



AGRICULTURE, RESOURCES AND ENVIRONMENT COMMITTEE

Members present:

Mr IP Rickuss MP (Chair)
Mr JN Costigan MP
Mr SV Cox MP
Mr S Knuth MP
Ms MA Maddern MP
Ms J Trad MP
Mr MJ Trout MP

Staff present:

Mr R Hansen (Research Director)
Mrs M Johns (Principal Research Officer)

PUBLIC HEARING—EXAMINATION OF THE ENVIRONMENTAL OFFSETS BILL 2014

TRANSCRIPT OF PROCEEDINGS

WEDNESDAY, 2 APRIL 2014

Brisbane

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Committee met at 9.45 am

GARLAND, Ms Nicola, Adviser, Environment Policy, Queensland Resources Council

HAYTER, Ms Frances, Director, Environment Policy, Queensland Resources Council

CHAIR: Welcome, ladies and gentlemen. I declare this meeting of the Agriculture, Resources and Environment Committee open. Before we start can all phones please be switched to silent. I would like to acknowledge the traditional owners of the land on which this hearing is taking place. I am Ian Rickuss, the member for Lockyer and chair of the committee. The other members of the committee who are here today are Shane Knuth, the member for Dalrymple; Sam Cox, the member for Thuringowa; Anne Maddern, the member for Maryborough; Jason Costigan, the member for Whitsunday; and Michael Trout, the member for Barron River. Please note that these proceedings are being broadcast live via the Parliament of Queensland website. The purpose of the meeting is to assist the committee in its examination of the Environmental Offsets Bill. The bill was introduced by the honourable Andrew Powell and subsequently referred to the committee on 13 February. The reporting date is 28 April. We hope that the hearing today will give everyone a better understanding of the provisions of the bill. I now invite Ms Frances Hayter, the director of environmental policy for the Queensland Resources Council, to say a few words.

Ms Hayter: I will just give a brief summary of our submission which I am sure everybody has read anyway so I will try to keep it brief. Firstly, thank you very much for giving us the opportunity to appear before the committee. We would also like to commend very much the Queensland Government for its reform of the offsets framework and give some specific thank yous to the Department of Environment and Heritage Protection. This has been a long process but they have given us—and I think all stakeholders—a lot of support in listening and negotiating on things. Full credit to that department and its minister.

Offsets have been a critical aspect of the framework for the resources sector for many years. We want to make the point straight up that we consider it within the context of firstly avoiding, minimising and mitigating any environmental impacts of our operations. Offsets is not where we go as the first port of call, but it is very beneficial for us to have a good offsets framework.

As noted in our submission, we want to commend several items that the government has put into the bill and the policy and has been discussed with industry over the last almost couple of years. The first one and the key one is obviously the removal of offsets duplication, or that intent as part of the one-stop shop as well, the streamlining process, so that if there is a Commonwealth offset the Queensland one will not be duplicated and they can stand for each, and the same with the local government offsets situation.

The introduction of the cap on the offset multiplier is a way to balance out and to encourage offsetting across the broader picture. Not everybody, of course, even in our sector, fully supports the concept of more than a one multiplier, but this does give the opportunity for balancing that out for everybody. The introduction of the concept of significant residual impact, which is also a concept that the Commonwealth Government uses in its offset policy, to make it clear that it is not about just offsetting one tree, but about where there is substantial impact and we want to see a return to the people of Queensland for those major impacts rather than just in the short-term. A key one as well, which was a very advanced concept put forward and agreed with industry, was the ability to mix different offset options so we could still have land based and also have a financial process.

However, there are a couple of things that we have in our submission put forward as needing improvement in the bill, and most of them are not about criticisms of the bill but looking at ways to enhance it and in some ways increase the clarity of the bill and these obviously also touch on the policy as well. The first one is the recognition of staging of offsets, which we fully approve because obviously particularly our industry moves across the landscape in a sequential process, it could be in any number of years, and this enables us to actually in some ways go back and look at over a period of time where we may or may not be impacting the most and be able to potentially change Brisbane

where we do have our impacts. Unfortunately, we do not think the bill, despite its best intent, actually enables that to occur simply so we have proposed some suggestions for rectifying the way that concept has been captured in the bill.

Secondly, a very significant area, which is in the policy but has not been recognised in the bill, is the ability for companies to effectively bank offsets that they have already done and obviously give the provision for actually improving those areas where they have obtained offsets. Thirdly, there is a need for recognition of the ability to utilise rehabilitated land for an offset. Again the Commonwealth has started to progress down this path and our point is that if a company goes over and above its conditions, potentially moving from, say, agricultural land or some aspects of agricultural land to bushland on self-sustaining native ecosystems that should be recognised as an offset.

Finally, we want to just talk about the fact that the Coordinator-General is exempt from this offsets policy. In line with I think the majority of the other submissions that have come in we think that has the potential to create problems for certainty. Our members certainly said that they would like to see that consistent policy recognised across government by anyone who is involved in the EIS process and we actually think that may be extended further in that there is potential for that to cause problems with the settling of the approvals bilaterally. That is it for our opening statement. I welcome any questions.

CHAIR: Most of the offsets that the Resources Council members use, are they mostly on their own tenements? Are most of their offsets placed there?

Ms Hayter: That is a good question. At this stage my gut feeling would be that the majority of them are actually on their own land, particularly, that they would purchase their own land. It would be either that they already have them existing on areas that they already have or they would go and purchase offsets. There is minimal use of brokers at this stage

Mr TROUT: You would like rehabilitation to be included as an offset. How would you propose that happen bearing in mind that there is always rehabilitation of mine sites anyway? How would you quantify this offset? How would you see the framework towards that?

Ms Hayter: The Department of Environment, obviously in conjunction with other departments, has spent an extensive amount of time developing a calculator for what is called equivalency which obviously gives you your offsets ratio and how much you have to do and I would suggest that the company would have to put forward what it was they were doing above and be able to slot that into the calculator.

Mr COX: As a supplementary question to that, if there is a new mine site, are we talking about they are going to rehabilitate X amount of land as they go so that will be the offset, because in this process the offsets are determined before anything happens. For the sake of argument, if there is 100 acres and eventually 80 per cent of it will be rehabilitated, we do not need to go and do an offset at the normal ratio because the ratio is involved also, or is it once you have rehabilitated the land then it may become an offset, if that makes sense?

Ms Hayter: Yes, it makes sense. Actually that is a really tricky question. I think what you would have to do is you would have to propose what it was you were going to do. One of the benefits of staging is that you can actually work through what you were doing to improve the situation, so it may not be something that would be available the first time you put forward an offsets proposal but it may be something that you could build in as you stage through once you have looked back and seen what you have been able to do and what you have been able to achieve and to go above. I do not think it would be an easy one to work through with the government, but I think it is having the capacity to look at improving the area that you have actually gone into. You are quite right, I do not know yet how it would actually work.

Mr COX: What you are saying is you would want the ability to look at how rehabilitated land could be calculated into potential offsets or something along those lines.

Ms Hayter: Yes. I definitely think that that would work with staging.

Mrs MADDERN: Just to take up your staging, I note from your preliminary statement that you said you do not know that the legislation as drafted makes it as easy to happen with the staging process as you would like. Can you give an indication of how you think we could make that better or easier?

Ms Garland: I think one of the key things that our submission pointed out was that it required the signature of the landholder during the offset agreement stage, which we understood to be a precondition of disturbance of land. The issue is that if you have to go and secure your entire offset

area and get all your landholders to agree upfront before you can disturb, there is no process to stage it out. Whereas if there was the ability to say, 'This is the first stage', we will go and do our agreement for that section but we are going to put the other 90 per cent to the side, start disturbance for that small area that we need to construct, for example, and then as we progress through the land we can agree on the different stages and get signatures at that stage, but there is a section in the legislation that requires all landholders to have signed it off which we think is a potential problem.

Ms Hayter: Off the top of your head do you know the section? I think it is at 18(2), which talks about signature of the landholder.

Ms Garland: Yes.

CHAIR: The calculator is actually not public. Do you feel that calculator is quite usable? We have not seen a copy of that calculator.

Ms Hayter: Yes, we do. The feedback from them is what the department has done is looked very long and hard at the Commonwealth one, which is actually quite complicated and has a lot of black boxes in it which the government fills in, and they have rationalised those categories down. It is going to have to be used a few times and there are always tweaks that could be made but generally the industry is happy with that.

CHAIR: You were concerned about the Coordinator-General having an exemption. Did I interpret that correctly?

Ms Hayter: Yes, we are concerned they have an exemption.

CHAIR: Thank you.

Ms Hayter: Can I just add one thing about the calculator? Of course, one of the major benefits of it is that it does not matter what comes out the other end there is that cap.

Mr COSTIGAN: Supplementary to what Mr Chairman has just asked about your concerns in relation to the exemption of the Coordinator-General from the provisions of the bill, I would like you to expand on that in relation to your concerns.

Ms Hayter: I guess the fundamental concern could be summarised that industry is looking for consistency of approach, whatever legislation it is, and I think that is something that you have probably heard multiple times and seen in multiple submissions. The concern is that if the Coordinator-General does not have to consider this policy as part of his process then you may not get a consistent approach. He may not recognise the Commonwealth Government offsets for the state, no duplication of that. He may also propose a condition that is probably not something that the community is very happy about, which obviously reflects on our social licence to operate and I think if he is not bound by it he does not get to be bound or have to consider all the strategic elements of the offsets framework that is being proposed which is about looking at larger areas rather than a piecemeal approach, so he gets bound into a project by project approach, and the whole aim of this is to look more broadly to benefit Queensland's biodiversity.

Mr COX: In regard to the trust fund I can probably see where you are going with that, but is that more about security or more about operational matters that it should be in a trust fund rather than with the department?

Ms Hayter: First off it is not a question of not trusting the department, I just want to make that clear, but it is about transparency and accountability, I think more so, so that it is very clear that it is being held for those purposes. Within that obviously we do have some concerns that it is not clear the way that certain components of the offsets fund will be used for the specific components that it is being collected.

Mr COX: Basically you would like some clarification on how that would be set up. That may ease your concerns of not having a trust fund.

Ms Hayter: Clarification but still at this stage, I would say, the trust fund is our position, yes.

CHAIR: One last question before you go, at the moment there is no actual benefit there for a group to do more rehabilitation work than is actually required by whatever the criteria is; is that what I am interpreting from that?

Ms Hayter: I think this is an important way to encourage above and beyond, but clearly the incentive to do rehabilitation is that the community expect you to do that, you do not want to leave a legacy for the people of Queensland, and that companies cannot relinquish until the government is happy that their rehabilitation is meeting a certain standard which is about fundamentally not leaving a legacy for the environment or the people of Queensland.

Ms Garland: Can I just add to that? I think the ability to offset on rehabilitated land also means that we can leave the land that we are actually impacting on in a better way than when we started. I think that is something that is really important, particularly for local communities that are impacted by resource activities.

CHAIR: Thank you very much. Would you like to make any closing statements or is there anything that you might have missed?

Ms Hayter: No, I think that is fine. I appreciate the questions and look forward to seeing your report.

CHAIR: Thank you very much. Thanks for attending today.

