



12 September 2025

Committee Secretary
Senate Standing Committees on Environment and Communications
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Dear Committee Secretary,

Re: ADIC Submission to the Parliamentary Inquiry on Greenwashing

The Australian Dairy Industry Council (ADIC) welcomes the opportunity to provide input to the parliamentary inquiry into greenwashing, seeking industry feedback on environmental and sustainability claims, and related matters.

This submission has been developed with the support of Dairy Australia.

We acknowledge and attach our previous submission to the 2023 ACCC inquiry on greenwashing – the ACCC’s Draft Guidance for Business on Environmental and Sustainability Claims (Draft Guidance) – which highlighted the industry’s investment in sustainability reporting through the Australian Dairy Sustainability Framework (ADSF), and efforts to achieve trustworthy and credible sustainability reporting.

Since then, the ADSF has undergone a double materiality review, and in response to the findings the ADSF goals and targets are being reassessed. These reviews underscore the industry’s commitment to continuous improvement and the ongoing challenges of balancing ambitious sustainability goals with the practical realities of measuring, reporting, and resourcing them.

This submission provides an update on the dairy industry’s progress and highlights where government support is needed to ensure effective, fair, and practical approaches to sustainability reporting and oversight. Established checks and balances are already in place to address greenwashing – additional or new regulation is not needed.



About the Australian Dairy Industry

The ADIC the peak national body of the Australian dairy industry, representing the interests of dairy farmers and dairy processors through its two constituent bodies Australian Dairy Farmers and the Australian Dairy Products Federation. It aims to create a more prosperous and sustainable future for the local industry and the regional communities that rely on it.

Australian Dairy Farmers (ADF) is the national peak Industry Representative Body (IRB) 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.

The Australian Dairy Products Federation (ADPF) is the lead policy and advocacy body representing the nation's dairy manufacturing industry. ADPF members process about 90 per cent of Australian milk volumes and provide dairy products for both domestic and export markets.

Dairy Australia (DA) is the national services body for dairy farmers and the 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 (RDC), it is the 'investment arm' of the industry, investing in projects that cannot be done efficiently by individual farmers or companies.

Reporting pressures and support needs

The Australian dairy sector is already facing increasing commercial and regulatory reporting requirements, with financial institutions, customers, retailers, trading partners and regulators each setting their own sustainability expectations and targets. These requirements are clearly proliferating across the supply chain, often without coordination, the necessary support and investment, leading to duplication and complexity – in an already challenging operating environment.

Collecting accurate data for sustainability reporting remains a significant challenge. For example, dairy farmers are frequently expected to supply emissions and sustainability data to multiple stakeholders, facing a constant tension between accuracy, cost, and feasibility. Coordinated support is essential to manage the cost and complexity of these expectations, reduce duplication of data requests and not create undue burden – and ensure responsibilities and benefits are shared fairly across the supply chain.



As part of this, there should be coordinated and tailored support for the sustainability programs the dairy sector is already delivering, so these initiatives can be scaled effectively. Recognising and backing industry-led frameworks, tools and programs that are already in place – rather than duplicating or replacing them with new requirements – will deliver faster progress, better uptake at farm level, and greater value for investment. This approach also ensures farmers see a clear return on the time and resources they commit to sustainability reporting and action.

Alongside scaling existing programs, the sector also needs support to drive the next wave of innovation and adoption. Instead of adding new regulatory layers, the dairy sector needs targeted support in the form of research and development and innovation (e.g., feed additives, inhibitors, genetics) and the provision of grants, low-interest loans, tax incentives and capital allowances for:

1. Emissions reduction and climate reporting capability
2. Adoption of abatement strategies and technologies on farm
3. Renewable energy adoption and electrification (e.g., heat pumps, biogas, biomass)
4. Circular packaging solutions and waste reduction technology, and
5. Practical ‘common approach’ tools that make data collection more accessible, affordable, and useful.

Existing checks and balances

While reporting pressures are increasing, there are already established checks and balances in place to address greenwashing. Regulatory bodies such as the ACCC provide oversight to ensure claims are credible. Additional regulatory scrutiny is not needed and would risk compounding the existing pressures of rising input costs, climate extremes, and profitability challenges without delivering meaningful improvements in environmental outcomes.

International lessons

Experiences overseas show that poorly calibrated regulation can make it harder, not easier, for businesses to communicate genuine progress.



France has introduced strict rules on terms like “carbon neutral” and trialled national eco-labelling¹. These measures increased compliance costs but also led to “greenhushing”, where many businesses stopped making environmental claims altogether. At the same time, some government-endorsed schemes, such as the *Haute Valeur Environnementale* label, continue to face criticism for overstating their impact, leaving both producers and consumers confused².

Canada recently raised the bar for environmental claims under its Competition Act, requiring “adequate and proper testing” and opening the door to private lawsuits³. This has created significant legal risk, with companies withdrawing sustainability information rather than risk challenge⁴. The well-publicised Keurig case on “recyclable” coffee pods shows how national food claims can be ruled misleading when local conditions vary, leaving producers cautious and consumers no clearer⁵.

These examples highlight that regulation that focuses narrowly on restricting claims can increase costs, chill transparency, and reduce trust. A more effective approach is to support industry-led frameworks, invest in practical tools for data collection, and ensure clear, consistent guidance that enables credible sustainability claims without excessive burden.

Conclusion

ADIC urges the Committee to recognise both the existing pressures on the Australian dairy sector and the progress that has already been made.

Adding new regulatory requirements on greenwashing are not needed, and risk worsening the burden on farmers and making Australian dairy products less competitive compared with the rest of the world.

¹ [New French anti-greenwashing guidelines: "dos and don'ts" to avoid misleading green advertising.](#) Charlotte Peiffer, Claudia Cavicchioli, Julie Esquenazi

² [HVE: a controversial label \(again\) under fire - Pleinchamp](#)

³ [Canadian Competition Bureau releases much anticipated guidance on greenwashing provisions | DLA Piper](#)

⁴ [Canada oil industry group calls for changes to anti-greenwashing laws | Reuters](#)

⁵ [Keurig Canada to pay \\$3 million penalty to settle Competition Bureau's concerns over coffee pod recycling claims - Canada.ca](#)



The focus should instead be on providing practical assistance and financial support to enable industry-driven initiatives, such as research and development, and to improve data quality, innovation, and transparency. We would welcome the opportunity to discuss these points with the Committee further.

Yours sincerely,

Ben Bennet

Chair

Australian Dairy Industry Council

John Williams

Deputy Chair

Australian Dairy Industry Council