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9 June 2026

Environment Protection Reform Act 2025

Attention: The Hon Murray Watt MP

Minister for the Environment and Water

via the Department of Climate Change, Energy, the Environment and Water (DCCEEW)

RE: National Environmental Standards Offsets Exposure Draft

National Environmental Standards: Offsets Exposure Draft

Foreword

AgForce maintains the position outlined in its original submission to the National Environmental Standards: Offsets consultation process (refer to Appendix 1). AgForce notes that, with the exception of amendments relating to permanence timeframes, the majority of recommendations previously provided do not appear to have been incorporated into the current Exposure Draft.

AgForce remains concerned that the proposed offsets framework is progressing without a full understanding of:

- the cumulative impacts on agricultural production systems;
- the interaction between the Offsets Standard and the broader suite of National Environmental Standards and EPBC reforms;
- the long-term implications of restoration charge mechanisms and offset liabilities; and
- the effect of non-regressive environmental regulation on future food security, regional economies and productive agricultural land.

Accordingly, AgForce does not support the progression or finalisation of the Offsets Standard until a comprehensive agricultural impact assessment has been undertaken, preferably prior to implementation rather than through post-implementation review.

AgForce's position remains two-fold:

1. Environmental offsets must not become a routine regulatory cost imposed on lawful food and fibre production.
2. Where offsets are required to address genuine residual impacts from non-agricultural sectors, agriculture may participate as a delivery partner only where arrangements are fair, practical, voluntary and commercially workable.

To be credible and workable, the Standard must include clear protections for productive agricultural land and explicitly recognise agriculture as a cyclical, ongoing and nationally significant land use essential to Australia's food security, regional economies and environmental stewardship outcomes.

Accordingly, AgForce have provided additional feedback on revised aspects of the Offsets Standard below.

Key recommendations on the revised Standard

In making a National Environmental Standard the Minister may prescribe parameters within, or principles by which, an outcome or objective can be achieved; processes or actions to be followed or taken in achieving an outcome or objective.

The Standard for environmental offsets needs to reflect agriculture in two ways:

1. That a 'development' on agriculture land does not necessarily mean that an offset is required.

This is particularly relevant for the grazing industry and pasture 'development'. Changing pastures and having an optimum feed base is a part of farming. By intensifying or changing the pasture species and managing tree-to-grass ratios it must be viewed as a continuing use provision.

This kind of 'development' must be considered by the Minister and decision-makers as not requiring compensation through offsets under the EPBC Act. Decision-makers must also take into consideration a landscape scale and bioregional approach.

Meat and Livestock Australia (MLA) identify that perennial, annual and native pastures and forage and dual-purpose crops – is the powerhouse of Australia's red meat, dairy and wool industries. MLA states that investment in new pastures is driven by the need to improve livestock productivity, lift environmental outcomes, increase climate resilience and, in mixed farming operations, manage long-term paddock rotations¹.

MLA invests in grazing land management research and development for the following benefits:

- Short and long-term productivity;
- Sustainable land management to meet environmental targets;
- Reduced cost of production;
- Enhanced ability to adapt to changing climate;
- Pasture management to improve forage quality, quantity and persistence.

Adopting new research and development into grazing land management is encouraged by MLA and aims to ensure long-term productivity and sustainability of the feedbase².

2. That where agriculture land is used as an offset that there are the appropriate safeguards and processes in place for agricultural land and farmers including:

2.1 Agricultural representation

- a) Governance arrangements must include representation from, and consultation with, agricultural stakeholders.

2.2 Protection of productive agricultural land and cumulative impacts

¹ Located at: [how-do-i-establish-a-new-pasture-6pp.pdf](#)

² Located at: [Grazing land management | Meat & Livestock Australia](#)

- a) The Standard must require decision-makers to consider the cumulative effect of offsets on food and fibre production capacity before offset arrangements are approved.
 - Offsets must not drive the systematic removal of productive agricultural land, or previously developed farming areas, from ongoing production.
 - There must be a process in place for an assessment to determine whether an offset will cause adverse or harmful impacts on the region's agricultural industry and involve the Minister for Agriculture.
- b) Productive agricultural land must also be protected by prioritising offsets on public land, less intensively used ecosystems, existing conservation estates, areas suitable for restoration and degraded land.
- b) Offsets must also support regional sustainability and explicitly account for cumulative impacts on regional economies and communities.
- c) The government must ensure that the cumulative impact on agricultural land from land use change from carbon sequestration, conservation, housing and other activities are monitored, considered and reported (refer to below - 'Additional Context' number 1 for further information).
- d) The government must also ensure that environmental offsets, biodiversity restoration requirements, climate accounting frameworks and other similar requirements or arrangements do not unintentionally compound obligations on productive agricultural land (refer to below - 'Additional Context' number 2 for further information).

2.3 Recognition of Agriculture

- a) Agriculture must be expressly recognised and supported as a legitimate delivery partner for offsets.
- b) Offset methodologies must be designed so they are practical and applicable across agricultural land systems.
- c) Commercial farm operations and management practices must be recognised, including allowing for normal agricultural activities to continue where they are compatible with environmental outcomes.

2.4 Natural Disaster Risk and Liability

- a) Offset methodologies must explicitly account for natural disasters such as bushfires and floods, and other unavoidable natural events such as drought.
- b) Landholders must not be held liable for offset performance failure where loss is caused by a natural disaster and other unavoidable natural events and reasonable management obligations have been met.
- c) Assessment methodologies should incorporate appropriate risk adjustment factors.

