

29 July 2026

Nature Repair Committee
c/- Department of Climate Change, Energy, the Environment and Water
GPO Box 3090
Canberra ACT 2601

Via: Have Your Say platform - Nature Repair Committee consultation on the proposed Enhancing Native Vegetation method

Subject: Submission on the proposed Enhancing Native Vegetation (ENV) method

Australian Dairy Farmers (ADF) and Dairy Australia (DA) welcome the opportunity to make a submission to the Nature Repair Committee on whether the proposed Enhancing Native Vegetation (ENV) method meets the biodiversity integrity standards (BIS) in section 57 of the Nature Repair Act 2023.

ADF and DA made a submission to the department's October 2025 consultation on the design of this method. Our overall position is unchanged. The dairy industry supports a high-integrity method, as certificates are only worth holding if the market believes in them. The eligible region covers most of Australia's dairy country, and a method built around improving and maintaining vegetation that is already there, rather than new plantings alone, is a good fit for how dairy farms are run.

This submission raises four matters. Two go to whether the method meets the standards. Two are matters we ask the Committee to note.

About Australian Dairy Farmers

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 farming members.

About Dairy Australia

Dairy Australia (DA) is the national services body for dairy farmers and industry. Its role is to help farmers adapt to a changing operating environment, and achieve a profitable, sustainable dairy industry. As the industry's Research and Development Corporation, it is the 'investment arm' of the industry, investing in projects that cannot be done efficiently by individual farmers or companies.

Question 1 – Project impact, design and delivery (s 57(1)(a)–(d))

The counterfactual for maintain transitions

We support the inclusion of maintain (M) transitions and the separate certificate issuance thresholds in Schedule 7. Maintaining moderate to high condition remnant vegetation is a significant part of what dairy farmers already do, and a method that recognises it is welcome.

Many dairy farms carry patches of bush, creek frontage and shelterbelts that have been fenced off and looked after for years, often through a catchment management program, Landcare, or a processor's sustainability requirements. Keeping that vegetation in good condition is not a one-off

job. It takes ongoing weed control, pest control, fence maintenance and stock exclusion, year after year.

The method compares what the project achieves against the counterfactual. However, the explanatory material states that the counterfactual for ecosystem condition will, in the majority of cases, be static, assuming no change in condition in the absence of the project. The only exception contemplated is an increasing counterfactual for activity areas showing established regeneration.

That assumption does not match what happens on the ground. Remnant vegetation in farming landscapes usually goes backwards if it is left alone. Weeds move in, pest animals build up, fences fail, and stock get access. A farm that has held a remnant in good condition for twenty years has done so by spending money on it, and that condition would not hold if the spending stopped.

If the method assumes the vegetation would not have declined anyway, it becomes very difficult for a maintain project to show it has delivered a benefit that would have been unlikely without the project, as required by s 57(1)(a).

Recommendation: allow a declining counterfactual for maintain projects, and for remnants that are already protected, where a suitably qualified person can show on the evidence that condition would fall away without continued investment. The method already permits this kind of case-by-case flexibility for threatened species indicators, so the approach is not new.

Recognition of prior stewardship

Related to the above, we remain concerned that the additionality architecture may exclude farmers who have already invested in protecting remnant vegetation. To use enhanced grazing control, an area must have been grazed for five years before registration, and the project must then cut grazing pressure by at least half against that five-year average.

The effect is that a farmer who fenced their creek frontage ten years ago has no grazing pressure left to reduce, and so cannot use this activity at all. The alternatives are also narrow, because weed and pest control only count where they go beyond what the law already requires, and most states already place weed and pest obligations on landholders.

So, a farmer who grazed a remnant area of vegetation until this year can register a project, while the neighbour who protected the same vegetation a decade ago cannot. We do not believe that is what the market is meant to do, and it sends a poor signal to farmers deciding whether to act now or wait.

Recommendation: we ask the Committee to seek clarification from the department on what pathway is available to farmers with remnants they have already protected. We would also ask the department to confirm whether the five-year grazing history requirement applies to every activity area, or only to areas using enhanced grazing control. As written, it can be read the first way, which would rule out remnants that have not been grazed at all.

Question 2 – Biodiversity measurement and assessment (s 57(1)(e)–(g))

ADF and DA support the measurement framework. The use of the Ecological Knowledge System, permanent monitoring plots and consistent condition indicators will give buyers confidence that certificates mean something. We have no objection in principle.

