



Department of  
**Environment and  
Heritage Protection**

Ref CTS 05701/14

11 MAR 2014

Mr Ian Rickuss MP  
Chair AREC  
Parliament House  
George Street  
BRISBANE QLD 4000

Dear Mr Rickuss

I refer to your letter dated 20 February 2014, concerning the inquiry into the Environmental Offsets Bill 2014.

In response to your letter, I am pleased to attach a summary of the major policy drivers for the Bill as well as a summary of the stakeholder consultation processes. The attached material includes an outline of the consultation undertaken, the concerns raised by stakeholders and how these concerns have been addressed in the final version of the Bill.

Should your staff have any further enquiries, please ask them to contact Ms Carol Wall, Manager, Biodiversity Integration and Offsets by phone on 3330 5806 or email <carol.wall@ehp.qld.gov.au>.

Yours sincerely



Jonathan (Jon) PC Black  
**Director-General**

Attachment 1: Environmental Offsets Bill - Policy drivers and consultation outcomes

## **Attachment 1: Environmental Offsets Bill - Policy drivers and consultation outcomes**

### **1.0 Context for offsets review**

Environmental offsets were first introduced in Queensland in the 1980s as a measure to compensate for adverse impacts of proposed development on Queensland's most important environmental values, termed matters of environmental significance. The current offsets framework applies across multiple pieces of legislation, and is informed by multiple policies to support offset decision-making.

An offset may be required as a condition of development where it has been determined that impacts on a matter of environmental significance cannot be sufficiently avoided or mitigated. This requirement may be imposed on an approval under any of the following legislation:

- *Sustainable Planning Act 2009*
- *Marine Parks Act 2004*
- *Environmental Protection Act 1994*
- *Nature Conservation Act 1992*
- *State Development and Public Works Organisation Act 1971*

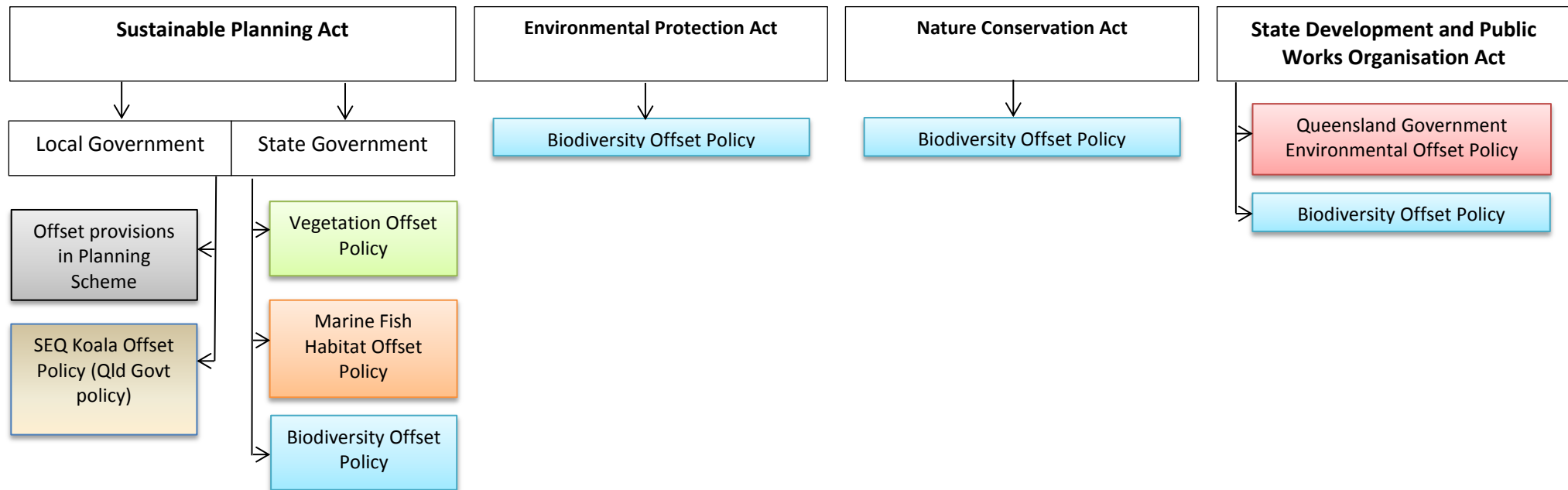
The offset requirements for State approvals are currently framed in five Queensland Government environmental offsets policies. The overarching principles for offsets are provided through the Queensland Government Environmental Offsets Policy. Four specific issue policies operate under this policy:

- Queensland Biodiversity Offset Policy
- Policy for Vegetation Management Offsets
- Offsets for Net Gain of Koala Habitat in South East Queensland Policy
- Marine Fish Habitat Offset Policy.

The offset requirements for local governments are established through the above-mentioned koala offset policy, as well as any requirements that are embedded into the local planning scheme which is made under the *Sustainable Planning Act 2009*.

The current framework for State and local government offsets operates as follows:

**NOW:**



**Commonwealth requirements**

Offsets may also be required under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* (EPBCA) to compensate for impacts on Matters of National Environmental Significance (e.g. threatened species, migratory species, ecological communities, international wetlands, world

heritage areas and the Great Barrier Reef Marine Park). Some of these matters are also regulated by the state as a Matter of Environmental Significance resulting in duplicate assessment of the same species, ecosystem or habitat at the State and Commonwealth level.

## **2.0 Policy drivers for review**

The driver for the offset review is to simplify and streamline the offset framework in Queensland. This will improve management of impacts of development on environmental values in a way that allows important projects to proceed, without losing irreplaceable and highly valuable species and ecosystems.

A number of industry groups—including Queensland Resources Council, Australian Petroleum Production and Exploration Association, Queensland electricity entities, private offset brokers, Cement and Concrete Aggregates Association Queensland, the development industry, and the conservation sector have raised concerns about the complexities of the current offset policies.

Under the current framework proponents may be required to address offset requirements under multiple offset policies, particularly where a project requires approval under multiple pieces of legislation. This current framework requires a proponent to provide offset information with each approval, and for State Government to assess these multiple offset proposals and respond to each. This approach results in significant administration requirements, extended assessment time and inconsistent decision-making.

In addition, the current policies are highly prescriptive in specifying offset requirements. These multiple rule layers make it difficult to source an offset site, creating costly project delays where development is not permitted to start until a suitable offset has been found. It can also mean that an offset that meets one policy's requirements may not be acceptable under another policy.

This duplication and inconsistency is also evidenced between State and Commonwealth offset requirements. Currently, the State and Commonwealth may both require an offset for the same development's impact on the same matter (for example, a species that is listed under State and Commonwealth legislation may attract an offset requirement from both jurisdictions). However, the Commonwealth and State currently apply different threshold tests to offset requirements – whilst the Commonwealth only require offsets for impacts that may be 'significant', the State may require an offset for a minor or negligible impact on a matter, resulting in unreasonable and unnecessary obligations for proponents. Further inconsistencies arise in relation to what is considered a suitable offset. Thus, the proponent may be required to source two different offsets for the same matter if a single offset cannot be found to satisfy the different requirements of both jurisdictions.

In addition, sourcing willing landholders to provide the offset site compounds project delays as landholders frequently lack the incentive to participate – particularly as the developer frequently purchases from the landholder. The current approach generally results in negotiations with multiple landholders before a willing participant is found. This adds to delays and ultimate costs to the proponent.

The prescriptive nature of the offset requirements, and difficulties in sourcing offset sites results in an ad-hoc approach to offset provision. The outcome is a fragmented offset landscape, with isolated, ad-hoc offset sites subject to higher ecological threats and risks to long-term viability (such as edge effects from weed invasion) rather than a strategic land-landscape scale focus to offset provision. A strategic land-landscape focus is one that enables offsets to be located in areas that are connected to conservation hubs (such as national parks) in corridor areas that are under low development pressure.

As a means of facilitating strategic outcomes, some of the existing offset policies do provide for financial settlement of an offset obligation which enables the purchasing of more strategic offset areas. However, the monetised approach under the current offsets framework has proved to be excessively costly for industry with costs being based on purchase of land for conservation purposes as opposed to paying landholders to manage their land for particular environmental outcomes.

There are also limitations with the monitoring and reporting of offset payments made, with little transparency between the matter that has been impacted and the on-ground benefits that have been achieved with fund expenditure. This has hampered industry and community confidence that the financial settlement offset approach is actually invested to deliver benefits for impacted matters.

These issues have led to the development of the Environmental Offsets Bill to coordinate Queensland's environmental offsets framework that removes inconsistencies and duplication, reduces green tape and provides stronger environmental outcomes.

#### Other amendments in the Bill that are not related to offsets

The Bill includes minor amendments to clarify the status of past approvals under the Coastal Act. There was no consultation on their amendments because they were made to correct minor operational errors in their Act.

The Bill also includes amendments associated with the *National Trust of Queensland Act 1963* and *Currumbin Sanctuary Act 1963* to enable these entities to transition to companies limited by guarantee. The Department of Environment and Heritage Protection has consulted closely with the National Trust of Queensland and the Currumbin Wildlife Sanctuary in working through this governance reform. Both the National Trust and the Currumbin Wildlife Sanctuary are supportive and keen for independence from government. The Department of Environment and Heritage Protection has consulted with the Department of Treasury and Trade, the Department of Premier and Cabinet and the Queensland Treasury Corporation over the past few years on governance reform. The results of consultation revealed strong support for governance reform.

### **3.0 Consultation on Environmental Offsets Framework**

#### **3.1 Summary of Targeted Stakeholder Consultation**

The Department has undertaken extensive and ongoing consultation on the review of Queensland's offset arrangements since mid-2012. This has included three formal rounds of consultation with targeted peak bodies and interest groups and interdepartmental representatives. This consultation has centred on the review of the offset arrangements in Queensland, focussing on areas for improvement and how they can be improved. The consultation process has included presentations and workshops on proposed new offset arrangements, release of a confidential draft policy, and draft discussion paper outlining the proposed Queensland environmental offsets framework.

Key stakeholders engaged through consultation include those identified as key users or proponents of environmental offsets in Queensland. Namely:

- the resources sector (Queensland Resources Council, Association of Mining and Exploration Companies, Australian Petroleum Production and Exploration Association),
- extractive sector (Cement Concrete and Aggregates Australia),
- conservation sector,
- NRM Bodies,
- Queensland electricity entities,
- Local Government Association of Queensland,
- South East Queensland local governments,
- Urban and property developers (Urban Development Institute of Queensland, Property Council of Australia), and
- existing private offset brokerage companies.

Discussions were also held with representatives of the Commonwealth Government, Queensland Ports Association, Great Barrier Reef Marine Park Authority and landholders -particularly rural landholders in the Galilee Basin area as part of a strategic offset investment corridor trial for the area.

