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Nature Positive Reforms Division

Department of Climate Change, Energy, the Environment and Water

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Consultation on National Environmental Standards for Matters of National Environmental Significance and Environmental Offsets

The Australian Industry Greenhouse Network (AIGN) welcomes the opportunity to respond to the Department's consultation on the proposed National Environmental Standards for Matters of National Environmental Significance (MNES) and environmental offsets.

About AIGN

AIGN is a network of industry associations and corporations that provides a forum for discussion on key climate change issues, as well as information and analysis on national and international climate change policy, and the role industry can play in the transition to net-zero emissions by 2050.

We are committed to supporting cohesive, efficient, and predictable climate policies that align with Australia's Paris Agreement targets. We believe a harmonised approach across federal, state, and territory jurisdictions is essential to achieving our emissions reduction targets while maintaining investment stability and minimising sovereign risk.

The transition to a net-zero economy is complex and ambitious, requiring collaborative management and open dialogue. AIGN corporate members are on the frontlines of this transition; association members are valuable sources of expertise on the specific needs and challenges of their respective industry sectors as they move towards a net-zero future. AIGN corporate members have extensive experience with the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) and engaged with the Independent Review of the EPBC Act (the Samuel Review).

Deep and genuine consultation

AIGN supports the Samuel Review's recommendation to address inconsistencies, gaps and conflicts in the EPBC Act to make it easier to work with and improve timeframes for the completion of environmental assessment and approval processes. This is critical to the successful transition of the economy in line with net zero by 2050.



We note that the timeframe for this consultation falls within the summer holiday period during which many organisations have leave arrangements. This has meant key expertise, has not been fully available. This approach reduces the opportunity for meaningful engagement and feedback.

AIGN strongly supports a consultation approach that enables full participation by all stakeholders and encourages the Department to provide further consultation opportunities.

The full suite of National Environmental Standards should be made available for public consultation at one time, consistent with the recommendations of the Samuel Review.

AIGN suggests that any proposed administrative instruments should be the subject of consultation before the Standards and related regulations come into effect.

Nationally consistent and streamlined environmental policy

AIGN corporate members include major Australian businesses with substantial operational footprints and long-term investments. We support effective, nationally consistent environmental policy frameworks that balance environmental protection with sustainable economic development.

AIGN supports the objective of strengthening protections for MNES and recognises the role that clear, robust standards can play in providing certainty for the environment and project proponents.

As this process progresses, we encourage the Department to ensure that the standards are developed to complement Australia's existing policy and regulatory frameworks.

Alignment with existing frameworks

It is important that the MNES standards align with existing Commonwealth and state-based regulatory systems that already impose substantial environmental and climate-related obligations on project proponents. These include:

- The National Greenhouse and Energy Reporting Scheme (NGERS), which mandates robust emissions and energy data reporting.
- The Safeguard Mechanism, which places enforceable limits on facility-level emissions and provides a market-based signal for abatement.
- The new climate-related financial disclosure framework, which will require large entities to assess and report on climate risks – including impacts on biodiversity and natural capital.

A streamlined approach that integrates MNES requirements into these broader policy instruments will ensure greater consistency, reduce compliance duplication, and promote efficient environmental outcomes. A siloed or duplicative approach risks increasing project costs without commensurate environmental benefit.



Project life cycle considerations

From the project proponents' perspective, projects typically progress through three broad phases. Each stage presents different risks and opportunities for managing environmental impacts. The standards should acknowledge this and provide clear, fit-for-purpose obligations aligned with each phase:

- **Assessment and approval** (go/no-go): clear guidance on MNES requirements at this stage is essential to enable robust and transparent decision making. This phase should test whether the project delivers a net public benefit, consistent with sustainable development principles and Australia's decarbonisation and economic transformation objectives.
- **Construction:** MNES standards during this phase should focus on construction-related risks such as disturbance, run-off, habitat clearing, etc. These should be measurable, practical to implement, and able to be incorporated into construction plans and permits.
- **Operation:** MNES standards for this, the longest stage of the life of a project, should support the integration of environmental safeguards into long-term operational practices. Where feasible, operators should be encouraged to integrate adaptive environmental management and innovation into their overall management approach.

A phase-specific approach will enable prioritisation of environmental outcomes while maintaining regulatory efficiency and reducing administrative burden.

Focus on enabling decarbonisation

Australia's commitment to net zero by 2050 requires substantial private investment in decarbonisation projects, including new energy infrastructure, resource developments critical to clean technologies, and emissions reduction projects in existing industries. The implementation of MNES standards must effectively protect the environment while preserving incentives to invest in transition-aligned projects.

To support the dual objectives of environmental protection and economic transition, the MNES framework should:

- Recognise the contributions projects make to emissions reduction and climate resilience.
- Ensure MNES conditions are applied efficiently to projects with net environmental and economic benefits, avoiding unnecessary regulatory barriers.
- Support a risk-based, proportionate approach to MNES assessment and compliance.