BOYLAND, Mr Des, Campaigns Manager, Wildlife Queensland, Queensland Conservation Council

KOROGLU, Ms Rana, Solicitor, Environmental Defenders Office Queensland

WILLIAMSON, Miss Olivia, Member, Queensland Environmental Law Association

CHAIR: I would like to acknowledge that the member for South Brisbane, Jackie Trad, the deputy chair, has arrived. Good morning. Thank you for making your time available for us today. Rana, Des and Olivia, would you like to make a brief opening statement each? We have allowed half an hour for the three of you. So would you like to make a brief opening statement each and then we will go from there.

Ms Koroglu: Thank you for the opportunity to appear before the committee today. The Environmental Defenders Office Queensland is a non-profit community legal centre that helps disadvantaged people and community groups in coastal, rural and urban areas understand and access their legal rights to protect the environment. Given the overall decline of Queensland's biodiversity, the idea that unique matters of national, state and local significance can continue to be destroyed is deeply concerning. As just one example, the committee may be aware of the koala population report 2010, which indicates that the koala population in South-East Queensland has declined almost 70 per cent since 1996. In the last few weeks the federal environment minister acknowledged that we are currently facing a biodiversity crisis in Australia, with 100 unique species having already become extinct and 1,500 species under threat. In many cases it will simply not be possible to offset impacts on specific unique places and species. However, EDO Queensland makes these submissions in recognition that offset conditions form part of Queensland and Commonwealth approval laws.

The members would be aware that EDO Queensland has made a number of points in a detailed submission on this bill and we ask that the committee consider those written submissions. I will just mention three main concerns that we have with the bill. The first is the issue of the Coordinator-General. In the current environmental offsets policy, it provides clear guidance for how the Coordinator-General should apply the specific offset policies and how he should recommend that offsets are consistent with the current offset policies. We are concerned that in the proposed bill the Coordinator-General is not bound by those requirements set out in the bill, even as a minimum standard. In practical terms, this means that when the Coordinator-General is imposing conditions on the biggest and often the most environmentally risky projects in Queensland, he is not required to be satisfied that all cost-effective mitigation measures have been undertaken before imposing offset conditions and that the offset conditions are not required to produce conservation outcomes nor achieve ecological equivalents. This must be considered in the context that there is no statutory judicial review of the Coordinator-General's decisions.

Secondly, and related to the Coordinator-General, offset conditions in Queensland will be inconsistent with the offsets policy under the Environment Protection and Biodiversity Conservation Act—the EPBC act—in several respects. Firstly, the EPBC offset policy applies to decisions by the federal minister, who is accountable via judicial review and no decision maker is exempted from the policy whereas in Queensland the policy has exemptions for the Coordinator-General's decisions, which are not accountable through statutory judicial review. The EPBC policy has no maximum capped ratio for offsets whereas the Queensland policy uses a one to four maximum ratio, which is solely to limit the liability of proponents when their impacts are so great that the science requires more than a one to four ratio. In the EPBC policy, there is a clear enunciation of offset principles that do not appear in the Queensland policy. The EPBC offset policies are imposed under the EPBC act, the purpose of which is ecologically sustainable development whereas deemed conditions for Queensland offsets are not made in furtherance of the objects of ecologically sustainable development.

So why is this important? As the committee is aware, the Queensland government is currently negotiating with the Commonwealth to be given the powers to approve development that has significant impacts on matters of national environmental significance and that such approvals will also meet our international obligations. So the Commonwealth minister needs to be satisfied that the Queensland standards meet the Commonwealth's requirements. That is why it is important for Queensland not to have lower standards than the offsets under the Commonwealth.

Thirdly, I refer to the definition of ‘conservation outcome’ and ‘environmental offsets’. ‘Conservation outcome’ is defined as maintaining viability of the matter. There is no definition in the bill of what that means and the common definition is simply ‘capable of living’. The bill does not use well-established concepts such as ecological equivalents, which appears in Queensland’s current offset policies. We submit that the concept of net environmental gain should be included in the bill.

Additionally, only significant residual impacts will be offset, meaning that an accumulation of many insignificant impacts will not be offset. Again, using South-East Queensland koalas as just one example, if development occurs in koala habitat that does not leave significant impacts but there are still residual impacts remaining, there will be no assessment of the cumulative impacts of all of these developments on the koala population until suddenly we end up with a non-viable population. This is a lower standard than what is required under the current Queensland offset policy, which does not make such a restriction.

Finally, we express our support for the powers given to government officers to investigate and enforce suspected breaches of the bill. However, we note the report tabled in parliament only yesterday by the Queensland Audit Office regarding EHP’s environmental regulation of the resources and waste industries. This report concludes—

EHP is not fully effective in its supervision, monitoring and enforcement of environmental conditions and is exposing the state to liability and the environment to harm unnecessarily.

So while the investigation and enforcement powers in the bill are commendable, we submit that EHP must be given adequate resources to exercise this important role as it will ultimately be EHP that is responsible for the offset outcomes. There are a number of other issues and concerns that we have with the bill and we refer the committee to the written submissions.

CHAIR: Des, would you like to make a brief statement?

Mr Boyland: Yes, Mr Chair. Thank you for the opportunity to appear before the committee. I am the policies and campaigns manager for Wildlife Queensland, a well-known conservation organisation. It has been long established in Queensland. Wildlife Queensland is a member of Queensland Conservation. Unfortunately, as their executive director, Toby Hutcheon, is interstate, I have been requested to present views on behalf of both organisations.

It is an established fact that the natural environment is in a declining condition and that flora and fauna are subject to many threatening processes. As a conservation organisation, we strongly support ecological sustainable development principles striving to achieve a balance among ecological sustainable developments, society needs and biodiversity conservation. Against this background we are opposed to offsets as it is a mechanism to permit development in places where it should not occur. However, given the government’s decision to proceed, we make the following comments.

In acknowledging that the government appears not to share ESD principles and permits environmental damage to occur that continues to put our wildlife and its habitat at risk in the name of development, an offset policy has a place. Any such policy to obtain qualified support must not only address but also enhance biodiversity values at the landscape scale as well as ensuring protection of ecological processes and services. Such a policy should be triggered by the impact on any one species and not restricted to those that are listed as endangered or in other high-risk categories. Cumulative impacts may change the conservation status of species. There are several species known to be endangered but not listed. Examples of those include *kelita uncinella* near the Newlands coalmine north-west of Glenden, which should be on the endangered list and, similarly, *cycas couttsiana* at White Mountains Resource Reserve. On the other hand, rasp weed was delisted. That certainly saved the Queensland Gas Company some angst. Unfortunately, the review of the conservation status of species is lagging in real terms.

Another concern is that the status of a development and the area involved should not be a trigger to invoke the offset policy. Above all, there must be a demonstrated positive gain for conservation and biodiversity protection. These criteria should be the driving force for any offset approval. There is not strong opposition to a sum of funds being an option to strategically acquire vegetation offsets that clearly give a positive, long-term gain for conservation. One of the major concerns is that, without appropriate planning, a multiplicity of alleged protected areas could arise with significant management challenges with little overall benefit for biodiversity.

Our concerns, particularly in South-East Queensland, is that offsets will be difficult to locate. Not only will locating sites be a challenge, most are already well and truly occupied by existing fauna. Furthermore, the translocation of fauna frequently has less than desirable outcomes. Funds to enhance and expand the protected area estate may be a preferred alternative so that long-term Brisbane

management can be guaranteed. An independent appraisal of any proposed development on the likely impact on the environment and its wildlife must be undertaken and consideration must be given to how such an impact can be avoided or at least mitigated against prior to consideration being given to triggering the offset policy.

However, the bill has some positives. Our organisations are encouraged by the enhanced investigation powers that are included in the bill but remain concerned, as has previously been said, about the capacity of the department to enforce these powers. We agree with the strong penalties regime that ensures compliance with the rules and obligations of the policy.

Our organisations have many concerns about the bill, including some of the definitions and inconsistency with the Commonwealth legislation, but there are three aspects of major concern. However, it would be inappropriate to construe that matters not raised have the support of our organisations. The first aspect of particular concern is that it is our view that the case for offsets to achieve a positive conservation outcome has not been made. Despite having offsets arrangements in place for several years, there is no assessment available to the public on the performance of those offsets. This should have been the first thing done before any consideration of a new policy. If the committee has access to such information, our organisations would appreciate being informed and, if possible, have access to such data. ‘Build it and they will come’ does not necessarily work in nature.

The second point is that the decision on whether a development could avoid, or mitigate, or the offset policy will be triggered will be made by the Department of State Development, Infrastructure and Planning, which supports developments and does not necessarily have the expertise to examine all aspects in this area. If an offset is to be allowed, it must be determined and conditioned by the Department of Environment and Heritage Protection. We would prefer to have an independent review of all proposed developments to identify whether an impact could be avoided or mitigated.

Finally, where financial payments are determined, these should be used exclusively for the acquisition of comparable habitat to be offset and a positive gain for conservation be demonstrated. Should this not be feasible, then one must question if the development should proceed.

As it is unlikely for such a proposal by our organisation to be acceptable, with reluctance consideration could be given to acquisition of much needed remnant vegetation poorly represented in the current protected area estate. We are opposed to the use of any of these funds for other activities or unassociated rehabilitation works. Offsets, if they are to be of any value, must be set aside for the intended purpose and for the long term.

CHAIR: Thank you. Olivia, would you like to make a statement?

Miss Williamson: Firstly, I would like to thank the committee for inviting QELA to address the committee today. My name is Olivia Williamson. I am a solicitor with HopgoodGanim and a member of the Queensland Environmental Law Association. QELA is a non-profit, multidisciplinary organisation and its members include a wide range of members—lawyers, town planners and a broad range of consultants who represent and advise participants in the development industry. Because QELA represents such a broad range of interest groups, it does not propose to make submissions about policy objectives. Rather the submission focuses on the procedural aspects of the bill that impact on our members.

In that context I would firstly like to raise that QELA considers it important for the bill’s deemed conditions to be referenced in the relevant authority or approval that contains the offset condition or conditions, and as currently drafted the bill does not require that occur. It is an offence to contravene a deemed condition and QELA feels the bill should be amended to require that these deemed conditions be referenced in the authority or approval issued so that proponents and persons needing to comply are made aware of the requirements.

QELA also considers it important that reasonable and certain time frames and procedures be imposed in the context of reaching an agreed arrangement about delivery of an offset condition including with respect to whether there is an ability to review the decision and also the dispute resolution processes. I would also like to raise that QELA welcomes the bill’s restrictions on the duplication of offset conditions. It is, however, concerned that the efficacy of this restriction is reduced as a result of it being based on approvals being issued in a particular order.

QELA has suggested that further provisions be included in the bill to the effect that an earlier offset condition imposed by a lower level of government yields to a subsequent offset condition imposed by a higher level of government with respect to the same prescribed environmental matter for the same or substantially the same impact and area.

This leads to another concern that QELA holds, and this is about the list of prescribed environmental matters for the purposes of the bill and how that list is framed. Depending on how the various interests are categorised, there is the potential for the duplication clause to be frustrated by the imposition of separate offset requirements by different levels of government for different yet similar prescribed environmental matters. The list of prescribed environmental matters to be included in the regulation should be crafted so as to avoid this.

The final procedural issues that QELA have concerns about relate to transitional provisions in the bill. Firstly, the draft policy that has been released deals with a number of transitional arrangements with respect to the bill and QELA feels that these should be included in the bill itself. For instance, the policy details when the policy will apply to applications made but not decided prior to commencement of the bill.

