

24 March 2014

The Research Director

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

Dear Sir/Madam,

RE: QPA Submission on Environmental Offsets Bill 2014

I am pleased to provide the Queensland Ports Association (QPA) submission on the *Environmental Offsets Bill 2014* on behalf of all Queensland ports.

Offsets have only been required for Queensland ports for the past decade. The approach to date has largely been ad-hoc and not focused on the unique issues associated with port operation and development in Queensland. This is largely due to the difficulties associated with offsets in the marine environment, particularly around the lack of significant research and practical development of offsets in marine environment. Requirements to have, for example like-for-like offsets, has limited the effectiveness of offsets and resulted in prolonged negotiations to the detriment of many port developments.

In this regard, the QPA welcomes the new Bill and considers it offers an opportunity to greatly improve the current process associated with port's providing offsets.

Clearly, the effectiveness of the Bill will depend upon how the associated regulations are framed and offsets calculated and applied. The QPA would welcome the opportunity to participate in this next phase and believes that the involvement of ports will enhance the effectiveness of any offset procedures.

We also consider that this Bill provides an opportunity for offset requirements for Queensland ports to be considered more strategically and to be integrated with long term planning for ports as discussed below.

Key principles of the Bill supported by QPA

The QPA is particularly supportive of the following key aspects of the Bill;

- The alignment with the concept of a one-stop-shop approach to regulation.
- The opportunity for a self-administered code of compliance for GOC's
- The removal of potential duplication between Local, State and Commonwealth Government required offsets
- The proposed mechanism to stage offsets over the life of a project as opposed to upfront outlay
- The proposed flexibility of the approach to defining offsets (combining on the ground offsets with financial contribution options and bundling of offsets)

Offsets and Queensland ports – a unique situation

The QPA considers that offset requirements for ports and associated delivery arrangements should differ from other industries given;

- that most marine related offset requirements in Queensland will relate to ports (other activities will generally be of a much smaller scale such as associated with marinas or tourism activities)
- the limited ability of ports to avoid/minimize marine impacts despite adopting best management practices, and
- the economic consequences of requiring ports to provide offsets for unavoidable impacts considering the scale of their operations.

Port related offsets primarily relate to dredging and placement of dredged material at sea, activities that are difficult to avoid or minimize as a major part of port development. Ports are generally constrained to specific coastal locations and connected to existing shipping channels and land based infrastructure (road and rail); hence have minimal opportunities to relocate operations to avoid impacts to the marine habitat. Similarly, capital (also termed developmental) dredging will always be required over time as the demand for sea-borne trade increases with population growth. Shipping channels and berths need to be periodically widened and deepened to ensure ports can accommodate the increasing numbers of ships trading with Queensland as the international economy grows and larger ships are used to achieve economies of scale. Regular maintenance dredging, an essential part of port operation, cannot be avoided as it is required to remove ongoing shoaling and maintain designated channel depths so as to allow ships to safely access wharves and associated road and rail connections.

Port development is generally of a large scale (both in terms of area and cost) and hence potential offset requirements may be large. Care needs to be taken in defining offset requirements as excessive offsets may affect the financial viability of some port projects. Ports, and associated shipping channels and berths, are essential components of the State's transport infrastructure network and a key driver of productivity. Placing inappropriate offset requirements on ports may lead to an inefficient logistics chain ultimately increasing costs of transport for local, regional, and the State's economies. A different arrangement for defining port offset requirements should be considered to ensure the economic sustainability of Queensland ports.

This recognition that many port related activities may unavoidably trigger offset requirements and, that this may have economic impacts to the detriment of the State economy, highlights the need for a port specific approach to offsets to be adopted.

A Queensland Port Offsets Strategy

The QPA considers that a strategic and port-specific approach to offsets is required to enable the efficient operation and growth of Queensland ports to occur without unnecessary time delays or unpredictable economic costs.

We consider such a strategy could deliver measurable environmental outcomes that can clearly demonstrate to stakeholders that impacts associated with port development (necessary as the economy grows) can be, and have been, effectively offset.

Key attributes of a Queensland Port Offsets Strategy could include;

- A targeted offset fund or program that can be readily identified as being supported by Queensland ports. This could be in the form of a Direct Benefit Management Plan that any Queensland port could agree to contribute to in preference to a more locally specific offset arrangement.
- Mechanisms to ensure any negotiations relating to offsets occur early in the project planning phase to avoid project delays and unanticipated costs.
- A specific formula is developed for calculating offsets associated with development on port lands or dredging of shipping channels and berths.
- A clear definition of what would constitute a significant impact for ports that requires offsetting (for example, this may exclude routine maintenance dredging that has occurred for decades, cannot be avoided and is integral to port operation).
- Transparent mechanisms to ensure the contributed offset funds are effectively spent on environmental initiatives.
- Recognition of existing offsets and the positive impacts of port development as offsets (e.g. rock wall habitat).
- The ability to include offset issues (e.g. protection areas) in Port Master Plans that are currently being developed by the Queensland Government.
- Recognition of existing or proposed buffers in port Land Use Plans as conservation / open space areas as available for use for the future offsetting of new port development and/or recognised as "advance offsetting credits".

The QPA would appreciate the opportunity to work with the State Government to develop the basis for calculating port offset requirements and the regulations that will accompany the Bill. Importantly, we would be pleased to meet to discuss the opportunities and benefits of a Queensland Port Offset Strategy which we consider could be a valuable mechanism to addressing some of the concerns held by the community in relation to dredging and at sea placement of dredged material..

Please do not hesitate to contact me if you require further details.

Yours sincerely

A handwritten signature in black ink, consisting of several overlapping, fluid strokes that form a stylized representation of the name 'Kevin Kane'.

Kevin Kane

Chair – Queensland Ports Association (Planning & Environment Committee)

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