

**Australian Dairy Industry
(Australian Dairy Farmers and Dairy Australia)**

Response to

Nature Repair Market Issues Papers (April 2026)

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Contacts

Australian Dairy Farmers

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Introduction

Australian Dairy Farmers (ADF) welcome the opportunity to provide feedback on the April 2026 Nature Repair Market issues papers, including:

- *Policy settings to enable the Nature Repair Market to supply environmental offsets*
- *Rules to support Market integrity and administration*
- *Supporting threatened species and threatened ecological communities in Nature Repair Market projects*

The dairy industry supports the overarching intent of the Nature Repair Market to deliver high-integrity biodiversity outcomes and increase investment in nature.

Consistent with our previous submissions to DCCEE¹, we emphasise that integrity must be delivered in a manner that is practical, proportionate, and compatible with productive agricultural systems.

About the Australian Dairy Industry

Dairy is the third largest Australian rural industry and a key sector of the agricultural economy, with a farmgate value of \$5.96 billion and a direct workforce of almost 30,400 across dairy farms and processing. In 2024/25, 36% of milk production was exported, worth around \$3.8 billion. Australia is a significant exporter of dairy products and ranks fifth in terms of world dairy trade².

Australian Dairy Farmers (ADF) is the national peak Industry Representative Body representing all dairy farmers from across Australia's six dairy producing states. ADF's membership includes the State Dairy Farming Organisations from each State as well as direct farmer members.

¹ Nature Repair Market legislation (Oct 2024), Proposed Integrated Farm and Land Management (IFLM) Method (Feb 2026), and Enhancing Native Vegetation (ENV) Method (Nov 2025)

² [In Focus 2025 The Australian Dairy Industry](#)

Key issues

1. Interaction with environmental offsets and land-use competition

ADF supports the inclusion of environmental offsets within the Nature Repair Market, provided that policy settings ensure biodiversity outcomes are delivered without displacing productive agricultural land use.

While the introduction of offsets to the Market has the potential to increase investment and improve environmental outcomes, it may also have unintended consequences for agricultural land use. Increased demand for offset-capable projects may:

- intensify competition for land
- influence land values
- create incentives to convert productive agricultural land into biodiversity or offset projects.

The dairy industry has consistently highlighted the importance of ensuring that biodiversity and carbon markets complement, rather than compete with agricultural production.

While the draft Offsets Standard and Market framework includes strong safeguards to ensure ecological integrity, there is limited consideration of land-use outcomes. Without clearer policy direction, there is a risk that offset demand may unintentionally drive land-use change toward biodiversity projects in high-value agricultural regions, including dairy.

The current framework contains several appropriate policy levers, including method design, eligibility criteria, and offset principles. However, these are not yet being explicitly applied to manage land-use competition.

ADF recommend the following refinements:

- Introduce a fit-for-purpose land use test: Policy and method settings should include clearer criteria to assess whether projects are appropriate for their land use context. This could include consideration of the agricultural productivity and strategic importance of the land, and the role of the land within regional food and fibre production systems.

This assessment should also consider the interaction with existing land-use planning frameworks. For example, where planning schemes (such as Agricultural Zones within the Victorian Planning Provisions) explicitly designate land as suitable for ongoing agricultural use, there should be clear guidance on

how offset projects on this land are assessed. In particular, policy settings should avoid creating conflicting incentives where land identified for food production is simultaneously incentivised for conversion to biodiversity or offset outcomes.

- Strengthen spatial targeting and regional alignment: Offset-capable projects should be better aligned with regional planning frameworks and environmental priorities. This could include aligning project eligibility with regional biodiversity priorities and avoiding concentration of projects in highly productive agricultural zones.
- Strengthen application of “like-for-like” and “relevant area” principles: The draft Offsets Standard includes principles relating to “like-for-like” outcomes and delivery in a “relevant area”. These principles should be applied in a way that also discourages inappropriate land-use substitution. This should ensure that offsets are delivered in ecologically appropriate locations and project siting is not driven solely by land availability or cost.
- Monitor and report land-use change impacts: To support transparency and adaptive policy design, the Market should include mechanisms to monitor and report on land-use change over time. This would provide an evidence base to identify unintended consequences early and adjust policy settings if required.

2. Administrative burden and participation costs

ADF supports a high-integrity Nature Repair Market but urges DCCEEW to design administrative requirements so they are proportionate, practical, and do not create unnecessary barriers to participation for farmers.

The proposed framework introduces substantial requirements for project registration, monitoring, reporting, auditing, and verification.

While we recognise the importance of maintaining high integrity, the cumulative administrative burden and associated costs are likely to present a significant barrier to participation - particularly for small and medium-sized farm businesses.

This concern is consistent with our previous submissions across both biodiversity and ACCU methodologies, where complexity and cost have been key constraints on uptake.

ADF recommends that the Nature Repair Market supports involvement by:

- providing practical support, guidance and tools for landholders
- adopting a proportionate, risk-based approach to administration.

3. Treatment of “significant reversals”

ADF supports the inclusion of mechanisms to manage reversals of biodiversity outcomes, provided they reflect the realities of farming systems.

The proposed rules introduce important mechanisms to manage reversals of biodiversity outcomes. However, the proposed framework does not sufficiently distinguish between:

- reversals resulting from poor management, and
- reversals caused by external, uncontrollable events such as drought, flood, fire, pests or disease

This distinction is critical for agricultural systems, which operate under significant climatic and environmental variability.

We recommend that the Rules:

- explicitly differentiate between avoidable and unavoidable reversals
- provide reasonable timeframes and pathways for proponents to restore outcomes
- prioritise remediation and adaptive management before requiring certificate relinquishment
- consider the role of risk-sharing mechanisms, such as buffers or insurance

4. Definition of “suitably qualified person”

ADF supports the use of suitably qualified persons to ensure assessment of biodiversity outcomes, provided that definitions are competency-based, practical, and accessible in regional areas.

The proposed framework relies on suitably qualified persons to assess and verify biodiversity outcomes. While appropriate in principle, overly narrow or prescriptive definitions risk creating advisory bottlenecks, increasing project costs, and limiting access in regional and rural areas.

ADF recommends that the Market:

- adopts a competency-based definition of suitably qualified persons
- recognises a broad range of relevant expertise (e.g. farming, ecologists, agronomists, land management practitioners)
- ensures accessibility and affordability of advisory services in regional areas

Conclusion

Australian Dairy Farmers supports the development of a high-integrity Nature Repair Market that delivers genuine environmental outcomes.

However, for the Market to succeed in an agricultural context, it must:

- remain compatible with productive land use
- be practical and accessible for farmers
- appropriately manage risk and variability
- avoid unintended land-use and market distortions

With targeted refinements, the Nature Repair Market can support both biodiversity outcomes and resilient food production systems. Without these adjustments, participation from working farms is likely to remain limited.

ADF welcome continued engagement as the Nature Repair Market develops.