The second transitional provision of concern in the bill is the clause of the bill which defers the requirements of the new offset framework in circumstances where there is an inconsistent local planning instrument scheme or plan. QELA is concerned that there will be a disconnect between the new offsets regime and those planning schemes that are not flagged for amendment or replacement in the near future. Those are my opening comments.

CHAIR: Thank you for those opening comments. I might ask a general question. The maximum offsets at the moment are going to be one to four. Do you feel that is an appropriate level of environmental offsets for an environmental issue? Is that a range that will give appropriate offsets?

Ms Koroglu: I will defer to Des on this one but it is not something that appears in the Commonwealth offsets policy. It is a new concept. We consider that, if certainty is required, certainty comes through the use of the calculator which we do not necessarily support but that provides certainty to proponents. The one to four ratio: I am not aware of what scientific basis that has.

Mr Boyland: We certainly have concerns about limiting it to one to four. We also have major concerns that there is no minimum percentage set either. We believe that it should be an independent body that determines what offset is actually required. In some cases it may be one to 10. The calculator is yet to be tried and proven, and it is my understanding that there is no such device available for the marine environment at this stage.

Miss Williamson: As mentioned, QELA represents a broad range of interests so it depends not to comment on the policy objectives. I have certainly not had any comments or concerns raised with me about the offset ratio.

CHAIR: This is probably to you, Des. Flinders-Karawatha is being put aside as a strategic zone. Would you envisage that offsets could be put into place at Flinders-Karawatha to assist landholders there with managing the properties appropriately?

Mr Boyland: Our major concern with arguing to landholders is in perpetuity of the actual offset. If we are going to have offsets for damaging and destroying vegetation and the habitat and fauna, then if the offset is there it must be set in perpetuity. That is a difficulty we have with using privately owned land that has no long-term commitment apart from the current owner. The devices that I have seen to date may be able to be used, but I am not a legal person to find out if there is any wriggle room to get around that.

Mr COX: In regard to financial settlement payments there seems to be an issue with that. We have a lot of areas locked up already in offsets. While you are saying that development is causing massive damage to the environment, species, flora and fauna, I have grown up on the land and one of the biggest issues, if not the biggest issue, for me is pests and weeds. We have a lot of land and national parks locked up, and it is pests and weeds that are degrading the land. It is nothing to do with development because the land has been locked up. I suggest that with these financial settlements money could be used to rehabilitate land which has already been offset. Do you have any views on that? There is an issue already with pests and weeds degrading our land; it is not just about development, and the offsets need to be protected in some way—in other words, money spent to keep them out.

Mr Boyland: It may come as a major surprise but all conservation organisations do not necessarily share similar views so I can only respond on this one because this was not discussed in great depths with Toby on behalf of Wildlife Queensland. Wildlife Queensland would have no objections if that money was used to some degree on national parks, but we would be strongly opposed to giving it to private landholders because of the uncertainty of the offsets. The offsets Brisbane

should be there forever and a day basically. However, I would also be reluctant to see great swathes of that funding being directed to minimise costs of appropriate management of our protected area estate by government. I should imagine something like 10 per cent of that sum may be able to be used for that purpose on the protected area estate.

Mr COSTIGAN: I have a question to Ms Koroglu from the EDO. In your submission you discussed the concept of additionality and you have raised concerns that the framework is inconsistent with the requirement for additionality. I must confess it is not a concept I am familiar with. I play a pretty good Scrabble game. I do not think it is a word that we tolerate when we play Scrabble. Can you explain what you mean by that and why it is important that offsets meet that particular requirement?

Ms Koroglu: Basically additionality just means in addition to what is already required by law. For instance, if we are talking about money being provided to landholders to undertake rehabilitation on their land, that must be in addition to what would already be required under various requirements for them to maintain weeds and pests on their property already. We would say that the requirement for additionality needs to be based on clear criteria to ensure that offsets are not approved unless they provide a conservation benefit additional to what would otherwise occur.

Mr COSTIGAN: So it is over and above?

Ms Koroglu: What would otherwise be required by law, that is correct. So if national parks and wildlife have a responsibility to maintain a certain aspect of national park that is required already and money provided under the scheme, it should not replace what is already required.

Ms TRAD: Ms Williamson, in relation to some of the criticisms that have been received by the committee in relation to some of the legal terminology used in the bill, I note you did not refer to that in your oral submission to the committee this morning. Is that because you do not think, or your organisation does not think, there are any issues to do with some of the legal terminology? For example, the term 'counterbalance': I think some groups found the use of that term legally imprecise and wanted a bit more rigour around the legal language used in the bill.

Miss Williamson: That is not a legal term that was raised with us as a concern. One of the legal terms used that we did mention in our submission is the concept of 'significant' with it being now a significant residual impact. We suggested that some thought might be given as to whether a guideline or guidelines might be prepared on that concept, flowing through from the significant concept that it now appears in the Commonwealth EPBC Act.

Ms TRAD: I have a question for the EDO in terms of the offset traders. When the department provided a briefing to the committee, they talked about the development or creation of offset traders who would assist proponents to identify offsets to assist in their development application. Does the EDO have a view on that? It did not seem like it was a very robust accreditation system associated with the offset traders?

Ms Koroglu: I must admit that is an issue that the EDO has not considered to date. It was something that was raised at the last departmental briefing so it is not something we have had an opportunity to consider but Des might have some thoughts on that.

CHAIR: We are starting to run out of time. I would like to ask Olivia a question. With the three levels of government, do you feel that is going to be a difficult issue to manage under this bill because of the hierarchy of the federal EPBC Act and the local government laws as well? Is there some concern from the legal fraternity about that?

Miss Williamson: There is some concern in respect to the condition about the duplication of offset requirements and any bilateral assessment or approvals agreement might alleviate some concerns in that regard about Commonwealth and state, but it will still leave the local government offset conditions. It will not affect those in any way. Also, as I mentioned in my opening remarks, local governments can proceed with current offset policies contained in their planning scheme and they do not need to come in line with the new offsets regime until they amend or replace those schemes. There is potentially some delays that need to be considered there.

Ms TRAD: In relation to the consultation around the guidelines, I understand they are being developed. Have any of your organisations been contacted in terms of being consulted on the guidelines?

Ms Koroglu: We had the opportunity to meet with EHP when the bill was released which was great, but we have not heard anything further about whether we will be consulted further on the development of the guidelines. We would suggest that it is something that is essential to happen, that there is further detailed consultation with conservation groups.

Ms Williamson: QELA, as far as I am aware, has not been approached as yet to have involvement with the guidelines, but it would welcome the opportunity to discuss it further.

Mr Boyland: Similarly for our organisation.

CHAIR: Thank you very much for making your time available this morning. Unfortunately we have a lot of witnesses this morning. I now call AgForce and SEQ Catchments.

BADENOCH, Ms Tamara, Policy and Project Officer, AgForce Queensland

McDONALD, Mr Paul, Manager, Special Projects, SEQ Catchments

WARNER, Mr Simon, Chief Executive Officer, SEQ Catchments

CHAIR: Welcome, Tamara, Simon and Paul. Would Tamara and someone from SEQ Catchments like to make a brief opening statement?

Ms Badenoch: Given that we have such a short time frame, I will make it quick. AgForce Queensland is a peak representative group representing the majority of beef, sheep and wool producers in Queensland. The Queensland government has made commitments to grow agriculture as one of the four pillars of the economy. In line with this, there have been efforts to reduce red and green tape on industry and AgForce has welcomed these efforts. Amongst these is the Environmental Offsets Bill, which attempts to streamline the current five offsets policies into one, giving a simpler more flexible offsets regime within Queensland. I will highlight our disappointment that the draft regulation policy and guidelines were not released at the same time as the bill.

Our position with respect to offsetting for agricultural development projects is that an offset should only be required where there is a significant residual impact that cannot be avoided, minimised or mitigated. AgForce believes that greater use of mitigation methods may be achieved particularly within the vegetation management policies and low-risk, low-level clearing. AgForce believes a practical Environmental Offsets Bill has the potential to deliver a combination of environmental, social and economic outcomes. However, as AgForce has recommended, it needs to be considered within the context of the offsets framework as an entire package and the way in which it relates to agriculture. We hope that the committee has the opportunity to assess the framework as a whole.

Mr Warner: Mr Chairman, thank you very much for the opportunity to address the committee today on this very important bill. SEQ Catchments is recognised as the regional natural resource management body for South-East Queensland by both the Queensland and Australian governments. We are a community based, not-for-profit organisation helping to build a prosperous and sustainable community that cares for and values the natural assets of South-East Queensland. While we recognise the importance of the Environmental Offsets Bill 2014 to Queensland and its natural assets, including the Great Barrier Reef, the desert uplands, Cape York Peninsula and our rangelands, we believe the importance of the bill for South-East Queensland needs special emphasis.

South-East Queensland has been modified more than any other Queensland region since settlement, and the provisions of the bill need to facilitate sustainable development which ensures our future generations have clean water, clean air, plentiful food and fibre, while enjoying a prosperous and healthy lifestyle. The importance of our natural assets to our economy, our health and wellbeing and our quality of life is well documented and increasingly understood. The tourism, agriculture, construction and mining industries all depend on our limited natural assets, and this bill provides one of the few tools and frameworks for South-East Queensland to strategically organise and, where needed, reconfigure our region to optimise outcomes for our economy, our community and our natural assets.

SEQ Catchments has experience in the arrangement of offset delivery, working with partners including Powerlink and Energex to achieve significant scale offsets leading to investments in over 120 hectares of strategic offsets in South-East Queensland over the last two years. We believe this bill offers an opportunity to streamline the delivery of offsets and the achievement of much more beneficial and strategic outcomes and provide value for money. We have not been able to undertake other than a preliminary review of the policy document released by the department on 17 March. This document will play an important role in the successful implementation of the bill. It appears to reflect negotiations we have had with the department to date, and we congratulate the department on its extensive consultation.

Our submission outlined our views on the bill, so we will not go over the content here except to restate our concerns about the applicability of the provisions of the bill given the many changes to planning and development assessment framework. These changes have a major impact for South-East Queensland given the number and scope of exemptions now available. We remain concerned that these exemptions may lead to continuing duplication between the Commonwealth and the Queensland government offset jurisdictions. We are also keen to ensure that the practical

delivery of offsets results in sites as close as possible to the impacted site. This is particularly important in South-East Queensland, and we note that others who have made submissions are also concerned about this matter.

Also, given the current emphasis on development in Queensland, the efficiency and effectiveness of the implementation of the bill will be critical. As a result of these factors, we strongly encourage the state government to ensure the operation of the bill is monitored and evaluated intelligently and carefully during its implementation and operational lifespan. We would be happy to play our part in assisting with this important task should it be seen as prudent.

Our organisation is committed to gaining as much certainty for the many competing interests in South-East Queensland as possible. The importance of the bill in ensuring development is placed optimally while gaining strategic outcomes for our natural assets and addressing the impacts from past decisions which have proven suboptimal cannot be understated in South-East Queensland. The cornerstone of the implementation of the bill will be the increase in community and scientific information and knowledge available to decision makers. The regulatory and policy framework which supports the bill must rely on this resource. Again, SEQ Catchments thanks the committee for the opportunity to provide comment on the bill and looks forward to assisting with its implementation at the practical level should the opportunity arise.