2.5 Offset security mechanisms

- a) Offset obligations must have regard to the impacts on land tenure, value and succession.
- b) Offset governance arrangements on agricultural land should prefer non-title mechanisms, including management agreements, contractual offset arrangements and stewardship agreements.
- c) Title-based instruments (e.g. covenants) must only be used on agricultural land where no effective alternative exists, and where impacts on land value, tenure and succession have been assessed.

2.6 Net gain, self-sustaining and active land management

- a) Should the government proceed with the net gain concept, they have a responsibility to implement the same requirements on relevant programs, such as the Australian Bushland Program which includes a strategic land purchasing component.

- b) The net gain must take into consideration natural environmental processes and the population dynamics of species, and natural disasters and other natural events such as drought.
- c) Agricultural practices must be permitted in offset areas where they maintain or improve ecological function, environmental outcomes, support resilience and long-term outcomes.
 - This may include active land management practices such as grazing and livestock integration, fire management, and weed and pest control.

Refer to below - 'Additional Context' number 3 for further information.

2.7 Eligibility of remnant and regulated ecosystems

- a) Remnant and regulated ecosystems must remain eligible where additional management delivers measurable improvement.
 - These types of ecosystems provide habitats for native species.

2.8 Full cost disclosure, a Code of Conduct, an Ombudsman and Advisory support

- a) Offset agreements must include upfront disclosure of total lifecycle costs, opportunity costs, land management obligations and risk exposure.
- b) Information must be sufficient to assess impacts on property value, land liquidity, and farm financial viability.
- c) A Code of Conduct must be developed that sets out the processes to be followed, the obligations for farmers and third parties, and how to develop a contract to ensure that third parties do not shift the risk onto farmers, such as net gain responsibility and the impact of weather fluctuations i.e. drought.
- d) Farmers also require a legal avenue to dispute unfair practices and for complaints, such as an Ombudsman or a similar mechanism.
- e) Advisory support is necessary to help farmers understand the long-term obligations, risks, costs and land management requirements associated with offsets.
- f) The offsets calculators must be finalised and consulted on prior to finalisation of this Standard.

Refer to below - 'Additional Context' number 4 for further information.

2.9 Minimise administrative burden

- a) Administrative processes must avoid duplication and recognise equivalent state and territory processes wherever possible.
- b) Streamlined or class-based processes are also to be prioritised, where appropriate.
- c) Fees should be capped or waived, where appropriate.

Additional Context

1. Environmental offsets and the cumulative impact of land use change on agriculture

Developers can purchase or use agricultural land as an environmental offset, and the effect is not limited to a simple 1:1 trade-off. In practice, offset requirements can lock up much larger areas of land, compounding the loss of productive agricultural land and reducing the capacity of farm businesses to produce food and fibre.

In addition to environmental offsets, carbon sequestration is likely to increase on agricultural land, such as reforestation and managed regeneration.

Australian Bureau of Agricultural and Resource Economics and Sciences modelled the scenario from the Australian Treasury's Net Zero Plan which requires the landscape to sequester 119 million tonnes by 2050. This modelling estimated that 18 million hectares of land-based sequestration projects would be needed. This is equivalent to around 4% of agricultural land, with sequestration concentrated in pastoral (45%), and wheat-sheep and high rainfall zones (55%). This modelling used a sequestration price of \$106 per tonne³.

The upcoming statutory review of the Safeguard Mechanism in the 2026-27 financial year will be important for agriculture, as industrial facilities required to reduce their emissions heavily rely on offsets. If the scheme's coverage is expanded, it could increase the overall demand for land, including agricultural land, to deliver an emission offset.

Agricultural land use is also under pressure from other uses such as housing, mining and renewable energy. In the decade between 2011 and 2021, agricultural land use fell by about 13 million hectares⁴.

Against this backdrop, the Standard should require active monitoring of the cumulative impact of offsets on agricultural land to ensure governments can avoid unintended losses in production capacity, regional resilience and long-term food security.

Offset placement and restoration programs must also be developed with Queensland agencies and industry to avoid unintended regional impacts on food/fibre production and feral pest management to mitigate negative environmental outcomes.

2. Disclosure of greenhouse gas emissions information and cumulative impact of obligations

The environmental reforms require proponents of some controlled actions to disclose a reasonable estimate of the GHG emissions associated with a project and to identify the strategies and measures they are taking to manage those emissions.

This includes reporting Scope 1 and Scope 2 emissions where the action is determined to be a controlled action and requires assessment for a significant impact on a Matter of National Environmental Significance (MNES). AgForce understands this disclosure is intended to complement existing climate policies, such as the Safeguard Mechanism. The proposed Regulations set the threshold at 100,000 tonnes of carbon dioxide equivalent (CO₂-e) per year.

The government should provide a clear policy pathway and explicit protections to ensure that environmental offsets, biodiversity restoration requirements and climate accounting frameworks do not unintentionally compound obligations on productive agricultural land. This includes clarifying whether land used for offsets or conservation outcomes will also contribute toward Australia's climate commitments under the Paris Agreement, and how duplicate counting, overlapping permanence obligations and cumulative regulatory burdens will be avoided. Without appropriate safeguards and recognition of agriculture's productive function, there is a significant risk of escalating land use pressure, reduced productive capacity,

³ Located at: [Sequestration on Agricultural Land: Impacts and Policy Trade-offs - DAFF](#)

⁴ Located at: [Sequestration on Agricultural Land: Impacts and Policy Trade-offs - DAFF](#)

distortion of land values, and the progressive transfer of public environmental responsibilities onto privately managed farming businesses critical to food security.