Since 2012, feedback from external stakeholders has remained consistent, with strong support for the review and for a shift towards a more flexible and streamlined approach to offset arrangements in Queensland which will deliver better environmental outcomes.

Sections 3.2-3.4 below provide a summary of the concerns raised during the review of the offsets framework and how these concerns have been addressed in the final version of the Bill. Tables 1-3 outline the key concerns raised by each stakeholder, the policy response and how it is addressed by the Bill either directly or by providing a head of power for the regulation and policy to provide further detail.

### **3.2 Consultation from 2012-2013**

Twenty-three meetings and workshops were held with the key groups listed above between mid-July and mid-December 2012.

- **Table 1** below outlines the key concerns raised after the first round of formal consultation undertaken by the Department in 2012;
- **Section 3.4** details the summary of consultation during January to May 2013; and
- **Section 3.5** summarises the consultation period November – December 2013.

### **3.3 Further consultation required**

Industry has requested ongoing engagement during the preparation of the revised policy framework including involvement in the development of tools and administrative arrangements for policy implementation.

EHP will continue to engage with consulted parties to ensure that the implementation materials to be developed for the framework are meaningful and effective. Implementation material will include supporting guidelines to the Queensland Environmental Offset Policy, and standardised forms and templates.

**Table 1 Consultation Summary from External Workshops in 2012**

<i>Issue raised</i>	<i>Source</i>	<i>Policy Response</i>	<i>Addressed</i>			
			<i>Bill</i>	<i>Bill Details</i>	<i>Regulation</i>	<i>Policy</i>
<b>1. Policy interpretation</b>						
The current policy is too complex.  The current policy makes it difficult to navigate regulations. Interpretive issues are leading to unintended policy outcomes.	Cement Concrete and Aggregates Australia	The revised framework will provide a streamlined approach for offset delivery by combining the existing specific offset policies into a single Environmental Offset Policy for Queensland, leading to reduced regulatory burden for proponents and improved whole-of-site outcomes.	Part 4 s12	Gives effect to single policy	✓	✓
Simplification – the current complex policy regime of multiple policies with different triggers and offset requirements should be simplified to a single offset policy.	Powerlink		Part 4 s12	Gives effect to single policy	✓	✓
Threatened species and vegetation listings at State and Commonwealth level are different.	Queensland Resources Council	The revised framework will adopt the Matters of National Environmental Significance listed under the EPBCA in order to achieve accreditation and minimise duplication (reliant on Commonwealth consent).  The Bill ensures that there is no duplication across jurisdictions for offsetting the same value.	Part 5 s14,15	Provided details on imposing offset conditions	✓	
Remove duplication – where an offset is required under the EPBC Act for an impact to an area, a state offset should not be required.	Powerlink		Part 5 s15 (1)	Ensures the State will not impose an offset condition where there is an existing Commonwealth condition for same impact and area.	✓	
<b>2. Offset delivery</b>						
Rehabilitation conditions of development should be considered an offset.	Queensland Resources Council	Mine rehabilitation does not replace values lost from mining activities that change the hydrology and surface of the land, and create substantial time lags between impacts on ecosystems and full restoration. Offsets are used to compensate for this loss of biodiversity values and ecosystem services. It is a globally-accepted principle that rehabilitation required as a condition of approval or as a legislative requirement cannot replace the requirement for an offset.	N/A	N/A	N/A	N/A



Issue raised	Source	Policy Response	Addressed			
			Bill	Bill Details	Regulation	Policy
		Offsets may be provided on any area that is not required to be rehabilitated as a result of approval conditions.				
Currently offsets are excluded from being in remnant vegetation under Queensland policies; however the Australian Government is satisfied with offsets in such areas.	Queensland Resources Council	The offsets framework will introduce more flexibility for offsets, including the ability to improve management of areas of remnant vegetation. The offset must demonstrate a nexus between the impacted value and the offset provided for Commonwealth accreditation.	Part 3 s11  Part 6 Division 2 s18(2)  Part 4, s13	Conservation outcome  Flexibility in offset delivery  Characteristics of an area suitable for undertaking an offset	✓	✓
The revised policy should allow for staged offset delivery in line with operational activities rather than providing at time of EIS, but without the requirement of several approvals.	Power entities, Cement Concrete and Aggregates Australia	Staging of offsets is currently provided for some activities under a number of policies, this option will be included in the integrated offsets framework. Additionally, staged offset payments that align with operational vegetation clearing can be catered for through conditioning in the development approval.	N/A	N/A	✓	✓
It is too difficult to manage and identify offset sites.  The revised policy needs to be flexible but still provide certainty for approvals.	Cement Concrete and Aggregates Australia	The proposed approach provides a more flexible approach for offset delivery – including a range of options such as financial settlement offset approaches and retention of proponent-driven offsets. Investment of monetised offsets is also flexible and will be easier to achieve through ‘shelf ready’ products including in strategic offset investment corridors and Direct-Benefit Management Plans.	Part 6 Division 2 s18(2)	Flexibility in offset delivery	✓	✓
Provide flexibility in how offsets can be delivered.	Council of Mayors – South East Queensland		Part 6 Division 2 s18(2)	Flexibility in offset delivery	✓	✓
The revised policy needs to ensure the offset provider has sufficient funding to adequately deliver offset	Offset Brokers, NRM Collective	The financial settlement offset approach will account for provider expenses as	Part 6 Division 4 s23	Amount of financial settlement offset	✓	✓

Issue raised	Source	Policy Response	Addressed			
			Bill	Bill Details	Regulation	Policy
management requirements over the offset delivery period.		well as landholder costs. A simple formula has been developed to ensure there are sufficient funds for an offset provider to cover the costs involved in providing an offset, the formula includes administrative costs, management costs and lost opportunity costs.	(3)  Part 11 Division 1 s85 (a)	Functions of financial settlement account		
Ensure offsetting occurs as close as possible to the impact site (hierarchical offset location)	Council of Mayors – South East Queensland	The framework will require offsets to demonstrate a nexus between the impact and the offset provided, and would generally be provided within the same bioregion. In addition, strategic offset investment corridors will be identified within bioregions to guide preferred offset placement. The framework will not restrict local government from providing further guidance on offsets within local government areas. Councils will be consulted during the identification of strategic offset investment corridors.	Part 3 s11  Part 3 s7	Conservation outcome  What is an environmental offset?		✓
The current policy approach requires offsets to be in place prior to operations commencing - there is no certainty of approval even though money has been spent on identifying and negotiating an offset. The revised policy should utilise an alternative approach where the proponent can choose to secure the offset after the grant of the Environmental Authority.	Cement Concrete and Aggregates Australia	The proposed legislation allows work to commence once the authority holder has entered into an agreement about offset delivery.  Financial settlement offsets will avoid the need to have offsets on the ground before project commencement. The proposed approach caters for this issue by allowing existing land banks (advance offsets) to be used as well as focusing on financial payments. Staging of offsets is currently provided for some activities under a number of current policies, this option will be included in the revised framework.	Part 6 Division 4 s 23  Part 6 Division 2 s18  Part 12 s 92 (2)(b)	Requirements for financial settlement offsets Election about delivery of offset condition  Advance offsets	✓	✓
Current approach requires the offset to be in place prior to operations commencing. QRC seeks an alternative approach where a proponent can choose to secure the offset after the grant of the Environmental Authority.	Queensland Resources Council		as above	as above	✓	✓

Issue raised	Source	Policy Response	Addressed			
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<b>3. Offset calculation</b>						
The offset payment should be higher than the cost of undertaking the offset.	NRM Collective	The framework will prioritise financial settlement offsets and the proponent will have the choice to provide an upfront payment, for faster approval. The up-front payment will be based on a formula which has been developed to ensure there are sufficient funds for an offset provider to cover the costs involved in providing an offset. This will include a factor to account for the risk that the offset does not fully result in the desired outcome due to offset failure or natural disasters such as droughts, floods, fire or storms.	Part 6 Division 2 s18 (2)(a)	Offset delivery options – financial settlement, proponent-driven or both	✓	✓
			Part 6 Division 4 s23(3)	Determining financial settlement amount		
Certainty – Offsets should be based on a simple metric such as area of remnant vegetation or other mapped features impacted. The offset required should be the same regardless of whether delivery is to be direct or through an offset payment. The metric should be based on features that can be assessed through desktop analysis, with mapping provided by EHP.	Powerlink	The framework has simplified the calculation of offsets by providing a formula based offset price that can be easily determined up front, or a simplified ecological equivalence assessment is also available. Proponents will be able to choose which methodology best suits their circumstances.	Part 3 S 13 (d)	Policy to provide scale and size of offset	✓	✓
			Part 6 Division 4 s23(3)	Determining financial settlement amount		
Incentives for landowners – any scheme needs to provide incentives for landowners to participate. Landowners should not incur up-front costs or application fees to participate.	Powerlink	The framework recognises the potential costs to landholders undertaking offsets on their land and makes provision for administration, management and lost opportunity costs.	Part 6 Division 4 s23	Requirements for financial settlement offsets	✓	✓
It is important that any resulting calculation for an offset payment recognises all the costs involved. Key costs to cover in the payment are: <ul style="list-style-type: none"> <li>Administration and management of the 'Balance the Earth Trust'</li> <li>Securing the land</li> <li>Offset services delivery including:</li> </ul>	Ecofund	The calculation of offset payments takes into account a range of administrative costs for both the offset provider and landholder, management costs for the offset site and the cost for lost productivity or opportunity as a result of the offset.	Part 6 Division 4 s23 (3)	Requirements for financial settlement offsets  Subsection (3) provides for the financial settlement be calculated	✓	✓

Issue raised	Source	Policy Response	Addressed			
			Bill	Bill Details	Regulation	Policy
<ul style="list-style-type: none"> <li>- finding a 'like for like' and 'strategy compliant' asset</li> <li>- securing landholder permission,</li> <li>- securing the desired tenure covenant</li> <li>- determining the ongoing management regime for the site</li> <li>- providing ongoing maintenance and rehabilitation of the land</li> <li>- auditing of offset delivery.</li> </ul>				in the way prescribed under regulation		
Offset calculation should consider more realistic management costs (such as management of weeds, fire and feral control) than currently provided in policy.	Power entities		Part 6 Division 4 s23	Requirements for financial settlement offsets	✓	✓
Ensure that the offset policy works for Local Governments and the development industry as well as large mining and farming operations. If the State bases the cost of an offset on a value associated with mining operations, this may not be appropriate for other offsetting circumstances and legal challenges may arise when a Council tries to implement its offsets policy. It is recommended that flexibility in assigning costs be considered in the review of offset policies with potential for the State 'accrediting' a Local Government's offsetting mechanism and costing as being appropriate for local delivery.	Council of Mayors – South East Queensland	<p>The framework provides a consistent approach to offsets for all levels of government</p> <p>The framework will give proponents greater choice and flexibility in meeting their offset obligation to suit their particular business and development requirements. Offsets can be calculated and delivered as a formula based offset price for upfront payments, or through a simplified ecological condition assessment.</p>	Part 2 s.3 (2) Part 3 s 10 Part 4 s 12	Provides for a consistent approach to offsets for State and local government		✓
The calculation of payment should be determined between the offset provider and the proponent. Payments should sit between the provider and proponent.	Offset Brokers, Power entities			The policy will allow proponents to enter into an agreement with any entity to deliver an offset		✓
Self-assessment – offset delivery by government owned corporations should be self-assessable. It is not always possible to quantify impacts at the EIS stage, as final design and track location is still being developed. Self-assessment and appropriate offset accreditation would encourage proponents to acquire offsets in advance, seek all opportunities to avoid and minimise impacts,	Powerlink	Self-administered offsets are an option under the policy.	N/A		N/A	✓