CHAIR: Thank you for that summary. I have a question to Simon first. Eighty per cent plus of South-East Queensland is on freehold title. Would this make it difficult to try to place offsets on land that is not freehold land? How will this work with the offsets? There have been some concerns raised previously by people saying they do not think freehold land should be used for offsets?

Mr Warner: Our view is that freehold offsets or offsets on private land have to be part of the answer to what we are trying to do in South-East Queensland, particularly given the statistics you have just mentioned. There are issues with new opportunities to coordinate offset mechanisms and mechanisms to protect those offsets which we hope will streamline the process and will actually make it easier for landholders and will also make it easier to get offsets on land where the title is mixed, if you like—in other words, watercourses and land located next to watercourses.

CHAIR: My next question is to you, Tamara. The issue of monitoring was raised. Is monitoring offsets on rural properties, on a lot of the larger AgForce type properties, being done efficiently now or does the monitoring of the offsets on rural land need to be improved?

Ms Badenoch: I actually could not tell you if it is being done efficiently now. I would hope that if it is on a rural property the government would set down some appropriate auditing and monitoring processes so that it could be done. I understand that with Queensland being such a large state it might be difficult to do so. Within the Vegetation Management Act reforms, they have made provisions to do self-auditing alongside official auditing. So it could be as something as simple as that so that landholders who are in those rural and remote areas actually know what is expected of them from the outset.

CHAIR: A lot of quality assurance programs work on self-auditing, too.

Ms TRAD: Mr Warner, you and a number of other submitters have welcomed the opportunity to streamline all of the current offsets policies into one. Given that the department has not actually done a review and an assessment of the effectiveness of the current offsets, I am wondering whether you could provide any anecdotal or practical insights into how the current offsets regime has operated?

Mr Warner: There are a number of circumstances where we have seen what would seem to be suboptimal offsets that were created by trying to find small-scale offsets and therefore having, if you like, to use a colloquial phrase, a higgledy-piggledy approach to delivering offsets. What we have been asking for and what this bill gives the opportunity for is a certain amount of scalability of being able to put offsets together to get a reasonable size and shape to those offsets and for some certainty to be given by the department as to where these offsets should actually be focused. We believe the guidelines will provide some guidance in relation to those locations and where the offsets should be.

Ms TRAD: Have you seen the guidelines?

Mr Warner: Yes, we have briefly had a look at the guidelines. We are reasonably happy with how the department has responded to the comments that we made on the draft guidelines when we saw them around Christmas time, I think it was. But we have not had a chance to go through them in detail and make sure that those things that we identified in our submission have been properly dealt with.

Mr COX: I have a question for Tamara. I asked the previous conservation and environmental groups about the offer of financial settlements and that some of that money may go back into rehabilitating the land. It is not just mining and development that is causing, in their eyes, the biggest problem in the environment in terms of degradation. Weeds and pests I know—I come from the land—are a big problem. I asked them whether some of that money could be spent on cleaning up areas, improving the areas that are already set aside. They agreed that some could be put into national parks. I think some of that could even go back to existing private landholders perhaps.

Ms Badenoch: I would agree with that. Obviously those kinds of opportunities present an extra income source for landholders to do work that they potentially would not be able to do on their own. I did hear the previous witness, and it would be over and above what is legally required and obviously AgForce would agree with that.

Mr TROUT: My question is to Tamara. With the offsets, how do you think that the average landowner will be able to participate or manage the process? Is AgForce comfortably around that to be able to provide a service or guidelines to help property owners offset?

Ms Badenoch: Just to clarify, are you asking how AgForce will deal with potentially having that income source or how they would deal with providing an offset for themselves for their own development?

Mr TROUT: Correct.

Ms Badenoch: We have seen the framework that the department has developed. One of the comments that we made towards that framework was that we have not seen how it would be applicable to landholders. The framework at the moment seems to read as though it is for big business, for mining or construction or things like that. So we would like to see it tested on the ground for agriculture. We have had to provide offsets in the past, so they are well aware of the offsets process. We would just like to know that the framework that is being developed at the moment is not going to cause any implications for them in terms of being able to develop their land and not being able to provide the offset because it is out of their reach.

Mrs MADDERN: This is a question probably for AgForce. There are organisations out there that are in the business of purchasing offsets under the current policy. Some of those organisations have spoken to me, and obviously the rural industries were aware they could do some of this. Could you tell me if there has been much activity in that area of private companies purchasing offsets through the agricultural industry?

Ms Badenoch: I have heard of it happening. I do not have any figures or anything that I could give you. But certainly we know that there are brokers out there who organise offsets, and landholders who individually want to be a part of that program have been so. I have heard of it happening. I do not know of the successes or statistics around that at the moment.

CHAIR: Just to you, Simon. Recently I saw in the paper about water and dams and all that sort of stuff in South-East Queensland. In the 2011 flood event, Brisbane came very close to running out of water. You mentioned before about some of the creek bank slumps that you and I have both seen up in the Lockyer and the Brisbane River and those sorts of catchments. Do you think some of these offsets might be able to assist some of these landholders to stabilise an area that is actually partially government and partially landholder owned? Is that the sort of asset that you think would be appropriate for this sort of use?

Mr Warner: Mr Chairman, yes, we are very interested in making sure that we can get offsets to undertake activities that have been underfunded, if you like, to date. Just this morning I was inspecting a site with Ministers Cripps and Powell at Neurum, which is directly in one of the offset hub areas that have been designed. It is being funded by the government, but we see a great opportunity in the future to have that sort of offset funded through offset type activities where it is applicable, and we think that that could add a significant amount of value to helping waterway recovery in South-East Queensland.

CHAIR: Could you just repeat the name of that? Where was that at?

Mr Warner: At Neurum Creek.

CHAIR: Where is that?

Mr Warner: Which is in the Stanley area, and it is at the back end of Somerset Dam.

Ms TRAD: Some people have put up the suggestion about credit and trade schemes in terms of an effective offset policy. It is not included in the Queensland government's plan or the bill that is before us. Do any of you have a view on credit and trade schemes?

Mr Warner: I would believe that you can call credit and trade schemes a lot of things. What we are expecting to see in this place is given that there will be a register of offsets and an opportunity for landholders to put up offsets, you will see some sort of credit and trade system occurring under what is being proposed. For instance, if we determined with our partners that there was an area of particular works to be undertaken, we could put those up and they could be matched with an offset requirement by the department. So in that term, you would see that as potentially some form of credit and trade.

As far as a trading system is concerned, what we have seen of trading and offsets, the problem generally being is it comes to needing a liquid market to try and make the trading system work. There is probably at this stage not enough activity in that place to have a proper market form in that space, but a credit and trade type arrangement we think could be possible under these arrangements.

CHAIR: Thank you very much for your attendance this morning. Unfortunately we are pushed for time, so I will call the Brisbane City Council and the Logan City Council representatives down now, please.

GOULD, Ms Erica, Principal Coordinator, Regional and City Strategy, Brisbane City Council

JORDAN, Mr John, Manager, Natural Environment, Water and Sustainability Branch, Brisbane City Council

McDONNELL, Mr James, Manager, Environment and Sustainability, Logan City Council

Mr Jordan: Thank you to the committee for the opportunity to speak today and present council's views. The council's view on offsets generally is that they are a necessary last resort and an essential tool to manage development in an urban context for Brisbane City Council. That said, it needs to be recognised that they are compensation to the community for a loss of a series of values. Those values need to be delivered or offset within the context of the community that suffers the development opportunity or whatever causes the offset. So council is generally accepting of the need for offsets and I guess welcomes the bill to the extent that it clarifies and brings together a range of issues into one space. Council's submission obviously has not reflected the recently released policy, and some of that policy work has resolved some of the issues in terms of education and research and also goes some way to resolving some of the location issues we raised.

The main issues for council are not in terms of the function of the offsets, but council's ability as a local authority to specify the location of the offsets within its boundaries and also to express a price in relation to those offsets. Rather than being a price taker, it has to be a price giver. That simply reflects the cost of land in a large metropolitan area versus, say, a regional setting, and they are important issues for us.

Mr McDonnell: To start off, we have probably a slightly different view in relation to offsets. Our view is that once local government has undertaken planning of an area and has decided an area can be developed, it is not necessarily a case that the offsets should be the last resort. I think the logic of deciding what areas should be developed and what areas are of high conservation value and should not be developed is a matter for a planning scheme. Subject to that, once an offset regime comes into play it is our view that it should be made as simple, as economic and as workable as possible for the development sector with the least amount of obstacles as such.

Logan City Council has made a significant investment in the last possibly seven to eight years, including a complete ecological mapping process of the entire city, which then underpins all the planning processes, which then underpins the core values that we assess as far as offsets are concerned. Our council has made an investment of some \$15 million into land in the Park Ridge area and in the urban development areas specifically for the purposes of offsetting, and the development and the clearing of habitat will result in those areas being developed and brought into public ownership to create a further asset for the city: the green space.

To a large extent—and although we did not have the opportunity to look at the latest set of guidelines and policy that has been put up—I am certainly comfortable with the legislation as it stands. The difficulty is in relation to how the actual policy is applied and the offsets. We have been told now that our offset system for Logan City Council needs to be abandoned in lieu of the process that the state has agreed primarily, presumably, to partner with the Commonwealth. We have had a position for some time that what local government should be allowed to do is that our system of offsetting should be allowed to be accredited—similar to the Commonwealth one—and that from a development perspective, the developer only needs to deal with the local government making the decision on the development approval at that time—certainly to a set of standards, but to allow a local government to actually deal with all the matters, whether they be state or federal.

Council certainly objects to the position that the state will be taking offset funding and applying that strategically to where they believe offsets should occur. If offsets are to occur, they should be occurring locally, and I think the policy position in the state at the moment in that regard in relation to doing condition audits is not conducive to a smooth development process. In effect, what happens is that the developer does not know what the quantum of the cost of the offset is until such time as they enter or are near the completion of the development process or the development assessment process. What Logan has done is that we have an offset value for every square metre of the city if you wish to clear a complete piece of habitat. So a developer at any particular point in time or a private landowner can come and press a button and find out what is the cost if I want to build a one-hectare shed right there for an offset? And they know what their liability is, so that they then also know, as a precursor to making an offer on the value of that land, what their liability is going to be.

The problem with the system at the moment is that it happens at the back end instead of happening at the front end. If it happens at the front end, the cost of the offset then becomes a consideration in relation to due diligence and the money that you pay for the land. If the developer or private person finds out at the end of the process that they are up for a significant cost and that is not known to them, you can expect them to fight. That is where we have significant difficulties with the development assessment process; it is confrontational at the finish through offsets, rather than what we have developed in Logan City is more of a front-end process so that you know what the liability is. Logan City Council certainly objects to the proposition within the policy that we will have to abandon our process and change to the state's preference.

CHAIR: Just a question to you probably, John: is Brisbane City Council restricted to offsets in the Brisbane City Council area at the moment? I was actually dealing with Logan city Council I think around Larapinta down there where you sort of border with each other, and we were trying to get some offsets but they were in the wrong—

Mr Jordan: Look, I am not aware of any legislative restriction. But as a question of policy, it comes back down to Brisbane City Council wants the offsets to be—in the first instance—to leave it as close to the area of loss that gives rise to the offset. So whether it is a visual amenity offset or whether it is an environmental offset, there is a localised impact and we start with that fundamental position of as close as possible to the area that is being offset. Then we go out into a more strategic consideration. So in the new city plan we have introduced a biodiversity overlay that is similar to what James was saying. It starts to map out strategically what our scheme and thinking around the management of the environment ought to be, and we want to be able to have that flexibility to create those wildlife corridors strategically to avoid pockets or little islands of offsets not serving any real purpose in an environmental sense and basically being able to consolidate that.

