

On-farm Natural Capital Accounting Demonstration Alignment with the Australian Dairy Sustainability Framework

An on-farm natural capital accounting demonstration has been established at the TIA Dairy Research Facility to demonstrate the process of developing a natural capital account on a working dairy farm and to explore the drivers which are increasing interest in and scrutiny around the management of on farm natural capital.



Image: TIA Dairy Research Facility

The demonstration is being delivered by Cradle Coast NRM in partnership with Tasmanian Institute of Agriculture with support from Dairy Australia and Lactalis-Mainland Dairy.

The demonstration has established a baseline vegetation and soil natural capital account through the Accounting for Nature (AFN) framework and is undertaking practical actions across the farm to maintain and improve the condition of the farms vegetation, consistent with industry sustainability targets and aspirations.

Activities being delivered include:

- Protecting and enhancing remnant native vegetation through stock exclusion and weed control
- New biodiverse native vegetation plantings
- Establishing new vegetation shelterbelts
- Protecting and enhancing paddock trees
- Establishing areas of agroforestry
- Containing and reducing environmental weeds

How does the demonstration and its practical on-farm activities align with the Australian Dairy Sustainability Framework?



The demonstration strongly aligns with the Australian dairy industry's sustainability priorities under the Dairy Australia Sustainability Framework (ADSF) and directly contributes to a number of Sustainability Scorecard goals and indicators.

The demonstration helps translate key elements of the ADSF from high-level commitments into practical on-ground actions that can improve environmental condition, farm resilience, animal welfare and future market opportunities for dairy farmers.

The Australian Dairy Sustainability Framework includes four key commitments:

- Enhancing economic viability and livelihoods
- Improving wellbeing of people
- Providing best care for animals
- Reducing environmental impact

The proposed demonstration activities align most strongly with Commitment 4: “Reducing Environmental Impact”, which focuses on stewardship of land, water, biodiversity and climate outcomes.

The activities directly contribute to several ADSF goals, particularly:

- Goal 9 – Improve land management
- Goal 10 – Increase water use efficiency
- Goal 11 – Reduce greenhouse gas emissions intensity
- Goal 7 – Provide best care for animals
- Goal 1 and 2 – Improve economic viability, innovation and resilience

How demonstration actions specifically contribute to Goals within the ADSF:

Goal 9 – Improve Land Management

The demonstration activities strongly support Goal 9 of the scorecard.

9.1 – 100% of stock excluded from waterways

The proposed activities to:

- plant stream and dam-side revegetation, and
- fence stock out of waterways

directly contribute to improved riparian management and exclusion of livestock from waterways.



Image: Vegetation at the TIA Dairy Research Facility

9.2 – 100% of riparian zones actively managed and maintained

Riparian revegetation, weed control along waterways and ongoing management of streamside vegetation directly demonstrate active riparian zone management.

9.3 – Soil and nutrient management

Shelterbelts, revegetation and agroforestry can improve soil stability, reduce erosion, increase nutrient retention and improve nutrient cycling, contributing to improved land and soil management outcomes.

9.4 – Biodiversity action planning

This demonstration provides a practical demonstration of biodiversity action planning and implementation.

The project's use of certified natural capital accounting methodologies through Accounting for Nature also provides a robust mechanism for measuring and verifying biodiversity outcomes over time.

Contribution to Goal 10 – Increase Water Use Efficiency

The activities involving riparian fencing, streamside revegetation and weed management along waterways contribute to:

- improved water quality,
- reduced nutrient and sediment runoff,
- improved farm waterway health, and
- increased resilience to drought and climate variability.

These outcomes support the broader objectives of Goal 10 relating to water stewardship and water security planning.

Contribution to Goal 11 – Reduce Greenhouse Gas Emissions Intensity

The establishment of:

- biodiverse native vegetation,
- shelterbelts, and
- agroforestry systems

can contribute to carbon sequestration and reduced emissions intensity through increased tree cover, improved pasture microclimates and enhanced farm system resilience.

The demonstration of biodiversity and carbon market opportunities also aligns with the industry's transition toward lower emissions and climate-smart agriculture.



Image: On-farm natural capital

Contribution to Animal Welfare Outcomes (Commitment 3)

The establishment of shelterbelts and enhancement of paddock trees improves:

- shade,
- shelter from heat, wind and cold stress,
- animal comfort,
- and overall welfare.

This aligns with Goal 7, which includes implementing strategies to manage inclement weather and minimise heat or cold stress for dairy animals.

Improved shelter and farm resilience can also support productivity and reduce stress-related impacts on livestock health.

Contribution to Economic Viability and Resilience (Commitment 1)

The demonstration aligns with Goal 1 and Goal 2 through:

- showcasing innovation and adoption of new farming practices,
- improving long-term farm resilience,
- diversifying income streams through agroforestry, biodiversity and carbon markets,
- and supporting knowledge transfer to farmers across north-west Tasmania.

The project specifically aims to:

- “identify market opportunities, such as biodiversity and carbon credits, to create new revenue streams for farmers”, and
- “provide a practical model for farmers to integrate improved natural capital management into their operations.”

This supports industry goals around profitability, innovation, resilience and regional prosperity.

Demonstrating Emerging Market and Supply Chain Expectations

The project also supports evolving sustainability disclosure and market expectations through:

- Accounting for Nature certification,
- alignment with Taskforce on Nature-related Financial Disclosures (TNFD),
- and consistent environmental accounting methodologies.

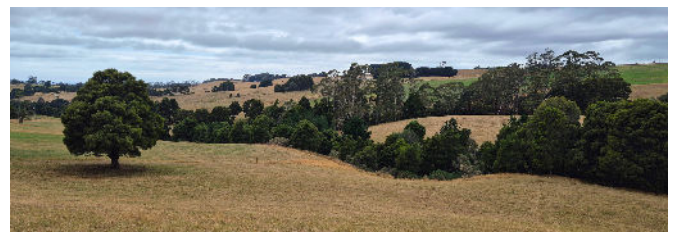
This positions the demonstration as a practical example of how dairy farms can prepare for:

- future sustainability reporting,
- supply-chain sustainability requirements,
- and emerging environmental markets.

Visit the 2025 Australian Dairy Sustainability Framework Scorecard



Scan the QR code or visit <https://australiandairyfarmers.com.au/wp-content/uploads/2026/04/Sustainability-Scorecard-2025.pdf>



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