Issue raised	Source	Policy Response	Addressed			
			Bill	Bill Details	Regulation	Policy
and acquit or retire offsets against the final impact						
A self-assessment framework, such as that currently provided for koalas, has merit and should be applied to the single policy.	Power entities					
A key challenge for any offsets approach is timeliness of delivery. While environmental destruction has an immediate impact on habitat availability the corresponding offset will take many years to develop with uncertain outcomes. The concept of conservation banking has emerged recently to address this shortcoming. Offsets under this arrangement are delivered prior to development occurring and can only be sold after they are developed and verified. Sliding offset ratios can be used to incentivize the market to develop offset banks against future environmental losses.	SEQ Catchments	Minimising the lag time between the impact and offset delivery is a key priority and principle for the framework. The new framework will not prevent proponents from establishing offsets in advance of any anticipated impacts. However proponents will need to ensure that any advanced offsets will meet the requirement of the revised offset policy. A government run credit banking system is not proposed but trading of offsets could be done between offset providers.	Part 6 Division 1 s18 Part 7 s25 (2) Part 12 s92 (2) (b)	Offset delivery options Environmental offset agreements Provides for advance offsets	✓	✓
Banking – A policy which enables offset credits to be treated as assets that can be banked for use against other projects or sold is supported.	Powerlink		As above	As above	✓	✓
Provide for the ability of Local Governments (and linear infrastructure providers) to undertake large scale, consolidated offsets for numerous impact sites. It is recommended that a new revised offsets policy allow for offsets, and restoration works for potential offsets, be undertaken in advance of any known impact so that larger scale offset receiving projects can be undertaken that achieve economies of scale, as well as improved maintenance and management outcomes.	Council of Mayors – South East Queensland	The revised framework which focuses on offsetting in strategic offset investment corridors and direct benefit management plans will enable multiple offsets requirements to be provided in one package.	As above	As above	✓	✓
<b>4. Equivalency and ratios</b>						
Suggest amend Ecological Equivalence measurement. It is expensive and commonly rendered invalid due to the time from the initial EIS to commencement of any clearing.	Queensland Resources Council	The ecological condition indicators will be simplified to streamline the assessment of ecological equivalence.	Part 3 s11	Definition Conservation outcome		✓
Assessment of the values to be lost takes up resources that could be better invested in offsetting.	Power entities	A key component of the framework is to ensure a net benefit for the impacted matter. For Commonwealth accreditation, the offset will need to	Part 3 s11	Definition Conservation outcome	✓	✓

Issue raised	Source	Policy Response	Addressed			
			Bill	Bill Details	Regulation	Policy
		demonstrate a nexus between the impacted value and the offset provided. For this to occur the values being lost will need to be appropriately identified.				
Need for consistency between data requirements through EIS process and offsets (i.e. ecological equivalence methodology)	Queensland Resources Council	Implementation of the framework will include ensuring that offset requirements are clearly articulated for the EIS stage of development proposals to ensure this consistency.	N/A			✓
The current policy provides for 'no net loss', however, this is not currently being delivered. The revised policy needs to ensure equivalency over time.	NRM collective	The framework will align with Commonwealth requirements for the offsets, which require a conservation outcome for the impacted matters.  To ensure outcomes are delivered over time, the framework requires protection for the life of the impact. Proponents will need to demonstrate the nexus between the offset and the value being impacted.	Part 3 s11	Definition Conservation outcome	✓	✓
Ratio requirements are different between State and Commonwealth policies.	Queensland Resources Council	The offset framework will standardise the ratio applying to all offsets in Queensland and will be seeking to achieve accreditation for EPBCA offsets using this methodology, removing the need for Commonwealth assessment. The new EPBCA offset policy does not use ratios, but an ecological equivalence measure.	Part 6 s15	Removal of duplication between Commonwealth and State requirements	✓	✓
Focus should be on ecological outcomes with less reliance on numerical ratios that have little or no scientific justification.	Queensland Resources Council	Ecological equivalence measures are proposed to be retained as an option for proponents choosing a land based offset.	Part 3 s11  Part 6 Division 4	Definition Conservation outcome  Requirements for financial settlement		✓

Issue raised	Source	Policy Response	Addressed			
			Bill	Bill Details	Regulation	Policy
		Ratios help to account for the environmental values (e.g. condition of vegetation) being lost as well as the risk that the offset does not fully result in the desired outcome. For example, an area under rehabilitation is unlikely to return full function to an ecosystem, using a ratio aims to balance this loss in value.	s23 (3)	offsets  Subsection (3) provides for the financial settlement be calculated in the way prescribed under regulation		
Accountability – a financial payment option is supported, but there should be no preference given by the government to financial payments or direct delivery – proponents must be free to choose the delivery option that best meets their requirements. Payment mechanisms that pool funds into a central trust are not supported as they do not provide sufficient accountability. Where a certified offset provider accepts a financial payment, the risk and responsibility for delivery of the offset are transferred to the offset provider.	Powerlink	Flexibility in the delivery of offsets is provided through the financial payment option where the proponent meets their obligation once the payment has been made. Proponent driven options are also available and can be provided by an offset provider under contractual arrangements between the proponent and offset provider.  For financial settlement offsets that are subject to tender the Department will transfer the responsibility to the provider as part of contractual arrangements.	Part 6 Division 2 s18 (2)	Provides two offset delivery options	✓	✓
<b>5. Payments and land based offsets</b>						
The revised policy should consider a payment system that provides an early acquittal for all costs associated with offset.	Power entities	The revised framework will allow for this where proponents choose an upfront payment.	Part 6 Division 2 s18 (2)	Provides two offset delivery options	✓	✓
The mining industry already has a substantial investment in land-banking for the purpose of direct future land offsets. The revised policy needs to address changes to the land acquisition offsets framework.	Queensland Resources Council	The revised framework will allow for a land-based offset where the land will provide a benefit for the impacted matter. This includes on land owned by proponents, in local government corridors and areas identified in Natural Resource Management Plans.	Part 12 s92 (2)(b)	Allows for a regulation to be made for the purposes of an environmental offset in the future (an advanced offset) and for the use of advanced offsets, including, for example, by providing	✓	✓

Issue raised	Source	Policy Response	Addressed			
			Bill	Bill Details	Regulation	Policy
				for trade in relation to advanced offsets;		
Payments should be directed where they are intended to go and not to consolidated revenue, administrative or other costs.	Queensland Resources Council	Offsets will need to demonstrate a nexus between the impacted matter and the offset being provided. As such offset payments will need to be transparent and clearly demonstrate the nexus. Payments will not be directed into consolidated revenue and can only be paid where actions are additional to existing land management practices.	Part 3 s11 Part 11 s 83 Part 11 s 85 Part 12 s 89	Definition conservation outcome Object of offset account – to provide funding for the delivery of environmental offsets Payment of amounts from offset account Register to be kept by each administering agency	✓	✓
It is not financially plausible to make a full upfront payment for offsetting a staged project.	Cement Concrete and Aggregates Australia	Staging of offsets is currently provided for some activities under a number of current policies. This will be an option under the revised offset framework. Additionally, staged offset payments that align with operational vegetation clearing can be catered for through conditioning in the development approval.				✓
Queensland should strive to create a market-based mechanism for either direct investment or tradable offsets.	SEQ Catchments	The framework will broaden the market for delivery of offsets provided as a financial payment. There is no plan to create a formal market for tradable offsets run by government.	Part 6 Division 4 s22	Explanation of financial settlement offset	✓	✓
<b>6. Offsets for linear infrastructure</b>						
Seek reduced complexity and liability when offsetting multiple parcels of land, for example with linear projects across multiple ecosystems and habitats.	Queensland Resources Council, Cement Concrete and Aggregates	Financial payments, strategic investment corridors and direct benefit management plans will provide greater choice for proponents and make	Part 6 Division 2 s18	Provides two offset delivery options	✓	✓



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<p>Flexibility of delivery – Proponents should be able to choose offset projects from a regional/local priority list, or add new projects that meet regional priorities. ‘Like for like’ or ‘as similar as possible’ outcomes are extremely difficult to identify in a limited market and almost impossible to achieve for linear impacts. Management actions that are suitable as offsets, and those that are not eligible to be considered as offsets should be identified in the policy.</p> <p>Ecological equivalence is not a practical approach for linear infrastructure, which has smaller scale impacts across a variety of ecosystem types and can be expensive to quantify. Condition assessment methods for offsetting should be as simple as possible.</p>	Australia	offsetting for linear infrastructure easier to achieve. Investment of payments will need to ensure there is a nexus between impacted value and benefit in order to ensure Commonwealth accreditation.				
	Powerlink	Proponents will have a greater choice in delivery of offsets through strategic investment corridors and Direct Benefit Management Plans, which will provide “shelf ready” packages for offset payments. These plans will direct payments to areas that will provide a landscape outcome and demonstrate a net benefit for impacted matters.	Part 6 Division 2 s18	Provides two offset delivery options		✓
		Proponents can still elect to undertake a condition assessment of an area using simplified ecological equivalence criteria.	Part 6 Division 4 s23	Requirements for financial settlement offsets		
			Part 6 Division 4 s23 (3)	Subsection (3) provides for the financial settlement be calculated in the way prescribed under regulation		
			Part 2 s3	Purpose and achievement – significant residual impacts only		
The revised policy needs to ensure corridors don’t isolate areas of priority for infrastructure (e.g. linear infrastructure may need to bisect areas of corridor).	Power entities, Queensland Resources Council	Government will work with industry, councils, NRM groups and other stakeholders to identify strategic investment corridors for offset placement, in areas with low development opportunity. Further these areas are not statutory and landowners will enter into offset agreements at their own choice.	N/A	N/A	N/A	✓
<b>7. Providers and accreditation</b>						
The establishment of multiple trust accounts to enable NRM bodies to manage trust money is risky – there are too many management issues and there is uncertainty over legal issues in establishing trust accounts.	NRM Collective	The proposed framework does not stipulate trust accounts	N/A	N/A	N/A	N/A
The revised policy should promote an open market.	Offset brokers	The framework will allow for a broad	Part 11 s 82	Establishment of the		✓