Now, that then takes us to a broader issue about regional offsets and the contribution those regional offsets can make to the benefit of Brisbane. So if you are developing offsets strategically outside of the Brisbane local government area, in a catchment sense you can achieve water quality benefits, et cetera. So we have to think strategically about it, but the short answer is it is a question of current attitude and policy towards a focus on the Brisbane local government area.

Mrs MADDERN: This question I think is to Mr McDonnell. You were talking about if you had someone who came in and said, 'I want to develop this patch,' then that is what your offsets are going to be under your particular regime that you are running at the moment. Does it matter what the development is that they are coming in? Like, is it a one size fits all and it does not matter what the development is; or is the offset tailored to what the proposed development is going to be and the impact that it is going to have?

Mr McDonnell: The impact. It does not matter the particular usage that it would be put to, except that everyone has the right to build a residence on their property. There are no offsets required for that component. But for anything else an offset would be required, but we have a far more rational approach to the offsets. We certainly have difficulty with the state koala offset. We think it was poorly designed to basically prevent development as opposed to what the real cost is. Our ratio works out at just slightly over one, so the replacement process. But in that we also build new public spaces for people along river corridors and networks and everything else.

CHAIR: Flinders-Karawatha is part of the Logan area, of course, and I think it might even extend into Brisbane. So really that is the sort of corridor—both of you can have a shot at this one if you like—where you would be more than happy to put offsets in to assist some of the private landholders in that sort of area?

Mr McDonnell: Yes, that is correct from our perspective. We have a corridors map in our planning scheme which contains all of the corridors and the networks. So it would be a case of the offsets either building up the node areas, the major corridors like Flinders-Karawatha or some of the local corridor networks and the Logan River as well—so anywhere ideally within that corridor—and we facilitate that by buying the land in the first instance. We develop the offsets and it is simply a tradeable commodity. The developers then can simply pay it and walk away. They would know that we have done the processes so tight and so cheap that they know that they are getting good value for money as well.

CHAIR: Are you happy with that?

Mr Jordan: Yes, we are very much of a similar frame of mind that council is positioned to land bank for offsets. We have a bushland acquisition program where we acquire not only existing bushland to preserve but also bare blocks that we are buying strategically to reinstate habitat for Brisbane

example. They are an attractor for offset potential. That is why the funding is quite important to us. We have to not just look at the value of planting the trees but the land value as well to be able to maintain that facility and opportunity for development.

CHAIR: Thank you very much for your time this morning. We are pretty pushed for time. I will call the Urban Development Institute and the Property Council of Australia. I would also like to welcome Jann Stuckey, the member for Currumbin and Minister for Tourism. Jann, you can come and sit down the front here with us.

CHESHIRE-BROWN, Ms Kirsty, National EnviroDevelopment Manager, Urban Development Institute of Australia (Queensland)

MACLAINE, Mr Duncan, Director, Policy and Economic Research, Urban Development Institute of Australia (Queensland)

MOUNTFORD, Mr Chris, Deputy Executive Director, Property Council of Australia, Queensland Division

CHAIR: Welcome Duncan, Kirsty and Chris. If you would like to make a brief opening statement from the Urban Development Institute and one from the Property Council as well and we will go from there.

Ms Cheshire-Brown: Thanks very much. Thank you also for the opportunity to present to the committee today. By way of introduction, UDIA, the Urban Development Institute of Australia, represents the residential sector across Queensland. We have 12 regional branches and we represent everyone from mum and dad developers right through to publicly listed companies. Firstly, let me just say that UDIA Queensland is supportive of the overarching intent of environmental offsets. We also really appreciate the consultation process that the department has afforded us through this process. We certainly support the reduction of green tape and increased certainty for the development industry and some increased flexibility and mechanisms to deal with offsets.

Environmental offsets is of great interest to our industry. We do find the current environment very difficult to work within, very expensive and very time consuming. Having said that—and considering the new policy and, of course, the bill—we think it is really important to strike a balance. What we really need as an industry is a sensible, efficient and feasible policy that allows development to occur in urban zones and those zones that have been zoned for urban purposes which, in turn, will provide important funds for conservation efforts. An overly expensive or cumbersome scheme may render a large number of projects, particularly greenfield projects on the fringes of our footprints, completely unfeasible and unviable and prohibit the provision of affordable housing for all Queenslanders.

We have outlined in our submission a number of concerns with the bill. I will not run through those, given time constraints. I guess our key concern is the issue of duplication and also of consistency. Where we are really concerned is the notion that the bill—and certainly the policy—really does set out to reduce some of the current duplication between the three levels of government. However, it is our opinion that there still will be duplication, particularly between state and local government. What we have called for, both in this submission and previous submissions on the same issue, is the state government to take a really strong leadership role in this area. In particular, we would like the state more so than has been outlined in the bill to have more oversight on local government offsets policies, particularly the matters of local environmental significance that are often caught up in those; apply the same cap that is currently outlined within the state offsets policy of four to one—there is currently no oversight with that on local government policies—and also for offsets policies to be scrutinised during state interest checks and a review to be conducted of the current planning schemes that have already gone through that process.

We also have concerns, as did everybody. We had a limited amount of time to review the policy, which is currently not in effect but, of course, does sit under the bill. Of particular concern is the prioritisation that appears in that policy where an offset that appears in the same local government area is the No. 1 priority. From our view, we see local government boundaries as political and administrative boundaries. As has been discussed earlier today, what we are really focused on with environmental offsets is the preservation of biodiversity. Generally, biodiversity does not conform to those political and administrative boundaries. We have grave concerns about that being the No. 1 priority that it must be provided within the same local government areas—the impact. We also really do call for further consultation on both the policy and in particular the financial offsets calculator.

CHAIR: Chris, would you like to make a statement?

Mr Mountford: I would like to acknowledge as well the work that the department has done in engaging with stakeholders throughout the development of the bill and the policy over the last 12 months or so, as others have done. Kirsty has raised a number of similar points to those that were raised in our submission. So I will not go through and repeat those or repeat what is in our submission.

From our point of view what is particularly important here—and I think part of what we have heard from different speakers today is that there is somewhat a different context for urban development as opposed to mining and other types of development, and this bill tries to deal with both of those different types of development within one framework. From an urban development point of view, there is an extensive amount of planning that goes on before someone is able to secure an approval to actually develop at a site within an urban context. There is a regional plan that identifies land that is suitable for urban zone and then local governments have responsibility to go down, as we heard earlier from Logan and Brisbane, to do their planning scheme work and determine whether or not that particular land is actually suitable for urban development. In doing that, they need to balance a whole range of different factors, whether it is housing affordability, access to infrastructure, impact on the environment and a whole range of other things. A key component of what we are seeking the committee to consider is the fact that, in an urban context, offsets play a slightly different role to what they might in a mineral context where the minerals are in the ground and only must be in that location simply because of the amount of planning that has gone on beforehand before a developer actually develops the site. That is just a broad context point which we want to raise in terms of considering offsets.

CHAIR: You probably heard the submissions from Brisbane City Council and Logan City Council. I do not think they are that far off agreeing with what you are saying. They are more interested in getting appropriate offsets. You are saying that, particularly for urban areas, you feel that the boundaries are very superficial and need to be pushed around. For instance, an area like Flinders-Karawatha or up here at Toohey Forest or somewhere like that would be quite appropriate?

Ms Cheshire-Brown: I guess our view is that the most appropriate location for that species that has been impacted should be able to be selected. Our view is also that this should be driven by bioregions, which are a fairly well accepted measure of ecological function, rather than a purely political and administrative boundary on a map.

CHAIR: The Property Council is talking about the difference between mining and urban. Like you said, they are a different sort of beast. As you heard, South-East Queensland catchments are virtually the most heavily modified environment in this state. Do you feel that the Property Council members can actually use the offsets appropriately locally?

Mr Mountford: It is a bit of a challenge for us. I think you heard from the Conservation Council this morning as well that identifying reasonable offsets within South-East Queensland is difficult, and that is a true statement for our members. It consumes time and effort to identify land based offsets at the moment that relate to your specific site under the existing policies and frameworks. So that is where something like the financial calculator, where you can provide money into a fund that will then go and source those offsets and aggregate those offsets to a greater scale, is of value. Again, I agree with Kirsty's earlier point that that will depend on whether the financial offsets calculated deliver a financially reliable result.

Mr COSTIGAN: What additional costs would you like to see factored into that offset calculation?

Mr Mountford: The department has provided stakeholders with the opportunity to go in and see the calculator in its draft form in function, and we have some concerns that it is probably including aspects that increase the cost beyond a reasonable level. So, for example, as we understand it, the current calculator includes a \$50,000 minimum administrative fee. Earlier today a number of speakers spoke about aggregating smaller little bits of offsets that are required into a greater group. A \$50,000 administrative fee might be prohibitive for small players to enter into that type of arrangement. The key thing for us is actually making sure that the financial value attributed to a piece of environmental value actually equates to what the on-the-ground value might be of sourcing that offset yourself.

Mr COX: There are different views on the financial sediment offset payments obviously depending on who has been speaking here today. I notice you say that if that were the case—again, feel free to answer this—you would like to see that happen as late as possible in anything. Can you just explain where, how or why that should be the case?

Mr MacLaine: In the development cycle a lot of money goes out the door early in a project and the money does not come in until very late in the project and there are difficulties obtaining finance post the global financial crisis. Sometimes a project may be viable looking at it as a whole but, because of the amount of money going out the door early in the process for approvals, referrals, construction, all the investigations, difficulty in obtaining finance can stop a development

going forward. In this space and when we have made submissions on issues like infrastructure charges, we have always said it would be beneficial for the development industry if that payment can occur at the latest possible point in the development process because it will help the process. A two- to three-month delay in making that financial contribution will not have major impacts on the environment—the offsets will be delivered a couple of months later—but could have major impacts on the viability of the development itself. Where that trigger point is where you become legally liable to make that payment—some work would need to be done to determine an appropriate trigger point. I guess our general point is that it should be as late as possible because that will ensure you still get the environmental offset, but development can proceed.

Mr COX: This is probably about some security. It is not just development, but there is always that risk of someone becoming not financially viable and some work has already been done. Do you think that this could be addressed—we have brokers now to deal with offsets—that there could be some brokerage done within the financial settlement side of it. So it would be something that the developer would broker, the broker may cover the up-front fee and you then deal with the broker later on. At least from a government's point of view, there would be that security of covering and I think that is something that may be looked at. Thanks for your thoughts.

CHAIR: I have a further question on that. There was mention made earlier by the Queensland Resources Council about staged process. Would that be appropriate for the development?

Mr Mountford: Absolutely. I think a number of larger, particularly greenfield, projects will roll out in stages and the impact on the landscape will occur in stages as well. Again, linking to Duncan's point earlier about the ability to pay that offset at the latest possible point, being able to stage is really important. One of the things that we picked up on in the bill is that it may be difficult for that staging to occur where you are providing a pure financial offset as opposed to providing a land based offset. So we would be keen to make sure that the final bill actually allows for that staging to occur both if you are providing a land based offset or buying into the financial calculator.