Farmers should also be recognised for the woody biomass sequestration.

3. Net Gain requirements

The environmental reforms require that offsets deliver a net gain for the environment. The net gain must take into consideration natural environmental processes and population dynamics of species. Agricultural practices can also enhance the land that has been offset through practices such as managed grazing.

The Government must also ensure under the 30x30 goal (to protect and conserve at least 30 per cent of the land) that the same requirements for net gain are implemented and the government is held to account. For example, the \$250 million Australian Bushland Program includes a strategic land purchasing component which should also have net gain requirements and accountability through reporting.

4. Assistance for farmers to participate

Farmers will make decisions based on an appropriate balance of return, risk and long-term viability. In considering participation, farmers must assess a range of significant factors, including complex regulatory requirements, technical methodologies, enduring legal obligations (including being tied to a property title) and risks arising from circumstances beyond their control, such as drought, fire and other natural events such as drought. These considerations are compounded by the practical labour, management, financial and compliance costs associated with restoration activities and the ongoing stewardship of offset sites.

A Code of Conduct must be established to assist farmers understand their rights, the requirements and enter complex contractual arrangements, and an Ombudsman or similar independent mechanism should be established as an avenue to dispute unfair practices and an avenue for farmers to submit a complaint.

Advisory support is also necessary to help farmers understand the long-term obligations, risks, costs and land management requirements associated with environmental offsets. The Government has invested \$48.3 million in the Carbon Farming Outreach Program designed to help farmers and land managers to explore options for managing emissions and storing carbon. An outreach program should be established for environmental offsets.

Offsets calculators

The offsets calculators are a key component of this policy and underpins this environmental standard. There are two calculators:

1. For proponents if they are delivering the offset themselves
2. For the Restoration Contributions Holder.

The calculators are still under development by the Department of Climate Change, Energy, the Environment and Water. At the recent Senate Estimates it was stated by the Department that there is no exact completion date of the calculators but before the reforms commence⁵.

The calculators should be consulted on prior to finalisation of this standard and it remains concerning that there is not greater transparency nor co-ordination around this process as part of the National Environmental Standards consultation.

Conclusion

AgForce does not support the progression or finalisation of the National Environmental Standards: Offsets Exposure Draft in its current form. The proposed framework continues to progress without a clear understanding of its cumulative impacts on agricultural production, the interaction with broader EPBC reforms, climate and biodiversity policies, and the long-term implications of restoration charges, offset liabilities and associated land-use change.

Environmental offsets must not become a default regulatory cost imposed on lawful food and fibre production, nor should they result in the progressive transfer of public environmental responsibilities onto privately managed farming businesses. Without appropriate safeguards, the framework risks reducing productive agricultural land, increasing costs and administrative burden, distorting land values, constraining regional economies and creating unintended consequences for Australia's long-term food security.

Accordingly, AgForce calls for a comprehensive agricultural impact assessment to be completed prior to implementation, alongside the release and consultation of all supporting instruments, including calculators, methodologies, valuation frameworks and cost recovery arrangements. The Standard must also explicitly recognise agriculture as a cyclical and ongoing land use, protect productive agricultural land, support active land management, ensure fair allocation of risk and liability, and prevent the cumulative layering of environmental obligations across the same land base.

AgForce remains committed to working constructively with the Commonwealth to develop an offsets framework that delivers measurable environmental outcomes while recognising the realities of Australia's working landscapes. Environmental stewardship and agricultural production are not mutually exclusive; in many cases, biodiversity, land condition and ecosystem resilience are maintained through active management rather than land withdrawal. Recognising this principle, alongside appropriate safeguards for productive land, fair allocation of risk and practical implementation pathways, will be critical to ensuring the Standard supports both environmental objectives and Australia's long-term food security and regional prosperity.

About AgForce

AgForce is the peak representative organisation for Queensland's cane, cattle, grain and sheep, wool and goat producers. Together, these industries generated \$11.2 billion in on-farm value in 2022–23 and form the foundation of Queensland's regional economy. AgForce represents more than 6,000 farmers, individuals and agribusinesses whose operations collectively manage

⁵ Located at: [Environment and Communications Legislation Committee_2026_05_25.pdf;fileType=application/pdf](#)



approximately 55 million hectares, accounting for one-third of the state's land area. Queensland producers supply high-quality food and fibre to domestic and international markets, support the economic and social fabric of rural and remote communities and provide essential stewardship of the state's natural resources. As the leading voice for Queensland's agricultural sector, AgForce works to ensure the long-term growth, viability, competitiveness and profitability of these industries.

AgForce Queensland welcomes the opportunity to provide comment on the *National Environmental Standards Offsets Exposure Draft*.



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Appendix 1 – AgForce submission

30 January 2026

Environment Protection Reform Act 2025

Attention: The Hon Murray Watt MP

Minister for the Environment and Water

via the Department of Climate Change, Energy, the Environment and Water (DCCEEW)

RE: Draft National Environmental Standard (Environmental Offsets) 2025

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Agriculture is the foundation of regional economies, national food security and environmental land management. Queensland contains Australia's largest area of agricultural land. Producers manage diverse and extensive landscapes including remnant vegetation, regrowth, riparian corridors, pasture systems, dryland cropping and complex mosaics. Only through a formal and collaborative approach can environmental improvement and agricultural viability advance together, safeguarding both ecosystem integrity and the future of Australia's food and fibre production.