Issue raised	Source	Policy Response	Addressed			
			Bill	Bill Details	Regulation	Policy
There is no need for policy to refer to NRM bodies or single out any providers.		range of offset providers to participate in the market and allow proponents and landholders to identify suitably qualified and skilled providers to assist in offset delivery – rather than directly preference one type of provider, such as NRM Bodies.  NRM bodies will have the opportunity to participate in the offset market to suit their level of capacity. For example, they may have capacity to undertake and manage an offset obligation as a competitive offset provider or alternatively, may choose to partner with each other or an offset broker to deliver the offset obligation.	Part 11 s 85  Part 7 section 25 (2)	offset account  Payment of amounts from offset account  Relevant agency may enter into an agreement with any entity – in relation to delivery of the offset		
Before government provides guarantees to NRM Bodies about their role in offsets, EHP needs to be sure that government underwriting can be used for offsets purposes as distinct from their core functions, and that NRM Bodies have the capacity to achieve offset delivery.	Ecofund	Government will not be specifying NRM involvement in the policy.	Part 7 section 25 (2)	Relevant agency may enter into an agreement with any entity – in relation to delivery of the offset		✓
Accreditation – should only be required for offset providers accepting financial payment. There should be more than one accredited provider in each region to promote market choice.	Powerlink		Part 7 section 25 (2)	Relevant agency may enter into an agreement with any entity – in relation to delivery of the offset		✓
The idea of every service provider having a unique trust fund would be costly, slow to set up and run, and would be questionable in its advantage. Furthermore the ongoing compliance responsibility for EHP to check the validity of each trust and the compliance of their expenditure would be resource intensive.	Ecofund		Same as above	Same as above		✓
<b>8. Strategic investment corridors and offset site identification</b>						
Industry is interested in a more flexible and outcomes-focussed approach that promotes long-term planning of measurable biodiverse regions.	Queensland Resources Council	Biodiversity values and ecosystem services are important for all regions of Queensland – not just biodiverse regions. The revised policy provides a flexible, outcome-focussed and strategic approach to achieving biodiversity benefit across the State.	Part 3 s11	Definition conservation outcome	✓	✓
The experience of Greening Australia in Queensland is	Greening Australia	The framework will refer to a hierarchy				✓

<i>Issue raised</i>	<i>Source</i>	<i>Policy Response</i>	<i>Addressed</i>			
			<i>Bill</i>	<i>Bill Details</i>	<i>Regulation</i>	<i>Policy</i>
that suitable offset sites within designated regions (bioregions) are not always readily available or of satisfactory standard. The Policy for Vegetation Management Offsets is too rigidly applied in a 'bioregion' sense. By providing an 'out of bioregion' policy option that sees offsetting in an area of strategic environmental significance, the Government has potential to assist the management of development in Queensland and environmental care and protection across the State.		that will prefer an as close to possible approach to offset delivery but does allow flexibility				
Offset receiving sites are in the main decided by proponents with little regard to overall regional landscape functionality in terms of reducing habitat fragmentation and sedimentation.	SEQ Catchments	Government will be proactively working with stakeholders to identify strategic investment corridors where offset payments can be directed for land management activities that benefit impacted matters. The corridors will aim to connect conservation hubs, such as national parks in areas that are under low development pressure.				✓
Corridors should incorporate work by NRM bodies, local government, Commonwealth Government.	Power entities, Urban Development Institute of Australia	The Queensland Government will work with industry and stakeholders to identify strategic investment corridors for offset placement, in areas with low development opportunity. The policy will not restrict local government from providing further guidance on offsets within local government areas.				✓
Offset corridors may conflict with the government priority for food security. This needs to be considered when planning investment corridors.	NRM collective	The Queensland Government will work with industry and stakeholders to identify appropriate areas for strategic investment corridors for offset placement. Corridors will be strategically placed to avoid highly productive agricultural areas where possible. Consideration will be given to including strategic investment corridors in statutory regional plans which balance				✓

Issue raised	Source	Policy Response	Addressed			
			Bill	Bill Details	Regulation	Policy
		land use conflicts.				
Pre-identifying corridors will lead to bank risk perceptions which may impact on underlying land values.	Offset brokers	There is no obligation for a landholder within a strategic investment corridor to have an offset delivered on their land, as an agreement to an offset is voluntary. The calculation of offset payments will take into account the cost for lost productivity or lost opportunity as a result of the offset.	Part 7 s25	Allows proponents to enter an agreement with any entity to deliver an offset	✓	✓
It will be difficult to offset 'like for like' within the identified offset corridors, at times. The revised policy needs to offer alternatives when this is the case.	Offset brokers	The framework will retain the requirement that offsets must provide a nexus. However, the framework will allow for increased opportunities for offset delivery such as providing improved management of degraded high value regrowth vegetation and remnant vegetation.  Offsets can be delivered outside a corridor. Preference for financial payments is to deliver offsets in a corridor or to implement a direct benefit management plan for impacted species.	Part 3 s11  Part 6 Division 2 s18 (2)	Definition conservation outcome  (Note: Offsetting in corridors is not a statutory requirement) Provides two offset delivery options	✓	✓
The current policy framework limits the ability of proponents to deliver connections to individual landholders – there are difficulties in sourcing offsets for urgent works.	Power entities	Financial payments, pre-identified strategic investment corridors and implementing direct benefit management plans will simplify the offsetting process.	Part 6 Division 2 s18 (2)	Provides two offset delivery options	✓	✓
Strategic outcomes – offset delivery should be focused on strategic outcomes identified on a regional or local basis. A single impact may be acquitted through multiple offset projects, or offsets for multiple impacts may be pooled to a single strategic offset project.  Identification of strategic areas for offset investment is useful, but offset provision should not be limited to these areas.	Powerlink	The focus of the framework is on achieving strategic outcomes, particularly through investing offsets in strategic investment corridors and implementing direct benefit management plans.  The option for proponent provided	N/A			✓

Issue raised	Source	Policy Response	Addressed			
			Bill	Bill Details	Regulation	Policy
		offsets will be retained where the offset provides a net benefit for the impacted value.				
<b>9. Monitoring, reporting and auditing</b>						
Identifying secured offsets is complicated– there is a need for public identification such as through a noting on title and/or a searchable register with spatial capacity.	Urban Development Institute of Australia	EHP is developing a comprehensive offsets register and environmental offset protection areas will be searchable on a title database	Part 7 s30	Establishes requirement to keep a register	✓	✓
A properly maintained offset register is required with geospatial information relating to existing, proposed and potential offset sites.	Queensland Resources Council		Part 12 s89	Establishes requirement to keep a register	✓	✓
Monitoring/auditing should be outsourced.	Cement Concrete and Aggregates Australia	The proposed governance framework will allow independent inspection and certification of the offsets delivered. Government will have an auditing role.	Parts 9 & 10	Compliance and enforcement provisions - provides persons with skills and experience to carry out certain functions		✓
It is the provider's role to monitor report and the government's role to audit.	Offset Brokers		Parts 9 & 10	Compliance and enforcement provisions - provides persons with skills and experience to carry out certain functions		✓
Outcomes need to be assessed from a scientific, rather than policy, perspective.	Cement Concrete and Aggregates Australia	The framework is seeking to deliver a conservation outcome. The principles underpinning development of the policy are scientifically based.	Part 3 s11	Explanation of a conservation outcome	✓	✓
Government assessors do not have the ecological expertise to adequately assess whether offset outcomes have been achieved.	Cement Concrete and Aggregates Australia	The Act will provide officers with relevant auditing and enforcement powers. Further a range of simplified guidelines are being developed to assist applicants and assessors.	Parts 9 & 10	Compliance and enforcement provisions - provides persons with skills and experience to carry out certain functions		✓
<b>10. Legal security and length of offset</b>						
There is currently no mechanism that provides 100% guarantee of legal security.	Power entities, QCC	The framework will require protection for the life of the impact as a minimum. Protection can be provided under	Part 8 s28	Legally secured offset area	✓	✓

Issue raised	Source	Policy Response	Addressed			
			Bill	Bill Details	Regulation	Policy
		existing mechanisms (such as statutory covenants, nature refuges and voluntary declarations under the VMA) and environmental offset protection areas.	Part 6 s 24	Impacts on legally secured offset area – must not be carried out		
Offset providers/managers could help address the need for mining companies to be able to remove themselves from offset management at or before surrender of the mining leases, rather than being expected to continue to manage the offset in perpetuity.	Queensland Resources Council	<p>Management of the offset will only be required for the life of the impact, or until the restoration of the values has occurred based on a 20 year timeframe and the requirements of the offset management plan. The Queensland government will require secure protection for the offset site for at least the duration of the impact, in line with the requirements of the Commonwealth policy.</p> <p>However, the revised policy will provide an upfront payment mechanism for offset delivery, where proponents provide their offset as a financial offset payment and the offset is then delivered by an offset provider, who is responsible for ensuring offset obligations are met.</p>	Part 6 Division 2 s18	Provides two offset delivery options – acquittal through financial settlement	✓	✓
Conditions of management should not be in perpetuity, extending past tenure expiry. Commonwealth regularly conditions clients offset management requirements for 'life of project' management of the offsets.	Queensland Resources Council	Management of the offset will only be required until offset objectives, in accordance with the offset management plan, have been achieved.	Part 7 s26  Part 6 s 19	<p>Duration of environmental offset agreement</p> <p>Reaching agreement about delivery – terms of the agreement including reasonable delivery of the offset condition</p>	✓	✓
It is important that if tenure insecurity remains and a proponent in the future looks to clear an existing offset, then the current process of requiring the proponent to offset the offset should remain.	Ecofund	The framework will align with Commonwealth requirements for offsets, which require protection for the life of the impact as a minimum.	Division 5 s24	Impacts on legally secured offset area	✓	✓