Ms TRAD: Mr Mountford, what is your view on the Coordinator-General being excluded from the offsets policy?

Mr Mountford: Typically the type of development that our members do does not fall within the Coordinator-General's purview. It is something that would largely relate to a larger mining or other resource related activity. I am not an expert in terms of the Coordinator-General's legislative activities. Our general sense would be that if it is a policy that applies to every other aspect of development in Queensland it would be fair that it applies to those that are going through that process, too.

CHAIR: I have a couple of marine experts on the panel here—the member for Whitsunday and the member for Barron River. Have the resort type developers or the harbour type developers or the marina type developers looked at this bill? Do you have any information on that?

Ms Cheshire-Brown: I think our feedback to date has mainly revolved around those of our members that might have an offset relating to wetlands more so than anything further than that. Their feedback has been pretty similar to what Chris was saying about the financial calculator and making sure that it is in fact feasible and obviously does enable an offset to be provided in a location where it is needed. So our feedback has been mainly related to wetlands more than anything else.

Mr Mountford: From our point of view, we have not delved into that in any great detail. Similarly, wetlands is probably a more significant issue for our members as well. We will take that on notice though, if you like, and come back and provide the committee with further detail in relation to the impact on those types of developments.

CHAIR: Thank you very much for making your time available today. What we are hearing is very interesting. I call AMEC Environment and Infrastructure Pty Ltd, Dr Martine Maron and Dr Hugh Lavery.

EZZY, Ms Berlinda, Environmental Offsets Coordinator, AMEC Environment and Infrastructure Pty Ltd

LAVERY, Dr Hugh, AM, Senior Executive Adviser, Australian Environment International

MARON, Dr Martine, Private capacity

CHAIR: Would you each like to make a brief statement as you are all appearing separately?

Ms Ezzy: Thank you for the opportunity to speak today to the committee on the Environmental Offsets Bill. My name is Berlinda Ezzy and I am a principal environmental scientist and the offsets coordinator at AMEC. If you are not aware, AMEC is one of the world's leading engineering environmental and project management consultancies. We have an office based here in Brisbane. I lead a team which is specialised in environmental offset delivery, so you probably could call us one of the offset brokers in Queensland.

We work with a number of proponents including in the mining industry and in the coal seam gas industry, Energex and Powerlink—those sorts of companies—to assist them to understand what the offset policies are that apply to them, what the offset requirements may be for their projects and how they can actually deliver an offset under the policies. We also assist them to go and find suitable offset sites. So we talk to landowners. We help broker what you call the agreement between the developer and the landowner. We then go through writing offset management plans and all of that process with the regulator. So we do the whole offset delivery process essentially. So, based on my experience in actually applying policies, I would like to make a few comments on the Environmental Offsets Bill today.

The first comment is one of support for what the government is seeking to do in terms of consolidating the five individual offsets policies we have at the moment at the state level into one consolidated policy. I think there is definitely merit in doing that because the current system is quite complex in terms of not only understanding which policy actually applies to your development but they are all slightly different in what they would allow you to do to meet your offset obligations. So definitely getting some consistency in how we actually apply offsets is really important.

Another comment I wanted to make was that of removing the duplication of effort that we currently have. Particularly in my experience at the state and the Commonwealth level we have duplication. If you take a mining project that is a controlled action under the EPBC Act and as well it may require an environmental authority at the state level, we could have a number of biodiversity values that are both state listed and MNES are Commonwealth listed. We have to go through a calculator assessment for the Commonwealth and then we have to go through an ecological equivalence assessment for the state, and they are both quite intensive processes. We would definitely support seeing one accredited offset assessment process at those two levels to reduce costs and also time involved.

The next point I would like to make is that of the significant impact test. AMEC does support the introduction of this test because it does provide alignment with the Commonwealth but also we have experience in the past where there have been some quite minor impacts—for example, a linear pipeline or powerline where you have very small impacts, say, less than half a hectare of a particular vegetation type. If you have three or four different impacts on that very small scale, to then go and find an offset for these very small areas can be quite expensive and time consuming. So I think that, if we do look at prioritising offsetting of those larger more significant impacts, it is important that at the same time we do not forget what the cumulative impacts could be of those small-scale impacts—so definitely focusing still on avoiding and mitigating potentially through rehabilitation of those small impacts. But definitely we do see some benefit in focusing on what those more significant impacts are and really putting our resources and money into offsetting those things.

On that point, I think we do need a lot more clear guidance on how you determine what is a significant residual impact. At present it has a very broad definition. I think there will be a lot of subjectivity that will come into play. A proponent will work with people like ourselves to actually do ecology surveys and undertake that assessment to say what they believe is significant. But in my experience, particularly at the Commonwealth level at the moment, we have a lot of toing and froing as to what species are having a significant impact and what the total area is that should be offset. That is quite a time-consuming process at the moment, and I think a better decision framework as to how we could apply that significant test is needed.

Another key comment would be—I know it has been discussed a little bit today—the exemption of the Coordinator-General. In our opinion we think that proponents would prefer certainty. So at the moment if you were a state significant project you would not know whether your project required offsets or what policy would apply to you. I think that, if the offsets bill and the supporting policies did apply to state significant projects, that would provide more certainty to the developer, and I think they would consider offsets much earlier than they probably would with the exemption in place. We actually work with developers often very early in a project design phase to help them avoid and mitigate but also to work out what their likely offset obligations are and how much it is going to cost them, because that is really important for them to know fairly early on so they can actually budget and plan for that offset process. MNES would also be a challenge. If these state significant projects are actually a controlled action, the Commonwealth, particularly under hopefully this accreditation process, would want to know how the Coordinator-General would actually assess offsets for MNES.

AMEC, as an offset broker, obviously hopes to be considered an offset provider under the new proposed offset framework so that we can continue to assist to deliver offsets in Queensland. But we do have some questions and concerns over the current proposal to make financial payments into an offsets trust account administered by the government. Not a lot of information has been provided to us as to how that process is actually going to work. So we would recommend that there is transparency and accountability by the government in how potentially the millions of dollars that are going to go into this fund will actually be administered. Will we have to apply for the money through a tender process? What are the criteria that would be applied to these offset providers?

Also, if there is a set amount of money to deliver an outcome, as the provider, does the risk then come on to us to make sure that we can deliver that outcome for that amount of money? So potentially we are going to have this issue that, if there is not enough money there to provide an offset that is like for like from the impact, you may have offset providers who will not want to put in an application because they will feel there is too much risk associated with delivering that offset. We have not seen what the contract would look like, for example, between the government and the offset provider. They are just some of our key questions and concerns at the moment on the Environmental Offsets Bill.

Dr Maron: Thank you for having me in today. I am a researcher at the University of Queensland. My area of expertise is landscape ecology and biodiversity offset policy design. I have reviewed and provided feedback on offset policies in Australia and overseas. I helped design the EPBC Act offsets assessment guide, and a year ago I provided a much more detailed report on the proposed approach for a Queensland offsets policy to DEHP. I am sure you have a copy of that, but if not please request a copy of that from DEHP because it contains in a lot more detail than I can go into now a lot of the issues that need to be considered.

Offset policies around the world are not working very well. There are not really any examples of successful offset schemes that really achieve their objectives. When you look at the way they are designed, it is quite clear as to at least one of the reasons why that is the case. They are poorly designed. They are in fact often not even designed to achieve their headline objective. The EPBC Act policy approach, and specifically the use of the assessment guide, was the first step in the right direction to try to make the steps in accounting for losses and gains in an equivalent and robust way, to make it transparent and to make it logical. Sometimes it is complicated and sometimes the answer is that quite a lot has to be done to replace some environmental loss. Unfortunately, that is just the answer.

Offsetting means a specific thing. It has a particular definition. There is a certain set of standards that must be met for you to be able to claim that an impact has been offset. So, unfortunately, it is not a matter of being able to redefine offsetting in a way that suits us. Instead, we come to a conclusion, we see that the replacement cost of biodiversity is too high and then perhaps we decide to either not do the damage to the biodiversity or do the damage to the biodiversity and we cop it. We cannot have it both ways. We cannot claim it is being offset if it is not being offset.

That brings me to a couple of the particular concerns I have about this bill that implies, firstly, that there is going to be an arbitrary ratio approach which is also arbitrarily capped at one to four. The question is one what to four what? We are talking in units of area. That does not necessarily make any sense whatsoever. You are talking about losing one hectare perhaps of habitat and you are talking about the ratio of that to the area over which you might do an offset action. This is a ratio of apples to oranges. So we have to be talking in the same units. So one to four means nothing. Actually what we are aiming for in an improve or maintain setting for offsets is a one to one ratio but it has to be one impact to one benefit. So we have to think more carefully about how we do this. That is one of the problems with using this arbitrary approach.

The other problem is that, based on my familiarity with other examples of offsets where the transparent EPBC Act assessment guide has been applied, if you converted back the area over which equivalent offset actions were to be done to just the area, you would find that often it looks like more than a one to four ratio—quite a lot more in some cases—because you are not getting as a benefit this whole area that you might, for example, protect. It was already there. There is some probability of it being lost. In this case you are assuming if you were using a one to four ratio that there was a 20 per cent chance of it being lost over some particular time frame. There needs to be some sort of scientific basis for that and I do not know what that is. That is, I suppose, one of the primary concerns.

In terms of the other points just quickly, there are some very vague definitions in the bill. I noticed in particular that the term 'an environmental outcome' is being redefined to actually mean an input, and I would suggest that an outcome should actually mean an outcome. In particular, an environmental outcome should be an additional benefit, additional to what would have happened in the absence of the offset action, that is equivalent to the loss. So there are some issues with definition.

There is also preference to locate offsets away from areas where there are threats. That is fine, but it should be recognised that the more an offset is located in an area where there are threats that can be removed or where there is potential for improvement or restoration, the more potential benefit per unit area you can claim there. If you are putting an offset in an area that is already not under particularly much pressure and already in pretty good condition, then your benefit is going to be very small and you might have to, for example, buy or manage much larger areas to achieve the gain that you need. That comes back to that issue of that arbitrary ratio approach which I think really should be moved away from.

Finally, there is the issue of looking only at significant impacts. Obviously, an awful lot of the biodiversity decline that continues today is due to cumulative incremental impacts. The bill makes a headline claim of counterbalancing the impact on biodiversity, but limiting it to significant impacts is unlikely to help to address issues of declining biodiversity. So my concern, I suppose, from a scientific perspective is that this bill appears to claim an objective that it is not really designed to achieve and I would look at some of those design issues. Thanks.

CHAIR: Dr Lavery?

Dr Lavery: Thank you for the chance to say a few words. I will be brief. I have already covered it in the very brief submission to you. I have been associated with offsets for nearly 50 years now and I want to address two areas in particular. One relates to bringing this whole quite essential tool, in my view, for environmental management into some simple format and the second one then is to particularly follow Martine's comment that there is a fairly obscure science buried behind it.