AgForce welcomes the opportunity to comment on the Draft National Environmental Standard (Environmental Offsets) 2025 however remains extremely wary of the unintended consequences of this legislation on future Food Security and has actively sought to address this throughout the submission.

Executive Summary

Australia's environmental and agricultural systems are inseparable. Long-term biodiversity outcomes, food security and regional resilience will only be achieved through policy settings that recognise agriculture as both a production system and a land stewardship system operating at national scale. Environmental Offsets must therefore be designed to strengthen, not erode, the capacity of producers to actively manage landscapes into the future.

AgForce's position is **two-part**:

1. **Offsets must not become a default regulatory cost of lawful food and fibre production.** Agricultural land use is cyclical and adaptive, delivered within highly modified landscapes. Producers already provide essential environmental services at scale, including pest and weed control, fire and fuel management, soil protection and water stewardship, alongside production. An Offsets framework that selectively accounts for impacts without recognising these enterprise-scale contributions risks distorting outcomes, increasing regulatory burden and undermining long-term food security.
2. **Where Offsets are legitimately required to address residual impacts from other sectors, agriculture can act as a delivery partner, on fair and workable terms.** Producers already maintain many existing Offsets and possess the regional workforce, ecological knowledge and on-ground capability required to manage outcomes over time. This role must be supported by settings that recognise active management, avoid over-concentration of Offsets in agricultural regions, allocate long-term risk fairly and provide upfront cost certainty, without compromising productive capacity.

While AgForce supports the intent of strengthening environmental Offset outcomes under the reformed EPBC Act, the Draft National Environmental Standard (Environmental Offsets) introduces significant long-term obligations and liabilities that will fall primarily on agricultural landholders if not refined. In practice, agriculture is likely to administer a substantial proportion of Offsets due to the scale and location of agricultural landscapes, yet the Standard does not explicitly recognise this role or provide sufficient safeguards. Key elements of the framework, including valuation methods, maintenance obligations, disaster risk treatment and cost-recovery calculators, are not yet available, limiting producers' ability to assess feasibility, cost exposure and long-term risk. The case study at Appendix 1 illustrates how poorly aligned Offset settings can impose significant cumulative financial, administrative and land-use impacts on agricultural businesses, diverting investment away from active land stewardship and productive use.

Accordingly, this submission sets out recommendations to ensure the Offsets framework delivers durable environmental outcomes while safeguarding food security, regional economies and long-term land stewardship.

As the primary land-use system across much of Australia's landscape agriculture will play a central role in the practical operation of any national environmental Offsets framework. Accordingly, the framework must operate in a manner that is consistent with lawful land-use rights and that avoids embedding unmanaged, long-term risk within productive enterprises. It must also account for flow-on impacts across domestic food supply chains, recognising that unmitigated offset costs can reshape production and investment decisions, with broader implications for food security, market stability and long-term land stewardship.

Introduction- Agriculture, Environment and National Interest

Food production is a core national interest. It is fundamental to Australia's food security, regional economies and long-term environmental stewardship. Any environmental regulatory framework applied to agriculture must be designed to operate in parallel with food production systems over the long term, ensuring environmental objectives are met without undermining the productive capacity, resilience or continuity of food and fibre supply.

Environmental outcomes in Australia are delivered within actively managed landscapes, not in the absence of human intervention. For more than 60,000 years, First Nations peoples actively shaped these landscapes through fire, species interaction and stewardship. Since European settlement, landscapes have continued to evolve through government policy, infrastructure development, settlement patterns, biosecurity incursions and agricultural production. The systems producers manage today are therefore highly modified environments, not pristine baselines. In these altered landscapes, environmental outcomes depend on active management, not withdrawal. Invasive pests and weeds, predominantly introduced species, are among the leading drivers of biodiversity decline, and ongoing agricultural management is critical to controlling these pressures, managing fire and fuel loads, stabilising soils and maintaining water and habitat function. These are essential environmental services, not ancillary activities, and must be recognised as such within environmental regulatory frameworks.

Agricultural enterprises already contain substantial and functionally important natural capital, including remnant native vegetation, regulated high-value regrowth, riparian systems and managed native pastures. These components deliver measurable environmental services at scale and continue to develop over time under contemporary land stewardship. Their condition and persistence are the product of active vegetation and land management, not land withdrawal or abandonment. While some of these areas may be appropriate for use as Offsets where Offsets are genuinely required to address residual impacts from other sectors, they must first be recognised as part of the existing environmental performance of agricultural enterprises and cannot be treated as environmentally neutral when assessing food and fibre production activities.

The Commonwealth has stated that EPBC reform does not prohibit vegetation management associated with agriculture, but rather alters assessment and approval processes. That position necessarily requires consistent and comprehensive environmental accounting. Government cannot selectively count discrete impacts associated with vegetation management or production activities while disregarding the environmental services, biodiversity values and public goods delivered by agricultural systems at the enterprise scale. Any framework that isolates impacts without recognising these contributions risks mischaracterising net environmental outcomes and undermining the stated objectives of the reform.

Placing the onus on producers to repeatedly prove or monetise their environmental contributions as a condition of continuing food production is neither reasonable nor sustainable. Producers already deliver nationally significant public goods, including food security, biosecurity preparedness, pest and weed control, fire management and landscape resilience. These contributions are integral to environmental outcomes in working landscapes and must be recognised within regulatory settings, rather than treated as externalities requiring project-by-project defence.

These risks are amplified by the cyclical nature of agricultural land use. Routine management activities recur over time, often on the same footprint, in response to seasonal conditions, climate variability and animal welfare obligations. Without system-level recognition of agricultural land use, the same activity may trigger referral or Offset requirements multiple times despite no material

change in land use or net environmental outcome. Such an approach is administratively inefficient, economically irrational and environmentally counterproductive.

