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The Research Director  
Agriculture, Resources and Environment Committee  
Parliament House  
George Street  
BRISBANE QLD 4000

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To whom it may concern,

Thank you for the opportunity to make this submission to the Committee Inquiry into the Environmental Offsets Bill 2014. My expertise is in biodiversity offset policy and conservation science. I have published several journal articles on biodiversity offset policy, have been involved in several reviews of offset policies and their implementation, and helped develop the EPBC Act Offsets Assessment Guide.

The Bill states that *“The main purpose of this Act is to counterbalance the significant residual impacts of particular activities on prescribed environmental matters through the use of environmental offsets.”* According to the Explanatory Notes, the Bill’s policy objectives include to *“Provide stronger environmental outcomes through strategic offset delivery”*. It is clear from the Explanatory Notes that the intention is for any State-level offset policy to be compliant with the Federal EPBC-Act Environmental Offsets Policy, including its core principles. The EPBC Act Environmental Offsets Policy requires an outcome of *“improve or maintain”* for the impacted matter, compared to what would have happened in the absence of the impact and the offset.

Here I comment briefly on the ability of the approach outlined in the Bill and Explanatory Notes to achieve these objectives and to meet the requirement to be compliant with the EPBC Act Environmental Offsets Policy.

### **1. Arbitrary capping of area-based ratios**

The capping of the ratio of area of impact to area of offset at 1:4 (as described in the Explanatory Notes) means that **such offsets will not be scientifically based**. There are many problems with such a cap, including (but not limited to) the following:

- a) Such a ratio is, on its own, meaningless. It is merely the ratio of impact area to the area over which offset actions will be done. This cannot tell us if “improve or maintain” is being achieved. Instead, what is of relevance is the ratio of impact to benefit. The Bill does not address this. Reliance on simple and arbitrarily-capped multipliers means that the approach will fail to achieve ‘improve or maintain’. The illogicality and unscientific nature of arbitrary ratios is the reason that the EPBC Act offsetting approach moved away from arbitrary ratio-

based offsetting approaches and towards one based in the ecology of the affected matter and logical accounting approaches.

b) In order to achieve full compensation ('improve or maintain') for an impact, the area over which offset actions must occur tends to be much larger than four times the impact area. Though inconvenient, this is a matter of fact, not opinion. This appears to give rise to a **logical inconsistency in the policy**. Either the amount of benefit for the impacted matter is capped, and conservation outcomes vary but may include a net loss; or the policy requires an 'improve or maintain' outcome, and the ratio is whatever is required to achieve this. **It is not possible to claim both.**

An arbitrary area-based limit of 1:4 on impact to offset area ratios will in many cases mean the offset will not meet the requirements of the EPBC Act Environmental Offset Policy. Thus, this 1:4 limit means the policy would not be compliant with the EPBC Act Environmental Offset Policy.

## **2. Reduction in offset benefit due to protection of areas not under threat**

There is a clear preference to locate offsets in areas that "...low development pressure..." This is fine, but it also means that the offset benefit generated per hectare of land protected may be less than if it were in an area at high risk of clearing. This must be accounted for in calculating whether an offset "improves or maintains" the viability of the protected matter, and makes it less likely that an area-based ratio limit of 1:4 will achieve an improve or maintain outcome.

## **3. Potentially misleading definitions**

The Bill states that "A conservation outcome is achieved by an environmental offset for a prescribed activity for a prescribed environmental matter if the offset is selected, designed and managed to maintain the viability of the matter." This definition does not refer in any way to the requirement for the magnitude of the impact and the benefit to be at least the same. Indeed, even if no *actual* conservation outcome resulted at all from the actions described here, by this novel re-definition of the term, a 'conservation outcome' could be claimed.

## **4. Claim that reduced offset requirements will be balanced by aggregation of offsets**

According to the information provided, the type and magnitude of impacts that would require an offset are to be reduced. The poorer environmental outcomes that follow from this are contrary to the objective of the Bill. Only 'significant' impacts are to be offset. Yet cumulative, incremental impacts are important drivers of biodiversity declines.

The claim that the changes will, on balance, improve environmental outcomes cannot be supported. An assessment of the ecological effectiveness of existing offset approaches does not exist, nor does an analysis of potential additional benefits from encouraging the aggregation of offsets. Overall, the benefits of such aggregation appear likely to be small, and the extent to which it will occur is uncertain (as individual landowners may or may not decide to participate, as is the case now). On the other hand, the proposed approach will reduce the types and amounts of impacts that require offsets, and cap offsets that do occur at a low level. Thus, it appears most likely that environmental outcomes will be worsened by these changes.

Thank you once again for the opportunity to provide this submission. I would be happy to discuss or elaborate on any of the above points should this be of interest to the Committee.

Sincerely,

A handwritten signature in black ink, appearing to read 'Martine Maron', written in a cursive style.

Dr. Martine Maron