I hesitate to say 'I represent', but I am one of that group of people who, in a recent paper which I produced necessarily looking at the history of environmental management in Queensland, discovered that there is a very distinct undercurrent of skills developing over a very long period of time towards answering some of these questions. I would alert you to the fact that many of these few people are difficult to access. They do not say very much, but there is a very definite set of scientific skills developing in relation to Queensland in particular, because I think it is demonstrably the resource-rich quarter of Australia and it is in remarkably good condition. I say that, having to measure it against places like Japan, North America, Europe and so on. Nevertheless, be assured that in my view—and I think we have been able to demonstrate this in scientific publications—the situation is as good as anywhere in the world, if not better, and we start from that basis in looking at the business of offsets.

Offsetting, of course, has always been here. When Queensland was settled it put a city here and it put a national park there. That is offsetting. It has now become a little more complicated than that. I would draw your attention to the fact that I think a remarkable opportunity lies in the private sector rather than on crown land or lands on which the Crown imposes conditions outside of the free market area. I say that, because having spent 14 years with AMP as the largest corporate landholder in Australia, I have some knowledge of what is on those lands compared with an even longer time when I was director of research in national parks. They hold quite remarkable stocks of our most endangered species. There is no question about that. The reason for that is very simple and that is that they are the fertile lands and they have been taken over, if you like, by the private sector for production purposes.

I would remind you that in something like the AMP lands, which are considerably larger than the national park estate, those lands have something like 45 per cent of their area not affected in any way by the pastoral industry. I would remind you, too, that in Queensland mining is 0.09 per cent of the surface area of Queensland. The pastoral industry and the agricultural industry is 84 per cent of the land and that this is land that is, under normal circumstances, nowhere near an environmental impact assessment study in the scheme of things.

My observation then is that the conditions are good. The opportunity for offsetting really relates to, in terms of priority, the big developments that are happening where we may be able to set forward models of how to go about offsetting. Those big developments in my experience in the private sector are what the small developments follow by way of both the financial model they set up and any environmental model they may set up.

I am currently enjoying sitting on the North Shore of Sydney with one of its biggest developments looking at the very matter of offsetting. In fact, however much you might enjoy Sydney Harbour itself, and Balls Head is the largest forested area in Sydney Harbour, these are not natural landscapes at all; they are cultural landscapes and we have to deal with a community that needs to appreciate the difference and offsetting is a critical part of that. When Berry settled Berrys Bay as the trading empire of Australia he immediately knew that he had to offset his empire. So much of the success of that area and of Sydney was born of the fact that Shoalhaven was developed off site.

So they are the principles of offsetting. I believe that we have a long way to go. I think Martine is absolutely right. In technical terms, I shudder at times. I would dispute that all offsets have failed. I have seen some spectacular successes both in the private and in the public sector. They can be made to work. I have also seen some spectacular failures, but if you get in the private sector and money becomes involved you can bet your life that there are some problems out there that need to be met with appropriate legislation. Most of my concern about offset legislation relates to finance and the way that this can be secured.

I spent 14 years attached to Texas A&M University in Texas. Texas has many of the attributes of Queensland and it is into offsetting in a big away—not only in Texas but in Louisiana where developers have developed the process. I'm informed that environmental banking in the US is now a trillion dollar business. They have also secured areas that would certainly not be there today if it were not for these efforts.

So I look at it very optimistically, but I absolutely recognise that there is a great deal of work still to be done. My argument with the New South Wales government is that it is into biobanking and admits the problems on the demand side of the equation. I should briefly qualify that by saying that I think we are pretty well up on the supply side. We know how to select offset areas. We know how to measure the functional lift—the additionality, if you like. We can absolutely demonstrate benefit from doing it. We have a classic little study down here in the Rocky Point area of how that can be done and what the benefits are of doing it. It is as easy as that if you get the right people involved in doing it. My concern really is that the New South Wales government's approach I think be noted here and that is that it approaches big developers on the basis that approval in principle will be given for development but subject to offsetting where obviously, in the sequencing of this, it is an activity done when nothing else works and nothing else will work.

My concern about offsetting and offsetting in Queensland with the large developers that I am now dealing with is that most of the areas they are addressing have been disturbed quite dramatically anyway, and what we are in the business of doing is rehabilitating. I think if you look at offsetting as rehabilitating land, then you are away to a very good start.

CHAIR: I will ask you the first question, doctor, just simply for the fact that you were the last spokesman. I have read your submission. What is the best system? Are we starting to approach world's best practice with some of this legislation? Are we starting to get to that North American model that you seem to be quite positive about?

Dr Lavery: Yes. I do not want to overstate the North American model except that they are quite expert in dealing with entrepreneurs and developers and the private sector and how they handle things. I think some of those models are proven to work. Yes, I think it is understandable the way our offset policies have developed. They started with the koala. In point of fact, I admire most of the policies that have come out. The one that I admire the most is the fisheries policy. I think that they have it pretty right in the scheme of things. Their problem, of course, is that they are dealing with marine areas mostly. They are very difficult to handle in offset terms other than for mangroves, of course, which are quite straightforward.

Yes, I think we are slowly getting there, but I would urge the government to keep open the opportunity for offsets to be taken across into the private sector, because there I think they will have a dramatic effect on our environmental management. It is timely to do so. The opportunity is there. The knowledge is coming through very quickly on how to go about it. We have recipes now that allow us to do it. We have done the whole Wide Bay-Burnett region to see if it can be done at a regional level and then we have done it right down to the edge of Sydney Harbour, where you have a community as educated and as articulate and as vociferous in the protection of their interests as any yet also they are, of course, dealing with scenery. Many people seem to overlook the sort of fundamental public recognition of the environment, yet in scientific terms it is a mystery.

CHAIR: Doctor Martine, would you like to comment on that question as to whether we are getting towards world's best practice with this type of legislation?

Dr Maron: No, we are not. Probably the world's best practice is the way in which the EPBC Act approaches it, because it does not rely on arbitrary ratios that have no apparent basis in science. Instead, it is done on the basis of some sort of currency of exchange that is relevant to the ecology of the particular matter that you want to offset. What you do then is that you work out how much in that currency you have lost and then on the gain side, on the offsets side, you work out, 'Okay, how much of this stuff—how many koalas or whatever—would there be in the future if I did not do the offset? How much would I do if I did do the offset? What is the difference between those values?' Then, of course, you have to adjust it for how sure you are about your guess about the future and you have to apply some form of time discounting if there is going to be a long time before you get your koalas. It is as simple as that. I am sure it is exactly the same approach that any of you would do if you were trying to evaluate whether an investment was wise in dollar terms. It is the same in ecology and as far as I can tell it is not being done here.

CHAIR: Belinda, would you feel that this is a workable process, though, this legislation?

Ms Ezzy: In my understanding of offset policies around the world, and the fact I have recently been involved in a tender process in New Zealand where they do not have a formal offset policy. The UK is developing an environmental offset policy as we speak. They have just recently held a conference on that. There is even going to be an international conference on offsets in London this year in June. So I think in Australia we are quite advanced in environmental offsetting as opposed to other countries in the world.

America, in my understanding, trades in wetlands quite well, but that is because, in my opinion, it is simpler there, because you are trading a wetland for a wetland. You can have these established offset banks sitting there because those people know that they have a wetland, there is going to be an impact on more wetlands, so someone is going to buy the wetland. Here in Queensland, we have so many different biodiversity values that somebody may impact or may not impact.

To me, there are risks in a lot of advanced offsetting, or banking, here in Queensland at the moment, because we do not have the certainty of demand and we do not have the certainty of the rules that are being applied. Sorry, I digress a little bit there. Queensland has more offset policies than anyone else in the world, I would say, at a state level. So I think Queensland is going in the right direction to try to simplify what we have. I would agree with Martine in that I think the Commonwealth offset calculator has more scientific rigour and I would support the state trying to adopt similar assessment styles.

Ms TRAD: Dr Maron, in relation to the use of the task of rehabilitating, do you see that as a strong use of offsets?

Dr Maron: In relation to the use of restoration offsets, I think there is a lot of potential there. Of course it depends on what the particular matter is that you want to restore. I was involved in a case recently in New South Wales looking at the impacts of a coalmine on some nectarivorous birds which rely on canopy trees. The sort of ecological restoration that was going to be done at the sites did not actually affect the provision of canopy trees for these species, so the gain would be negligible in that case. However, in other cases, there are species that do rely on things that we can influence about vegetation, structure and extent.

In Queensland, we have a particularly good opportunity because we have resilient ecosystems in some cases—regrowth vegetation. They are actually on a trajectory of improvement, so averted loss is not really an appropriate approach for offsets in those cases. However, there may be some actions we can do to actually accelerate that rate of development in those ecosystems. So, yes, there are opportunities.

Ms TRAD: Dr Lavery, in terms of accessing the private market and private landowners in order to improve the potential success of an offsets policy, in your experience, where have you seen that work best and why?

Dr Lavery: As it applies to Queensland, we are now trying to do that. We have the former chief research officer of Herron Todd White, which has acquired Earthtrade as part of an offset process that was developed in the Wide Bay Burnett. He is now in the early stages of a PhD on the subject of demand—that is the financial side of the equation. I do not want to draw on the American one, which incidentally is much wider spread than the United States. It is in Canada widespread and it is now being introduced into Mexico, and the US scheme is being introduced into Japan, and it is far wider than wetlands. Wetlands was a traditional start for it with the US Army Corps of Engineers managing it. It is now in all sorts of components of the environment, and it is a trap I think we have got to be careful not to fall into—carbon sequestration, sulphur sequestration, trading in endangered species and so on. The subject gets extraordinarily complicated and the danger then when you introduce it to the demand side and finances is that you start to double dip in your calculations and that is not on.

I think we have to be very careful that the advice given to us by the Americans who came and looked at what we were doing in the Wide Bay Burnett was to try to bring everything under one piece of legislation and to particularly be aware of the financial affairs. I noted earlier that someone was concerned that on private lands it is very difficult to secure perennial management. That should be well and truly written into the management plans and secured in escrow accounts or trust accounts as they do elsewhere. I do not share those concerns because I am very much taken by the American horizon of 30 years. Their experience is that, if they can secure offset lands and rehabilitate them over a 30-year period—which is what their bank manager recognises, what two generations will recognise—you pretty well have the habit in place to look after it over the much longer term.

I have not really answered your question because that side of the matter needs a great deal more experiment in the field in Queensland—you cannot do it anywhere else in relation to the Queensland environment—and it needs to cover both terrestrial and marine situations.

CHAIR: I thank the three of you for attending this morning. If the committee has any other questions, we will get some written questions to you asking for your expertise. Thank you for attending.

STUCKEY, Hon. Jann, Minister for Tourism, Major Events, Small Business and the Commonwealth Games

CHAIR: I welcome Jann Stuckey, the Minister for Tourism, Major Events, Small Business and the Commonwealth Games. Would you like to make an opening statement?

Mrs Stuckey: Thank you so much, Chair and committee members and people in the chamber here today. I want to thank you for allowing me to make a brief presentation—it is only about 2½ minutes—in regard to the Environmental Offsets Bill but specifically the amendments that would see a repeal of the Currumbin Bird Sanctuary Act 1976. The Currumbin Wildlife Sanctuary holds a very special place in the hearts of many people in the Currumbin electorate and beyond. We recognise that it was gifted to the people of Queensland by Alex Griffiths and it is a very much loved facility. Today it also shares its grounds with the wildlife hospital, which treats thousands of injured wildlife from South-East Queensland each year. I am here today to have noted the concerns of some in our community who believe that, by repealing this act and establishing a new governance structure directly under the National Trust of Queensland, somehow this could put the future of our sanctuary in jeopardy.