We have identified three areas which may prevent dairy farmers from taking part or make participation impractical. The standard in s 57(1)(e) requires measurement conditions to be appropriate to the project area, and each of these goes to whether the requirements can actually be applied on a working dairy farm.

- **Measurement of the grazing reduction.** The method requires a reduction of at least 50 per cent in average grazing pressure over the five years prior to application. The unit of measurement is not specified. Dairy grazing is rotational and highly variable across a season, and the answer differs materially depending on whether pressure is assessed as dry sheep equivalents per hectare, grazing days, area excluded, or some other measure. Guidance should specify the unit and whether the reduction is assessed per activity area or across the project.
- **Drought in the baseline.** Where the five-year baseline captures destocking during declared drought, the average is artificially depressed and the required reduction becomes harder to achieve for reasons unconnected to the project. Provision should be made to exclude or adjust for declared drought periods.
- **Evidence of past grazing.** Few family farms hold five years of auditable stocking records at paddock level. Farmers will want to know before they spend money on a suitably qualified person whether their records will be accepted. Guidance on acceptable evidence, whether NLIS data, farm maps, agistment records or statutory declaration, would materially assist participation.

Question 3 – Information on the Register and certificates (s 57(1)(h)–(i))

ADF and DA consider the Register and certificate requirements are sound and support transparency in the market. We have no concerns with the method's compliance with s 57(1)(h) and (i).

We do ask the Committee to note one consequence of the disclosure requirements. Where a project adopts the threatened species characteristic, the Register will publish activity area boundaries and the threatened species and ecological communities relevant to the project. From 1 July 2026, this creates a public, property-scale record of confirmed or likely presence of protected matters, which is available to the National Environmental Protection Agency and to state regulators.

For adjoining landholders, this may materially change the referral risk associated with routine on-farm development such as effluent system upgrades, laneways, drainage works or shed construction. This is not an argument against transparency, which we support. It is a reason for the department and the CER to provide clear guidance to landholders, both proponents and neighbours, on what the Register does and does not establish for regulatory purposes.

Question 4 – Other matters for the Committee

Off-site causation and reversal liability

Proponents must notify the Regulator of significant reversal events and take corrective action to restore the biodiversity outcome. The materials do not address causation originating outside the project area. Where a reversal is contributed to by lawful adjacent agricultural operations, including spray drift, nutrient or sediment movement, stock incursion or escaped fire, it is unclear whether the

proponent bears the corrective obligation alone, and whether the adjacent landholder acquires any obligation.

This uncertainty is unhelpful in both directions. It exposes proponents to remediation costs they cannot control, and it risks making land adjoining productive agriculture less attractive for offset-capable projects, or inviting buffer requirements to be imposed on neighbours by private contract rather than through the regulatory framework.

Recommendation: The starting state assessment and project plan should require assessment and disclosure of adjacent land use and its compatibility with the project outcome. The Rules should make clear that reversal attributable to lawful adjacent agricultural operations conducted in accordance with normal practice does not of itself expose the proponent to compliance action, and creates no obligation on the adjacent landholder.

Stacking with the ACCU Scheme

We repeat the concern raised in our November 2025 submission. The explanatory material states that the department's intention is that ENV projects could potentially also meet the requirements of relevant ACCU Scheme methods, subject to project-specific factors and further legal and technical validation. That is a hedged position, and ACCU Scheme legislation expressly excludes project areas used to offset adverse impacts on vegetation.

Most dairy farmers modelling a revegetation or enhancement project will be combining biodiversity, carbon and production co-benefits to make the investment viable. Under the proposed Rules, offset-capable status must be nominated at registration and published on the Register, which means the choice is made before a proponent knows whether an offset buyer will emerge, and is effectively fixed for the permanence period.

Recommendation: Worked guidance on stacking should be published before the method commences rather than after, and the department should clarify whether offset-capable status can be added or removed after registration and with what consequences.

Conclusion

ADF and DA support the ENV method and consider it broadly capable of meeting the biodiversity integrity standards. It is a genuine opportunity for dairy farmers to be recognised and paid for environmental work that has, until now, gone unrewarded.

Our main concern is the counterfactual. As drafted, we think the method makes it unnecessarily hard for farms that have already protected their remnant vegetation to take part, and we consider this goes to compliance with s 57(1)(a). We ask the Committee to look closely at this before the method is finalised.

The remaining points are practical, and most could be dealt with through guidance rather than changes to the method itself.

ADF and DA would welcome the opportunity to discuss any of these matters with the Committee or the department, and to keep working with DCCEEW on making the market workable for productive farming systems.

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