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Subject: ADF submission on the draft National Environmental Standards for Matters of National Environmental Significance (MNES) and Environmental Offsets

ADF supports the intent of the EPBC reforms to deliver clearer, outcomes-focused environmental protection and supports the submission put forward by NFF on behalf of the agricultural sector.

We write this letter to complement NFF's submission and to provide a dairy-specific lens on the draft National Environmental Standards for Matters of National Environmental Significance (MNES) and Environmental Offsets.

About Australian Dairy Farmers (ADF)

Australian Dairy Farmers (ADF) is the national peak industry representative body for dairy farmers, representing farmers across Australia's six dairy regions through State Dairy Farming Organisations and direct farmer members. ADF works with governments and industry partners to ensure policy and regulation is effective, practical and recognises the realities of food and fibre production.

Dairy context

Australia's dairy industry is a major contributor to regional economies, comprising around 3,772 farms, 1.3 million cows, and producing approximately 8.3 billion litres of milk each year. The sector directly employs around 30,400 people across farming and processing, making it one of the largest rural workforces in the country, and generates approximately \$6.0 billion in farmgate value and \$3.8 billion in export earnings annually.

Dairy production is concentrated in water-dependent and environmentally sensitive landscapes, including irrigated regions, riparian corridors and wetland-adjacent areas. Dairy farm systems rely on incremental, continuous adaptation through small-scale infrastructure and land-management works (e.g. irrigation and drainage maintenance, effluent systems, laneways, fencing, access and water supply upgrades).

These activities are essential for animal welfare, productivity, environmental performance and climate resilience, but can intersect with MNES in ways that are routine and operational, rather

than development-driven. This creates particular challenges when regulatory frameworks designed for discrete development projects are applied to working farm systems.

Key dairy considerations

From a dairy perspective, the main considerations for implementation of the MNES and Offsets Standards are:

- **Uncertainty in marginal cases**
Dairy farms frequently operate in landscapes where MNES are present but impacts from routine works are small, localised and often reversible. Greater emphasis on context, cumulative and indirect impacts risks increasing uncertainty for these marginal cases unless clear, practical guidance is provided on how “significant impact” should be applied in agricultural settings.
- **Offsets feasibility and land-use pressure**
Mandatory offsets for residual impacts, combined with net-gain requirements, may place pressure on productive dairy land in regions where like-for-like offsets are limited. There is a risk that offset requirements unintentionally drive land-use change away from food production, rather than delivering complementary environmental outcomes within farm systems.
- **Disproportionate evidence and transaction costs**
Evidence, consultation and assessment expectations appropriate for major developments can become disproportionate when applied to farmer-led adaptation or maintenance projects. In particular, reliance on self-assessment and defensive referrals places a significant compliance burden on farmers undertaking routine, low-risk activities.
- **Interaction with water and irrigation systems**
Dairy’s reliance on water infrastructure means that irrigation, drainage and wetland-adjacent works are common. Clear guidance is needed on how MNES considerations apply to these systems, particularly where activities are undertaken to improve efficiency, reduce nutrient losses or enhance resilience.

Recommendations

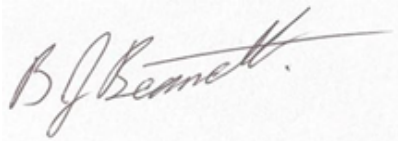
To ensure the Standards achieve strong environmental outcomes without unintended impacts on food production, we recommend:

1. **Agriculture-specific guidance and decision-support tools** under the MNES and Offsets Standards, including worked examples for common dairy activities and clear articulation of what is unlikely to constitute a significant impact.
2. **Explicit proportionality**, with scaled evidence and assessment pathways for low-risk, operational farm works to reduce reliance on self-assessment and referral.
3. **Offset design safeguards** that avoid perverse land-use outcomes and recognise offsets and restoration activities that complement productive dairy systems.

4. **Greater use of landscape-scale and strategic approaches** in priority dairy regions to reduce project-by-project uncertainty while improving environmental outcomes.

ADF supports the NFF's overarching position and welcome continued engagement to ensure the final Standards and associated guidance are workable for dairy farmers while delivering the intended national environmental benefits.

Yours sincerely,



Ben Bennett
President
Australian Dairy Farmers