Climate and environmental policy must support sustainable development and be coordinated across jurisdictions while remaining stable and predictable to underpin long-term investment.



Implementation and interpretation considerations

AIGN members have raised important concerns regarding the practical implications and interpretation of key concepts in the draft National Environmental Standards for MNES. These issues concern the standard's clarity, consistency, and workability and should be addressed to ensure fair and effective implementation.

Upstream and downstream impacts

The draft standard appears to broaden the scope of impacts to be considered by requiring proponents to account for both upstream and downstream consequences of a proposed action.

While understanding the full environmental footprint of projects is important, this approach introduces uncertainty about the scope of assessments. For example, in the case of a natural gas power plant or pipeline, it is unclear whether increased upstream gas extraction or downstream gas use must be assessed as 'reasonably predictable outcomes.' Clear boundaries will help proponents understand their responsibilities, particularly whether they could be held responsible for impacts over which they have no operational control. This must be clarified in the final standard.

Consideration of reasonable alternatives

The requirement to assess 'reasonable alternatives' to a proposed project must be very clearly defined. The draft standard is unclear about what constitutes a reasonable alternative practice. For instance, is a solar farm a reasonable alternative to a gas-fired power station in a region where firming capacity is required?

The standard should clarify that alternatives must be technically and economically viable, context-specific, and capable of delivering the same function or public benefit as the proposed action. This detail is required to prevent proponents from assessing speculative or impractical options, which would add unnecessary complexity and delay to the project development and approval timelines.

Legislative integration and complexity

The 2020 Independent Review of the EPBC Act (the Samuel Review) identified legislative complexity and fragmented guidance as material contributors to cost, delay, and uncertainty in the approval process.

The Review recommended, over a transition period, a comprehensive reworking of the EPBC Act, restructuring it to clarify and simplify how functions interact (Recommendation 10). The redrafting was to explicitly consider interaction with other Commonwealth legislation to remove inconsistencies and improve operational efficiency.

This underscores the importance of ensuring the MNES standards are transparently implemented within a coherent and navigable framework, rather than adding further layers of requirements that may be difficult to locate, interpret and apply. The Review



also emphasised that plain English guidance material should accompany legislation, be easily accessible, and be updated regularly (Recommendation 11).

The MNES standards should be supported by consolidated, practical guidance (including how statutory documents, guidelines and policies are to be applied in decision-making) so proponents and regulators can efficiently identify requirements and incorporate them into project design and assessment from the outset.

Centralising all statutory requirements, accompanied by clear, concise and user-focused guidance, will reduce administrative burden, improve consistency of assessments, and support timely decisions while ensuring strong environmental protections.

Application of standards to projects

It should be clarified that standards will be applied to new project applications. Retroactive application to projects that have already been approved or are in operation would not be conducive to building confidence in Australia's regulatory system and would undoubtedly delay the delivery of decarbonisation projects and increase costs.

Clarity is also required on the application of 'repair' and 'mitigate' obligations – specifically, whether these provisions apply to new projects only, or also to modifications and extensions of existing projects. This distinction has material implications for compliance and cost planning; project proponents need a clear understanding of their obligations in this respect.

Net gain and offsetting

The standard introduces the concept of 'net gain,' which at this stage lacks clear definition and operational guidance. Further guidance is essential so proponents can consistently integrate this requirement into project design, cost estimates and environmental management plans.

Similarly, the implications of a finding of an 'unacceptable impact' (particularly given the draft standard's presumption against offsetting such impacts) must be explicitly defined to avoid projects being rejected in cases where impacts are minor, well-understood, and/or capable of being effectively managed.

Cumulative impacts and evidence

AIGN supports the principle that actions should be supported by evidence, and that impacts on MNES must be appropriately considered. However, proponents may encounter practical difficulties fulfilling the requirement to address complex ecological interactions, including cumulative stressors.

Many environmental impacts, such as species decline and habitat degradation, result from broader factors, beyond the project, and it is unclear how these will be accounted for during the project assessment. Without clear guidance and sensible determinations,



this could lead to excessively conservative assessments, reduced confidence in the approval pathway, and discouragement to investment in beneficial projects.

Importance of clarity and timelines

To be workable in practice, the MNES standards must be underpinned by clear, objective criteria, and predictable timeframes for assessment and approvals. Project proponents must be able to incorporate environmental standards into project design, financing and delivery schedules from the outset to support viability and contribute to the broader policy objectives of emissions reduction and economic resilience.

Conclusion

AIGN supports the Government's work program to improve, streamline and accelerate planning approvals. We appreciate the Department's work on this important reform and look forward to further engagement as the standards are finalised and implemented.

We are committed to constructive engagement with the Department and welcome the opportunity to participate in further discussions.

Thank you for your time and consideration.

Kind regards,

Susie Smith | Chief Executive