Issue raised	Source	Policy Response	Addressed			
			Bill	Bill Details	Regulation	Policy
		Protection can be provided under existing mechanisms (such as statutory covenants, nature refuges and voluntary declarations under the VMA) and environmental offset protection areas.				
Ensure that there are mechanisms available for Local Governments to legally secure an offset area on a permanent basis. It is recommended that the State develop a permanent offset protection mechanism that is suitable for implementation and use by LG, but which has a head of power within State legislation. It is also recommended that this protection mechanism be designed over a parcel of land in advance of an offset being activated.	Council of Mayors – South East Queensland	<p>The framework will align with Commonwealth requirements for the offsets which require protection for the life of the impact. Protection can still be provided under existing covenant mechanisms.</p> <p>Existing legislation (such as the Sustainable Planning Act) provides a head of power for conditioning offsets.</p>	<p>Part 12 s 92 (b)</p> <p>Part 8 s 28</p> <p>Part 3 s11</p>	<p>General regulation making power – provides for advance offsets</p> <p>What is a legally secured offset area – environmental offset protection area – legal security mechanism</p> <p>Conservation outcome achieved by environmental offset</p>	✓	✓
The revised policy must specify when the offset obligation has been met.	NRM Collective	The offset obligation will be met once the offset objectives, in accordance with the offset management plan, have been achieved. However, the offset must be secured as a minimum, for the life of the impact.	Part 3 s11	Conservation outcome achieved by environmental offset	✓	✓
The policy needs to specify how ongoing management of land-based offset sites will be managed.	Urban Development Institute of Australia	Management requirements will be linked to the offset management plan and until the restoration of the values has occurred, or for a 20 year timeframe. How management is delivered will remain flexible under the policy – e.g. landholder, NRM Body, etc.	Part 6 s 18 (4)	The terms of the offset deliver plan	✓	✓
<b>11. Cumulative offsetting</b>						

Issue raised	Source	Policy Response	Addressed			
			Bill	Bill Details	Regulation	Policy
Cumulative requirements when offsetting an offset can become unviable (e.g. 1:5 becomes 1:25)	Power entities	The offset framework will recognise the need to offset an offset in limited circumstances. Development of existing offset areas increases the lag-time for delivery of the original offset, compounding the impact on the environmental <sup>se</sup> impacts need to be factored into the offset ration.  A range of options are under consideration for ratios as part of the review.  To minimise the likelihood of cumulative offsetting, the Queensland government will work with industry and stakeholders to identify strategic investment corridors for offset placement, in areas of low prospectivity or development opportunity	Division 5 s24	Impacts on legally secured offset area	✓	✓
Policy needs to recognise the ability to offset an offset in limited circumstances (e.g. essential infrastructure).	Power entities		Division 5 s24	Impacts on legally secured offset area	✓	✓
Remove the burden regarding cumulative offsetting, including the increased cost and resource burden of offsetting an offset and the flow-on effects to viability of productive land if secured in offsets.	Queensland Resources Council		Division 5 s24	Impacts on legally secured offset area	✓	✓
<b>12. Other</b>						
Policy prescriptions have provided suboptimal environmental outcomes because of administrative complexity, an overly prescriptive approach and lack of strategic leadership. They provide industry with limited certainty and have contributed to increasing 'green tape'.	SEQ Catchments	A key aim of the review is to consolidate the existing specific offset policies into a single, simplified environmental offset policy.	Part 4 s12	Gives effect to single offset policy and outlines the context	✓	✓
There is a risk that vegetation offsets will become a surrogate for biodiversity offsets.	Queensland Conservation Council	The framework will bring all offset elements together under a single approach however the offset will still need to satisfy the objectives of each current specific-issue policy, as well as Commonwealth requirements.	Part 4 s12  Part 3 s 11	Gives effect to single offset policy and outlines the context  A conservation outcome – providing for the prescribed environmental matter impacted by the	✓	✓



<i>Issue raised</i>	<i>Source</i>	<i>Policy Response</i>	<i>Addressed</i>			
			<i>Bill</i>	<i>Bill Details</i>	<i>Regulation</i>	<i>Policy</i>
				prescribed activity		
The revised policy needs to address the complex requirements for offsets in protected areas and issues associated with the establishment of protected areas over existing infrastructure (e.g. National Parks).	Power entities	The framework will include requirements of offsetting impacts in the protected area estate. Arrangements for declaring protected areas over existing infrastructure are outside the scope of this review.	Part 8 s29	Declaration of environmental offset protection area	✓	✓
			Part 3 s8	What is a significant residual impact – in relation to a protected area		
			Part 3 s9	What is a prescribed activity – provides for impacts to protected areas estate		
			Part 3 s10	What is a prescribed environmental matter – protected area estate		

### 3.4 Consultation January - May 2013

Thirty-five meetings and workshops were held with the key groups listed above between January and May 2013. A consultation schedule is provided in table 2, whilst table 3 outlines the key concerns raised during this round of consultation.

**Table 2: Consultation schedule**

Organisation	Date
Council Of Mayors South East Queensland (COMSEQ) – Progressing SEQ Offsets Working Group	12 December 2012
Local Government Association Queensland	6 January 2013
Earthtrade	18 January 2013
Environment Round Table	7 February 2013
AMEC	21 January 2013; 5 March 2013
Ecofund	21 February 2013; 6 March 2013
Energex	5 March 2013; 6 March 2013
Queensland Resources Council	7 March 2013; 15 March 2013; 11 April 2013; 10 May 2013
Australian Petroleum Production and Exploration Association	7 March 2013; 15 March 2013; 19 March 2013; 12 April 2013; 19 April 2013
Santos	7 March 2013
University of Queensland	11 February 2013; 26 February 2013
Cement Concrete and Aggregates Australia	9 April 2013
Association of Mining and Exploration Companies	10 April 2013
South East Queensland Councils, Council Of Mayors South East Queensland, Local Government Association of Queensland	11 April 2013
Ergon, Energex, Powerlink	15 April 2013
BHP	15 April 2013
NRM Collective	16 April 2013
Salva Resources	16 April 2013
Urban Development Institute of Australia, Property Council of Australia	17 April 2013

<b>Organisation</b>	<b>Date</b>
Offset Brokers – Greening Australia, Ecofund, Queensland Trust for Nature, SEQ Catchments, Ecological, AMEC	17 April 2013
Energex	18 April 2013
Conservation Groups - Queensland Conservation Council, WWF, Sunshine Coast Environment Council, Rainforest Conservation Society, Capricorn Conservation Council, Brisbane Region Environment Council, The Wilderness Society	18 April 2013
Gold Coast City Council	19 April 2013
Moreton Bay Regional Council	19 April 2013
Queensland Port Association	6 March 2013; 2 May 2013
Property Council of Australia	9 May 2013; 3 June 2013

**Table 3 Consultation Summary May/April 2013**

Source	Issues raised	Policy response	Addressed			
			Bill	Bill Details	Regulation	Policy
<p><b>Resources sector</b></p> <ul style="list-style-type: none"> <li>• QRC</li> <li>• AMEC</li> <li>• QGC</li> <li>• Santos</li> <li>• APPEA</li> </ul>	<p>The industry supports the framework and appreciates the process used in developing the policy.</p> <p>Seek continued engagement in development of implementation material.</p> <p>The industry views Commonwealth accreditation as paramount to the success of the framework, and has requested clarification on how the policy will work if accreditation is not granted.</p> <p>Details needed on:</p> <ul style="list-style-type: none"> <li>• When different documentation is required</li> <li>• Who has what roles</li> <li>• Transitional provisions</li> <li>• Remove potential for duplication of approval requirements between Co-ordinator General and Environmental Protection Act</li> </ul> <ul style="list-style-type: none"> <li>• Support for flexibility of proposed approach</li> <li>• Request for fish habitat offsets to be fully integrated</li> </ul> <ul style="list-style-type: none"> <li>• Resource Reserves, Forest Reserves and Nature Refuges should not require offsets</li> <li>• Threshold and critically limited regional ecosystems should not require offsets.</li> </ul>	<p>EHP will seek feedback on development implementation material</p> <p>The State will not require offsets for a matter where the Commonwealth requires one.</p> <p>The proposed offset framework includes these details in the policy and supporting materials.</p> <ul style="list-style-type: none"> <li>• Fish habitat requirements have been integrated into the proposed calculator</li> <li>• Government's decision on matters requiring offset will be specified in the proposed regulation and provided on EHPs website</li> </ul>	<p>Part 4 s12</p> <p>Part 5 s15</p> <p>Part 3 s 10</p>	<p>Gives effect to single offset policy and outlines the context</p> <p>Restriction of duplication</p>	<p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p> <p>✓</p>

Source	Issues raised	Policy response	Addressed			
			Bill	Bill Details	Regulation	Policy
	<ul style="list-style-type: none"> <li>Landholders have a range of exemptions that companies do not (e.g. category X area on a Property Map of Assessable Vegetation)</li> <li>Remove requirements to offset impacts on previously secured offsets</li> <li>Remove or clarify the 'connectivity' Matter of State Environmental Significance</li> </ul>					
<b>Extractive sector</b> <ul style="list-style-type: none"> <li>Cement Concrete and Aggregates Australia</li> </ul>	<p>The industry indicated support for the integrated policy with the policy and appreciates the process used in developing the policy.</p> <p>The industry indicated that Commonwealth accreditation is a positive step.</p> <p>The industry indicated that details are needed, in relation to:</p> <ul style="list-style-type: none"> <li>When different documentation is required</li> <li>Who has what roles</li> <li>Transitional provisions</li> </ul> <p>The industry indicated</p> <ul style="list-style-type: none"> <li>Support for flexibility of proposed approach, particularly staging of offset requirements</li> <li>Further engagement on financial calculator may be required</li> </ul> <p>The industry indicated they would like to see</p>	<p>Discussions with the Commonwealth are ongoing. The framework provides for accreditation of national matters.</p> <p>Incorporated into the proposed policy</p> <ul style="list-style-type: none"> <li>EHP offered to work through case studies and data with resource companies</li> <li>Government's decision on matters requiring offset will be specified in the proposed regulation and provided on EHPs website</li> </ul>	<p>Part 4 s12</p> <p>Part 3 2(10)</p> <p>Part B (94)</p>	<p>Gives effect to single offset policy and outlines the context</p> <p>What is a prescribed environmental matter</p> <p>Transitional provisions</p>	<p>✓</p>	<p>✓</p> <p>✓</p>

Source	Issues raised	Policy response	Addressed			
			Bill	Bill Details	Regulation	Policy
	removal or clarification of the 'connectivity' Matter of State Environmental Significance.					
<b>Electricity entities</b> <ul style="list-style-type: none"> <li>• Powerlink</li> <li>• Energex</li> <li>• Ergon</li> </ul>	<p>The industry supports a streamlined approach to the delivery of environmental offsets in Queensland.</p> <ul style="list-style-type: none"> <li>• Proponent-driven offsets should allow proponents to utilise the option where they are not the owner of the land</li> <li>• Electricity entities would like to develop a self-assessable industry offset policy that mirrors the intended outcomes of the government policy. Electricity entities would comply with this rather than the Environmental Offset Policy.</li> </ul>	<p>Proposed policy will enable offsets to occur on land not owned by a proponent.</p> <p>The proposed framework provides for development of self-administered approaches for Government agency and government owned corporations.</p>	Part 4 s12	Gives effect to single offset policy and outlines the context	✓	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> </ul>
<b>Agricultural Sector</b> AgForce	<p>Supports opportunities for diversification in on-farm income for landholders and that a practical environmental offsets policy has the potential to deliver environmental, economic and social outcomes.</p> <p>Seeks implementation materials and support for landholders to be available prior to the framework's release. Recommended a comprehensive education program or information package for key stakeholders.</p>	Implementation materials including education materials are in preparation.	Part 6 Division 2 s 18	Election about delivery of an offset	✓	✓