Australia's population has grown from fewer than one million people at the time of early European settlement to more than 28 million today, and is projected to continue increasing over coming decades. Maintaining domestic food production capacity is therefore a strategic necessity. An Offsets framework that embeds cumulative costs into agriculture without recognising whole-of-system environmental performance will reduce domestic supply, increase reliance on imported food and externalise environmental impacts through increased transport emissions and food miles.

Emerging mechanisms such as the Nature Repair Market remain immature and unevenly accessible, particularly in landscapes dominated by regrowth dynamics. They cannot yet be relied upon to consistently or equitably recognise existing biodiversity contributions at scale. Government should not impose transitional proof obligations or financial risk on producers critical to national food security while these mechanisms continue to develop.

Offsets must therefore not be treated as a default regulatory response to agricultural production. Where Offsets are required to address residual impacts from other sectors, agriculture may play a role as a delivery partner. In those circumstances, Offsets must be designed to work with active land management systems, recognise existing natural capital, allocate risk fairly and avoid selective environmental accounting

It is in this context that AgForce sets out the following recommendations. These are informed by member consultation and existing Offset experience, and reflect key risks associated with implementing the current Standard in agricultural contexts.

AgForce's key recommendations:

- 1. Explicitly recognise agriculture as a core Offset delivery partner**, with governance, methodologies and guidance designed to reflect agricultural land systems and on-ground management realities.
- 2. Prevent over-concentration of Offset projects in regional and agricultural areas**, including through spatial limits, cumulative impact assessment and safeguards to protect regional economies and food production capacity.
- 3. Ensure Offset methodologies, including retained Offsets, explicitly address natural disaster risk**, with clear protections for landholders against liability arising from bushfire, flood, drought and other unavoidable events over extended maintenance periods.
- 4. Prioritise non-covenant Offset security mechanisms** such as management agreements or contractual arrangements, over land title instruments, to protect land tenure, property value and succession planning while still delivering secure and durable environmental outcomes.
- 5. Define "net gain" and "self-sustaining" outcomes in a climate-responsive and adaptive manner**, recognising ecological change over time and avoiding static benchmarks that are misaligned with long-term landscape dynamics.
- 6. Minimise administrative and regulatory burden on producers**, including by avoiding duplicate assessments, capping or exempting Commonwealth fees for agricultural participation, and prioritising streamlined, class-based or standardised processes.
- 7. Explicitly permit and support active land management within Offset areas**, including livestock integration, grazing, fire management, weed and pest control, where such activities are necessary to maintain ecological function and resilience.
- 8. Ensure restoration contribution charges reflect true whole-of-life delivery costs and fully extinguish long-term liability**, with no residual or contingent obligations transferred to landholders.

9. **Require full transparency and upfront disclosure of the cumulative, whole-of-life costs of Offsets**, including opportunity costs, management obligations and risk exposure, to ensure Offset security mechanisms do not undermine property liquidity, land value or farm balance sheets.
10. **Release all supporting instruments**, including but not limited to regulations, calculators, guidance material and cost-recovery mechanisms, for consultation and refinement prior to implementation, with sufficient time to test operability in agricultural contexts.
11. **Protect productive and previously developed agricultural land from being repurposed out of continuous food and fibre production for Offset or restoration obligations**, with Offset demand directed toward less developed, degraded or appropriately suited ecosystems
12. **Recognise that remnant and other regulated ecosystems often require additional active management** to achieve optimal ecological outcomes and should therefore remain eligible for participation in Offset programs, where Offsets are legitimately required.

Key Recommendations and Supporting Rationale

1. Recognition of Agriculture as a Core Offset Delivery Partner

Agriculture is uniquely positioned to deliver environmental Offsets at scale due to the geographic distribution of agricultural land, the presence of established regional workforces, and the depth of local ecological knowledge held by producers and land managers. Effective Offset delivery depends not only on land availability, but on continuous, site-specific management informed by an understanding of local landscapes, soils, climate, flora and fauna. These capabilities already exist within agricultural regions and cannot be readily substituted through remote or centralised management models.

In practice, a significant proportion of existing environmental Offsets are already being maintained by farmers as part of broader land management systems. These arrangements rely on the same skills, labour and adaptive decision-making that underpin food and fibre production. However, this contribution is not consistently recognised or optimised within current Offset frameworks, which often treat agricultural participation as incidental rather than foundational.

Formal recognition of agriculture as a core Offset delivery partner is therefore essential. Offset governance, methodologies and guidance must be designed to leverage regional capacity, on-ground expertise and existing management systems, rather than imposing models that assume static protection or externalised management. This is particularly critical where Offsets are required to address residual impacts generated by other sectors, including infrastructure, mining and urban development.

At the same time, this role must be clearly framed within the context of agriculture's primary function as a food-producing system. Offset delivery on agricultural land must not compromise current or future food security, nor displace productive capacity. Recognition of agriculture as a delivery partner is not an invitation to shift Offset burdens onto food producers; it is a requirement to ensure that Offsets, where necessary, are delivered in a way that is operationally viable, environmentally effective and aligned with the national interest.

2. Avoiding Over-Concentration of Offsets in Regional and Agricultural Areas

Recognition of agriculture as a core Offset delivery partner must be accompanied by clear safeguards to prevent the over-concentration of Offset obligations within regional and agricultural landscapes.