For many years, it has been debated that having Currumbin sanctuary sit under the authority of the trust is an odd match for Currumbin sanctuary. Rightly or wrongly, there has been a perception that there is not enough community involvement on committees, boards and the like, and I am sure that this issue has already been discussed at several levels. I would like to place on the parliamentary record that I have been a strong advocate of the sanctuary for a quarter of a century now, and there is no way that I would support legislation that I felt would harm in any way the future of our beloved sanctuary. I am a member of the National Trust of Queensland—a proud member of the National Trust of Queensland—and I am not suggesting at all that this legislation, if passed, would harm it in any way.

I am well aware of the background that led to the decision, the Weller report of 2008 and subsequent recommendations. The National Trust of Queensland is a not-for-profit organisation and their draft constitution clearly states that they intend to remain focused on their primary objective of the conservation, protection and understanding of our natural and cultural heritage. Whilst I fully understand my community's concerns and I have spoken to Minister Powell, I am confident that we will see our precious sanctuary prosper and remain an iconic destination for locals and tourists alike under new arrangements. The CEO, Jonathan Fisher, described the future change as the creation of an independent-of-government, membership-based organisation with not-for-profit charity status, not a private shareholders type structure such as Dreamworld and the like.

A number of my local community groups have prepared some questions that they would like to be asked. Most of them are for the National Trust office holders, and I am really thrilled to see them here today and I have spoken directly to them about this. I would like to thank this committee for allowing me to inform them of the depth of feeling, care and love for the Currumbin Wildlife Sanctuary. Changing the governance model after so many years is a very big step for many people to absorb, and I wish you very well in your deliberations.

CHAIR: Thank you very much, Jann.

ARMSTRONG, Mr Stewart, Executive Officer, National Trust of Queensland

SHEAFFE, Mr Stephen, President, National Trust of Queensland

CHAIR: Good morning, Stephen and Stewart. Would you like to make a brief opening statement?

Mr Sheaffe: Thank you very much. I very much appreciate the opportunity to speak to you this morning and I thank the minister for her comments a few moments ago. The attitude and view of the community at Currumbin is concurrent with the National Trust's view. We are an organisation that is interested in the preservation of heritage—across Queensland, across Australia, across the world. I will just say something about the national trust movement in general. The Queensland National Trust is a state based organisation. We have national trusts in every state in Australia. A national trust movement is in most countries in the world. Their whole charter is the preservation of heritage. If you go to England, for example, where it was established, they own literally thousands of houses and there are a million members. Across Australia we have 60,000 to 80,000 members and we own 200 or 300 properties. In Queensland we only own a few properties—Currumbin is one of them. We also own properties in Cooktown where we hold Captain Cook's anchor and the other objects that were thrown overboard when he sailed up the coast in 1770. We have properties up and down the coastline. So we are a body that is concerned with the preservation of heritage—built, green and Indigenous. We are very concerned about the maintenance of all of those things.

The question that can be asked—and it was asked—is why we are making this change. When the National Trust was established in 1963, we followed the South Australian model. Parliament passed an act creating a body—it was created by statute. Other states were incorporated under the then Corporations Law. Queensland followed the South Australian model, and an act of parliament created a body, so it is a statutory body. Subsequently, the state government then included it in the definition of a statutory body, and there were restrictions with respect to what we could do in terms of funding. We had to comply with state auditing requirements and so forth.

However, even though we are a statutory body, we are not funded by the state. Other states are. Western Australia is funded to the extent of \$2 million or \$3 million a year. Other states are, some states are not. We are not. We cannot apply for grant funding in Queensland because we are a statutory body. We approach investors and they say, 'No, you're a government body. You're a statutory body. Therefore, we're not going to give you any money.' So money is a big part of the reason why we seek to sever this tie with government and be created a private organisation with the same charitable objects.

It must not be forgotten that it is the National Trust's heart and soul to preserve heritage and preserve places like Currumbin—not just Currumbin but the other places across Australia and in Queensland. If there is ever any fear by the local members of the community at Currumbin—and I understand their fear—about property being sold off to developers in the future, I in my power will do everything I possibly can to make sure that will never happen. We really want to ensure that Currumbin Wildlife Sanctuary is preserved for the future as it currently is.

We spend our whole life as a voluntary organisation trying to maintain it. We just borrowed money to build a hospital down there. On these premises we treat thousands of creatures that are hit by traffic or have fish hooks in them from the ocean or whatever it may be. We treat them at Currumbin. It is all part of the National Trust. If you compare the Currumbin Wildlife Sanctuary, which is owned by the National Trust, to other organisations on the Gold Coast—and I am specifically referring to Fleay's—they have something like 20,000 or 30,000 visitors a year, where we have up to 400,000 visitors a year. The National Trust of Queensland has done a great job managing this particular organisation over a long period of time. With the breaking of the relationship with government, we hope that it will be even better in the future.

I am also chair of the National Trust of Australia and I see the other national trusts around the country. The ones that are truly private, they own their own property, seem to be more vital and the community seems to be more involved. They all have issues—there is no question about that—but they seem to be more vital. I am of the view that we should try to extract ourselves from government as much as we can. Not only that, heritage buildings are often destroyed by government, so it is always better to be on the outside looking at government and at many organisations. We can be critical without being limited by having our hands in the pocket of government and without us having to comply with their audit requirements.

We are keen to become private. This issue has been on the agenda for years. When I became president nearly five years ago I agitated at that time. One of my true objectives was to continue this process and make sure it was completed during my time as president. We have had days dedicated to this question. We had draft constitutions that were prepared three years ago. When there was this change of government Minister Powell wrote to us and said he is very supportive of this change and we then drafted new constitutions. Last year at the AGM we spent a whole afternoon. We had the drafts available and there was debate upon the clauses that were presented and it was passed at the end of the day unanimously by the membership of the National Trust. There are 6,000 members in Queensland, but only a short number of those attended that particular AGM. But the support is in the National Trust for this particular change. We are looking forward to it, and I can assure the Currumbin people that we will do everything in our power to stop the Currumbin property—and that is where a lot of the criticism comes from—ever being sold.

The restrictions that we have placed in the constitution are these: in the new draft we have created what we call a special governing membership. Most of the members of the National Trust are silent. They join so they can travel overseas, to London and visit their properties and get free entry. There are a large number of those, I do not know what number, but there are 6,000-odd members and I would have thought there are probably 200 members who are active. It is a very small number in terms of the total majority, yet when we have our AGMs and our meetings and so forth we have to send notices to the 6,000. It is a very expensive exercise. So we have created a governing member and also an ordinary member. People automatically will become an ordinary member. If they want to become a governing member they have to apply. Anybody who wants to be active just has to apply and they will then be governing members and they will be entitled to vote. Any motion to sell any property that is listed in the back of the schedule—and they are all there, all the National Trust properties in Queensland are listed in the back of the schedule—we have to get the majority as prescribed by the Corporations Act of 75 per cent majority of those people in attendance at a special meeting of governing members. So, if the people of Currumbin are genuinely concerned about the sale of their precious land—or our precious land—all they have to do is to apply to become a governing member and they will control us. Without shadow of a doubt they will be able, with their numbers, to control exactly what is going on and stop the sale of any property. I do not envisage any circumstance where that would occur in the future. I do not know whether there are any other questions that you would like to ask.

CHAIR: There will be a few questions. I was going to ask you how many members there were in Queensland, but you have told us that. Those changes for the governing group, were they passed at your AGM?

Mr Sheaffe: The AGM has adopted the constitution unanimously. I understand there was some criticism of the constitution because it did not have the properties in the schedule listed on the website. I understand that was an error. They certainly have been drafted, certainly have been approved and the constitution I have in front of me, which I am certainly happy to table, if that is the process, has all the properties listed in the back which require a 75 per cent majority to sell.

Ms TRAD: How many governing members do you currently have?

Mr Sheaffe: We have not established them yet. We are still in the process. We are not winding up the current statutory body and then creating a new one, it is what they call a transition process. We are asking for the legislation to be amended to give the National Trust authority to go through this process. The legal entity will stay the same. As soon as the legislation is passed an application will then be made to ASIC for the formation of a company. We have had the first directors appointed informally. The first directors will be those on the application form to ASIC. As soon as ASIC pass the new entity or create the new entity that is when it will kick in. We will then sit as a board and one of the first items on the agenda will be to create these new governing members. It is really a position of the new board. They make the decision. That is why nothing has happened at the minute.

Ms TRAD: I understand and I completely appreciate your suggestions that there is no instance in the foreseeable future where the trust would consider privatising, but the current structure that you have outlined enables the privatisation of the Currumbin Bird Sanctuary and I have concerns about that. There is nothing to say that a new leadership team with 200 governing members out of a membership base of 6,000 cannot mobilise sufficient support in order to sell properties if they want to. It is a bit of a concern. There are no guarantees that you can give the committee here today that the Currumbin Bird Sanctuary will be kept in public hands.

Mr Sheaffe: Well, it is not in public hands at the minute.

Ms TRAD: Well, it is within a statutory organisation.

Mr Sheaffe: The National Trust is a body created by statute. It is still an entity, it is not in public hands as such. It is like a church. The Church of England Grammar School, for example, is created by statute. One would never think it is a statutory body or a government body. The National Trust is the same. The only thing is that the government has seen fit to include us in its provisions under the financial acts and make us a statutory body without funding. So we are not like the Police Force or a hospital, we are in a different limb altogether. It is not government property. At the moment the property can still be sold. We just have to apply to Governor in Council to sell properties. They have given approval in the past to sell property. We have sold property in the past. Governor in Council has given approval. I think it would be a much stricter process to get 75 per cent of governing members than have the whim of parliament pass legislation. Especially like it is at the moment when one party has a strong majority, and in the future the other side may have a similar majority. So there could be strong positions in parliament that support sale of property. It is totally contrary to the whole philosophy of the National Trust. That is the way Alex Griffiths gifted this property to the National Trust. His objectives were to see Currimbin maintained into the future. He says that in his deed. Gecko always refer to this paragraph in the deed. It says this—

The said Alexander Griffiths intends and desires that the sanctuary be preserved and continue in perpetuity or for so long a period as the circumstances shall allow for the benefit, welfare and education of Queensland and other persons generally.

That is what he said was his intention. Then he goes on in subsequent paragraphs and says—

To do that I will gift it to the National Trust absolutely.

And that is exactly what he did do. It was gifted to the National Trust absolutely because he knew the best way to protect it into the future was not to give it to the government, which he could have done, or give it to the city council, which he could have done, but he gifted to it the National Trust of Queensland, a body that he knew has at its heart and soul the preservation of heritage; a voluntary charitable organisation that has at its heart and soul the preservation of heritage. He even recognised that in the future there may be circumstances that would justify it being sold or parts of it being sold because he says in that little paragraph I have read to you, 'or for so long a period as the circumstances shall allow.' We do not know what will happen in the future. For example, if there is a disease that takes all the animals. There could be anything. It is hard to envisage, but it could be something in the future that we are not now able to envisage. But as an organisation we are certainly supportive of the retention of the sanctuary by the National Trust and we hope we come back in 100 years time and it will still be held by the National Trust.

CHAIR: Thank you for your comments. I can see you are very passionate. We have a five minute break now and then we will ask Mr Powell if he would like to make an address. Thank you very much.

Committee adjourned at 12.09 pm