Source	Issues raised	Policy response	Addressed			
			Bill	Bill Details	Regulation	Policy
	Considers on-ground delivery of offsets important prior to impacts.	Mechanisms to minimise the time lag between impact and offset delivery have been incorporated into the Bill and proposed regulation and policy.	Part 6 Division 3 s 21	Requirements for proponent-driven offsets		
			Part 6 Division 4 s 23	Requirements for financial settlement offsets		
<b>Offset brokers</b> <ul style="list-style-type: none"> <li>Carbon Offsets Guide Australia</li> <li>Greening Australia</li> <li>SEQ Catchments</li> </ul>	<p>Offset providers generally support the policy, stating that the proposed policy is a major improvement on the current policies.</p> <p>Offset providers emphasised that the offset account must be robust, accountable and effective. Concerns were raised regarding impacts on provider competition.</p>	Opportunities to tender for offsets will result from financial settlement offsets. The Bill provides a robust mechanism for financial accounting.	Part 11	Amounts received as financial settlements	✓	✓
<b>Conservation sector</b> <ul style="list-style-type: none"> <li>QCC, on behalf of all member groups</li> <li>Sunshine Coast Environment Council</li> <li>Capricorn Conservation Council</li> </ul>	<ul style="list-style-type: none"> <li>Welcome opportunity to provide input into the framework. The conservation sector feels that the consultation period should have been longer and that it should have included a broader range of stakeholders, including public consultation. Include offset policy principles – delivery in same bioregion, ecological equivalence, secured in perpetuity, future risk to matter.</li> </ul>	These principles are generally incorporated into the proposed policy				

Source	Issues raised	Policy response	Addressed			
			Bill	Bill Details	Regulation	Policy
	<p>Include the following as matters requiring offsets</p> <ul style="list-style-type: none"> <li>• Impacts that may occur in the future and are outside of the development footprint or are accumulative with nearby developments.</li> <li>• Essential ecosystem functions and services – water quality, groundwater recharge areas, aquifers, carbon storage.</li> <li>• Marine environments – turtle, dugong, inshore dolphin habitat</li> <li>• Protected area impacts should consider – groundwater, water quality, disruption of fish passage, connectivity disturbance.</li> <li>• Allow for renegotiation and upgrade of offset arrangements if new data or information becomes available.</li> <li>• Particular activities to require offsets in protected areas – coal seam gas, shale gas extraction, resource extraction.</li> <li>• DBMPs to include – consideration of climate change, management measures for conservation outcomes, ecosystem services and functions, be independently peer reviewed.</li> <li>• Strategic offset investment corridors include – secured in perpetuity, response to climate change, ensure</li> </ul>	<p>Impacts external to development site are not within the scope of the framework.</p> <p>Matters of State Environmental Significance are matters regulated under existing Queensland legislation.</p> <p>Offsets for these activities will be considered through the impact assessment process under a range of legislation.</p> <p>These measures are being considered for inclusion in the guideline on Direct Benefit Management Plans (DBMPs).</p> <p>Proposed criteria are generally being</p>	Part 3 Division 2 s10	What is a prescribed environmental matter and matters of environmental significance		✓



Source	Issues raised	Policy response	Addressed			
			Bill	Bill Details	Regulation	Policy
	<p>landscape scale ecosystem services, representation of all RE types.</p> <p>Must be applied by Coordinator-General, to state significant projects,</p> <ul style="list-style-type: none"> <li>• be administered by EHP,</li> <li>• be provided and maintained by single entity</li> </ul>	<p>considered in the development and location of strategic offset investment corridors.</p> <p>Offsets require legal security, which can apply in perpetuity by noting on title.</p> <p>Discretionary use of the policy by the Coordinator-General and state significant projects is being retained.</p> <p>EHP will undertake the lead role in policy administration with input from relevant departments where required.</p>	Part 2 s 5	Relationships with particular Acts		
<p><b>NRM bodies</b></p> <ul style="list-style-type: none"> <li>• SEQ Catchments</li> <li>• NQ Dry Tropics</li> </ul>	<ul style="list-style-type: none"> <li>• NRM bodies support the integrated policy and the possible role they can play but are concerned that the financial settlement approach undervalues the cost of offset provision.</li> <li>• Recommend taking advantage of updated NRM plans (currently under development) to ensure investment hubs and DBMPs are consistent with and support NRM plans and local government plans.</li> <li>• Seek continued engagement in development of implementation material</li> <li>• Bodies have expressed concern about the costs provided in the standard formula being insufficient to deliver required offset outcomes and suggested in workshops they could provide data</li> <li>• Concern expressed in lack of detail on the single offset fund and whether this will</li> </ul>	<ul style="list-style-type: none"> <li>• NRM plans will be considered for development of Strategic Offset Investment Corridors (SOICs) and DBMPs.</li> <li>• EHP is engaging with clients in the development of implementation material</li> <li>• Costs incorporated in the calculator are based on estimates provided by NRM groups with respect to administration and incentive costs</li> <li>• Opportunities to tender for offsets will result from financial settlement offsets. The Bill establishes a robust</li> </ul>	Part 4 s12	Gives effect to single offset policy and outlines the context	✓	✓
			Part 11	Amount received as financial settlements		

Source	Issues raised	Policy response	Addressed			
			Bill	Bill Details	Regulation	Policy
	restrict market competition	framework for financial accounting				
<b>Development industry</b> <ul style="list-style-type: none"> <li>Property Council of Australia</li> <li>Urban Development Institute of Australia</li> </ul>	<p>The development industry is supportive of the development of a framework, particularly the additional flexibility afforded by the policy. Industry has concerns regarding the detail and application of the policy in particular:</p> <ul style="list-style-type: none"> <li>interaction between state policy and local government Policies</li> <li>the industry is concerned with the potential cost of the financial settlement model and the calculation of financial settlements</li> <li>timeframe and consultation process.</li> </ul> <p><b>Commonwealth accreditation</b> Industry acknowledges efforts to ensure consistency with the Commonwealth and note that eliminating one level of assessment will only occur if the State successfully achieves Commonwealth endorsement</p> <p>Companies are nervous about strategic investment offset corridors as landholders may perceive the value of their land as an offset is higher if in a mapped strategic investment offset corridor</p> <p>The industry is concerned with the number of matters that require provision of offsets</p>	<p>In relation to local governments and State Government both requiring offsets, local government may not require offsets for impacts on the same matter.</p> <p>Costs are generally significantly lower than current policies as they are capped at 1:4.</p> <p>Strategic investment offset corridors are not mandatory areas, and provide an easier approach for identification of suitable offset sites. As with New South Wales, the market – once established - will provide regulation for reasonable costs.</p> <p>The offsets framework has resulted in removal of offset requirements for impacts on near threatened species, grasslands not regulated under the Vegetation Management Act, regrowth</p>	<p>Part 5 s15</p> <p>Part 4 s12</p>	<p>Contains provisions for removing duplication in assessment</p> <p>Gives effect to single offset policy and outlines the context</p>	<p>✓</p>	<p>✓</p>

Source	Issues raised	Policy response	Addressed			
			Bill	Bill Details	Regulation	Policy
		vegetation, community infrastructure in relation to vegetation clearing and offsets for some activities in urban areas. The policy review has also increased the impact threshold – with offsets applying only to unavoidable ‘significant impacts’ on Matters of State Environmental Significance, rather than the current approach of requiring offsets for any unavoidable impact.				
<b>Local Governments</b> <ul style="list-style-type: none"> <li>LGAQ</li> <li>COMSEQ</li> <li>Brisbane City</li> </ul>	<ul style="list-style-type: none"> <li>Local Governments support the single integrated policy, however seek legislative amendment to ensure that Councils can legitimately require offsets.</li> <li>Seek continued engagement in development of implementation material</li> </ul> <p>Supportive of seeking Commonwealth accreditation.</p> <ul style="list-style-type: none"> <li>Local Governments have expressed concern about the costs provided in the standard formula being insufficient to deliver required offset outcomes and suggested in workshops they could provide data.</li> <li>Local Governments seek amendment of the policy to clarify that offsets are located as close as possible to the impact site to avoid loss of significant values in high value land areas – and where possible, in the same local government area as the impact</li> </ul>	<ul style="list-style-type: none"> <li>Councils can require offsets under their planning scheme where the State or Commonwealth have not assessed the impact of that matter.</li> <li>EHP will seek feedback on implementation material.</li> </ul> <ul style="list-style-type: none"> <li>Costs are generally significantly lower than current policies as they are capped at 1:4</li> <li>Incorporated as a preferred hierarchy in policy</li> </ul>	<p>Part 4 s12</p> <p>Part 5 s 15</p>	<p>Gives effect to single offset policy and outlines the context</p> <p>Restriction on imposition of offset condition</p>	<p>✓</p>	<p>✓</p> <p>✓</p>

Source	Issues raised	Policy response	Addressed			
			Bill	Bill Details	Regulation	Policy
<b>Queensland Ports Association</b>	<ul style="list-style-type: none"> <li>Support streamlining Commonwealth and State Government offset requirements. Consider this to be a far more efficient process than what currently occurs (i.e. separate offset processes)</li> <li>Direct offsets in marine situations are complex and difficult to adopt a single approach. Options such as purchasing and protecting Fish Habitat are restrictive, difficult to achieve and limited success. Financial settlement likely to be favoured offset approach.</li> <li>The scientific basis for the fish habitat per hectare amount is inappropriate for offset purposes. Costs associated with this offset formula would be substantial.</li> <li>Suggestion to refine the definition of government-supported transport infrastructure to include port works.</li> </ul>	<ul style="list-style-type: none"> <li>Options for delivering marine offsets have been broadened to include direct benefit management plans. This will open up marine offsets to include management actions that will benefit the impacted matter.</li> <li>Marine offset costs have been reviewed and are now based on the same approach as land based offsets</li> <li>The framework provides for development of a self-administered framework for Government-supported infrastructure, which would include port infrastructure (Definitions of Government-supported transport infrastructure are outlined under the <i>Transport Infrastructure Act 1994</i> and <i>Sustainable Planning Act 2009</i>). The self-administered framework may provide offset exemptions for port infrastructure, provided this is consistent with legislative assessment requirements.</li> </ul>	Part 4 s12	Gives effect to single offset policy and outlines the context	✓	✓
	<ul style="list-style-type: none"> <li>Different offset approach required for</li> </ul>					

Source	Issues raised	Policy response	Addressed			
			Bill	Bill Details	Regulation	Policy
	<p>ongoing port activities, such as routine maintenance dredging and dredged material placement, to offsets requirements for undisturbed areas.</p> <ul style="list-style-type: none"> <li>Consider a different approach to calculating matters requiring offsets rather than based on area of seabed. Ports are constrained to specific areas based on deep water access and land based infrastructure – little opportunity to avoid impacts.</li> </ul>	<ul style="list-style-type: none"> <li>Other legislation determines the trigger for assessment or marine offsets not the offset framework .</li> <li>The methodology used to calculate financial settlement offsets has been reviewed.</li> </ul>				

### **3.5 Consultation November 2013- January 2014**

EHP held further consultation workshops from late-November to early-January 2014, with industry submissions welcome until early January 2014. A consultation schedule is provided in table 4, whilst table 5 outlines the key concerns raised during this round of consultation.

