision of $49.4 million over 13 years to establish an SDG unit and fund to monitor and report SDGs progress by Statistics Canada. This investment has the aim of coordinating all stakeholders and support Canada’s local and global efforts. Additionally, Canada also proposed $59.8 million from departmental resources over 13 years dedicated to programming and supporting the implementation of SDGs (Statistics Canada, 2020).

The country has developed the “Towards Canada’s 2030 Agenda National Strategy”, which establishes the foundation to develop a Canadian Indicator Framework that considers the Canadian reality to report on the progress made with the SDGs. The Framework includes federal ambitions. The initiative is at an interim stage that requires further engagement to be raised to a national strategy that reflects a whole-of-society approach. Towards Canada’s 2030 Agenda National Strategy provides an opportunity to hear from Canadians and identify commitments, actions, partnerships and initiatives already in place, identify indicators and targets that reflect the country’s reality and develop an overview of all SDGs in terms of performance and ambitions that will allow to identify strengths, challenges, opportunities and gaps (Government of Canada, 2019).

Recommendations identified on the path towards the 2030 Agenda (Government of Canada, 2019):

• Leadership, governance and policy coherence
• Awareness, engagement and partnership
• Accountability, transparency and reporting
• Reconciliation and the 2030 Agenda
• Investing in the SDGs

Emphasis is made on pursuing a policy coherence for sustainable development approach to integrate economic, social, environmental and governance aspects of development, both locally and globally.

Canada has mapped federal departments and agencies against all the SDGs in order to drive accountability to implement the 2030 Agenda and support the development of a sustainable national strategy. For example, SDG 2 Zero Hunger has been linked to 5 federal departments ranging from agriculture, employment, inclusion, environment and global affairs representatives.

Even if Canada is in the process of updating its national strategy, many of the country’s priorities, local and global, are already aligned with the SDGs (Government of Canada, 2019):

• Canada is committed with reconciliation with Indigenous peoples and this supports SDG 1 (no poverty), SDG 3 (good health and well-being), SDG 4 (quality education), SDG 6 (clean water and sanitation) and SDG16 (peace, justice and strong institutions).
• By the work undertaken by Canada to grow the middle class, Canada supports SDG 8 (decent work and economic growth) and SDG 10 (reduced inequalities).
• The 2016 to 2019 Federal Sustainable Development Strategy, is linked to SDGs like SDG 7 (affordable and clean energy), SDG 13 (climate action), SDG 14 (life below water) and SDG 15 (life on land).
• Canada’s support for the Pan-Canadian Framework on Clean Growth and Climate Change, investments in clean economic growth and in international climate finance are linked to SDG 7 (affordable and clean energy), SDG 11 (sustainable cities and communities), SDG 12 (responsible consumption and production) and SDG 13 (climate action).
SDGs and Agriculture

Canada has decided to focus on three high impact sectors as priority: green growth, agribusiness and financial services for small and medium sized companies. Canada communicates agricultural initiatives and data against (Government of Canada, 2018):

SDG 2 Zero Hunger

• Canada undertakes actions to support sustainable resource management such as research funding, investments in communities and regions and advancing focus on job availability growth.

• Initiatives that support sustainable food production systems and promote resilient agricultural practices:

1. Agri-Food Canada (AAFC) and cost-shared programs between federal and regional governments that support environmentally beneficial management practices for agriculture. For example, AAFC’s Agro-Ecosystem Resilience Strategy guides investments into soil, water, air, climate and biodiversity research to ensure resource protection and improving resilience of agriculture to future climate scenarios. Also, the Agricultural Clean Technology Strategy guides AAFC investments into technologies such as precision agriculture, which helps mitigate environmental impacts. Supporting farmers and protecting farmland are important to the continued growth and sustainability of Canada’s agricultural sector.

2. Canada invests in measures that target climate change and related risks. Some examples are the development of new crop strains and resistant varieties to climate related pests, diseases and conditions; investments in soil and water management such as Canada’s Drought Watch initiative that allows farmers to access up-to-date soil water moisture information.

3. Engagement of Indigenous communities to develop policies and programs related to food security.

• The 2018 $3 billion federal investment of Canadian Agricultural Partnership (CAP) that is a provincial agriculture, agri-food and agri-based products focused initiative that aims to improve innovation, growth and prosperity.

• Federally funded organisation Canadian Roundtable for Sustainable Crops (CRSC) that facilitates cross-commodity collaboration on sustainable agricultural issues and opportunities. The CRSC is formed by growers, industry, consumer and environmental representatives.