There is a significant risk that Offset demand generated by development in non-agricultural areas, particularly urban expansion and infrastructure, will be displaced into surrounding agricultural regions due to land availability and cost. Without controls, this will disproportionately affect productive regions, including peri-urban food bowls already under pressure from competing land uses.

Offsets must not default to agricultural regions simply because impacts occur elsewhere. The relocation of Offset obligations away from development footprints and into food-producing landscapes risks cumulative loss of productive capacity and erosion of regional resilience, particularly where Offset projects aggregate over time.

A credible Offsets framework must therefore include spatial limits, cumulative impact assessment and regional safeguards, integrated with land-use planning and developed in consultation with the agricultural sector. Engagement must occur before Offset locations are determined, to ensure food production, workforce capacity and community viability are not compromised.

Preventing over-concentration of Offsets in agricultural regions is essential to delivering durable environmental outcomes while safeguarding food security and regional sustainability.

3. Natural Disaster Risk and Long-Term Offset Liability

Environmental Offsets on agricultural land operate within landscapes that are inherently exposed to natural disasters, including bushfire, flood, drought and cyclone. Over maintenance periods extending 25–100 years, such events are inevitable rather than exceptional.

Offset methodologies must therefore explicitly address natural disaster risk, including clear rules for liability, reassessment and remediation following events beyond a landholder's control. Without these protections, producers face open-ended legal and financial exposure that cannot be reasonably managed or insured.

Offset obligations must be resilient to disturbance and allow outcomes to be reassessed where environmental change results from natural events rather than management failure. Transferring long-term disaster risk to landholders undermines participation, discourages active management and ultimately compromises ecological outcomes.

Clear, enforceable protections against disaster-related liability are essential to ensuring Offsets remain viable, equitable and effective over extended timeframes.

4. Prioritise non-covenant Offset security mechanisms

AgForce supports the principle that environmental offsets must be secure and protected from degradation or loss to deliver durable environmental outcomes. Security should be achieved through legal, practical or administrative mechanisms (in order of preference) that provide high confidence outcomes will be delivered and maintained, consistent with the Policy Paper.

However, the draft Offsets Standard establishes a de facto preference for land title instruments, effectively normalising covenants as the default security mechanism. AgForce does not support approaches that impose permanent or long-term obligations on land title, as these can materially impact property value, land-use flexibility and succession planning, and transfer enduring liability to current and future landholders. Extended maintenance periods further compound this risk.

Accordingly, AgForce recommends that the framework explicitly recognise alternative security mechanisms, such as management agreements and contractual arrangements, where these can deliver equivalent outcomes. Where offsets are secured on agricultural land, statutory land valuation and state and local government rating frameworks must automatically recognise and adjust for the restricted land use and ongoing management obligations associated with offsets, ensuring producers are not subject to ongoing rate liabilities that are inconsistent with the land's effective use or productive capacity.

5. Climate-Responsive and Adaptive Definitions of Net Gain

Environmental Offsets impose long-term legal obligations, often extending several decades. Over these timeframes, ecological conditions will change due to climate variability, species movement and landscape dynamics, irrespective of management quality.

Offset methodologies must therefore define “net gain” and “self-sustaining” outcomes in a climate-responsive and adaptive manner. Static benchmarks and fixed baselines are inappropriate for obligations of this duration and risk holding landholders legally accountable for ecological change beyond their control.

A credible framework must allow outcomes to be reassessed over time, provided management actions remain aligned with conservation intent and best available science. Adaptability is essential to maintaining ecological function and legal certainty across long-term Offset agreements. Without adaptive definitions, Offset obligations become increasingly misaligned with ecological reality, creating compliance risk, discouraging participation and undermining long-term environmental outcomes.

6. Minimising Administrative and Regulatory Burden

Agriculture operates on comparatively low margins per hectare and already complies with extensive regulatory requirements, including those relating to business operations, biosecurity, workplace health and safety, food safety, environmental management and production standards. The case study in Appendix 1 illustrates how duplicated assessments, consultant-driven remapping and misalignment between State and Commonwealth requirements can compound administrative burden over time, diverting resources away from active land management and environmental improvement.

Any additional obligations imposed through the Offsets framework, including reporting, monitoring, audits, approvals or ongoing compliance, must therefore:

- be clearly linked to delivering measurable ecological outcomes,
- avoid duplication with existing Commonwealth and state systems, and
- be designed to minimise transaction costs and administrative overhead.

Excessive or poorly integrated administrative requirements risk diverting time and resources away from active land management, ultimately undermining the ecological outcomes the framework seeks to achieve.

7. Active Land Management Within Offset Areas

Seasonal conditions in many Australian ecosystems naturally generate fuel loads that have historically been managed through fire. Contemporary land managers also have the capacity to manage fuel accumulation through strategic livestock grazing, in some cases reducing reliance on burning and the associated smoke emissions.

Offset frameworks must therefore explicitly permit a range of active fuel-load management options, including grazing and planned fire, applied according to site conditions, scale and ecological context. Providing flexibility in management approaches is essential to ensuring biodiversity assets are actively protected rather than exposed to catastrophic fire risk.

Prohibiting or constraining these tools through Offset settings increases fuel accumulation and elevates the likelihood of high-severity fire, undermining both environmental outcomes and long-term Offset integrity. Recognition of active, context-specific management is critical to maintaining ecological function and asset protection in working landscapes.

8. Restoration Contribution Charges and Long-Term Liability Risk

Where restoration contribution charges are used as an alternative to direct Offsets, their design must reflect the reality of long-duration environmental obligations. AgForce does not recommend the use of 100-year Offset arrangements, particularly where they rely on a single upfront payment to secure outcomes over multiple generations.