Consulted organisations were provided with the opportunity to receive a copy of the financial calculator upon execution of a deed of confidentiality with EHP. Seventeen organisations agreed to this, as follows:

- Association of Mining and Exploration Companies
- Australia East Pty Ltd
- Australian Petroleum Production and Exploration Association
- Arrow Energy Ltd
- City of Gold Coast
- CO2 Australia
- Earthtrade (Herron Todd White (Environmental) Pty Ltd trading as Earthtrade)
- Eco Logical Australia
- Energex Ltd
- Ergon Energy Corporation Ltd
- Flinders Group Pty Ltd
- Greening Australia
- Reef Catchments (Mackay, Whitsunday, Isaac) Ltd
- Saunders Havill Group
- Property Council of Australia
- Powerlink Queensland
- Urban Development Institute of Australia (Queensland)

**Table 4: consultation schedule**

<b>Organisation</b>	<b>Date</b>
Local Government Association of Queensland	29 November 2013
Urban Development Institute of Australia & Property Council of Australia	2 December 2013
Queensland Resources Council	2 December 2013
Brokers	3 December 2013
Council of Mayors SEQ, offsets working group	5 December 2013
NRM collective	6 December 2013
Australian Petroleum Production and Exploration Association	6 December 2013
Conservation groups	9 December 2013
Gold Coast City Council	10 December 2013
Aurizon	11 December 2013
Association of Mining and Exploration Companies	11 December 2013
Cement, Concrete & Aggregates Australia	12 December 2013
Power entities	12 December 2013
Council of Mayors SEQ	13 December 2013
Australian Petroleum Production and Exploration Association	13 December 2013
AgForce	16 December 2013
Urban Development Institute of Australia	16 December 2013
Power entities	9 January 2014
Aurizon	13 January 2014
Great Barrier Reef Marine Park Authority	24 January 2014
Commonwealth Department of Environment and Heritage	29 January 2014

**Table 5 Consultation Summary Dec 2013- Jan 2014**

Sector and submitters	Major issues	Policy response	Addressed			
			Bill	Bill Details	Regulation	Policy
<p><b>Resources sector</b></p> <ul style="list-style-type: none"> <li>• Arrow Energy</li> <li>• QGC</li> <li>• Santos</li> <li>• APPEA</li> <li>• QRC</li> </ul>	<p>Supportive of the progress of the offsets framework, specifically the reduction in duplication and matters requiring offsets and the flexibility to make financial settlement offsets for more MSES.</p> <p>Consideration needs to be given to rehabilitation efforts and offset requirements-e.g. Mitigation measures should include rehabilitation and rehabilitated sites should also be able to be used as advance offsets.</p> <p>The resources sector questions the validity of offsetting matters such as fish passage, watercourses, connectivity, buffer zones for marine parks, nature refuges and special least concern species. Requests these matters be removed from the framework. Further information and material required specifically, ecological equivalence assessment guideline, 'significant impact' (given the problematic Commonwealth definition of 'significant impact') and transitional provisions throughout the framework.</p>	<p>Land rehabilitated as a result of an authority requirement can be used as an offset once the rehabilitation works have been completed. However, the rehabilitated land must meet the offset framework's requirements for delivering a conservation outcome for the impacted matters.</p> <p>The effectiveness of required rehabilitation to mitigate the 'significance' of an impact can be considered under the framework.</p> <p>Government has considered the scope of matters to be subject to offsets as part of this review and the regulation will reflect current supported processes.</p> <p>Guidance material and decision support tools are in preparation including: guidance on how to calculate the financial offset obligation, how to measure equivalence of an offset with an impact site, guidance on 'significant impact', and information on</p>	<p>Part 4 s12</p> <p>Part 5 s14 s15</p> <p>Part 6 Division 2 s18(2)</p>	<p>Gives effect to single offset policy and outlines the context</p> <p>Reduction of duplication in assessment</p> <p>Provides flexibility in offset delivery</p>	<p>✓</p>	<p>✓</p>



	<p>More clarity needed on information requirements and timing of staged offsets - oil and gas companies are particularly concerned staged offsets will be too onerous and would like to help develop this part of the framework.</p> <p>Industry suggests staged offsets should include the identification of impacts at the operation stage (after impacts).</p>	<p>standard management actions that will deliver a conservation outcome on the offset site.</p> <p>The Bill and policy provide flexibility for the proponent to identify staging that is relevant to the proposed plan of operations.</p> <p>Impacts will need to be identified, and an offset identified prior to impacts starting for that stage. However, any debit/credit can be addressed at the completion of the stage. This timeliness is in accordance with State and Commonwealth offsets principles.</p>				
<b>Extractive sector</b>	<p>The extractive sector is supportive of the new framework and believes it is a real improvement from the current system.</p> <p>Concern that administration fees and landholder incentive payments as part of the financial offset option appear high compared to the real cost of land acquisition and offsets in some areas.</p> <p>Greater certainty needs to be provided as to whether legally binding mechanisms will be removed when development approvals are granted over existing offsets</p>	<p>Calculator figures are based on scientific research and information provided by industry in previous consultation</p> <p>The framework provides that the legal security mechanism will need to be revoked before development on the existing offset site commences.</p>	<p>Part 4 s12</p> <p>Part 11</p> <p>Part 8 s28</p>	<p>Gives effect to single offset policy and outlines the context</p> <p>Outlines the function of a financial settlement offset</p> <p>Legally secured offset area</p>	✓	✓
<b>Infrastructure</b>	<p>The industry supports a streamlined and more flexible approach to the delivery of environmental offsets in Queensland, and in particular the concept of Strategic Offset</p> <ul style="list-style-type: none"> <li>• SeqWater</li> <li>• Aurizon</li> </ul>		<p>Part 4 s12</p>	<p>Gives effect to single offset policy and outlines the</p>	✓	✓

<ul style="list-style-type: none"> <li>• Energex</li> <li>• Ergon</li> <li>• Powerlink</li> </ul>	<p>Investment Corridors (SOICs) and staged offsets.</p> <p>The provision of a self-administered framework is essential for the ongoing support of the electricity entities for the proposed offsets framework.</p> <p>Clarification is requested regarding a duplication of payments for offsets in protected areas for infrastructure entities: both an annual/once-off fee under the <i>Nature Conservation Act</i>, and for offsets. Request that only one payment applies (as under current system).</p> <p>The 1:10 ratio leads to an inflated payment as it uses land value in the LGA- inflating the cost in SEQ protected areas compared to elsewhere. Industry suggests using value of land adjoining protected areas as a more accurate reflection of costs.</p> <p>Strategic Offset Investment Corridors Concerns raised that that location of SOICs could impede routine management and expansion of rail infrastructure, suggest 100m buffer around existing rail corridors be excluded from SOICs</p> <p>Further information required as to parameters of 'significant impact', 'conservation outcome' and typical enforcement or audit/compliance mechanisms for offset monitoring.</p>	<p>EHP will work with electrical entities to develop self-administered approach and this will be enabled under the policy</p> <p>The Chief Executive NPRSR has the discretion to determine whether an offset is required.</p> <p>Concerns in relation to land value are noted.</p> <p>SOICs are not legally secured as offsets. However, their development will be subject to inter-departmental consultation, where their possible overlap with existing or planned infrastructure can be identified as a possible conflict.</p> <p>Guidance material and decision support tools will be drafted for release, including information on 'significant impact' and standard management actions that will deliver a conservation outcome on the</p>		context		
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	<p>The industry recommends a single offsets register across all jurisdictions, incorporating legal security details and GIS references.</p>	<p>offset site. Enforcement and compliance mechanisms are included within the framework.</p> <p>The administration of offsets and offset related approvals for MSES will be managed through the use of a comprehensive register that is being developed by the Department. Reports about offsets will be generated via this system. In addition, a register of legally secured offset areas will be made available to the public via the Department’s website. Spatial information and maps will also be available on the Department’s website.</p>				
<p><b>Agricultural Sector</b></p> <ul style="list-style-type: none"> <li>• AgForce</li> <li>• Queensland Farmers Federation</li> <li>• Canegrowers</li> </ul>	<p>Supports the opportunities for landholders under the framework and the removal of duplication across jurisdictions. However, they are concerned about the scope of offset requirements for agricultural development assessed under the Sustainable Planning Act.</p> <p>Without seeing all of the key supporting materials as a package, it is difficult to determine the full applicability of the framework to the agricultural sector. The sector supports the road testing of supporting material against a range of agricultural projects to ascertain their appropriateness for agriculture.</p> <p>An appropriate education and extension package must be provided with the final framework, especially for landholders.</p>	<p>The requirement to provide offsets under existing legislation is outside the scope of this framework – however the framework enables a flexible approach to meeting any offset obligation.</p> <p>Guidance material and decision support tools will be drafted for release and industry feedback will be invited during the development of these guidance materials.</p>	Part 5 s14	Contains the provision for removing duplication in assessment	✓	✓

	<p><b>Offsets committee</b> The sector supports a committee with external stakeholder representatives to ensure the offset outcomes are being achieved effectively</p>	The membership of the committee, including external representation, is currently being considered.				
<ul style="list-style-type: none"> <li>• <b>Offset brokers</b></li> <li>• RPS</li> <li>• AMEC</li> <li>• CO2 Australia</li> </ul>	<p>Support for the simplification of the offsets framework in Queensland , particularly reduction of duplication across jurisdictions.</p> <p>Further information and parameters required for:</p> <ul style="list-style-type: none"> <li>• ‘Significant impact’</li> <li>• ‘mitigation’</li> <li>• Measuring ecological equivalence</li> <li>• Timing of offsets and information requirements</li> </ul> <p>Offset brokers continue to express concern that the financial calculation approach is insufficient to cover the cost of delivering offsets (especially those in protected areas).</p> <p>1:4 ratio cap is not sufficient or justified- 1:6 cap would be a more statistically valid limit.</p> <p>Further information required on offset fund administration- specifically how will funds be distributed and managed.</p> <p>Offset brokers recommend greater consistency with the EPBC approach in terms of offset assessment processes and outcomes, to ensure commonwealth accreditation is achievable. Framework should support the principle of “no net loss” rather than just “maintain viability”.</p>	<p>Guidance material and decision support tools will be drafted for release including information on ‘significant impact’ and further information on process flows and requirements. A ‘Habitat Quality Guideline’ will provide details on ecological equivalence and how it can be achieved.</p> <p>The offset cost component of the financial calculator was developed using information from scientific papers and from data provided on a ‘commercial in confidence’ basis by consulted parties during the December 2012 and March 2013 consultation process.</p> <p>Noted. Further information on fund management will be incorporated into implementation material.</p> <p>Discussions with the Commonwealth are ongoing, and if any changes are required to the framework to facilitate accreditation, this can be accounted for.</p>	<p>Part 4 s12</p> <p>Part 5 s14</p>	<p>Gives effect to single offset policy and outlines the context</p> <p>Contains the provision for removing duplication in assessment</p>	✓	✓