• Globally, Canada works towards food security and nutrition for the poor and vulnerable people, sustainable agricultural practices and planet biodiversity. Examples of involvement are the UN Convention to Combat Desertification, the UN Convention on Biological Diversity and the Commission on Genetic Resources for Food and Agriculture led by the FAO.

SDG 8 Decent Work and Economic Growth

• Canada is supporting the empowering and improvement of economic opportunities for rural women in Senegal. Initiatives include supporting women farmers to obtain necessary equipment and access to water.

SDG 9 Industry, Innovation and Infrastructure

• Canada has developed economic strategy tables as a model to use for industry and government collaboration to identify innovation opportunities in different industries, including agriculture.

SDG 12 Responsible Consumption and Production

• Canada recognises that the way food is produced, processed, distributed and consumed, including waste, has environmental implications such as GHG emissions, soil degradation, water quality and availability and wildlife threat. The country has also identified that the majority of waste comes from consumers and are they are working towards awareness in the topic to influence changes in lifestyle.

• Canada is a world leader in extended producer responsibility and product stewardship programs that, for example, help shift the financial burden of disposing plastic to plastic producers. The country has more than 160 regulated and voluntary programs that cover more than 20 product categories.

SDG 15 Life on Land

• Efforts to incorporate biodiversity considerations into the agriculture, fisheries, forestry and tourism sectors.

• CAP supports sustainable growth in agriculture aiming to improve competitiveness while achieving progress on environmental sustainability and climate change mitigation and adaptation. The investments support resiliency and sustainability of the sector by helping farmers adapt to climate change, conserve water and soil resources, and grow sustainably to meet food demand.
Brazil is not expected to meet some SDG7 targets by 2030. For example, by 2030 an estimated 7.6 per cent of the population will still be living in poverty (SDG 1). In the health sector, the death rate from premature non-communicable diseases (NCDs) will increase and will not meet NCD health indicator targets (SDG 3). Primary education is an on target, but lower secondary graduation rates will not reach universal targets under SDG 4. Population with access to improved sanitation services is forecast to rise, however will still be below the target set by SDG 6 (Andrew C. Scott, 2017).

The Brazilian SDG Award has been established by the government with the aim of promoting, encouraging and making existing contributions visible to achieving the SDGs. The award works as a ‘data base’ of good practices in the achievement of the 2030 Agenda (WBCSD, 2020).

The country communicates agricultural initiatives and data against (Brazilian Government, 2017):

**SDGs and Agriculture**

- Brazil’s main focus for sustainable development is centred on the eradication of poverty and promoting prosperity. Based on this, national alignment has been prioritised and is reported only for SDGs 1, 2, 3, 5, 9, 14 and 17.

The Government has promoted experts exchange programs focused on energy across all sectors.

- **SDG 1 No Poverty**
  - Rural Land Regularisation program that aims to deliver 250,000 land titles to beneficiaries in vulnerable conditions.

- **SDG 2 Zero Hunger**:
  - A set of Brazilian policies have the aim of combating hunger and food security. The policies range from social protection, agricultural production, credit provision and public programs for procuring the production of family farming.
  - SDG 2 presents a next step for Brazil which had the internal target of reducing hunger by half, which has been achieved.
  - Poverty in Brazil is many times linked to rural conditions. To target this, over 4 million productive units have been established in the countryside with the main aim of fighting poverty.
  - Food Acquisition from Family Agriculture Production (PAA) program that purchases products from family farming, and remunerates food producers that supply social and welfare entities.
  - Harvest Guarantee program that benefits the rural population of the Brazilian semi-arid region through public insurance against risk of loss of agricultural production.
  - National Plan for Agro-ecology and Organic Production (PLANAPA), launched to strengthen agro-ecological and organic production, promote the supply and consumption of healthy foods, support natural resources management, and educate in agro-ecology.

**SDG 17 Partnerships for the goals**

- Brazil lists out agriculture and livestock raising, family farming and food security among the areas of main technical cooperation.
- The Government has promoted experts exchange programs focused on energy across all sectors.

Brazil has identified as major challenge that the Northeast Region of the country, where almost one third of the population lives, is subject to severe and constant droughts, which added to important population pressures increases desertification. It is acknowledged that without state intervention, the area will have significant impacts to agricultural production and can trigger an increase in poverty levels.