Obligations of this length are inherently exposed to inflation, changing ecological requirements, labour availability, regulatory evolution and broader global conditions. Expecting a one-off contribution to accurately price and secure environmental outcomes over such timeframes creates a high risk of underfunding and failure.

Where restoration contribution calculators, cumulative impact assessments or associated methodologies fail to capture whole-of-life delivery costs, that risk must not be transferred to agricultural landholders. Pricing accuracy and long-term adequacy are the responsibility of government, not producers delivering a public environmental benefit.

If restoration contribution charges are used, they must be supported by robust, conservative and regularly reviewed cost methodologies, with clear provisions that prevent retrospective liability being imposed on landholders due to shortcomings in initial assessment or calculation. Without these safeguards, restoration charges risk becoming a mechanism for deferring or reallocating long-term environmental risk rather than securing durable outcomes.

9. Upfront Cost Certainty, Valuation Impacts and Public-Good Delivery

Where agricultural landholders are expected to participate in Offsets or restoration arrangements, they must be provided with clear, upfront certainty on total costs and obligations prior to commitment. This includes not only management and monitoring requirements, but the impacts of those obligations on land valuation, financing capacity and long-term business planning.

Producers must also have confidence that inflationary pressures and escalating costs associated with environmental assessments, compliance, reporting and specialist services will not be retrospectively shifted onto them over time. These costs are foreseeable and must be accounted for at the outset of any Offset arrangement.

Environmental Offsets deliver a public good benefit. Where landholders are acting in good faith to deliver nationally mandated outcomes, they should not be required to financially compensate for deficiencies in government-designed calculators, methodologies or cost assumptions. If restoration contribution charges or Offset pricing prove insufficient to meet long-term obligations, the resolution of that shortfall must sit with the framework designer, not with individual producers.

The consequences of mispriced, poorly scoped and long-duration Offset obligations are not theoretical. As demonstrated in the North Queensland producer case study at Appendix 1, Offset

requirements can generate substantial cumulative costs driven by consultant error, regulatory misalignment, escalating compliance demands and permanent loss of productive capacity. In that case, an agricultural business incurred more than \$1.7 million in Offset-related costs over four years, despite acting in good faith and operating within a regulatory environment where agriculture has not been a primary driver of EPBC referrals. This experience underscores the risk of transferring long-term environmental maintenance obligations onto agricultural businesses where pricing mechanisms, calculators or assessment processes fail to fully capture whole-of-life costs.

Providing upfront cost certainty and risks is essential to informed decision-making, risk-assessment allocation and the long-term credibility of the Offsets framework.

10. Release and Testing of Supporting Instruments Prior to Implementation

The effective operation of the environmental Offsets framework will be determined not by the Standard alone, but by its supporting instruments, including regulations, calculators, guidance material, assessment methodologies and cost-recovery mechanisms.

Given the financial, legal and operational risks associated with long-term Offset obligations—particularly those highlighted in relation to restoration contribution charges and liability—all supporting instruments must be released for consultation and testing prior to implementation. Agricultural participation cannot occur on the basis of incomplete or untested tools.

Supporting instruments must be sufficiently developed to allow landholders to understand full obligations, long-term costs, risk allocation and compliance pathways before any commitments are made. Where instruments remain under development or subject to material uncertainty, implementation should be deferred.

Releasing and testing these instruments in advance is essential to ensuring Offsets are workable in agricultural contexts, avoid unintended risk transfer, and deliver durable environmental outcomes with confidence and transparency.

11. Safeguarding Productive Agricultural Land

The Offsets framework should be designed to avoid the unnecessary displacement of productive agricultural land from continuous food and fibre production, particularly in regions already subject to competing land-use pressures. Agricultural land must not become the default location for Offset or restoration obligations arising from external development, especially where cumulative impacts risk reducing domestic food production capacity and weakening regional economies. This is particularly relevant in peri-urban and high-value production areas, where land-use decisions have long-term implications for food security and community resilience.

Offset demand should be prioritised toward less developed, degraded or appropriately suited ecosystems, and where agricultural land is involved, preference should be given to Offset models that maintain productive use alongside environmental outcomes. Ensuring agricultural land remains available for food and fibre production is essential to balancing environmental objectives with broader national interests.

12. Role of Remnant and Regulated Ecosystems in Offset Delivery

Remnant native vegetation and other regulated ecosystems within agricultural landscapes present significant opportunities for improved ecological outcomes, particularly where management is directed toward accelerating structural complexity, habitat function and resilience. Achieving these outcomes, however, is not passive. It requires ongoing labour, expertise and financial input, including actions such as promoting hollow development, managing understory composition,

controlling pest and weed pressure, managing competition to support the progression of trees toward maturity, and actively managing fuel loads to protect ecological assets.

These management actions reflect the reality that Australian landscapes have been deliberately and continuously managed over time, and that ecological improvement in modified systems depends on informed intervention rather than withdrawal. Where Offsets are legitimately required, remnant and regulated ecosystems should therefore be considered for participation in Offset programs where appropriate, recognising both their ecological potential and the active investment required to realise it.

A strategic approach to Offset delivery should seek to optimise environmental outcomes without unnecessarily targeting productive agricultural land, by directing Offset investment toward areas where management effort can deliver the greatest ecological return. Recognising the role of remnant and regulated ecosystems within Offsets—on appropriate terms—supports a more efficient, outcome-focused framework that values stewardship, allocates resources where they are most effective, and integrates environmental objectives into working landscapes without undermining food production capacity.