<p><b>Conservation sector</b></p> <ul style="list-style-type: none"> <li>• QCC, on behalf of all member group</li> <li>• Capricorn Conservation Council</li> <li>• Alliance to Save Hinchinbrook</li> <li>• North Queensland Conservation Council</li> <li>• Wildlife Preservation Society of Queensland</li> <li>• National Parks Association of Queensland</li> <li>• Protect the Bush Alliance</li> <li>• Environmental Defenders Office</li> <li>• Mackay Conservation Group</li> <li>• WWF</li> <li>• Sunshine Coast Environment Council</li> </ul>	<p>Do not support the general concept of offsets as a means of compensation - offsets are perceived as a first resort option to justify development approvals.</p> <p>A capped ratio at 1:4 appeases the development industry and contradicts the goal of a 'conservation outcome'. There should be a minimum ratio rather than a maximum and offsets must deliver a like for like ecological equivalence.</p> <p>There needs to be clear biodiversity goal or vision in place for Queensland with quantifiable measures of success (conservation outcome), monitoring and reporting and publicly available information on a register regarding the progress of offsets.</p> <p>The conservation sector is calling for stronger assessment of the requirement to avoid and mitigate impacts of development before an offset can be considered</p> <p>Offsets should be secured in perpetuity and a greater range of legal security options should be investigated to provide more flexibility for proponent and administering</p>	<p>If a development proposal does not adequately demonstrate that a conservation outcome will be delivered for the impacted matters, it can be refused. Further, existing legislation stipulates that development must demonstrate avoidance and mitigation strategies prior to an offset</p> <p>The offset framework is focussed on providing an overall conservation outcome. It will require the offset to maintain the viability of the matter, relative to the status quo (i.e. what would have happened had the development and the offset not occurred).</p> <p>The framework provides for ongoing monitoring and reporting of offset success. The Department is developing a comprehensive register which will be publicly available and include legally secured offset areas, spatial information and maps.</p> <p>The offset framework does not control the activities that will be subject to offsets, or prohibited from being subject to offsets – this is the role of the provisions in existing legislation and legislative instruments.</p> <p>The legal security approach reflects the Commonwealth's offset requirements.</p>	<p>Part 3 s11</p> <p>Part 8 s28</p>	<p>Explanation of a conservation outcome</p> <p>Legally secured offset area</p>	<p>✓</p>	<p>✓</p>
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	<p>authority.</p> <p>There needed to be more consultation when determining whereabouts of corridors, utilising expertise of the conservation sector. In particular circumstances, establishing corridors can be a threatening process that facilitates the spread of feral animals and invasive plants- one size fits all approach not appropriate.</p> <p>There need to be limits on what can be offset because of the irreplaceability or vulnerability of the biodiversity affected- Endangered and of concern regional ecosystems, protected areas and previous offset sites should not be offsetable.</p> <p>Furthermore, those matters proposed to be exempt from the framework should still apply.</p>	<p>EHP notes the sector’s desire for broader consultation in corridor mapping exercises.</p> <p>The assessment and decision-making processes established under existing legislation provide that development can be refused if there will be an unacceptable impact on a matter of environmental significance.</p>				
<p><b>NRM Bodies</b></p> <ul style="list-style-type: none"> <li>• Desert Channels Queensland</li> <li>• Fitzroy Basin Association</li> <li>• SEQ Catchments</li> <li>• Reef Catchments</li> <li>• Wet Tropics Management Authority</li> </ul>	<p>Generally supportive of the simplified, more flexible framework and are keen for further clarification of their roles in the new system.</p> <p>NRM bodies would like to work through case studies of DBMP’s to quantify how an offset might work right through to implementation and finalisation. Clarification sought on the value and legal status of strategic offset investment corridors in the planning system.</p> <p><b>Matters requiring offsets</b></p>	<p>NRM bodies will provide a fundamental role in providing support and information to landholders wishing to get involved in offsets. Furthermore, NRM bodies can support the development and delivery of Direct Benefit Management Plans.</p> <p>Feedback will be welcomed on implementation material with the release of the policy.</p> <p>The offset corridor mapping is non-statutory however local governments may choose to reflect this mapping in a local</p>	<p>Part 4 s12</p>	<p>Gives effect to single offset policy and outlines the context</p>	<p>✓</p>	<p>✓</p>

	<p>Areas zoned as urban should not be exempt from any offsets and legally secured offsets should be exempt from further impacts.</p> <p>The framework needs to address the <i>Wet Tropics World Heritage Protection and Management Act 1993</i> and should apply to ‘activities that may impact on the Wet Tropics World Heritage Area’s World natural values and the Area’s integrity’.</p> <p>Need further detail regarding how equivalence is achieved, the meaning of ‘significant impact’ and interaction with Commonwealth programs such as Reef Trust</p> <p>Need clarity as to policy discretion and when offsets may not be required.</p> <p>Guidelines for proponents on each offset delivery mechanism and improved testing of the policy with proponents prior to its release is necessary.</p>	<p>planning scheme</p> <p>Government has considered the scope of matters to be subject to offsets as part of this review.</p> <p>Guidance material and decision support tools will be drafted for release, including information on ‘significant impact’ and further information on process flows and requirements.</p> <p>A ‘Habitat Quality Guideline’ will provide details on ecological equivalence and how it can be achieved.</p> <p>Feedback will be welcome during the development of these guidance materials.</p>				
<p><b>Development industry</b></p> <p>Submissions received:</p> <ul style="list-style-type: none"> <li>• PCA</li> <li>• UDIA</li> </ul>	<p>The development industry is supportive of the consolidation of five offset policies into one and notes clear improvements since last consultation, including the introduction of 1:4 ratio cap and the flexibility of staged offsets.</p> <p>Offsets obligations should be limited in areas designated for urban development in regional plans rather than just for local government schemes.</p>	<p>Under the State’s planning framework, it is the local planning schemes which establish the desired use of land, and are therefore used as the main mechanism in the proposed offset framework.</p>	<p>Part 4 s12</p>	<p>Gives effect to single offset policy and outlines the context</p>	<p>✓</p>	<p>✓</p>

	<p>Concern over the role of local government in determining offsets for MLES and potential impacts on zoning decisions. Transitional provisions for local planning schemes are too lenient and will cause inconsistency.</p> <p>Development industry seeks more information on financial calculator and has concerns regarding the inputs, transparency and cost associated with the calculator. Industry is of the view that there should be one calculator for use across all three levels of government.</p> <p>Industry still has concerns with corridors specifically, how the identification of corridors interacts with the regional planning processes, how landowners will be consulted</p>	<p>Under the framework, offset requirements under a planning scheme and planning scheme policy must be subject to a State interest check. This process will ensure that:</p> <ul style="list-style-type: none"> <li>• matters of local environmental significance are suitable for offsets;</li> <li>• offsets are not required for matters that the State has decided shall not be subject to offsets (e.g. remnant 'of concern' regional ecosystems in urban areas);</li> <li>• the offset requirements are no greater than 1:4;</li> <li>• any financial offset calculation approach is consistent with the State's calculator; and</li> <li>• offsets can be provided as a financial contribution or proponent-driven offset.</li> </ul> <p>Financial calculator and confidentiality agreement provided to development industry for interrogation on 17 December 2013.</p> <p>EHP sought advice and guidance from the University of Queensland—as technical experts in development of the Commonwealth's approach—in developing the State's calculator, and sought advice from the scientific community in developing the standardised inputs for the financial settlement model.</p> <p>The Department has collaborated with the Regional Groups Collective, NRM staff and Local Government Associations in</p>				
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	and if the information will be publicly available.	<p>identifying corridors to ensure consistency with their relevant planning processes.</p> <p>The offset corridor mapping is non-statutory and is not binding on a landholder. Landholders will be notified via a letter from the Department informing them that their property has biodiversity offset values.</p> <p>Landholders will be encouraged to indicate on a register if they would like provide offsets on their land, or alternatively, if they do not wish to participate.</p>				
<p><b>Local Governments</b></p> <p>Submissions received:</p> <ul style="list-style-type: none"> <li>• LGAQ</li> <li>• COMSEQ</li> <li>• Gold Coast City Council</li> <li>• Sunshine Coast Regional Council</li> </ul>	<p>Representatives are supportive of initiatives to streamline processes for providing offsets and increase the flexibility of the framework; however more clarity is required on the role of local governments and how the framework will apply to them.</p> <p>The 1:4 ratio cap does not adequately reflect the lost value of significant areas such as endangered ecosystems- the framework should apply to 'of concern' regional ecosystems.</p> <p>Need to understand more clearly what the State's expectations are of Local Governments and what capacity LG have to regulate and impose measures that go over and above what the State have implemented through the various relevant legislation i.e. SPA/VMA, NCA, Koala REGS and Offset Framework</p>	<p>Government has considered the scope of matters to be subject to offsets as part of this review.</p> <p>Further detail will be provided in the offsets framework and in the State Planning Policy and in the statutory guidelines for making and amending local planning schemes.</p>	Part 4 s12	Gives effect to single offset policy and outlines the context	✓	✓

	<p>In regards to the new State planning Policy, it is unclear how local governments can adopt an approach to offset State interests, if the local government cannot “require an offset for the same impact on that same matter” (as the State).</p> <p>Local Government, especially SEQ councils, are still concerned that the proposed costs will not be adequate to provide the offsets being sought by the State.</p> <p>Clarity is sought regarding local governments flexibility in the expenditure of financial contributions for Matters of Local Environmental Significance (MLES). Will local government have the same ability to accumulate funds to allow for the delivery of a strategic offsets the way the State will.</p>	<p>The Department is in discussions with Department of State Development Infrastructure and Planning and will ensure alignment between the offsets framework and the State Planning Policy.</p> <p>calculator figures are based on scientific research and information provided by industry in previous consultation.</p> <p>Further detail will be provided in the offsets implementation material.</p>				
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