



825 Ann Street, Fortitude Valley QLD 4006
PO Box 264, Fortitude Valley QLD 4006

ergon.com.au

21 March 2014

Agriculture, Resources and Environment Committee
Parliament House
George Street
Brisbane QLD 4000

By email to: arec@parliament.qld.gov.au

Dear Committee Chair

Submission to the *Environmental Offsets Bill 2014*

We refer to the *Environmental Offsets Bill 2014 (Bill)* and thank you for the opportunity to provide comment on the Bill.

This submission is made by Ergon Energy Corporation Limited (**Ergon Energy**). Ergon Energy is a Queensland Government-owned corporation that supplies electricity to approximately 700,000 customers across a vast operating area that covers approximately 97% of Queensland.

Key principles

Ergon Energy supports a streamlined approach to the delivery of environmental offsets in Queensland. The establishment of a coordinated environmental offsets framework should reduce green tape; remove inconsistency between specific-issue offset policies; and deliver improved environmental outcomes at a reasonable cost to proponents.

As an electricity entity, Ergon Energy has obligations under the *Electricity Act 1994*, *Electricity Regulation 2006*, *Electrical Safety Act 2002* and the *Electrical Safety Regulation 2002*.

Ergon Energy submits that Queensland's environmental offsets framework must:

- provide an appropriate balance between environmental outcomes, practicality and administrative reporting requirements;
- recognise the role that electricity entities have as essential community infrastructure providers; and
- deliver cost efficient environmental offsets taking into account the risk-based approach to regulation and the role of electricity entities.

Over the past few years, Ergon Energy has had the opportunity to discuss the delivery of environmental offsets with the Department of Environment and Heritage Protection (DEHP).

When designing infrastructure, Ergon Energy seeks to avoid and minimise impacts on matters of environmental significance. Ergon Energy supports the Bill's requirement that the administering agency may impose the offset condition only if it is satisfied that the prescribed activity will, or is likely to have, a significant residual impact on the prescribed environmental matter and all cost effective on-site mitigation measures for the prescribed activity have been or will be undertaken.

The test of significance is welcomed as it introduces a pragmatic approach to avoiding onerous imposts on projects that may result in a residual impact that is minor or negligible.

Ergon Energy requests further consultation with DEHP regarding the content of the environmental offsets policy, particularly in relation to the significance test for linear development and delivery mechanisms for essential community infrastructure providers.

Transitional provisions

Ergon Energy notes that the Bill is not intended to have retrospective application. Clause 94(1) provides that the Bill will apply to an authority granted under another Act only if the application under the other Act was made on or after commencement of the Bill.

It is important that the new offset requirements are not applied retrospectively to existing infrastructure located in protected areas under the *Nature Conservation Act 1992 (NCA)*. Ergon Energy has assets in protected areas that were lawfully constructed prior to the introduction of the NCA or prior to the dedication of the protected area.

Any retrospective application of the Bill would impose a significant financial burden on Ergon Energy.

Declaration of environmental offset protection areas

Ergon Energy requests an amendment to clause 29(5) of the Bill. The Bill currently provides that the Chief Executive may consult with an entity that may or is likely to be affected by the declaration.

It is submitted that consultation with affected entities should be a mandatory requirement. Ergon Energy has electrical infrastructure that has been lawfully constructed on land with the agreement of landholders. The infrastructure may not be situated on a registered easement. Ergon Energy is concerned to ensure that such infrastructure is not incorporated into an environmental offset protection area without consultation.

Conclusion

Ergon Energy looks forward to further consultation with respect to the regulation, the single environmental offset policy and any guidelines.

If you would like Ergon Energy to provide any further details regarding this submission, please contact James Collins, Environmental Impact Projects Advisor, on 07 4931 2102.

Yours sincerely



John Cass
General Manager, Health Safety and Environment
Telephone: 07 4932 7418
Email: john.cass@ergon.com.au