Conclusion

AgForce supports the intent of strengthening environmental Offset outcomes under the reformed EPBC Act. To deliver durable biodiversity outcomes, the Environmental Offsets Standard must be workable in Queensland's production landscapes, align with lawful land-use rights, and allocate long-term risk in a way that is transparent, proportionate and fair.

This submission sets out a clear pathway to achieve that balance. Offsets must not become a default or cumulative cost imposed on lawful food and fibre production, particularly in a state where producers manage vast, complex mosaics of remnant vegetation, regrowth, riparian systems and productive land. At the same time, where Offsets are legitimately required to address residual impacts from other sectors, agriculture can contribute as a delivery partner—but only where the framework recognises active land management, avoids regional over-concentration and prevents the transfer of long-duration liabilities onto individual businesses.

The North Queensland case study at Appendix 1 demonstrates the material consequences when Offset settings are not aligned to operational reality: escalating and compounding compliance costs, administrative burden driven by remapping and regulatory misalignment, restrictions on routine land management, and loss of productive capacity. Outcomes of this kind divert capital away from ecological improvement and resilience and undermine confidence in the framework.

AgForce's recommendations are therefore directed to three core objectives:

- **protecting long-term food security and regional viability** by avoiding unnecessary displacement of productive land and preventing agricultural regions becoming the default location for Offset demand;
- **improving environmental effectiveness** by supporting active management, climate-responsive outcome definitions and practical long-term stewardship; and
- **ensuring fairness and implementability** through clear liability settings, upfront cost certainty, transparent valuation and the release and testing of all supporting instruments before implementation.

Until the supporting instruments, particularly valuation methods, maintenance requirements, disaster risk treatment, cost recovery settings and calculators, are released and tested, agricultural businesses cannot reasonably assess feasibility, exposure or long-term obligations. Implementation

without these safeguards would embed unmanaged risk into the food supply chain and the regional economy.

AgForce looks forward to continuing to work constructively with the Commonwealth to refine the Standard and associated instruments so that Offsets deliver measurable environmental outcomes while strengthening, not constraining, Australia's capacity for long-term land stewardship and food production.

Appendix 1

Case Study- Cumulative Financial and Operational Impacts of Environmental Offsets on a Queensland Agricultural Business

An anonymous Queensland producer purchased a property marketed as a legitimate agricultural development opportunity. Following settlement, the Commonwealth identified Matters of National Environmental Significance (MNES) on the property and required the landholder to establish, secure and manage a substantial environmental Offset area as a condition of progressing lawful agricultural development.

Over a four-year period, the producer incurred an estimated **\$1.71 million in cumulative costs** arising from Offset-related obligations as seen in Table 1. These costs were driven by a combination of inherited and undisclosed MNES constraints, consultant mapping errors, misalignment between State and Commonwealth regulation, mandatory ecological monitoring and reporting, restrictions on routine land management, and the permanent loss of productive capacity within the Offset area.

Table: Cumulative Financial Impact on a North Queensland Producer Arising from Offset Obligations

Cost Category	Description	Estimated Cost (4 years)
Consultant Engagement	Annual monitoring, mapping, habitat surveys, water testing, Offset reporting	\$780,000
Re-work from Consultant Errors	Correcting misclassification, repeat surveys, remapping Offset boundaries	\$110,000
Legal Expenses	Responding to compliance notices, interpreting Offset obligations	\$30,000
Weed & Land Condition Works	Woody weed removal, mechanical clearing, follow-up control	\$150,000
Fencing & Infrastructure Adjustments	Fencing Offset area, track and water point changes	\$60,000
Administrative Time (Producer Labour)	Documentation, coordination, reporting, error checking	\$80,000
Rates Misclassification & Rectification	Overpayment and subsequent correction	\$60,000
Lost Productivity / Opportunity Cost	Reduced carrying capacity, unusable Offset land, delayed development	\$400,000
Contingency & Unplanned Compliance Costs	Responding to changing Commonwealth requirements	\$40,000
Total		\$1,710,000

Despite consistently acting in good faith and engaging openly with both levels of government, the Offset process became prolonged, expensive and unnecessarily complex. Financial resources that could have been invested in improving land condition, enhancing biodiversity outcomes, or strengthening drought and fire resilience were instead diverted into consultant fees, legal interpretation, remapping exercises and administrative compliance.

Importantly, this case occurred in a regulatory context where agriculture has not been the primary driver of EPBC Act referrals, with only 49 agricultural actions formally referred over the past 25 years. Despite this, the emerging environmental Offsets framework risks positioning agricultural

landholders as the primary recipients of long-term Offset maintenance obligations, including ongoing financial, legal and administrative liabilities that extend well beyond the initial impact or development activity.

For agricultural businesses operating on low margins, these hidden and cumulative burdens cannot be overstated. Offset obligations can restrict routine land management, limit adaptive use of land, and lock properties into classifications that affect council rating categories and ongoing local government rates, while still requiring continuous expenditure on ecological monitoring, consultants and compliance. These obligations persist regardless of climatic events, changes in ecological condition or the landholder's ability to actively manage the Offset area, effectively transferring enduring public environmental maintenance responsibilities onto private agricultural businesses without adequate mechanisms for cost recovery, adjustment or exit. This case underscores the need for an Offsets framework that recognises agriculture's role as a long-term land steward, ensures proportionality to risk, and provides clear, fair and sustainable arrangements for managing Offsets over time.